

ROK WATER TECHNOLOGY PLC

Annual Report and Accounts

For the year ended 30 November 2017

Company number 07621331



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ROK WATER TECHNOLOGY PLC

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ROK WATER TECHNOLOGY PLC

STRATEGIC REPORT

For the year ended 30 November 2017

The financial statements contain information about ROK Water Technology PLC (the "Company") and its subsidiary undertakings (the "Group") on a consolidated basis.

The directors present their strategic report on the Group for the year ended 30 November 2017.

Review of the business

The Company's principal activity during the year was that of a holding company of a group of companies involved in water-related activities.

Results and performance

The results of the Group for the year, as set out on pages 6 and 7, show a profit on ordinary activities before tax of £45,567 (2016: loss of £160,222). The performance of the Group during 2017 has produced positive results.

Future developments

The Company and the Group expect to grow in the future.

Business environment

The worldwide business within water-related activities is highly competitive. However the Group believes it is in the process of developing products which have attributes to be able to generate a profitable business.

Strategy

The Group's success is dependent on the proper selection and pricing of its products for distribution and ongoing management of the risks it accepts. It also relies on the development of products within its portfolio.

The Group will continue its development and will concentrate its efforts on achieving maximum growth in its existing market segments whilst also being aware of, and being ready to react to, new developments and trends in the market.

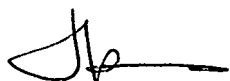
Going concern

The Company and the Group continue to meet their day to day working capital requirements from cash generated by the business and the support of the Company's founders and shareholders. The planned business levels indicate that in the short term the Company and the Group will require additional funding. The amount of additional funding required will be dictated by the performance of the Group.

The directors understand that the founders will not demand repayment of their outstanding loan balances and that additional funding may be available. The planned business levels and the availability of additional funding from founders and shareholders indicate the existence of material uncertainties which may cast doubt over the Group's ability to continue as a going concern. However, the Board expects that the Company and the Group will continue to have adequate funds available to them to be able to continue in operational existence for the foreseeable future.

Accordingly, the going concern basis has been adopted in preparing these accounts which do not include the adjustments that would result if the Group was unable to continue as a going concern.

This report was approved by the board on 25 May 2018 and signed by its order.



Mr J L Kendrick

Authorised Representative of ROK Group International Limited

ROK WATER TECHNOLOGY PLC

DIRECTORS' REPORT

For the year ended 30 November 2017

The directors present their report and audited accounts for the year ended 30 November 2017.

Directors

The following persons served as directors during the year:

Mr J M Kendrick
ROK Group International Limited

Auditors

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Edwards as auditor of the Company.

Results and dividends

The results for the year are set out on pages 6 and 7. The directors of the Company do not recommend a dividend.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post reporting date events

There are no matters to report as post statement of financial position events.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


ROK WATER TECHNOLOGY PLC

DIRECTORS' REPORT

For the year ended 30 November 2017

The directors are responsible for the maintenance and integrity of the Group web site, www.rokwatertechnologies.com. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board on 25 May 2018 and signed by its order.



Mr J L Kendrick

Authorised Representative of ROK Group International Limited

For the year ended 30 November 2017

Independent Auditor's Report to the Members of ROK Water Technology PLC

Opinion

We have audited the financial statements of ROK Water Technology PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2017 which comprise the consolidated income statement, the consolidated and company statement of financial position, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2017, and of the group's profit [loss] for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the group and parent's ability to continue as a going concern.

The Group incurred a net profit of £45,567 and the parent company a net loss of £1,342 for the year ended 30 November 2017 and, at that date, the Group had net liabilities of £817,689 and the parent company had net liabilities of £2,811. These conditions along with other matters explained in note 2 of the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Group and parent company's ability to continue as a going concern. The financial statements do not include any adjustments that would result in the Group or parent company being unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROK WATER TECHNOLOGY PLC

For the year ended 30 November 2017

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit


Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



David Webb FCA (Senior Statutory Auditor)

For and on behalf of
Edwards
Chartered Accountants
Statutory Auditor
34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

25 May 2018

ROK WATER TECHNOLOGY PLC**CONSOLIDATED INCOME STATEMENT**

For the year ended 30 November 2017

	Note	2017 £	2016 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses (net)		30,706	(249,430)
Other operating income		51,452	127,401
Operating profit/(loss)	5	82,158	(122,029)
Interest payable	8	(36,591)	(38,193)
Profit/(loss) on ordinary activities before taxation		45,567	(160,222)
Tax on profit/(loss) on ordinary activities	9	-	-
Profit/(loss) on ordinary activities after taxation		45,567	(160,222)
Profit/(loss) for the year attributable to:			
Non-controlling interests		12,459	(239,297)
Owners of the parent company		33,108	79,075
		45,567	(160,222)

ROK WATER TECHNOLOGY PLC

STATEMENT OF FINANCIAL POSITION

For the year ended 30 November 2017

	Note	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Fixed assets					
Tangible fixed assets	10	9,789	2,948	-	-
Investments	11	-	-	5	5
		<u>9,789</u>	<u>2,948</u>	<u>5</u>	<u>5</u>
Current assets					
Debtors	12	92,582	123,615	-	-
Cash and cash equivalents		<u>3,498</u>	<u>3,901</u>	<u>-</u>	<u>-</u>
		96,080	127,516	-	-
Creditors: Amounts falling due within one year	13	(99,552)	(144,056)	(2,816)	(2,000)
Net current assets		<u>(3,472)</u>	<u>(16,540)</u>	<u>(2,816)</u>	<u>(2,000)</u>
Total assets less current liabilities		6,317	(13,592)	(2,811)	(1,995)
Creditors: Amounts falling due after one year	14	(824,006)	(850,190)	-	-
Net assets		<u>(817,689)</u>	<u>(863,782)</u>	<u>(2,811)</u>	<u>(1,995)</u>
Capital and reserves					
Called up share capital	15	413,950	413,950	413,950	413,950
Share premium account	16	302,816	302,816	302,816	302,816
Share based payments	17	2,680	2,154	2,680	2,154
Profit and loss account	18	(1,283,670)	(1,316,778)	(722,257)	(720,915)
Equity attributable to owners of the parent company		<u>(564,224)</u>	<u>(597,858)</u>	<u>(2,811)</u>	<u>(1,995)</u>
Non-controlling interests		(253,465)	(265,924)	-	-
		<u>(817,689)</u>	<u>(863,782)</u>	<u>(2,811)</u>	<u>(1,995)</u>



Mr J L Kendrick
 Authorised Representative of ROK Group International Limited
 Approved by the board on 25 May 2018

Company number 07621331

ROK WATER TECHNOLOGY PLC**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 30 November 2017

	Note	Group 2017 £	Group 2016 £
Net cash from operating activities	19	8,350	(3,049)
Cash flows from investing activities			
Purchases of tangible fixed assets		<u>(8,753)</u>	<u>(1,980)</u>
Net cash from investing activities		<u>(8,753)</u>	<u>(1,980)</u>
Net decrease in cash and cash equivalents		(403)	(5,029)
Cash and cash equivalents at the beginning of the year		<u>3,901</u>	<u>8,930</u>
Cash and cash equivalents at the end of the year		<u>3,498</u>	<u>3,901</u>

ROK WATER TECHNOLOGY PLC**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 November 2017

	Called-up share capital £	Share premium account £	Share based payments reserve £	Profit and loss account £	Amount attributable to owners of the parent £	Non- controlling interests £	Total £
At 1 December 2015	413,950	302,816	1,448	(1,395,853)	(677,639)	(26,627)	(704,266)
Profit/(loss) for the year	-	-	-	79,075	79,075	(239,297)	(160,222)
Share based payments	-	-	706	-	706	-	706
At 30 November 2016	413,950	302,816	2,154	(1,316,778)	(597,858)	(265,924)	(863,782)
Profit for the year	-	-	-	33,108	33,108	12,459	45,567
Share based payments	-	-	526	-	526	-	526
At 30 November 2017	413,950	302,816	2,680	(1,283,670)	(564,224)	(253,465)	(817,689)

ROK WATER TECHNOLOGY PLC**COMPANY STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 November 2017

	Called-up share capital £	Share premium account £	Share based payments reserve £	Profit and loss account £	Total £
At 1 December 2015	413,950	302,816	1,448	(720,208)	(1,994)
Loss for the year	-	-	-	(707)	(707)
Share based payments	-	-	706	-	706
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2016	413,950	302,816	2,154	(720,915)	(1,995)
Loss for the year	-	-	-	(1,342)	(1,342)
Share based payments	-	-	526	-	526
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2017	<u>413,950</u>	<u>302,816</u>	<u>2,680</u>	<u>(722,257)</u>	<u>(2,811)</u>

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

1 Company information

ROK Water Technology PLC is a public limited company limited by shares, incorporated and registered in England and Wales under number 07621331 with a registered office address at ROK House, Kingswood Business Park, Holyhead Road, Albrighton, Staffordshire, WV7 3AU, UK.

2 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain assets as specified in the accounting policies and notes to the accounts.

The group financial statements (the “Group”) consolidate the financial statements of ROK Water Technology PLC (the “Company”) and all its subsidiary undertakings for the year ended 30 November 2017 using the acquisition method of accounting. The results of the subsidiary undertakings are included from the date of acquisition.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Income Statement in these financial statements. After the adjustments required for the transition to FRS 102, the Company’s loss for the year was £1,342 (2016: loss of £707).

The individual accounts of the Company have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes; and
- financial instrument disclosures including categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments and exposure to and management of financial risks.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The Company and the Group continue to meet their day to day working capital requirements from cash generated by the business and the support of the Company’s founders and shareholders. The planned business levels indicate that in the short term the Company and the Group will require additional funding. The amount of additional funding required will be dictated by the performance of the Group. The directors understand that the founders will not demand repayment of their outstanding loan balances and that additional funding may be available. Accordingly, the going concern basis has been adopted in preparing these accounts.

The planned business levels and the availability of additional funding from founders and shareholders indicate the existence of material uncertainties which may cast doubt over the Group’s ability to continue as a going concern. However, the Board expects that the Company and the Group will continue to have adequate funds available to them to be able to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing these accounts which do not include the adjustments that would result if the Group was unable to continue as a going concern.

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

2 Accounting policies (continued)

Tangible fixed assets

Fixed assets are stated at historic purchase cost less accumulated depreciation and any accumulated impairment losses, where historic cost includes the original purchase price of the asset and the costs attributable in bringing the asset to its present location and working condition for its intended use. Depreciation is provided on all fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	3 years
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Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Investments

Long term investments comprise investments in equity instruments of non-group or non-associated companies.

These investments are measured at fair value with changes to fair value being recognised in the income statement. Fair value is estimated by using a valuation technique or market value where shares are publically traded.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

2 Accounting policies (continued)

Taxation (continued)

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- The Group is able to control the reversal of the timing difference; and
- It is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (or income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (or income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are only offset if:

- The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods supplied to customers and work carried out in respect of services rendered to customers.

Foreign currencies

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the country or area in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position are presented in Sterling (£) which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

Transactions and balances

Transactions in currencies other than Sterling (£) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

2 Accounting policies (continued)

Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the estimated vesting period. Fair value is determined using an appropriate pricing model.

At each statement of financial position date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous statement of financial position date is recognised in the income statement, with a corresponding entry in equity. Where an equity-settled award is cancelled, this is recognised in the income statement.

Critical accounting estimates and judgements

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Audit exemption and result of the Company

The Company has taken advantage of section 477 of the Companies Act 2006 (the "Act") not to require its subsidiaries to conduct an audit on their accounts. In the opinion of the directors, the subsidiaries qualify under section 479A of the Act with a guarantee to be given for Pure ROK Limited (company number – 08317602), ROK Research Limited (company number – 05120344) and Warston Management Services Limited (company number – 07303491).

As permitted by Section 408(3) of the Act, the Company's income statement and statement of comprehensive income has not been presented. The Company's loss for the year was £1,342 (2016: loss of £707).

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

4 Group segment reporting

All activities of the Group and Company were water-related.

Turnover

The Group and the Company had no turnover.

Profit/(loss) on ordinary activities before taxation and non-controlling interests

	Group 2017 £	Group 2016 £
By geographical location:		
UK	(21,086)	201,522
USA	66,653	(361,744)
	<u>45,567</u>	<u>(160,222)</u>

Geographical analysis of profit/(loss) on ordinary activities before taxation and non-controlling interests is based on the physical location of the entities involved.

Net assets	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
By geographical location:				
UK	21,608	278,345	(2,811)	(1,995)
USA	(839,297)	(1,142,127)	-	-
	<u>(817,689)</u>	<u>(863,782)</u>	<u>(2,811)</u>	<u>(1,995)</u>

Geographical analysis of net assets is based on the physical location of the entities involved.

5 Operating profit/(loss)	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
This is stated after charging/(crediting):				
Research & Development Tax credit	(51,452)	(127,479)	-	-
Depreciation of owned fixed assets	1,912	2,613	-	-
Share based payments	526	706	527	706
Auditors' remuneration for audit services	<u>3,815</u>	<u>2,000</u>	<u>3,815</u>	<u>2,000</u>

6 Directors' emoluments

During the year no director received any remuneration from the Group.

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

7 Employees	Group 2017 No.	Group 2016 No.
Average monthly number of employees:		
Development	5	5
Sales, marketing and operations	2	3
Management and administration	3	3
	<u>10</u>	<u>11</u>
	£	£
Staff costs:		
Wages and salaries	348,472	431,869
Social security and similar foreign employment taxes and charges	35,521	45,629
	<u>383,993</u>	<u>477,498</u>
 8 Interest payable	 Group 2017 £	 Group 2016 £
Interest payable and similar charges	<u>36,591</u>	<u>38,193</u>
 9 Taxation	 Group 2017 £	 Group 2016 £
Analysis of charge/(credit) in year		
Deferred tax:		
Original and reversal of timing differences	-	-
Tax charge/(credit) on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

9 Taxation (continued)

Factors affecting tax charge/(credit) for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	Group 2017 £	Group 2016 £
Profit/(loss) on ordinary activities before tax	<u>45,567</u>	<u>(160,222)</u>
Standard rate of UK corporation tax	20%	20%
	£	£
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	9,113	(32,044)
Effects of:		
Capital allowances for year in excess of depreciation	(161)	590
Other timing differences	(8,952)	31,454
Current tax charge/(credit) for year	<u>-</u>	<u>-</u>

10 Tangible fixed assets

	Plant and machinery £
Group	
Cost	
At 1 December 2016	7,071
Additions	<u>8,753</u>
At 30 November 2017	<u>15,824</u>
Depreciation	
At 1 December 2016	4,123
Charge for the year	<u>1,912</u>
At 30 November 2017	<u>6,035</u>
Net book value	
At 30 November 2017	<u>9,789</u>
At 30 November 2016	<u>2,948</u>

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

11 Investments	Investments in subsidiary undertakings
Company	£
Cost	
At 1 December 2016	
and 30 November 2017	<u>1,741</u>
Provisions	
At 1 December 2016	
and 30 November 2017	<u>1,736</u>
Fair value	
At 30 November 2016	
and 30 November 2017	<u>5</u>

Interests in subsidiaries

The Group has no investments.

The Company holds 20% or more of the share capital of the following subsidiaries, listed in alphabetical order:

Company	%	Class of shares held	Country of registration	Nature of business
Pure ROK Limited	80	Ordinary	UK	Non-trading
ROK Research Limited	100	Ordinary	UK	Development company
ROK Water Inc.	90	Ordinary	USA	Development company
ROK Water Technologies, Inc.	51	Ordinary	USA	Non-trading
Warston Management Services Limited	100	Ordinary	UK	Group services

12 Debtors	Group 2017	Group 2016	Company 2017	Company 2016
	£	£	£	£
Research & Development Tax credit	51,452	82,001	-	-
Other debtors	41,130	41,614	-	-
	<u>92,582</u>	<u>123,615</u>	<u>-</u>	<u>-</u>

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

13 Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	57,230	129,546	-	-
Taxes and social security costs	37,610	10,667	-	-
Other creditors and accruals	4,712	3,843	2,816	2,000
	<u>99,552</u>	<u>144,056</u>	<u>2,816</u>	<u>2,000</u>

14 Creditors: Amounts falling due after one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Other creditors	<u>824,006</u>	<u>850,190</u>	<u>-</u>	<u>-</u>

Other creditors are amounts due to related parties as disclosed in note 20.

15 Called up share capital

	Nominal Value	2017 Number	Group and Company 2017 £	Group and Company 2016 £
Allotted, called up and fully paid: Ordinary shares	£0.001 each	413,949,946	<u>413,950</u>	<u>413,950</u>

There were no shares issued during the year.

16 Share premium account

	Group and Company 2017 £	Group and Company 2016 £
At 30 November	<u>302,816</u>	<u>302,816</u>

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

17 Share based payments	Group and Company 2017 £	Group and Company 2016 £
At 1 December	2,154	1,448
Charge for the year	526	706
At 30 November	2,680	2,154

Share options granted are valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations and the fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	22.11.13	22.11.13
Share price at date of grant *	£0.001	£0.001
Exercise price **	£0.001	£0.001
Number of grants	2	52
Shares under option	4,322,358	3,545,000
Vesting period (years)	3-5	3-5
Option life (years)	10	10
Expected life (years)	3-5	-
Risk-free interest rate	0.91%	0.91%
Expected dividends expressed as a dividend yield	0.00%	0.00%
Fair value per option	£0.001	£0.001

* the Company's shares were not listed on any stock exchange during the year and so their share price at date of grant has been assumed to be at par value.

** exercise price is payable using cashless principles through a calculated reduction in allotted shares.

Given the nature of these share options, expected volatility does not have a material effect. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on zero coupon UK government bonds of a term consistent with the assumed option life. None of the above share options were exercised during the year. The total charge for the year was £526 (2016 – £706), all of which related to equity-settled share-based payment transactions.

18 Profit and loss account	Group £	Company £
At 1 December 2016	(1,316,778)	(720,915)
Profit/(loss) for the year	33,108	(1,342)
At 30 November 2017	(1,283,670)	(722,257)

ROK WATER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

For the year ended 30 November 2017

19 Cash flows from operating activities	Group 2017 £	Group 2016 £
Operating profit/(loss)	82,158	(122,029)
Adjustments for:		
Depreciation of owned fixed assets	1,912	2,613
Decrease in debtors	31,033	47,230
(Decrease)/increase in creditors	(106,753)	69,137
	(73,808)	118,980
Net cash from operating activities	8,350	(3,049)

20 Related party transactions

Included within "Creditors: Amounts falling due after one year" are the following amounts with related parties:

Group	2017 £
Mr J P DeJoria	778,390
Mr J M Kendrick	<u>45,616</u>

The amounts payable to Mr J P DeJoria, co-founder and shareholder of the Company, and Mr J M Kendrick, co-founder and director of the Company, represent the capital amounts of monies loaned and accrued interest, at 5% per annum, and have no specified terms of repayment. These loans are denominated in US\$ and amount to \$1,049,324 and \$58,909 as at 30 November 2017, respectively.