Registered number
07519721

ROK Stars PLC

Annual Report and Group Accounts

31 December 2011



ROK Stars PLC
Registered number: 07519721
Directors' Report

The directors present their report and audited accounts for the period ended 31 December 2011

The financial statements contain information about ROK Stars PLC (the "Company") and its subsidiary undertakings (together described as the "Group") on a consolidated basis

The profit and loss account records the transactions for the eleven month period ended on 31 December 2011

Principal activity
The Company's principal activity during the period was as a holding company for a group of companies involved in the production and distribution of alcoholic and non-alcoholic drinks

Review of the business
The Company was incorporated on 7 February 2011 under the name of Cubolt plc It changed its name to The Great Big Production Company plc on 11 August 2011 and changed its name to ROK Stars PLC on 21 November 2011

The Company has been listed on the First Quotation Board of the Frankfurt Stock Exchange since 1 December 2011 under ticker 9CU then, following the Company's name changes, the ticker reference was changed to RKS The Company, following the appointment of Renell Wertpapierhandelsbank AG as its designated floor trading sponsor and BIW Bank Fur Investments und Wertpapiere AG as its designated electronic trading platform (Xetra) sponsor, actively traded shares on Xetra from 6 December 2011 and on the Frankfurt floor from 8 December 2011

During the period, the Company ceased to be an inactive shell and acquired two companies for nominal consideration which became wholly owned subsidiaries by the end of December 2011, Oval International Distribution Limited ("Oval") and ROK Water International Limited ("RWI") When Oval joined the group it was in discussions with a third party for the acquisition of a controlling interest in Oval Getrankeproduktions- und Vertriebs GmbH ("Oval GmbH"), a non-trading vodka production and distribution company, which was subsequently acquired in September 2011 The acquisition of the dormant RWI was in readiness for the launch of a mineral water product Following the acquisition of Oval in August 2011 the revenues and costs shown in the consolidated profit and loss account principally reflect only those for the five months of trading ended 31 December 2011 rather than for the financial eleven month period

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

A significant level of the Group's long-term debt is in two of the Group's subsidiaries and arose as a result of the acquisition of Oval GmbH which had historic debt owed to the founder As detailed in the notes to the accounts, this debt is due for repayment at the end of 2016 or earlier should sufficient profits be made by that company Whilst the directors are mindful of the position they believe that should the Group's subsidiaries not be in a position to make such repayment then the terms of repayment would be extended

Going concern (continued)
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

Events since the balance sheet date
As disclosed herein, the Company acquired majority shareholdings in the following companies following the year end, ROK Natural Energy Limited, a non-trading company, and LovingEco, Inc, an eco-friendly product web-based retailer

Directors
The following persons served as directors during the period

Mr L-P Antunes	(appointed 7 February, resigned 11 August 2011)
Mrs K Lavoie	(appointed 7 February, resigned 29 July 2011)
Mr J M Kendrick	(appointed 29 July 2011)
ROK Protection Group Limited	(appointed 29 July 2011)

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

This report was approved by the board on 22 May 2012 and signed on its behalf



Mr I M Grew authorised signatory of ROK Protection Group Limited
Director

ROK Stars PLC
Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year Under that law the directors have elected to prepare the accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 accounts,
- prepare the accounts 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 enable them to ensure that the accounts 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 Stars PLC
Independent auditors' report to the shareholders of ROK Stars PLC

We have audited the Group and parent Company accounts of ROK Stars PLC for the period ended 31 December 2011 (the "accounts") which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 auditors' 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

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors The Subsidiary company, Oval GmbH, having been audited by other auditors

Scope of the audit of the accounts
A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm We would draw attention to the Directors Report on page 1 concerning the use of the going concern basis of preparation

Opinion on the accounts
In our opinion the accounts

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2011 and of the Group's loss and cash flows for the period 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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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

Mr Peter J Silver
Registered Statutory Auditor
for and on behalf of
Silver & Co Accountants
16 St John Street
Bridgnorth
Shropshire
WV15 6AG

22 May 2012

ROK Stars PLC
Consolidated profit and loss account
for the period from 7 February 2011 to 31 December 2011

	Notes	2011 £
Cost of sales		(26,837)
Gross loss		(26,837)
Administrative expenses		(1,542,545)
Operating loss	4	(1,569,382)
Interest receivable		2,058
Interest payable	7	(616)
Loss on ordinary activities before taxation		(1,567,940)
Tax on loss on ordinary activities	8	(371)
Loss on ordinary activities after taxation		(1,568,311)
Equity minority interests		99,155
Loss for the financial period		(1,469,156)

The Group result in the period to 31 December 2011 all relates to acquisitions in the period except for administrative expenses of £1,419,721 which relates to continuing operations

Continuing operations
None of the Company's activities were acquired or discontinued during the above period

Statement of total recognised gains and losses
The Company has no recognised gains or losses other than the loss for the above period

ROK Stars PLC
Balance sheets
as at 31 December 2011

	Notes		Group 2011 £		Company 2011 £
Fixed assets					
Intangible fixed assets	9		14,953,615		-
Tangible fixed assets	10		71,349		-
Investments	11		-		991
			15,024,964		991
Current assets					
Stock	12	27,635		-	
Debtors	13	518,593		8,596,354	
Cash at bank and in hand		2,841		-	
		549,069		8,596,354	
Creditors: amounts falling due within one year	14	(498,614)		(413,755)	
Net current assets			50,455		8,182,599
Total assets less current liabilities			15,075,419		8,183,590
Creditors: amounts falling due after more than one year	15		(14,277,519)		(946,611)
Net assets			797,900		7,236,979
Capital and reserves					
Called up share capital	17		8,656,700		8,656,700
Profit and loss account	18		(1,469,156)		(1,419,721)
Total shareholders' funds			7,187,544		7,236,979
Minority interests			(6,389,644)		-
Capital employed	19		797,900		7,236,979

Mr J M Kendrick
Director
Approved by the board on 22 May 2012

ROK Stars PLC
Consolidated cash flow statement
for the period from 7 February 2011 to 31 December 2011

	Notes	Group 2011 £
Reconciliation of operating loss to net cash outflow from operating activities		
Operating loss		(1,569,382)
Depreciation and amortisation		202,327
Increase in stock		(14,808)
Increase in debtors		(20,455)
Increase in creditors		932,169
Net cash outflow from operating activities		(470,149)
CASH FLOW STATEMENT		
Net cash outflow from operating activities		(470,149)
Acquisitions	20	1,967
Capital expenditure	20	(888)
Financing	20	423,220
Decrease in cash		(45,850)
Reconciliation of net cash flow to movement in net debt		
Decrease in cash in the period		(45,850)
Increase in debt		(469,334)
Loans acquired by acquisition		(13,847,293)
Non-cash movements		(477,276)
Exchange differences		516,385
Change in net debt	21	(14,323,368)
Net debt at 7 February		-
Net debt at 31 December		(14,323,368)

ROK Stars PLC
Notes to the Accounts
for the period from 7 February 2011 to 31 December 2011

1 Accounting policies

Basis of preparation
These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently throughout the period, are set out below

As disclosed in note 25 "Related party transactions", during the period the Group subcontracted some employees and incurred overhead costs from a related party by way of a service agreement whereby such costs would be provided at cost plus 5% mark-up All disclosures in the notes to the accounts assume that these subcontracted costs were directly incurred by the Group and full disclosure has been made

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

A significant level of the Group's long-term debt is in two of the Group's subsidiaries and arose as a result of the acquisition of Oval GmbH which had historic debt owed to the founder As detailed in the notes to the accounts, this debt is due for repayment at the end of 2016 or earlier should sufficient profits be made by that company Whilst the directors are mindful of the position they believe that should the Group's subsidiaries not be in a position to make such repayment then the terms of repayment would be extended

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

Consolidation
The consolidated financial statements incorporate those of ROK Stars PLC and all of its subsidiary undertakings for the period Subsidiaries acquired during the period are consolidated using the acquisition method Uniform accounting policies are adopted throughout the Group and all profits or losses arising on inter group transactions are eliminated The results of subsidiaries are incorporated from the date that control passes Any goodwill is written off over its estimated economic life and any negative goodwill is written back in the profit and loss account immediately on creation

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

Fixed assets and depreciation
Fixed assets are stated at historic purchase cost less accumulated depreciation where cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its 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	over 3-10 years

1 Accounting policies (continued)

Investments
Long term investments are stated at cost in the balance sheet Provision is made for any impairment in the value of investments

Stock
Stock is valued at the lower of cost and net realisable value

Deferred taxation
Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

Operating leases
Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Pensions
The company operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

2 Result of the Company

As permitted by Section 408(3) of the Companies Act 2006, the Company's profit and loss account and statement of total recognised gains and losses has not been presented The Company made a loss during the financial period of £1,419,721

3 Group segment reporting

Profit/(loss) on ordinary activities before taxation and equity minority interests

	Group 2011 £	Company 2011 £
By activity		
Alcoholic beverages	41,068	-
Head office services	(1,609,008)	(1,419,721)
	(1,567,940)	(1,419,721)
By geographical location		
UK	(1,400,987)	(1,419,721)
Europe	(166,953)	-
	(1,567,940)	(1,419,721)

Geographical analysis of profit/(loss) on ordinary activities before taxation and equity minority interests is based on the physical location of the entities involved

Net assets/(liabilities)

	Group 2011 £	Company 2011 £
By activity		
Alcoholic beverages	(6,249,801)	-
Head office services	7,047,701	7,236,979
	797,900	7,236,979
By geographical location		
UK	7,255,723	7,236,979
Europe	(6,457,823)	-
	797,900	7,236,979

Geographical analysis of net assets/(liabilities) is based on the physical location of the entities involved

4 Operating loss

	Group 2011 £	Company 2011 £
This is stated after charging		
Depreciation of owned fixed assets	13,041	-
Amortisation of goodwill	189,286	-
Operating lease rentals - plant and machinery	42,976	-
Operating lease rentals - land buildings	17,284	-
Auditors' remuneration for audit services	10,919	8,000

5 Directors' emoluments

None of the directors received any remuneration for their services to the Company or the Group during the period

6 Staff costs

	Group 2011 £	Company 2011 £
Wages and salaries	304,548	283,000
Social security and foreign taxes	40,350	34,125
	344,898	317,125

7 Interest payable

	Group 2011 £	Company 2011 £
Bank overdraft	616	-

8 Taxation

	Group 2011 £	Company 2011 £
Analysis of charge in period		
Current tax		
Foreign corporation tax	371	-
	371	-

9 Intangible fixed assets

Group	Goodwill £
Cost	
Additions	15,142,901
At 31 December 2011	15,142,901
Amortisation	
Provided during the period	189,286
At 31 December 2011	189,286
Net book value	
At 31 December 2011	14,953,615

As disclosed in note 22, during the period the Company acquired a subsidiary, now called Oval International Distribution Limited, at par At the point of acquisition that company was in discussions regarding its acquisition of Oval GmbH, a company involved in the production and distribution of vodka The former shareholder of Oval International Distribution Limited received compensation amounting to €10 million (£8,345,302) following the subsidiary's acquition of 51% of Oval GmbH

	£
Goodwill	15,142,901
Tangible fixed assets	83,502
Stock	12,827
Debtors	497,149
Cash	2,958
Creditors	(13,925,058)
Minority interest	6,531,023
Consideration - satisfied by assignment of debt (note 25)	8,345,302

Goodwill is being written off in equal annual instalments over its estimated economic life of 20 years

10 Tangible fixed assets

Group	Plant and machinery £
Cost	
Additions	888
Acquisition (note 9)	83,502
At 31 December 2011	84,390
Depreciation	
Charge for the period	13,041
At 31 December 2011	13,041
Net book value	
At 31 December 2011	71,349

11 Investments

Company	Investments in subsidiary undertakings £
Cost	
Additions (see note 22)	991
At 31 December 2011	991

The Company holds 20% or more of the share capital of the following companies

Company	Shares held Class	%	Capital and reserves £	Profit for the period £
Oval International Distribution Limited	Ordinary	100	208,022	208,021
ROK Water International Limited	Ordinary	100	1,000	-

Oval International Distribution Limited is the non-trading parent company of Oval GmbH which is involved in the production and distribution of vodka ROK Water International Limited has not traded to date

The directors believe that the carrying value of the investments is supported by their underlying net assets

12 Stock

	Group 2011 £	Company 2011 £
Finished goods and goods for resale	27,635	-

13 Debtors

	Group 2011 £	Company 2011 £
Trade debtors	13,363	-
Other debtors	505,230	-
	518,593	8,596,354
Amounts due after more than one year included in Other debtors	505,220	-

14 Creditors amounts falling due within one year

	Group 2011 £	Company 2011 £
Bank overdrafts	48,691	-
Trade creditors	11,681	334
Other creditors	82,677	75,632
Accruals and deferred income	355,565	336,799
	498,614	413,755

Included within Other creditors are amounts due to related parties, as disclosed in note 25

15 Creditors· amounts falling due after one year

	Group 2011 £	Company 2011 £
Loans (see note 16)	13,330,908	-
Other creditors	946,611	946,611
	14,277,519	946,611

Included within Other creditors are amounts due to related parties, as disclosed in note 25

16 Loans

	Group 2011 £	Company 2011 £
Loans not wholly repayable within five years		
Loan 1	12,721,422	-
Loan 2	609,486	-
	13,330,908	-
Analysis of maturity of debt		
After five years	13,330,908	-

Loan 1 is denominated in Euros (€15,261,342) and is repayable, by its latest date, in full, including accrued interest, within 10 days of 31 December 2016 The calculation of interest, at 6% of the outstanding balance, has been waived until 30 September 2014 provided that no profits are made by the subsidiary undertaking concerned

Loan 2 is denominated in Euros (€731,174) and is repayable, by its latest date, in full, including accrued interest, within 10 days of 31 December 2016 The calculation of interest, at 4% of the outstanding balance, has been waived until 30 September 2014 provided that no profits are made by the subsidiary undertaking concerned

The respective corporate lenders of loans 1 and 2 are connected to a minority shareholder of one of the Group's subsidiaries

Neither loan is repayable by the Company and neither loan is secured on the assets of the Company or the Group as referred to in the Directors Report

17 Share capital

	Nominal value	2011 Number	Group and Company 2011 £
Allotted, called up and fully paid			
Ordinary shares	€0 10 each	100,000,000	8,656,700

	Nominal value	Number	Amount £
Shares issued during the period			
Ordinary shares	€0 10 each	100,000,000	8,656,700

During the period 100 million ordinary shares were issued at an average consideration of £0 087 per share

18 Profit and loss account

	Group 2011 £
Loss for the period	(1,469,156)
At 31 December 2011	(1,469,156)

ROK Stars PLC
Notes to the Accounts
for the period from 7 February 2011 to 31 December 2011

19 Reconciliation of movement in shareholders' funds

	2011 £
Loss for the financial period	(1,469,156)
Shares issued	8,656,700
Minority interests	(6,389,644)
At 31 December	797,900

20 Gross cash flows

	2011 £
Acquisitions	
Purchase of subsidiary undertakings	(991)
Net bank balances acquired with subsidiary undertakings	2,958
	1,967
Capital expenditure	
Payments to acquire tangible fixed assets	(888)
Financing	
Issue of share capital	423,220

21 Analysis of changes in net debt

	Cash flows £	Acquisition £	Non-cash movements £	Exchange differences	At 31 Dec 2011 £
Cash at bank and in hand	2,841	-	-	-	2,841
Overdrafts	(48,691)	-	-	-	(48,691)
	(45,850)				
Debt due after 1 year	(469,334)	(13,847,293)	(477,276)	516,385	(14,277,518)
Total	(515,184)	(13,847,293)	(477,276)	516,385	(14,323,368)

22 Acquisitions

During the period the Company acquired the following subsidiaries

a) Oval International Distribution Limited

On 15 August 2011 the Company completed the acquisition of Oval International Distribution Limited Limited for consideration of £1 for 100% of its issued share capital The fair value was considered to be the same as the book value acquired and the details are as follows

	£
Debtors	1
Consideration - satisfied by cash	1

b) ROK Water International Limited

On 30 November 2011 the Company completed the acquisition of ROK Water International Limited Limited for consideration of £990 for 99% of its issued share capital The fair value was considered to be the same as the book value acquired and the details are as follows

	£
Debtors	990
Consideration - satisfied by cash	990

23 Post balance sheet events

On 20 February 2012 the Company acquired 100% of the issued share capital of ROK Natural Energy Limited for consideration of £1 The company had not traded at that time

On 30 April 2012 the Company agreed to acquire 100% of the issued share capital of LovingEco, Inc an American eco-friendly product web-based retailer The consideration for the acquisition was the issue of 325,000 ordinary shares in the Company

24 Other financial commitments

At the period end the Group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings 2011 £	Other 2011 £
Operating leases which expire		
within two to five years	-	125,826
in over five years	73,922	-
	73,922	125,826

The Company had no such commitments

25 Related party transactions

Under FRS 8 "Related Party Disclosures" the Company is exempt from disclosing related party transactions with wholly owned entities During the period the Company and it's subsidiary undertakings made funds available to one another to enable the Group to meet its day to day working capital requirements The amount owed to each reportable party was as follows

	2011 £
ROK Water International Limited	990

Included within "Creditors amounts falling due within one year" are the following amounts payable to related parties

	2011 £
Oval Global Sales Limited	56,178
ROK Payments Limited	18,463

The above companies are associated by virtue of the directors and the loans have no specified terms of repayment

Included within "Creditors amounts falling due after one year" are the following amounts payable to related parties

	2011 £
Mr J M Kendrick	614,726
Mr J P DeJoria	331,885

The amount payable to Mr J M Kendrick, co-founder and director of the Company, represents capital amounts loaned and has no specified terms of repayment

The amount payable to Mr J P DeJoria, co-founder and shareholder of the Company, represents the capital amounts of monies loaned and has no specified terms of repayment

As disclosed in note 22, during the period the Company acquired a subsidiary, now called Oval International Distribution Limited, at par At the point of acquisition that company was in discussions regarding its acquisition of Oval GmbH, a company involved in the production and distribution of vodka The former shareholder of Oval International Distribution Limited received compensation amounting to €10 million (£8,345,302) following the subsidiary's acquisition of 51% of Oval GmbH The previous shareholder subsequently re-assigned the debt due and divided the €10 million payable to the credit of Mr J M Kendrick and Mr J P DeJoria, with the amounts being credited to their respective loan accounts

During the period the Group subcontracted some employees and incurred overhead costs from related parties These related parties are connected with Mr J M Kendrick and/or Mr J P Dejoria by way of directorship or shareholding At 31 December 2011 the Group had charged £576,355 to the profit and loss account as payroll and associated costs within administrative expenses, £326,355 of this amount is shown in accruals within "Creditors amounts falling due within one year" and the remainder was recorded in the balance with ROK Payments Limited