

Registered number
07519721

ROK Stars PLC
Annual Report and Group Accounts
31 December 2012

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ROK Stars PLC**Registered number.**

07519721

Directors' Report

The directors present their report and audited accounts for the year ended 31 December 2012

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 Company was incorporated in February 2011 so the comparative figures shown in the profit and loss account record the transactions for the eleven month period ended on 31 December 2011

Principal activity

The Company's principal activity during the year was as a holding company for a group of companies involved in the production and distribution of alcoholic and non-alcoholic drinks and the development of water purification products

Review of the business

The Company is listed on the Stuttgart Stock Exchange and the Berlin Stock Exchange under ticker symbol RKS

The principal trading activity of the Group for the year derives from the manufacture and distribution of Oval premium vodka. Following the acquisition of the Austrian company Oval Getränkeproduktions-und Vertriebs GmbH ("Oval GmbH") in September 2011 the Group has revitalised the global brand awareness of Oval by way of a change of logo, labelling and packaging as well as viral and specific advertising. During the year the product was successful in winning the Master award for Design and Packaging and the Gold Medal for Super Premium vodka at the 2012 Spirits Business Vodka Masters Awards in London. In February 2013 Oval agreed to sponsor Ronnie O'Sullivan who went on to win the 2013 World Snooker Championship the following month, bearing Oval vodka logos, to become World Champion for the sixth time. Oval has also appointed six times World Snooker Championship finalist Jimmy White MBE as an Oval brand ambassador.

The revenues in the year and since the year end continue to grow and the directors are aware that the re-launch of a product such as a premium vodka, into an already competitive market sector, will take time and they are pleased with the achievement of the brand so far.

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.

ROK Stars PLC**Registered number**

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Directors' Report**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.

Research and development

During the year the Group has continued with its development of new products and expenditure incurred on research and development is expensed as incurred taking due allowance for any available tax credits.

Events since the balance sheet date

In February 2013 the Company acquired a majority shareholding in ABK Betriebsgesellschaft der Aktienbrauerei Kaufbeuren GmbH, a German registered company which owns the brewery business and the real estate of Bavarian-based brewery Aktienbrauerei Kaufbeuren AG.

In June 2013 the Company announced a 'share swap' with Alpha Prospects PLC ("Alpha"), a company listed on the ISDX Growth Market. The parties agreed that Alpha would subscribe for new ROK Stars ordinary shares for a subscription price of £450,000 being satisfied by the issue of new Alpha ordinary shares.

Since the year end the Company has also acquired and formed various companies which are expected to continue the ongoing development of the Group and increase the number of products within the Group.

Directors

The following persons served as directors during the year

Mr J M Kendrick

ROK Protection Group Limited

Mr J Ondreasz

(appointed 29 October 2012)

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 21 June 2013 and signed by its order



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 year ended 31 December 2012 (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

Emphasis of matter

Without qualifying our opinion in this regard, we draw attention to the disclosures made in note 1 of the financial statements concerning the availability of additional funding from founders and shareholders indicating the existence of material uncertainties that may cast doubt over the Group's ability to continue as a going concern and the carrying values of the intangible assets £14,429,785 and deferred taxation asset £1,245,000.

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 2012 and of the Group's loss and cash flows 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year 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

21 June 2013

ROK Stars PLC
Consolidated profit and loss account
for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover		169,356	-
Cost of sales		(84,528)	(26,837)
Gross profit/(loss)		<u>84,828</u>	<u>(26,837)</u>
Administrative expenses		(2,883,529)	(1,542,545)
Other operating income		143,871	-
Operating loss	4	<u>(2,654,830)</u>	<u>(1,569,382)</u>
Exceptional items	5	303,422	-
		<u>(2,351,408)</u>	<u>(1,569,382)</u>
Interest receivable		10	2,058
Interest payable	8	(662,688)	(616)
Loss on ordinary activities before taxation		<u>(3,014,086)</u>	<u>(1,567,940)</u>
Tax on loss on ordinary activities	9	1,243,577	(371)
Loss on ordinary activities after taxation		<u>(1,770,509)</u>	<u>(1,568,311)</u>
Equity minority interests		279,219	99,155
Loss for the financial year		<u>(1,491,290)</u>	<u>(1,469,156)</u>

The Group result of £1,491,290 loss (2011 - £1,469,156 loss) all relates to continuing operations with £376,491 loss (2011 - £148,219 loss) arising from acquisitions made in the year

Continuing operations

None of the Company's activities were acquired or discontinued during the above two financial periods

Statement of total recognised gains and losses

The Company has no recognised gains or losses other than the loss for the above two financial periods

ROK Stars PLC
Balance sheets
as at 31 December 2012

	Notes	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Fixed assets					
Intangible fixed assets	10	14,429,785	14,953,615	-	-
Tangible fixed assets	11	71,015	71,349	-	-
Investments	12	-	-	8,208	991
Deferred taxation	13	1,245,000	-	-	-
		<u>15,745,800</u>	<u>15,024,964</u>	<u>8,208</u>	<u>991</u>
Current assets					
Stock	14	155,970	27,635	-	-
Debtors	15	1,256,548	518,593	10,122,614	8,596,354
Cash at bank and in hand		8,815	2,841	7	-
		<u>1,421,333</u>	<u>549,069</u>	<u>10,122,621</u>	<u>8,596,354</u>
Creditors amounts falling due within one year	16	(868,180)	(498,614)	(66,378)	(413,755)
Net current assets		<u>553,153</u>	<u>50,455</u>	<u>10,056,243</u>	<u>8,182,599</u>
Total assets less current liabilities		<u>16,298,953</u>	<u>15,075,419</u>	<u>10,064,451</u>	<u>8,183,590</u>
Creditors amounts falling due after more than one year	17	(15,569,545)	(14,277,519)	(2,488,968)	(946,611)
Net assets		<u>729,408</u>	<u>797,900</u>	<u>7,575,483</u>	<u>7,236,979</u>
Capital and reserves					
Called up share capital	19	8,814,057	8,656,700	8,814,057	8,656,700
Share premium	20	389,828	-	389,828	-
Convertible debt	21	1,154,764	-	1,154,764	-
Profit and loss account	22	(2,960,446)	(1,469,156)	(2,783,166)	(1,419,721)
Total shareholders' funds		<u>7,398,203</u>	<u>7,187,544</u>	<u>7,575,483</u>	<u>7,236,979</u>
Minority interests		(6,668,795)	(6,389,644)	-	-
Capital employed	23	<u>729,408</u>	<u>797,900</u>	<u>7,575,483</u>	<u>7,236,979</u>



Mr J M Kendrick
 Director
 Approved by the board on 21 June 2013

ROK Stars PLC
Consolidated cash flow statement
for the year ended 31 December 2012

	Notes	Group 2012 £	Group 2011 £
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss		(2,654,830)	(1,569,382)
Depreciation and amortisation		789,908	202,327
Increase in stock		(11,014)	(14,808)
Decrease/(increase) in debtors		5,119	(20,455)
Increase in creditors		665,570	932,169
Net cash outflow from operating activities		<u>(1,205,247)</u>	<u>(470,149)</u>

CASH FLOW STATEMENT

Net cash outflow from operating activities		(1,205,247)	(470,149)
Acquisitions	24	(6,098)	1,967
Returns on investments and servicing of finance	24	(7,275)	-
Capital expenditure	24	(24,154)	(888)
Financing	24	1,247,529	423,220
Increase/(decrease) in cash		<u>4,755</u>	<u>(45,850)</u>

Reconciliation of net cash flow to movement in net debt

Increase/(decrease) in cash in the year		4,755	(45,850)
Increase in debt		(100,680)	(469,334)
Loans acquired by acquisition		-	(13,847,293)
Non-cash movements		(1,506,010)	(477,276)
Exchange differences		315,739	516,385
Change in net debt	25	<u>(1,286,196)</u>	<u>(14,323,368)</u>
Net debt at 1 January		<u>(14,323,368)</u>	<u>-</u>
Net debt at 31 December		<u>(15,609,564)</u>	<u>(14,323,368)</u>

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

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 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.

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 year. Subsidiaries acquired during the year 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
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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.

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

1 Accounting policies (continued)

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 year of £1,363,445 (2011 - £1,419,721).

3 Group segment reporting

Turnover	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
By activity				
Alcoholic beverages	169,356	-	-	-
By geographical market				
UK	65,974	-	-	-
Europe	69,982	-	-	-
Rest of world	33,400	-	-	-
	169,356	-	-	-

Geographical analysis of turnover is based on the delivery location of the goods or services supplied.

Profit/(loss) on ordinary activities before taxation and equity minority interests	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
By activity				
Alcoholic beverages	(1,000,852)	41,068	-	-
Head office services	(2,013,234)	(1,609,008)	(1,363,445)	(1,419,721)
	(3,014,086)	(1,567,940)	(1,363,445)	(1,419,721)
By geographical location				
UK	(2,516,545)	(1,400,987)	(1,363,445)	(1,419,721)
Europe	(497,541)	(166,953)	-	-
	(3,014,086)	(1,567,940)	(1,363,445)	(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 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
By activity				
Alcoholic beverages	(7,442,124)	(6,249,801)	-	-
Head office services	8,171,532	7,047,701	7,575,483	7,236,979
	729,408	797,900	7,575,483	7,236,979
By geographical location				
UK	14,268,483	7,255,723	7,575,483	7,236,979
Europe	(13,539,075)	(6,457,823)	-	-
	729,408	797,900	7,575,483	7,236,979

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

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

4 Operating loss	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
This is stated after charging				
Depreciation of owned fixed assets	26 780	13 041	-	-
Amortisation of goodwill	763 128	189 286	-	-
Operating lease rentals - plant and machinery	166,896	42,976	-	-
Operating lease rentals - land and buildings	69 105	17,284	-	-
Auditors' remuneration for audit services	<u>11 997</u>	<u>10,919</u>	<u>8,500</u>	<u>8 000</u>

5 Exceptional items	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Profit on disposal of investment	303,390	-	303 390	-
Elimination of negative goodwill arising on acquisition of subsidiary	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>303,422</u>	<u>-</u>	<u>303,390</u>	<u>-</u>

As disclosed in note 26 during the year the Company acquired 100% of the issued share capital of an American company, LovingEco Inc , and then disposed of this subsidiary at a profit to a company associated by virtue of a director

As disclosed in note 26, the acquisition of ROK Natural Energy Limited created negative goodwill which has been eliminated in accordance with the Group's accounting policy

6 Directors' emoluments

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

7 Staff costs	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Wages and salaries	866 534	304,548	339,600	283,000
Social security and foreign taxes	120 588	40,350	40,950	34,125
Other pension costs	<u>2 853</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>989,975</u>	<u>344 898</u>	<u>380 550</u>	<u>317 125</u>

During the year the Group subcontracted some employees from a related party and these are considered as staff costs for disclosure purposes

8 Interest payable	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank overdraft	7 284	616	-	-
Convertible debt	33 358	-	33,358	-
Other interest payable and similar charges	<u>622 046</u>	<u>-</u>	<u>617,771</u>	<u>-</u>
	<u>662 688</u>	<u>616</u>	<u>651 129</u>	<u>-</u>

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

9 Taxation	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Analysis of (credit)/charge in year				
Current tax				
Foreign corporation tax	1,423	371	-	-
Deferred tax				
Origination and reversal of timing differences	(1 245 000)	-	-	-
Tax (credit)/charge on loss on ordinary activities	(1 243 577)	371	-	-

Factors affecting tax (credit)/charge for year

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

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Loss on ordinary activities before tax	(3 014 086)	(1,567,940)	(1,363,145)	(1 419,721)
Standard rate of corporation tax in the UK	26%	26%	26%	26%
	£	£	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	(783 662)	(407,664)	(354,418)	(369 127)
Effects of				
Capital allowances for period in excess of depreciation	20,310	20,406	-	-
Other timing differences	763 352	387,258	354,418	369,127
Current tax charge for year	1,423	371	-	-

10 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2012	15 142,901
Additions	604 721
Disposals	(365 423)
At 31 December 2012	<u>15 382 199</u>
Amortisation	
At 1 January 2012	189 286
Provided during the year	763 128
At 31 December 2012	<u>952,414</u>
Net book value	
At 31 December 2012	<u>14 429 785</u>
At 31 December 2011	<u>14 953 615</u>

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

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

11 Tangible fixed assets

Group	Plant and machinery £
Cost	
At 1 January 2012	84,390
Additions	26 446
At 31 December 2012	<u>110,836</u>
Depreciation	
At 1 January 2012	13 041
Charge for the year	26 780
At 31 December 2012	<u>39 821</u>
Net book value	
At 31 December 2012	<u>71 015</u>
At 31 December 2011	<u>71,349</u>

12 Investments

Company	Investments in subsidiary undertakings £
Cost	
At 31 December 2011	991
Net additions (note 26)	7,217
At 31 December 2012	<u>8,208</u>

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

Company	Shares held Class	%	Capital and reserves £	Profit (loss) for the year £
Oval International Distribution Limited	Ordinary	100	(7,442 124)	(723,057)
Pure ROK Limited	Ordinary	100	1	-
ROK Management Services Limited	Ordinary	100	(522,587)	(322 441)
ROK Natural Energy Limited	Ordinary	51	14,209	-
ROK Water International Limited	Ordinary	99	1 000	-

Oval International Distribution Limited is the non-trading parent company of a group of companies involved in the production and distribution of vodka. ROK Management Services Limited is the Group's procurement and administration company. The remaining companies are in development and did not trade subsequent to the year end.

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

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

13 Deferred taxation

	Group 2012 Provided £	Group 2012 Unprovided £	Company 2012 Provided £	Company 2012 Unprovided £
Accelerated capital allowances	40,716	-	-	-
Losses	1,204,284	-	-	-
	<u>1 245,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Group 2011 Provided £	Group 2011 Unprovided £	Company 2011 Provided £	Company 2011 Unprovided £
Accelerated capital allowances	-	20,406	-	-
Losses	-	314,594	-	-
	<u>-</u>	<u>335 000</u>	<u>-</u>	<u>-</u>

The Group has only recognised deferred tax assets arising in the year based on the likelihood of achieving sufficient and suitable taxable profits in the near future is more likely than not

At 31 December 2012 the Group has not recognised any deferred tax assets in respect of acquired losses

14 Stock

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Raw materials and consumables	59,676	-	-	-
Finished goods and goods for resale	96,294	27,635	-	-
	<u>155,970</u>	<u>27 635</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

15 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Trade debtors	29,999	13,363	-	-
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	-	9,455 725	8 596 354
Other debtors	1,220,891	505 230	666 889	-
Prepayments and accrued income	5,658	-	-	-
	<u>1,256,548</u>	<u>518,593</u>	<u>10 122,614</u>	<u>8,596 354</u>

Amounts due after more than one year included in
Other debtors

	<u>430 755</u>	<u>505 220</u>	<u>-</u>	<u>-</u>
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16 Creditors amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank overdrafts	48,835	48,691	-	-
Trade creditors	294,304	11 681	26 040	334
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	-	8,133	990
Other taxes and social security costs	262,701	-	-	-
Other creditors	67,675	82,677	32 205	75,632
Accruals and deferred income	194 665	355,565	-	336,799
	<u>868 180</u>	<u>498,614</u>	<u>66 378</u>	<u>413,755</u>

Included within Other creditors are amounts due to related parties, as disclosed in note 29

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

17 Creditors amounts falling due after one year	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Loans (note 18)	13 080 577	13,330,908	-	-
Other creditors	2,488,968	946,611	2 488 968	946 611
	<u>15 569 545</u>	<u>14 277 519</u>	<u>2,488,968</u>	<u>946,611</u>

Included within Other creditors are amounts due to related parties, as disclosed in note 29

18 Loans	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Loans wholly repayable within five years				
Loan 1	12 421 654	12,721,422	-	-
Loan 2	658 923	609,486	-	-
	<u>13,080,577</u>	<u>13 330,908</u>	<u>-</u>	<u>-</u>
Analysis of maturity of debt				
Between two and five years	13 080,577	-	-	-
After five years	-	13,330,908	-	-
	<u>13,080,577</u>	<u>13,330 908</u>	<u>-</u>	<u>-</u>

Loan 1 is denominated in Euros as €15 214 743 (2011 - €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 denominated in Euros as €807,147 (2011 - €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.

19 Share capital	Nominal value	2012 Number	Group and Company 2012 £	Group and Company 2011 £
Allotted, called up and fully paid				
Ordinary shares	€0.10 each	101,985,000	8,814,057	8 656 700
	Nominal value	Number	Amount £	
Shares issued during the year				
Ordinary shares	€0.10 each	1,985,000	157 357	

During the year 1 985,000 ordinary shares were issued at an average consideration of £0.28 per share.

20 Share premium	Group and Company 2012 £
At 1 January 2012	-
Shares issued	389 828
At 31 December 2012	<u>389 828</u>

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

21 Convertible debt

During the year the Company issued interest bearing convertible loan notes. The details of the loan notes are shown below

	Group and Company 2012 £	Group and Company 2011 £
Swiss Franc 7% Convertible Bond 2012-2015	1,104,648	-
GBP 5% Convertible Bond 2012-2015	50,116	-
	<u>1,154,764</u>	<u>-</u>
Analysis of maturity of debt		
Between two and five years	<u>1,154,764</u>	<u>-</u>

The Swiss Franc 7% Convertible Bond 2012-2015 notes accrue interest at 7% per annum from the date of subscription until repayment, of capital plus interest, on the third anniversary of the bond. The lenders can redeem their debt in to Ordinary €0.10 shares in the Company at a conversion price of €1 per share after a period of 6 months using the exchange rate prevailing at the Bank of England on the day of conversion. During the year CHF1,586,000 (£1,071,406 at the prevailing exchange rates) of bonds were issued. At the year end none of the bonds had been redeemed.

The GBP 5% Convertible Bond 2012-2015 note accrues interest at 5% per annum from the date of subscription until repayment, of capital plus interest on the 31 December 2015. The lender can redeem their debt in to Ordinary €0.10 shares in the Company, at a conversion price equivalent to the closing stock market price of the Company's shares on the day a conversion notice is received by the Company after a period of 6 months from issue. During the year a £50,000 bond was issued. At the year end the bond was not capable of conversion.

The interest chargeable on these loans has been taken to the profit and loss account as accrued.

The directors are of the opinion that all of the loan note holders will convert, rather than demand repayment of the loan principal and accrued interest, at the due date for repayment and accordingly, the amount is disclosed within Capital and reserves.

22 Profit and loss account

	Group 2012 £	Company 2012 £
At 1 January 2012	(1,469,156)	(1,419,721)
Loss for the financial year	(1,491,290)	(1,363,445)
At 31 December 2012	<u>(2,960,446)</u>	<u>(2,783,166)</u>

23 Reconciliation of movement in shareholders' funds

	Group 2012 £	Group 2011 £
At 1 January	797,900	-
Loss for the financial year	(1,491,290)	(1,469,156)
Shares issued	547,185	8,656,700
Convertible debt	1,154,764	-
Minority interests	(279,151)	(6,389,644)
At 31 December	<u>729,408</u>	<u>797,900</u>

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

24 Gross cash flows

	Group 2012 £	Group 2011 £
Acquisitions		
Purchase of subsidiary undertakings	(7,302)	(991)
Net bank balances acquired with subsidiary undertakings	1,204	2,958
	<u>(6,098)</u>	<u>1,967</u>
Returns on investments and servicing of finance		
Interest received	10	-
Interest paid	(7,285)	-
	<u>(7,275)</u>	<u>-</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>(24,154)</u>	<u>(888)</u>
Financing		
Issue of share capital	226,803	423,220
New loans raised	1,159,421	-
Loan repayments	(138,695)	-
	<u>1,247,529</u>	<u>423,220</u>

25 Analysis of changes in net debt

Group	At 1 Jan 2012 £	Cash flows £	Non-cash movements £	Exchange differences	At 31 Dec 2012 £
Cash at bank and in hand	2,841	5,974	-	-	8,815
Overdrafts	(48,691)	(1,219)	-	1,075	(48,835)
		<u>4,755</u>			
Debt due after 1 year	(14,277,518)	(100,680)	(1,506,010)	314,664	(15,569,544)
Total	<u>(14,323,368)</u>	<u>(95,925)</u>	<u>(1,506,010)</u>	<u>315,739</u>	<u>(15,609,564)</u>

26 Acquisitions

During the year the following acquisitions were completed

a) LovingEco Inc

During the year the Company acquired 100% of the issued share capital of LovingEco Inc, a company registered in California, USA for consideration of 289,404 shares in the Company. The fair value was considered to be the same as the book value acquired and the details are as follows

	£
Goodwill	365,455
Tangible fixed assets	2,292
Debtors	5,139
Cash	1,204
Creditors	(53,708)
Consideration - satisfied by shares	<u>320,382</u>

The Company sold this investment to ROK Global PLC, a company associated through a director, realising a net gain which is disclosed in note 29

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

26 Acquisitions (continued)

b) ROK Management Services Limited

The Company completed the acquisition of ROK Management Services 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

£

Goodwill	200,146
Debtors	707,371
Creditors	(907,516)
Consideration - satisfied by cash	<u>1</u>

c) Oval UK Distribution Limited

During the year the Group acquired 85% of the issued share capital of Oval UK Distribution Limited for consideration of £85. The fair value was considered to be the same as the book value acquired and the details are as follows

£

Goodwill	39,152
Stock	117,321
Debtors	16,279
Creditors	(179,561)
Minority interest	6,894
Consideration - satisfied by cash	<u>85</u>

d) ROK Natural Energy Limited

During the year the Company acquired 51% of the issued share capital of ROK Natural Energy Limited for consideration of £7,215. The fair value was considered to be the same as the book value acquired and the details are as follows

£

Negative goodwill	(32)
Debtors	14,281
Creditors	(72)
Minority interest	(6,962)
Consideration - satisfied by cash	<u>7,215</u>

The negative goodwill arising has been written-off in accordance with the accounting policies as disclosed in note 5

e) Pure ROK Limited

During the year the Company acquired 100% of the issued share capital of Pure ROK Limited for consideration of £1. 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	<u>1</u>

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

27 Post balance sheet events

On 19 February 2013 the Company acquired a 55% shareholding in ABK Betriebsgesellschaft der Aktienbrauerei Kaufbeuren GmbH ("ABK GmbH") a German registered company, for €55 000. ABK GmbH was a newly registered German company that was established to acquire the brewery business, and the real estate necessary for the brewery business, of Bavarian-based brewery Aktienbrauerei Kaufbeuren AG ("ABK AG"). On 15 May 2013 the shareholders of ABK AG voted to transfer its brewery business, and the real estate necessary for the brewery business to ABK GmbH. The consideration for the transfer of assets was the issue of 5 million fully paid-up ordinary shares in the Company.

On 6 June 2013 the Company announced a 'share swap' with Alpha Prospects PLC ("Alpha"), a company listed on the ISDX Growth Market. The parties agreed that Alpha would subscribe for 292,583 new ROK Stars Ordinary Shares for a subscription price of £450,000 being satisfied by Alpha by the issue of 18,000,000 new Alpha Ordinary Shares in the capital of Alpha at a price of 2.5 pence per share.

In addition the Company has acquired and formed, post year end, various companies for the ongoing development of projects within the Group. The companies include Big Celebrity Auction Limited, DeJonia Limited, Desi Bazaar Limited, John Paul Selects Limited, John Paul Selects LLC, JP Selects Limited, JP Selects LLC, J McCartney Whiskey Limited, J McCartney Whisky Limited, McCartney Whiskies Limited, ROK Distribution Limited, ROK Endorsements Limited and ROK Ventures Limited.

28 Other financial commitments

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

Group	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire within two to five years	-	150,255	-	125,826
in over five years	81,006	-	73,922	-
	<u>81,006</u>	<u>150,255</u>	<u>73,922</u>	<u>125,826</u>

The Company had no such commitments.

29 Related party transactions

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

	2012 £
Oval Global Sales Limited	351,410
ROK Natural Energy Limited	(7,143)
ROK Water International Limited	<u>(990)</u>

Included within "Creditors: amounts falling due within one year" are the following amounts payable by/(to) related parties:

	2012 £
ROK Global PLC	666,889
Houdini London Limited	<u>(32,201)</u>

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

ROK Stars PLC
Notes to the Accounts
for the year ended 31 December 2012

29 Related party transactions (continued)

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

	2012
	£
Mr J M Kendnck	1 711 456
Mr J P DeJona	<u>777,512</u>

The amount payable to Mr J M Kendnck, co-founder and director of the Company represents capital amounts loaned and accrued interest at 3% above base rate and has no specified terms of repayment

The amount payable to Mr J P DeJona, co-founder and shareholder of the Company represents the capital amounts of monies loaned and accrued interest at 10% per annum and has no specified terms of repayment. The capital and interest amounts of these loans are denominated in United States dollars and amount to \$1,258 450 (2011 - \$515 623) as at the balance sheet date before the deduction of certain sterling denominated transactions

During the year ended 31 December 2012 the Group subcontracted some employees and incurred overhead costs from related parties. These related parties are connected with Mr J M Kendnck and/or Mr J P DeJona by way of directorship or shareholding. At 31 December 2012 the Group had charged £852,374 (2011 - £576,355) to administrative expenses within the profit and loss account for payroll and management charges received from ROK Payments Limited and of this amount £698,240 was charged to the Company. The Company subsequently recharged £575,000 to ROK Global PLC.

As disclosed in note 26, the Company disposed of its subsidiary LovingEco Inc for \$1m (£623,772) and realised a gain of £303,390 (note 5) to a company related by virtue of Mr J M Kendnck and Mr J P DeJona by way of directorship or shareholding.