Ross Group Plc & Subsidiaries

Annual Report and Financial Statements

For the year ended 31 December 2020

Contents

Directors:	B R Pettitt M J Simon MA(Cantab) FCA FCCA S C Mehta BSc (Hons) R E Tamraz P M Fisher
Secretary:	M J Simon MA(Cantab) FCA FCCA
Registered Office:	71-75 Shelton Street Covent Garden London WC2H 9JQ
Registered Number:	00131902 (England and Wales)
Auditors:	CBW Audit Limited Chartered Accountants & Statutory Auditors 66 Prescot Street London E1 8NN

As we had reported in our interim accounts (first half 2020) Ross Group Plc ("RGP") was in the process of restructuring its recent acquisition of four start-up businesses in January 2019 that were wholly-owned subsidiaries within Archipelago Aquaculture Group (AAG) and which had also been primarily subjected to the consequential effects of the COVID Pandemic.

This is therefore the first RGP Annual Report that includes and consolidates AAG's results given the above COVID circumstances.

As a result, there is a fundamental difference in the 2020 results in comparison to its previous year.

RGP has, for many years now, been operating based on a specialist professional supply chain management model. The AAG acquisition subsequently caused that model to be modified; in order to include and integrate other more specialist services and functions, such as research and development, ("R&D") proof of production concepts, and alike, as well as to also then transition at some point in the future into sales of product and/or turn key projects, in this instance, of high quality Chitin.

For our fiscal year 2020, no services or sales of Chitin were recorded - as the R&D and implementation of pioneering production processes are still the continued focus and are currently in progress; particularly now through a new venture, namely, RGP-525.

Your Board of Directors have always anticipated and estimated that it would take some time in order to get this new technology into production and have provisioned for it accordingly; albeit in the form of the new venture with the founder of 525 who had previously sub-licensed their proprietary technology.

Throughout this post-acquisition and COVID pandemic period, there have been considerable costs incurred during development of the start-up AAG businesses and management has been extremely diligent in ensuring that such initial and consequential costings are commensurate with real-time performance and actual achievements, especially given the ensuing effects and constraints of COVID. Therefore, wherever possible and/or necessary, the Group's specialist supply chain management experience has been highly focused upon implementing strategic disciplines, procedures and protocols in order to try to provide the best possible performance over time; hence the consideration and approval by the Board to the RGP-525 new venture.

Production and administration costs have been subsequently subjected to specific strategic reorganization; which has resulted in the further impairment and/or reduction of certain contingent, capitalized and considerable pre-existing liabilities that the AAG companies were incurring both in advance of any production and with all the logistical labour constraints of COVID.

The resulting loss for the year was £1.463m (2019: £3.597m) which duly reflects the respective restructuring, R&D, working capital costs and expenses to date.

	2020 **£ 000's**	**2019** **£ 000's**	**2018** **£ 000's**
Revenues	**43**	**-**	**60**
Other income	**128**	**13,981**	**10**
Total costs	**(1,634)**	**(17,578)**	**(320)**
(Loss) for the year	**(1,463)**	**(3,597)**	**(250)**

It is once again my pleasure to report to you on both the business activities and the financial results of the Ross Group Plc for the financial year ended 31st December 2020.

After many years of diligently researching and exploring specific strategic opportunities for the Group, primarily involving potential start-ups, mergers, acquisitions and/or business alliances, we were faced with the unprecedented occurrence of COVID which doubtless took everyone by surprise.

Nevertheless, we are pleased and proud to announce that your Board has responded as best as possible through taking diligent and prudent measures accordingly.

The collective Chitin-related business operations of Archipelago Aquaculture Group ("AAG") which was acquired and duly approved at our Annual General Meeting on 27th September 2018 has been subsequently restructured; resulting in an announced new venture, named RGP-525, with Professor Robin Roger's 525 Solutions LLC, that had previously sub-licensed their existing proprietary Ionic Liquid extraction invention. Whilst RGP-525 is continuing its research and development into mass production of Chitin, your Board is confident that this will become a worthy investment in the future.

In addition, the Group is still deploying our specialist supply chain management services on a project-by-project basis and we are also, particularly at present, evaluating several synergistic opportunities; although, to date, we have found most, if not all, to fall short of our rigorous Regulatory requirements and/or expectations. Notwithstanding this, we believe it is reasonable to anticipate that after the COVID pandemic has dissipated for there to be possibly more opportunities for us to be able to explore.

Since becoming Chairman, I have always been mindful - even while our Board of Directors were constantly busy with such exploratory and research work - that our operating businesses and Premium Listing Company status should always be capable of generating sufficient cashflow and/or profit from its traditional specialist supply chain management services, in order to primarily cover running costs of the business on a potentially worst-case scenario. Therefore, given this exceptionally unusual year we have had to rightfully incur such significant restructuring expenses - which are considered to be reasonable given our previous years of careful and conservative costings - the fact that, as a company, we have managed to proverbially weather the COVID storm is in itself a testimonial to our fortitude.

In this respect, our 2020 result of a £1.463m loss (2019: £3.597m loss) is both understandable and justifiable under the current COVID circumstances.

The revenues this year arose from a new start-up within one of our subsidiaries, government grants received to support the business through COVID both in the UK and the US as well as sales of excess and/or redundant assets. Costs too have decreased during 2020 - largely due to various restructuring expenses, charges and fees incurred last year not being repeated.

The Board and myself are satisfied with the progress that we have made over this last exceptional and challenging year in the identifying, initiating, and implementing of our emergency strategic plans.

We will continue to be prudent and focused in our various supply chain cost management controls and also our Board remains conservatively confident that we will be progressively focusing in on identifying and being able to put forward an appropriate refined strategy for the Board to consider and to hopefully be able to then recommend to our Shareholders at some stage in the foreseeable future.

Regarding the consequential subject of Brexit, given the departure from the EU, the terms and impact of the United Kingdom's exit are very difficult to predict; especially with the combined confluence of COVID. Regardless of the anticipated, terms and conditions of the United Kingdom's exit from the European Union, the result with regard to the political and economic outlook of the United Kingdom and the European Union, has largely not resulted in any major volatility on the exchange rate between the Pound Sterling ("£") and the Euro ("€") and more generally, between the £/Pound and other international currencies such as the US Dollar ("US$").

Because the operating subsidiaries of RGP are presently based both in the United States and also with start-up business beginning to be generated outside of Europe, they are therefore predominately in a US$ currency environment and while this could lead to adverse consequences in terms of US$/£ exchange rates, our respective subsidiaries and/or joint ventures are not yet fully trading or selling products, and therefore we do not anticipate any present material negative impact and if necessary we intend to take specific measures to cover fluctuations of the currency market at this stage through, for example, the buying forward of currency in order to protect our profit margin wherever possible.

At this time, I would like to particularly personally thank our Board of Directors, our specialist contractors, consultants and advisors, for all their excellent support, commitment and hard work in helping the Group towards achieving its aims during such an adverse period.

However, it is with enormous sadness to have to announce the untimely passing and loss of our Executive Director, Mr. Wade Lionel Hopkins, which upon reflection and in recognition of his esteemed extraordinary and excellent service to Ross Group Plc for over 30 years, he will be sadly missed by us all.

We welcome on to the Board, as Wade's successor, Mr. Philip Michael Fisher, who has also had a very long distinguished career and relationship with Ross Group Plc for over 35 years.

As always, I would also like to personally thank our extraordinary loyal shareholders for their continued support, patience and understanding.

We wish everyone the very best of health during these difficult and dangerous COVID times.

Sincerely,

Barry Richard Pettitt
Chairman & Group Managing Director
Ross Group Plc
Date: 29th June 2021

The Directors are pleased to present their strategic report of the Group and the Company for the year ended 31 December 2020.

Background and History

The existing management team that took over control of the Ross Group Plc approximately twelve years ago has been consistent in their prime objective to search for suitable opportunities in order to try to build a balance of businesses that would be commensurate with the respective existing and potential value of the Group's Premium Listed Main Board status and, as a result, would also enable the Group to be able to enter into more major mergers and acquisitions, whenever deemed appropriate, that in turn could create a sizeable, stable and potentially prosperous long term enlarged Group going forward.

Business Strategy: 2021 Model & Principal Activity

During 2020, Ross Group Plc's Archipelago Aquaculture Group ("AAG") entered into a new venture with 525 Solutions ("525"), a company that was founded in 2015 by Professor Robin Rogers, who created, patented and licensed the Ionic Liquid extraction process that was exclusively sub-licensed by AAG and who together in 2018 they had respectively collaborated together to win the environmentally prestigious USA EPA Green Chemical Award. Given the constraints of COVID together with a more refined proactive strategy, it was the considered opinion of both Ross Group Plc and 525 that given this Ionic Liquid extraction process has never yet been mass produced to such a high grade quality and quantity, there could be significant synergies in collaborating together in a strategic new venture, namely RGP-525 in order to try to successfully attain such a World class, ground breaking achievement. Therefore, in 2021, it is envisioned that RGP-525 will be able to continue to further its attainment more as a separate business unit, thus enabling Ross Group Plc to continue to maintain its prime objective to search for suitable opportunities in order to try to build a balance of businesses that would be commensurate with its respective existing and/or potential value as a Premium Listed Company on the Main Board of the London Stock Exchange.

Business Review 2020

The Group as at 31 December 2020 consisted of Ross Group Plc and three wholly owned subsidiaries; Ross Diversified Trading Limited ("RDT"), Ross Group Plc Inc. and Archipelago Aquaculture Group LLC ("AAG").

AAG contains the start-up businesses of Mari Signum Limited, Mari Signum Dragon Drying-MS LLC, Mari Signum Mid-Atlantic LLC and Prometheus Progenitor Genetics Technologies Limited LLC - all involved and integrated within the main Chitin-based business of AAG.

Regarding the revenue performance in 2020, as outlined in the summary, pilot production trials did not reach a point to allow consideration of commercial mass production of Chitin. This was not wholly unexpected as this was - and still is - a new innovative technology; requiring further time to develop and with the constraints of COVID all operations were either suspended and/or shut-down respectively.

Focus now is on the RGP-525 new Venture with 525 Solutions, along with a further restructuring of AAG in order to accommodate a more enhanced, efficient and effective separate business unit strategy.

During this period other respective resources of senior management are endeavouring to explore more macro merger and/or additional acquisition opportunities for the Group. The Directors are confident that, given its resolute structure and strategies, the underlying value of the Group will remain strong and that the Group will hopefully become successful in securing the strategic business that it is currently seeking.

Regarding the financial position at year-end 2020, the Board is pleased that the Group's statement of financial position shows a positive cash balance and that through our recent restructuring efforts total assets have been maintained at £1,450k compared to £2,175k in 2019.

It is also worth noting that, in prior years, one of the largest items in the Group's balance sheet was the long-term "Interest-bearing loans and borrowings" of £6.072m that has since been restructured into Convertible Loan Debentures, which were approved by the Board and Shareholders accordingly in 2019. Subsequently, the Group has managed to maintain a relatively healthy cashflow position.

Business Outlook

The Board is reasonably confident, notwithstanding the COVID Pandemic and its subsequent ongoing economic effects, that there will still be various unique and exciting opportunities ahead - both short-term and longer-term - for its business to be sustained and also for potential growth to be considered in the future.

CoronaVirus Considerations

As at the reporting date, the Group held £91k in cash, total assets of £1,450k and net current liabilities of £4,573k, including amounts owed to associated undertakings of £2,226k.

The budget and cashflow set for 2021, given COVID Pandemic provisions, indicated that there were sufficient working capital reserves.

In the light of the ongoing COVID pandemic and the uncertainties this brings, the Directors have prepared cashflow forecasts to December 2022. These cashflows have been sensitized to assess the adequacy of cash available should further lockdowns impinge the activities of the group. The directors have also confirmed additional independent financial support should additional resources be required. Based on the sensitivity testing and additional resources available the directors are satisfied the group can continue as a going concern for the foreseeable future.

Due to the emergency measures implemented by the respective Governments and also given the subsequent strategic RGP-525 new venture regarding the development cycle of Chitin, the Group has already taken prudent steps to minimise the cost exposure of its activities.

To try to mitigate such risks, the Group has, wherever possible, been able to utilize any Government-related fiscal schemes available.

The Group is regularly reviewing its initial projections and also aiming to minimise any potential deficits over the next financial year by trying to reduce all non-essential expenditure.

Section 172(1) Statement

Within the strategic report for this financial year is the mandated Section 172(1) Statement which hereby describes how the Board of Directors have acted in regard to the matters set out in Section 172(1)(a) to (f) when performing their duties under this Section.

These duties have included, but are also not necessarily limited to, their responsibility to earnestly promote the success of the Group and its companies, to act in the way that he or she considers to be in good faith and would be most likely to promote the success of the Group and its companies for the benefits of its shareholders as a whole, and other stakeholders.

The Directors welcome this opportunity to engage with our shareholders and other stakeholders in this way.

In both the Chairman's Statement and in this Strategic Report, the Chairman and directors have detailed the matters affecting the Group during the year particularly the subsequent restructuring of AAG.

The acquisition of AAG during 2018/2019 together with the effects of COVID have had significant impacts on the Group and have subsequently resulted in a consecutive loss for the year.

The details given in these reports, particularly on pages 5&6, outline the directors strategy for the business both in the short and the longer term.

The main factor facing the directors is the ongoing financing of the group and/or any impact that the COVID-19 pandemic may have on the business. These matters have had due consideration by the directors and are detailed in the Strategic Review in the Business Review 2020, Business Outlook and Corona Virus pandemic considerations on pages 5&6 and Principal Risks and Uncertainties on page 7.

At the end of last year it was reported that there was only one employee (excluding the directors) remaining at the year-end (none UK) and that employee has subsequently left the business and is on a part-time retainer, during the current year more employees have joined the group as the previously dormant subsidiary, Ross Diversified Trading Limited has now become active. During the year including directors there was an average of 11 employees. The main stakeholders are the shareholders and the directors are committed to acting in their best interest and communicate to them at the AGM and through regular correspondence and/or webinars, as well as through timely filing of informative interim and year-end financial statements, stock exchange announcements and as detailed in the Governance Report on page 12.

As detailed in the Strategic Report on pages 5 to 8 the directors are proud of the Group's Premium Listing on the Main Board of the London Stock Exchange and therefore always have the desirability of the Group and its companies maintaining a reputation for high standards of business conduct as also detailed in the Governance Report on page 12.

As the Group is continuing to be focused on research and development through its relationship in the RGP-525 new venture with 525 Solutions and the key relationship with Professor Robin Rogers there is little or no impact the group has on its community or environment as detailed on page 8 of the Strategic Report.

Whilst the Group has sufficient cash reserves to meet its current needs as detailed in the Strategic Report on page 6, the directors are always striving to increase revenue and raise funds for strategic opportunities they view are beneficial to the Group shareholders.

Principal Risks and Uncertainties

Notwithstanding the Coronavirus Pandemic, the main risk to the existing operations of the Group is the possibility of depleting necessary working capital in the event of not being able to achieve mass production of Chitin and/or incurring excessive expenses and/or overhead within a viable period of time. As this type of Chitin production has never been undertaken or achieved before, the Board is both fully aware of these risks and, as a result, has always endeavoured to managed its cash and cashflow conservatively and prudently; ensuring that its exposure to any RGP-525 liabilities in this instance are primarily limited to its initial investment. In addition, the Board is equally endeavouring to ensure that funds are being made available to the Group, whilst also exploring other opportunities for future growth.

Your directors are therefore reasonably confident that the Group currently has both the financial resources and capability to fund existing expenses for future growth.

Breakdown by sex of directors
At 31 December 2020 there are five directors: five men and no women.

Environmental matters

1 – UK Companies
In the year under review, the activities of all of the RGP UK companies (Ross Group, the parent) and Ross Diversified Trading (a subsidiary) involved no direct manufacturing, mining or materials processing. The UK based directors mostly worked from home, made frequent use of telecoms/remote conferencing to discuss company business and occasionally met at hired premises.

The board considers that in such circumstances, the carbon emissions arising from those activities are minimal.

The Chairman, Mr Barry Richard Pettitt who in the past has praviously travelled extensively around the world, accompanied occasionally by other directors, has in fact not travelled internationally at all. Therefore, the total number of business miles the Ross directors travelled in 2020 is calculated at zero, which, per the conversion factor taken from the Carbonify.com, website amounts to zero kg CO2.

2 – US Companies.
The acquisition of AAG in January 2019 meant that the Group now had for the first time in many years research and development facilities with industrial processing/manufacturing premises. These were restructured accordingly and, as discussed elsewhere in this report, so that the commercial production of Chitin business of AAG - a powerful, natural polymer containing characteristics with the potential to alter industries and improve the environment – now forms an integral part of a new venture, namely, RGP-525 which intends to produce market-ready, premium quality chitin in an environmentally conscious manner at some time in the future. This investment is being monitored and managed through Ross Group PLC Inc., which is also responsible for the Group's other USA investments and activities. All US Companies heve managed to maintain a minimal number of employees and/or sub-contractors.

The Board of Directors are very proud to be partly responsible for such an environmentally friendly new venture operation and subsidiaries that are also, wherever possible, committed to similar standards, ethics and governance.

On behalf of the Board

....
Barry Richard Pettitt – Chairman

Date: 29th June 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

Dividends
No dividends will be distributed for the year ended 31 December 2020.

Events since the end of the year
Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

B R Pettitt (Chief Executive Officer)
Barry Richard Pettitt, aged 61, was appointed to the board on 22 December 2008 as the CEO of the group and elected as its Chairman and CEO on 28 April 2009. He has more than 30 years' experience within the consumer electronics and supply chain management industries, during which time he successfully started a specialist supply chain management services company. ISO International (Holdings) Ltd, which was subsequently purchased by a Hong Kong Public Company for HK$ 155,000,000 in 2003. In addition, he has managed a number of Public Company divisions (in the capacities of President and Managing Director) and successfully relisted a Hong Kong Public Company, Vision Tech Ltd, as its CEO in 2007. He has resided in Hong Kong since 1989. Prior to that, he was the joint Managing Director of Ross Consumer International Ltd and a main board director of the Ross Group (formerly Ross Consumer Electronic Plc) in 1987 after which he has continued to be a shareholder in Ross Group for the last 33 years.

M J Simon (Senior Non-Executive Director)
Michael Jonathan Simon MA(Cantab) FCA FCCA, aged 61, was duly reappointed to the board in April 2009. He is an economics graduate from the University of Cambridge and a fellow of the Institute of Chartered Accountants in England and Wales and also of the Association of Chartered Certified Accountants. Mr Simon is in a partnership in public practice and a non-executive director of several other companies. He has maintained his independence by submitting himself for annual re-election at the Group's Annual General Meeting and is currently Chairman of the Audit and Remuneration sub-committees whilst also offering to serve for annual re-election by rotation.

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S C Mehta (Executive Director)
Shashi Mehta, aged 63, was appointed on the board on 22 December 2009. He holds a BSc (Hons) in Manufacturing and has had a distinguished career in a variety of industrial and manufacturing trouble-shooting roles. He brings a wealth of experience and expertise to the Group. He spent many years working for the Ford Motor Company, and was Operations Manager in Ross Consumer Electronics during the 1980's.

Newly Elected Directors

R E Tamraz (Non- Executive Director)
Roger Tamraz aged 81, was appointed to the Board in Dec 2020 as a Non-Executive Director. He is an international banker and venture capital investor who has had an active business career in banking, oil and gas spanning from Middle East to USA. Fluent in English, French and Arabic, he was Chairman of Kidder, Peabody & Co. Middle East. Also has owned and controlled banks in the Middle East and in the United States; Also, having led the takeover and then re- built the largest bank in Lebanon, Intra Bank.

P M Fisher
Philip Fisher was the joint Managing Director of Ross Consumer International Ltd., a subsidiary of Ross Group (formerly Ross Consumer Electronic Plc) in 1988/89 and has since maintained an excellent working relationship with its senior management for many years. He will oversee new business divisions and/or developments within the UK.

Financial Instruments
Details of the financial instruments used by the group can be found in note 26 of the accounts.

Employee Involvement
During the year there was an average of 8 employees, and 5 Main Board directors.

Directors Interests

Directors
Mr Barry Pettitt has from time to time entered into contracts with Ross Group concerning the provision of professional services to third parties and/or subsidiaries. Apart from this, no director had any interests in contracts of significance with the company.

In accordance with the Articles of Association members will be asked to confirm the appointment of all directors.

The total number of shares controlled by Barry Pettitt, directly and indirectly through Lynchwood Nominees Limited (previously Prime Growth Enterprises Limited) at the date of this report was 28,232,203 (12.91%).

The following directors also owned shares in Ross Group Plc during the year:

	No of Ordinary Shares	% of Issued Share Capital
Michael Simon	624,302	0.29%
Wade Hopkins deceased	92,962	0.04%
Robin Rogers	4,201,721	1.92%

Substantial shareholdings
As at 31 December 2020 the following were registered as being materially interested in 4% or more of the company's issued share capital, or being a related shareholder.

	No of Ordinary Shares	% of Issued Share Capital
Keniworth Capital Limited	40,000,000	18.28%
Vidacos Nominees Limited	37,343,697	17.07%
Lynchwood Nominees Limited Des: 2006442	28,004,963	12.80%
Escalating Investments Limited	20,200,720	10.15%
BBHISL Nominees Limited	8,850,000	4.05%

Statement of Directors' Responsibilities
The directors are responsible for preparing the Annual 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 International Financial Reporting Standards as adopted by the UK and the Republic of Ireland . 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 group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Responsibility Statement
We confirm that to the best of our knowledge:

1. The financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the UK and the Republic of Ireland, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consideration taken as a whole; and

2. The management's report, which is incorporated into the Directors' Report together with the information provided in the Chairman's Statement, the Strategic Report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation as a whole, together with a description of the principal risks and uncertainties that they face.

Statement as to disclose of information as Auditors
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director 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 group's auditors are aware of that information.

Auditors
In accordance with section 485 of the Companies Act 2006, a resolution proposing that CBW Audit Limited be re-appointed will be put at the forthcoming Annual General Meeting in 2021.

On behalf of the Board

....
M Simon
Secretary
Date: 29th June 2021

The group is pleased to present its report on Corporate Governance and the UK Corporate Governance Code. The board strives to comply with the high standards set by the UK Corporate Governance Code as incorporated in the UK Listing Rules of the Financial Conduct Authority. The Code requires the company to make a two-part disclosure statement, firstly on how the principles of the code are applied and secondly confirmation of compliance or explanation of any reason for deviation from the Code. Throughout the year the company has complied with the main principles of the Code.

Application of The Principles of the UK Corporate Governance Code

The Board
There is an effective and appropriately constituted board which in the year under review consisted of five directors. The Chief Executive, Mr Pettitt who is normally based overseas, also serves as Chairman. The board is fully aware that this is contrary to Code provision A.2.1, which states that the roles of chairman and chief executive should not be exercised by one individual. The board is of the opinion that, given the current size of the business, and also Mr Pettitt's undoubted and considerable knowledge, experience and contacts in the Group's field of operations that the shareholders' interests are best served by this arrangement. The board is active in its management of the group and meets and confers regularly on business matters arising. These frequent and robust discussions serve to ensure that no one individual has unfettered powers of decision.

During 2020 Mr Pettitt was supported by four other directors: Mr W L Wade (Deceased – Thereafter with Mr P.M. Fisher being appointed in January 2021) and Mr M J Simon, who was appointed in April 2009, and Mr S C Mehta who was appointed in December 2009. Professor R D Rogers was appointed in December 2019 and retired in December 2020 - with Mr R Tamraz being appointed in December 2020.

Mr Simon has acted as company secretary since April 2009.

One director resigned from the board in December 2020 Professor R D Rogers.

One new director was appointed December 2020 Mr R E Tamraz. One director has been appointed after the year end in February 2021 Mr P M Fisher, following the death of Mr W L Hopkins.

The two non-executive directors, Mr Simon and Mr Tamraz, are considered to be independent as there are no circumstances or relationships as described by Code provision B.1.1 which apply to their appointments. The group's definition of a non-executive director is one who considers the interest of all the shareholders and this is demonstrated during the board meetings. As part of their role, the non-executive directors constructively challenge decisions and help develop strategies and plans for the benefit of the board.

Board procedure
The board is responsible for decisions concerning strategic and financial planning and matters involving the overall direction of the company. Management will seek board approval of the annual budget and rolling business plan. Reforecasts are presented as updates to the budget throughout the year to account for variances and provide forward vision. The operational business decisions are taken by local management with reference to the board where necessary.

The board has established separate committees for: Appointments (Chaired by Mr Pettitt); Audit (Chaired by Mr Simon up to April 2019 when the chair passed to Professor Georg Hollander, who resigned as a director in December 2019 whereupon the chair was taken by Professor Robin Rogers and thereafter the Audit & Remuneration has been Chaired by Mr Simon).

All of the directors are subject to periodic re-election and also the full board considers all appointments. A director will require re-election within a maximum period of three years.

Biographies of the board are included in the financial statements. These indicate a wealth of experience, which is essential in effectively managing the activities of the group. In addition to this the board members, wherever deemed appropriate and/or possible, endeavour to attend relevant seminars and courses of their respective professional organisations.

Attendance

Board meetings are held regularly throughout the year. Due to the location of the directors, the meetings are often held electronically. The board is supplied with all the information relevant to the meeting in a timely manner and in a form and quantity appropriate to enable it to discharge its duties during the meetings.

The board has now established procedures in respect of access to the company secretary and the directors have access to consult the company secretary when required.

All shareholders have the opportunity to put forward questions to the board during the company's Annual General Meeting and the board communicates with the shareholders via the notices and other papers relating to the Annual General Meeting. The company also welcomes and responds to written communication from its shareholders. The company website allows shareholders to contact the directors by email.

The board has carried out a formal and rigorous annual evaluation of its performance and of its committees and individual directors. This evaluation covers contribution, commitment and the manner in which board related duties have been completed. The chairman has discussed the review with individual directors where necessary to ensure the board operates as an effective unit. The performance review was conducted using recognised evaluation processes. The independent non-executive director has conducted a performance review on the chairman which included the consideration of the views expressed by the executive directors.

Internal audit and control

The respective responsibilities of the directors and the auditors in connection with the financial statements are set out in the audit report. The directors have overall responsibility of the effectiveness of the group's whole system of internal control, including financial and other controls, which are designed to provide reasonable but not absolute assurance against material misstatement or loss. The key procedures that the directors have established to provide effective internal financial control are as follows:

Financial Reporting

There is a comprehensive system for reporting performance. During the course of the year, a one year rolling budget is prepared for each company within the group and a consolidated budget is prepared for the whole group. The board then formally approves the budgets. The results are then reported regularly to the board for their consideration and forecasts are revised accordingly.

Quality and Integrity of Personnel

The integrity of the group is maintained through the appointment of experienced and professional staff and the application of appropriate policies and procedures.

Capital Investment

The group has set procedures for capital expenditure. These include annual budgets, appraisals and review of the required expenditure, approvals at the right levels of authority and the commissioning of independent professional advice where appropriate.

Professional Advice
Professional advice is usually sought on contentious and disclosure issues, this being as a result of discussions during the Board Meetings. During the year the Chairman can seek independent professional advice in relation to matters affecting the group.

The group has an ongoing system for identifying, evaluating and managing the significant risks faced by the group which has been in place for the whole of the year under review up to the date of approval of the annual report and accounts and which is regularly reviewed by the board to ensure it continues to accord with the UK Corporate Governance Code. The directors have reviewed the effectiveness of the system of internal financial control during the year from information provided by the management and the group's external euditors. It must be recognised that such a system can only provide reasonable and not absolute essurance, and in that context, tha review revealed nothing which, in the opinion of the directors, indicates that the system was inappropriate or unsatisfactory.

The group has no formal internal audit function and the board has determined that there is no need for one. The board considers that internal audit is dealt with in other ways and the situation is regularly reviewed.

Going Concern
The directors confirm that after making the appropriate enquiries, they are of the opinion that the group as a whole has adequate resources to continue in operational existence for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

External Audit and Audit Committee
The Audit Committee during 2020 comprised of the non-executive directors, Mr Simon and Professor Rogers, as well as Executive Directors Mr Mehta and Mr Hopkins. The committee was chaired by Professor Rogers. It met periodically to review the adequacy of the group's internal control systems, accounting policies, corporate governance policies and compliance with applicable accounting standards and to consider the appointment of the external auditors and to review their fees. CBW Audit Limited is invited to attend these meetings. The Audit Committee is authorised by the board to investigate any activity within its terms of reference and obtain external professional advice as is necessary.

By order of the Board

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Barry Richard Pettitt
Chairman & Group Chief Executive Officer

Date: 29th June 2021

The board is pleased to present its remuneration report in accordance with section 12.43A(c) of The Listing Rules.

The board has in place a remuneration committee, comprising Mr Michael Simon, non-executive director, and Mr B Pettitt, Chief Executive, to determine the remuneration of the board.

The company policy during the restructuring period throughout 2020 was to continue pay directors only a nominal £1 salary (which has been in place since 2008). This policy will be reconsidered as occasion arises and as the new business opportunities open to the group are realised. The directors feel it would be inappropriate to take any reward until that has been achieved.

Name	Position	Gross salary	Benefits	Notice Pay	Total Remuneration 2020	Total Remuneration 2019
B R Pettitt	Chairman/ Group Chief Executive	£1	Nil	Nil	£1	£1
M J Simon	Non-executive Director	£1	Nil	Nil	£1	£1
S C Mehta	Executive Director	£1	Nil	Nil	£1	£1
R E Tamraz	Executive Director	£1	Nil	Nil	£1	£1
W L Hopkins	Executive Director	£1	Nil	Nil	£1	£1
P M Fisher undertook W L Hopkins position upon his death on the same terms and conditions.		Nil	Nil	Nil	Nil	Nil

No director currently has a service contract with a notice period in excess of 12 months. All executive directors have contracts that require a notice period of one month. The contracts of the non-executive directors would normally be renewed for a period of one year. All directors are presented for re-election by the members at the Annual General Meeting on a maximum cycle of three years.

The group does not currently operate a director's share option scheme or a long-term incentive system.

The group also does not currently have an employees' share scheme or other long-term incentive.

The board has instructed local management to ensure the companies address those corporate social responsibilities which are recognised as being of prime importance. The responsibility for CSR rests with the Chief Executive Officer, Barry Pettitt, who will bring to the board's attention any major issues which require their approval and regularly updates the board on CSR matters. The views of shareholders and interested external parties are considered when developing the ongoing policy to CSR.

Figures are available for the board to review to enable them to assess the trend towards improvement in CSR matters and to direct the policy towards those areas that require further attention.

Employees
For several years the only employees of the company were its directors. This changed with the acquisition of AAG in January 2019. When this happened, the Group inherited 25 employees, this has now reduced on the reorganisation of AAG.

The group has always taken the view that employees constitute a group's most valuable asset and therefore it has always been committed to ensuring they should enjoy the best environment in which to perform their duties, one of equal opportunity and free from discrimination and harassment.

For reasons discussed elsewhere, it was not possible to continue operations with the four businesses of AAG constituted as they were, and those facilities during and by the year end were suspended. Consequently, at the year-end 2019 there was only one employee left on the payroll of the AAG companies. During 2020 this has increased to three and they have been joined by three new employees in Ross Diversified Trading Limited as this, previously dormant subsidiary commenced trading in the year.

The group strongly believes in the future of the AAG technology, and we have developed a corporate structure to facilitate that development through the RGP-525 new venture. We will aim to promote a culture which suits the recruitment and retention of the highest calibre of staff and to ensure that all staff will be trained to the appropriate standard required to fully meet their job specifications.

The health and safety of the employees is paramount to the group. Staff are issued with data sheets on the handling of any substances which might be toxic and will be trained in the correct procedures to follow. Any potential issues can be raised with Mr Pettitt.

Environment
The board is fully aware of its responsibilities and fully supports the drive for ongoing improvement in this area. The impact the group's activities on the environment are regularly assessed to enable action to be directed at areas where any harmful impact could be reduced.

The group has worked with its suppliers during the year to ensure the products used in manufacturing and any waste arising from the use of those products have a minimal impact on the environment. The use of energy is closely monitored, and the available controls are used to good effect to reduce consumption where possible.

Customers
Customer satisfaction is one of the main targets for the group and this is aided by a rigorous quality policy. The Quality procedures adopted by the group require the recording of customer feedback and measures our performance against customer expectation. The group strives to meet the demands of its customers, but also ensures that solutions to their requirements are designed with efficiency.

Local Community
The group seeks to inter act with the local community and develop close relationships within its area of operation. It has established links with the local schools and colleges.

Commitment
The group will continue to enhance its approach to CSR to ensure that it supports the principles as it expands its range of activities and welcomes any suggestions on how it can improve in this area.

Opinion

We have audited the financial statements of Ross Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group and parent company's Income Statements, Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity, Statements of Cash Flows and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 31 December 2020 and of the group's and the parent company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS regulation.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 2 to the group financial statements, the group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements give a true and fair view of the consolidated financial position of the group as at 31 December 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRSs as issued by the IASB.

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 as applied to listed public interest entities, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting includes:

- Obtaining management's assessment of going concern of the Group and challenged the appropriateness of the assumptions used by utilising our knowledge of the Group gained throughout the audit and obtaining further corroborative audit evidence.
- Analysing forecasts prepared by management covering a period to December 2022, which have been flexed using different variables for events over the corresponding period.
- Reviewing minutes of meetings of the Board for any factors that may affect going concern.
- Obtaining appropriate comfort regarding financial support offered to the group, if required, and verifying the ability of relevant parties to provide this level of support.
- Assessing the wider macro-economic environment over the period, in particular with respect of COVID-19 and Brexit.
- Considered publicly available information to identify if there is anything to contradict the assessment made by management, or if there are any indicators of potential risk to the group of industry.
- Assessing the appropriateness of going concern disclosure.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entity's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

Tailoring of the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate

The group consists of the parent company and a subsidiary incorporated in the UK, for which a full scope audits were conducted, and an American based group (AAG), which consists of five companies and Ross Group Plc Inc. All subsidiaries were considered to be significant components, therefore audit work was completed on material balances. These group companies are listed in note 12 of the financial statements. There were no acquisitions during the reporting period, therefore the scope has not changed significantly compared to the prior period.

Procedures have been conducted on a group level to ensure the amounts brought into the consolidation are not materially misstated.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key Audit Matter	How our scope addressed this matter
Management override of controls Due to the nature of activities and operations, there is a risk that management override could occur in a number of areas, and in particular through journal entries being processed. The risk is that unauthorised journal entries could be entered.	In order to address this risk, we reviewed journal entries at the group and subsidiary levels, inquired of management the risks of fraud and the controls put in place to address management override and assessed the possibility of fraud arising as a result of errors identified during our audit. The key observations with regards to these risks were that our testing of journal entries did not uncover any unauthorised entries. Due to the nature of testing conducted throughout the audit, and the low materiality level, there is limited scope for management to be able to process unauthorised journal entries.

Key Audit Matter	How our scope addressed this matter
Revenue recognition Revenue is recognised in accordance with the accounting policy set out in the notes to the consolidated financial statements (set out in note 2). The accounting policy contains a number of judgements with regards to revenue earned from contracts. This is considered to be a significant risk due to it often being contingent on external variables.	In order to address this risk, we performed substantive testing. We tested a sample of transactions from the point of origin, which were the original contracts, and traced these to the financial statements. There was revenue included for the current year relating to the subsidiary Ross Diversified Trading Limited (RDT), which started to trade in the year, and tested substantively per the above. However, it was found that there was no further trading income to be recognised in the year, which is consistent with understanding of the business. We assessed the appropriateness of the related disclosures on page 42 (note 4) of the financial statements and consider them to be reasonable. The key observations with regards to these risks were that we concurred that revenue had been recognised in accordance with IFRS 15 *Revenue from contracts with customers* and is materially appropriate or accurate.
Non-compliance with laws and regulations Ross Group Plc has a premium listing on the London Stock Exchange, and therefore needs to comply with a high level of regulation. Non-compliance with these laws and regulation could result in the parent company being de-listed from the London Stock Exchange, which would threaten the group and parent company's ability to continue. This is considered to be a significant risk.	In order to address this risk, testing was conducted to ensure that the parent company is up to date with relevant fees due to regulators, and that all returns are submitted in accordance with requirements and within the specified timescales. A detailed analysis of the relevant laws and regulations has been undertaken and discussed with management to outline the control processes to ensure compliance with these. They key observation with regards to this risk was that the parent company is compliant with the requirements of the London Stock Exchange.

Key Audit Matter	How our scope addressed this matter
Going concern The group is considered by the board to be a going concern, and the accounts have been prepared as appropriate on this basis, and therefore this judgement should be assessed. As the majority of the group companies do not trade and generate revenues (except for RDT which started to trade again during the year), and the group is in a net liabilities position, there is a risk of material uncertainty relating to going concern, compounded with the current economic climate as a result of COVID-19.	In order to address this risk, a detailed review of going concern was conducted, which involved reviewing management's forecasts for the period up to December 2022, and challenging the assumptions made in preparation of this. Sensitivity analysis was conducted, and a 'worse' case scenario was assessed to consider the impact of this. Detailed discussions have been had with management on future plans, availability of financial support (including verification from a third party that this level of support can be given), review of board meeting minutes, and review of the appropriateness of the going concern disclosure in note 2. The application of materiality is not as applicable in this area since this relates to the overall appropriateness of applying the going concern principle. The key observations with regards to this risk are that the group have prepared flexed forecasts, which consider various different events, and the financial impact of these over the period of review, and with the support available, it has been concluded that the director's used of the going concern basis of accounting is considered appropriate.

Our application of materiality

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows: group and parent company materiality for the financial statements as a whole at £29,500 and £11,800 respectively, which is based on 2% of loss before tax after the removal of exceptional items at the planning stage. Materiality has been set using this measure as this is considered to represent the most appropriate measure of underlying performance, which is the most sensitive measure being a listed group. The group and parent company performance materiality adopted is 85% of this figure, which was calculated as £25,000 and £10,000 respectively. This is deemed by the audit team to be an appropriate level to identify material errors. The materiality at completion has been assessed and it was noted that the loss before tax had increased as a result of an audit adjustment, however it was concluded that materiality should not be amended. Materiality has influenced our workings not only for the key audit matters but also for the rest of the work performed during the audit. Anything below £1,400 and £500 was considered trivial from a group and parent company perspective respectively.

We agreed with the audit committee that we would report to them misstatements identified during our audit above £1,400 or £500 as appropriate as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception
In the light of the 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 or the directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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 and the part of the directors' remuneration report to be audited 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; or
- a corporate governance statement has not been prepared by the parent company.

Corporate governance statement
The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified (set out on page 10);
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate (set out on page 13).
- Directors' statement is fair, balanced and understandable (set out on page 14);
- Board's confirmation that it has carried out a robust assessment of the e-merging and principal risks (set out on page 14);
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems (set out on page 13); and;
- The section describing the work of the audit committee (set out on page 14).

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 11, 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the company were identified through discussions with directors and other management, and from our commercial knowledge and experience of a premium listed group undertaking various global activities. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the company, including the Listing Rules of the Financial Conduct Authority (FCA), Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the FCA and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the board of directors on 20 May 2021 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ending 31 December 2019 to 31 December 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CBW Audit Limited

Daniel Howarth FCA (Senior Statutory Auditor)
for and on behalf of CBW Audit Limited
Chartered Accountants
Statutory Auditors
66 Prescot Street
London
E1 8NN

Dated: 29 June 2021

Ross Group Plc & Subsidiaries
Consolidated Income Statement
For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Revenue		**43**	-
Production expenses		**(39)**	(1,940)
Gross profit / (loss)		**4**	(1,940)
Other operating income	5	**127**	13,680
Administrative expenses		**(1,056)**	(15,160)
Operating (loss)		**(925)**	(3,420)
Finance income	8	1	301
Finance expense	8	**(539)**	(478)
(Loss) before income tax	7	**(1,463)**	(3,597)
Income tax	9	-	-
(Loss) for the year		**(1,463)**	(3,597)
Continuing operations loss for the year		**(1,463)**	(836)
Discontinuing operations loss for the year	10	-	(2,761)
(Loss) for the year		**(1,463)**	(3,597)
(Loss) attributable to:			
Owners of the parent		**(1,463)**	(3,597)
Earnings per share expressed in pence per share:	11		
Basic		**(0.67)**	(1.64)
Diluted		**(0.67)**	(1.64)
Earnings per share from continuing operations			
Basic		**(0.67)**	(0.38)
Diluted		**(0.67)**	(0.38)

The notes form part of these financial statements.

Ross Group Plc & Subsidiaries
Company Income Statement
For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Continuing operations			
Revenue		-	-
Other operating income	5	**30**	-
Administrative expenses		**(220)**	(541)
Operating (loss)		(190)	(541)
Finance costs	8	**(421)**	(358)
(Loss) before income tax	7	**(611)**	(899)
Income tax	9	-	-
(Loss) for the year		**(611)**	(899)

The notes form part of these financial statements.

Ross Group Plc & Subsidiaries
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2020

	2020 £'000	2019 £'000
(Loss) for the year	**(1,463)**	(3,597)
Exchange gains arising on translation of foreign operations	**64**	306
Total comprehensive income for the year	**(1,399)**	(3,291)
Total comprehensive income attributable to:		
Owners of the parent	**(1,399)**	(3,291)

The notes form part of these financial statements.

	2020 £'000	2019 £'000
(Loss) for the year	**(611)**	(899)
Other comprehensive income	-	-
Total comprehensive income for the year	**(611)**	(899)

The notes form part of these financial statements.

Ross Group Plc & Subsidiaries (Registered Number: 00131902)
Consolidated Statement of Financial Position
31 December 2020

	Notes	2020 £'000	2019 £'000
Assets			
Current assets			
Inventories	18	-	39
Trade and other receivables	19	269	85
Cash and cash equivalents	20	91	649
		360	773
Non-Current assets			
Investments	13	424	-
Property, plant and equipment	15	355	887
Right-of-use assets	16	311	515
Intangible assets	17	-	-
		1,090	1,402
Total assets		1,450	2,175
Equity			
Shareholders' equity			
Called up share capital	21	11,218	11,218
Share premium	22	3,146	3,146
Other reserves	22	15,384	15,384
Convertible debenture	22	5,815	5,489
Retained earnings	22	(40,574)	(39,175)
Total equity		(5,011)	(3,938)
Liabilities			
Non-current liabilities			
Lease liabilities	16	183	389
Financial liabilities	24	1,705	1,891
		1,888	2,280
Current liabilities			
Trade and other payables	23	3,408	2,931
Lease liabilities	16	208	206
Financial liabilities	24	957	696
		4,573	3,833
Total liabilities		6,461	6,113
Total equity and liabilities		1,450	2,175

The financial statements were approved by the Board of Directors on 29th June 2021 and were signed on its behalf by:

....
B Pettitt – Director

....
M Simon – Director

The notes form part of these financial statements.

Ross Group Plc & Subsidiaries (Registered Number: 00131902)
Company Statement of Financial Position
31 December 2020

	Notes	2020 £'000	2019 £'000
Assets			
Current assets			
Trade and other receivables	19	763	494
Cash and cash equivalents	20	44	636
		807	1,130
Non-Current assets			
Investments	13	627	203
Property, plant and equipment	15	20	-
		647	203
Total assets		1,454	1,333
Equity			
Shareholders' equity			
Called up share capital	21	11,216	11,218
Share premium	22	3,146	3,146
Other reserves	22	30,938	30,938
Convertible debenture	22	5,815	5,489
Retained earnings	22	(52,876)	(52,265)
Total equity		(1,759)	(1,474)
Liabilities			
Non-current liabilities			
Financial liabilities	24	1,705	1,891
Current liabilities			
Trade and other payables	23	551	220
Financial liabilities	24	957	696
		1,508	916
Total liabilities		3,213	2,807
Total equity and liabilities		1,454	1,333

The financial statements were approved by the Board of Directors on 29th June 2021 and were signed on its behalf by:

B Pettitt – Director

M Simon– Director

The notes form part of these financial statements.

Ross Group Plc & Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

	Called up Share capital £'000	Retained earnings £'000	Share premium £000
Balance at 1 January 2019	11,179	(35,884)	2,803
Changes in equity			
Issue of share capital	39	-	343
Total comprehensive income	-	(3,291)	-
Balance at 31 December 2019	11,218	(39,175)	3,146
Changes in equity			
Issue of share capital	-	-	-
Total comprehensive income	-	(1,399)	
Balance at 31 December 2020	**11,218**	**(40,574)**	**3,146**

	Other reserves £'000	Convertible debenture £'000	Total equity £'000
Balance at 1 January 2019	15,384	5,127	(1,391)
Changes in equity			
Issue of share capital	-	-	382
Total comprehensive income	-	-	(3,291)
Value of conversion rights on convertible loans	-	362	362
Balance at 31 December 2019	**15,384**	**5,489**	**(3,938)**
Changes in equity			
Issue of share capital	-	-	-
Total comprehensive income	-	-	(1,399)
Value of conversion rights on convertible loans	-	326	326
Balance at 31 December 2020	**15,384**	**5,815**	**(5,011)**

The notes form part of these financial statements.

Ross Group Plc & Subsidiaries
Company Statement of Changes in Equity
For the year ended 31 December 2020

	Called up Share capital £'000	Retained earnings £'000	Share premium £000
Balance at 1 January 2019	11,179	(51,366)	2,803
Changes in equity			
Issue of share capital	39	-	343
Total comprehensive income	-	(899)	-
Balance at 31 December 2019	**11,218**	**(52,265)**	**3,146**
Changes in equity			
Issue of share capital	-	-	-
Total comprehensive income	-	(611)	-
Balance at 31 December 2020	**11,218**	**(52,876)**	**3,146**

	Other reserves £'000	Convertible debenture £'000	Total equity £'000
Balance at 1 January 2019	30,938	5,127	(1,319)
Changes in equity			
Issue of share capital	-	-	382
Total comprehensive income	-	-	(899)
Value of conversion rights on convertible loans	-	362	362
Balance at 31 December 2019	**30,938**	**5,489**	**(1,474)**
Changes in equity			
Issue of share capital	-	-	-
Total comprehensive income	-	-	(611)
Value of conversion rights on convertible loans	-	326	326
Balance at 31 December 2020	**30,938**	**5,815**	**(1,759)**

The notes form part of these financial statements.

Ross Group Plc & Subsidiaries
Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
(Loss) before income tax		(1,399)	(3,291)
Investment impairment provision		-	36
Depreciation of property, plant and equipment		4	123
Loss of sale of property, plant and equipment		84	-
Reverse impairment of property, plant and equipment		(167)	-
Impairment of property, plant and equipment		207	5,170
Amortisation of right-of-use assets		191	189
Impairment of intangible assets		-	1,684
Foreign exchange adjustments		28	-
Finance expense		539	478
Finance income		(1)	(301)
		(514)	4,088
(Increase) / decrease in trade and other receivables		(146)	27
Decrease / (Increase) in inventories		39	(39)
Increase in trade and other payables		453	413
Net cash from operating activities		(168)	4,489
Cash flows from investing activities			
Purchase of fixed asset investments		(424)	(36)
Purchase of property, plant and equipment		(66)	(6,180)
Purchase right of use assets		-	(704)
Purchase of intangible assets		-	(1,684)
Proceeds from sale of property, plant and equipment		470	-
New loans issued		-	(14)
Interest received on loans		1	301
Net cash from investing activities		(19)	(8,317)
Cash flows from financing activities			
Issue of ordinary shares		-	382
Proceeds from new loans issued		425	4,152
Repayment of loans and borrowings		-	(179)
Interest paid on loans and borrowings		(509)	(436)
Principal proceeds on lease liabilities		-	816
Principal paid on lease liabilities		(219)	(221)
Interest paid on lease liabilities		(30)	(42)
Redemption of loans		(326)	(362)
Transfer of value of conversion rights on convertible loans		326	362
Amount withdrawn by directors		(38)	(15)
Net cash from financing activities		(371)	4,457
(Decrease) / increase in cash and cash equivalents		(558)	629
Cash and cash equivalents at beginning of year	1	649	20
Cash and cash equivalents at end of year	1	91	649

The notes form part of these financial statements.

Ross Group Plc & Subsidiaries
Company Statement of Cash Flows
For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
(Loss) before income tax		**(611)**	(899)
Impairment provision		**-**	36
Finance cost		**421**	358
		(190)	(505)
Increase in trade and other receivables		**(236)**	(324)
Increase / (decrease) in trade and other payables		**331**	(96)
Net cash from operating activities		**(95)**	(925)
Cash flows from investing activities			
Purchase of fixed asset investments		**(424)**	(239)
Purchase of property, plant and equipment		**(20)**	-
Net cash from investing activities		**(444)**	(239)
Cash flows from financing activities			
Issue of ordinary shares		**-**	382
Proceeds from new loans issued		**401**	1,950
Repayment of loans and borrowings		**-**	(179)
Interest paid on loans and borrowings		**(421)**	(358)
Redemption of loans		**(326)**	(362)
Transfer of value of conversion rights on convertible loans		**326**	362
Amount withdrawn by directors		**(33)**	(15)
Net cash from financing activities		**(53)**	1,780
(Decrease) / increase in cash and cash equivalents		**(592)**	616
Cash and cash equivalents at beginning of year	1	**636**	20
Cash and cash equivalents at end of year	1	**44**	636

The notes form part of these financial statements.

1. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statements in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020	**Group**		**Company**	
	31/12/20	**01/01/20**	**31/12/20**	**01/01/20**
	£'000	**£'000**	**£'000**	**£'000**
Cash and cash equivalents	**91**	**649**	**44**	**636**

Year ended 31 December 2019				
	31/12/19	01/01/19	31/12/19	01/01/19
	£'000	£'000	£'000	£'000
Cash and cash equivalents	649	20	636	20

1. Statutory Information

Ross Group Plc is a public company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page. The subsidiary, Ross Diversified Trading Limited, is a private company limited by shares and registered in England and Wales. The subsidiary, Ross Group Plc Inc, is a close corporation, limited by shares and registered in USA. The subsidiary, Archipelago Aquaculture Group LLC, is a limited liability company registered in USA.

The following companies are all subsidiaries of Archipelago Aquaculture Group LLC.

The subsidiary, Mari Signum Limited, is a company limited by shares and registered in USA. The subsidiary Mari Signum Mid-Atlantic LLC, is a limited liability company registered in USA. The subsidiary Mari Signum Dragon Drying – MS LLC, is a limited liability company registered in USA. The subsidiary Prometheus Progeniture Genetics Technologies Limited LLC, is a limited liability company registered in USA.

2. Accounting Policies

Basis of preparation

The consolidated financial statements of Ross Group Plc have been prepared in accordance with International Financial Reporting Statements (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the UK and the Republic of Ireland and with the Companies Act 2006 as applicable to companies reporting under IFRS. The financial statements have been prepared on a historical cost basis and on a going concern basis.

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in British Pounds (GBP), which is Ross Group Plc's functional and presentation currency. Amounts are rounded to the nearest thousand.

In preparing the financial statements for the current period, the group has adopted the following new IFRS's, amendments to IFRS's and IFRS Interpretations Committee (IFRIC) Interpretations. These standards do not have a significant impact on the results or net assets of the group.

IAS 1 (amended)	Presentation of Financial Statements
IAS 8 (amended)	Accounting Policies, Changes in Accounting Estimates and Errors
IFRS 3 (amended)	Business Combinations
IFRS 7 (amended)	Financial Instruments: Disclosures
IFRS 9 (amended)	Financial Instruments

2. **Accounting policies – continued**

New standards, amendments and interpretations that are not effective for the year ended 31 December 2020

On the date of approval of these financial statements, the following accounting standards have been issued by the International Accounting Standards Board but were not yet effective:

New standards and amendments which are not effective for the current year and have been endorsed by the UK and the Republic of Ireland.

- Amendments to IAS 1 Presentation of Financial Statements (Effective for annual reporting periods beginning on or after 1 January 2023)
- Amendment to IAS 16 Property, Plant and Equipment (Effective for annual reporting period beginning on or after 1 January 2022)
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Effective for annual reporting periods beginning on or after 1 January 2022)
- Amendment to IFRS 7 Financial Instruments: Disclosures (Effective for annual reporting periods beginning on or after 1 January 2021)
- Amendments to IFRS 9 Financial Instruments (Effective for annual reporting periods beginning on or after 1 January 2021)
- Amendments to IFRS 16 Leases (Effective for annual reporting periods beginning on or after 1 January 2021)
- IFRS 17 Insurance Contracts (Effective for annual reporting periods beginning on or after 1 January 2023)

The Group is in the process of assessing the impact of new and revised standards but does not expect that the application of the new standards will have a significant impact on the Group's financial statements.

2. Accounting policies – continued

Going concern

The group's business activities, together with the factors likely to affect the future performance and position are set out in the Strategic Report on pages 5 to 8.

As described in the Business Review on pages 5 to 6, the group is currently continuing to explore the opportunities to mass produce Chitin in a way never before undertaken and given this, there is uncertainty as to how long it will take to achieve these aims and generate income. Although this uncertainty exists, the group are working with experts in this field who are heavily involved in the process and are confident of its success. The Directors have instituted measures to preserve cash by restructuring the group and also have entered into a new venture in order to limit any further cost exposure, although if proven to be successful, will look to secure additional finance if required. This strategic approach and implementation has ceased to create any material uncertainties over future trading results and cash flows from this sector of the business. This opportunity is now being explored through the new venture RGP – 525 in which Ross Group Plc holds a 19.9% interest thus limiting the groups exposure in this area.

The Directors have pursued other opportunities within the year and have commenced trading within the wholly owned subsidiary company, Ross Diversified Trading Limited, regarding supply chain management contracts in the minerals sector. A number of other such opportunities are currently being explored in the mining, minerals, oil and gas sectors and it is anticipated that a number of transactions in these areas will conclude during the 2021 financial year increasing both revenue and profitability in the group.

The Board is reasonably confident, notwithstanding the COVID Pandemic and its subsequent ongoing economic effects, that there will still be various unique and exciting opportunities ahead- both short term and longer term – for its business to be sustained and also for potential growth to be considered in the future.

The group continue to negotiate the sale of certain assets and the settlement of the current liabilities following the restructure of the AAG group and would hope to bring these to conclusion in the next twelve months. The Board have prepared cash flow forecasts to December 2022, including sensitivity testing on these forecasts and are satisfied the group has sufficient cash available to it from various sources in order to meet its liabilities as they fall due for a period of at least twelve months from the signing of the financial statements. The Board have also received confirmation of further independent financial support should additional cash be required to fulfil this commitment.

The Board are confident that the preparation of the financial statements on a going concern basis is appropriate and there is no significant uncertainty over the group continuing as a going concern during this period.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 December 2020. Profits or losses on intra-group transactions and intra-group balances are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

The AAG group has not generated any revenue, the decision has been made to restructure this group of companies, post new venture and in 2021.

2. Accounting policies – continued

Revenue recognition
Revenue is the total amount receivable by the group for goods supplied and services provided to third parties, excluding VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually when the goods have been delivered to customers such that the risks and removal of ownership have been transferred to them.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. A level of judgement is exercised by management in this regard.

Goodwill
Goodwill represents the excess of the cost of a business combination over the group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Property, plant and equipment
Property plant and equipment are carried at cost or deemed cost (fair value on acquisition through business combination) less accumulated depreciation and impairment provisions.

Acquisition cost includes the purchase price plus other costs related to acquisition, such as freight, postage, duties, commissions, interest on investment loans recorded before the tangible assets are capitalised or before they are put into use.

The costs of expansion, modernisation, or improvements leading to increased productivity, capacity or efficiency are capitalised. Maintenance and repair expenses are expensed as incurred.

Where the carrying amount of an asset is greater than the amount that it is estimated to be recoverable, it is written down to its recoverable amount.

The Group depreciates its property, plant and equipment on a straight line basis in order to write off the cost of each asset less the estimated residual value over its estimated useful life as follows:

Building	39 years straight line basis
Leasehold improvements	Over the term of the lease
Plant, machinery and equipment	7 years straight line basis
Right of use assets	Over the term of the lease

Financial instruments
Financial assets and liabilities are recognised on the statement of financial position when the entity becomes party to the contractual provisions of the instrument.

The Group's financial instruments consist primarily of cash and cash equivalents, accounts receivable and accounts payable.

2. Accounting policies – continued

Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective method, less loss allowance.

Prepayments from clients
Payments received in advance on sale contracts for which no revenue has been recognised yet are recorded as prepayments from clients as the reporting date and carried under liabilities.

Investments and other financial assets
The group classifies its debt instruments in the category those to be measured at amortised cost, which are assets held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the income statement. The group subsequently measures all equity investments at cost.

The group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Deferred taxation
A deferred tax asset is provided for if material, using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that an asset will crystallise.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Foreign currencies
Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the year end date. These transaction differences are dealt with in the income statement. The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the year end date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to reserves.

3. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

- The determination of lease term for some lease contracts in which the Group is a lessee, including whether the Group is reasonably certain to exercise lessee options (see note 16)

- The determination of the incremental borrowing rate used to measure the lease liabilities (see note 16)

- Impairment of Goodwill – Estimate of future cash flows and determination of the discount rate (see note 17).

- Depreciation of property, plant and equipment – Estimate of the useful economic life (see note 15)

- The determination of the discount rate used to measure the convertible loan debenture (see note 25)

- Impairment of inventories – Estimate of the net realisable value of inventory held at the year end (see note 18)

- Impairment of property, plant and equipment – Estimate of the net realisable value of property, plant and equipment held at the year end (see note 15).

4. Segmental reporting

The directors feel that due to little revenue earned this year and no trading during the previous year it is not possible to identify any segments and as a result cannot follow IFRS 8. The entire turnover in the current year was generated within the UK but delivered overseas through the rendering of services related to the principal activity of the Group.

The main contributor to the loss incurred during the year was the subsidiary group AAG LLC based in the USA. This group was acquired in January 2019 and due to unforeseen circumstances ceased to operate throughout 2020 being included in these financial statements as a discontinued operation, see note 10. Expenses are still being incurred for this group as operations are wound up and/or transferred to its new venture RGP-525

The remaining loss for the year was incurred by the parent company itself, Ross Group Plc, based in the United Kingdom.

The directors will review this assessment next year.

5. Other operating income

Group	2020 £'000	2019 £'000
Government grants receivable	**127**	-
Deferred consideration written off	**-**	13,680
	127	13,680

Company	2020 £'000	2019 £'000
Other miscellaneous income	**30**	-

6. Employees and directors

Employee benefit expenses (including directors) comprise:

	2020 £	2019 £
Wages and salaries	**119,857**	651,043
Directors' remuneration	**5**	440,241
Social security contributions and similar taxes	**4,706**	131,131
	124,568	1,222,416

The average number of employees during the year was as follows:

	2020 Number	2019 Number
Management	**8**	11
Production	**-**	11
Administrative	**3**	1
	11	23

7. Profit/(loss) before income tax

The loss before income tax is stated after charging:

	2020 £'000	2019 £'000
Auditor's remuneration	**74**	65
Impairment of intangible assets	**-**	1,684
Amortisation of right-of-use assets	**191**	189
Depreciation of property, plant and equipment	**4**	123
Impairment of property, plant and equipment	**207**	5,170
Reverse of impairment of property, plant and equipment	**(167)**	-
Loss on disposal of property, plant and equipment	**84**	-
Associated undertaking loan write off	**(25)**	6,141

8. Finance income and expense

Group

	2020	2019
	£'000	£'000
Finance income		
Interest income on financial assets	**1**	301

	2020	2019
	£'000	£'000
Finance expense		
Interest expense on financial liabilities	**180**	123
Interest expense on lease liabilities	**30**	42
Interest expense on convertible debenture	**329**	313
	539	478

Company

	2020	2019
	£'000	£'000
Finance expense		
Interest expense on financial liabilities	**92**	45
Interest expense on convertible debenture	**329**	313
	421	358

9. Income tax

No liability for UK corporation tax arose on ordinary activities for the year ended 31 December 2020 or for the year ended 31 December 2019. The Group made a loss during the year.

Subject to the agreement with HM Revenue and Customs, the Group has allowable trading losses at 31 December 2020 for set-off against future trading profits of £13.23m (2019: £12.56m).

A deferred tax asset of £2.51m (2019: £2.39m) arises due to the large losses described above. As the timing of when the Group will be able to make use of these losses the asset has not been recognised in the financial statements.

10. Discontinued operations

In December 2019 the group ceased trading in its US subsidiaries, Archipelago Aquaculture Group LLC.

The directors considered that as no revenue was generated by the AAG LLC Group during the prior financial year, it was decided to wind down the USA operations.

The loss of discontinued operations in the statement of comprehensive income are as follows

	2020	2019
	£'000	£'000
Results of discontinued operations		
Revenue	-	-
Other operating income	-	13,680
Expenses other than finance costs	-	(16,441)
Finance costs	-	-
Tax	-	-
Loss for the year	-	(2,761)

	2020	2019
	£	£
Earnings per share from discontinued operations		
Basic	-	(1.26)
Diluted	-	(1.26)

11. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £'000	**2020 Weighted average number of shares**	**Pre-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	**(1,463)**	**218,767,475**	**(0.67)**
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	**(1,463)**	**218,767,475**	**(0.67)**

	Earnings £'000	2019 Weighted average number of shares	Pre-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(3,597)	218,767,475	(1.64)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(3,597)	218,767,475	(1.64)

12. Subsidiaries

At 31 December 2020 the company held 100% of the allotted equity share capital of the following:-

Name of subsidiary undertaking	Country of registration and incorporation	Class of share capital held	Nature of business
Ross Diversified Trading Limited (formerly Sansui Electronics (UK) Limited)	England and Wales	Ordinary	Supply chain management

The costs of this fixed asset investment have been written off over the previous periods.

Archipelago Aquaculture Group LLC	USA	Ordinary	Intermediate holding company
Mari Signum Limited	USA	Ordinary	Aquaculture support
Mari Signum Dragon Drying-MS LLC	USA	Ordinary	Drying Shrimp hulls
Mari Signum Mid-Atlantic II LLC	USA	Ordinary	Aquaculture support
Prometheus Progeniture Genetics Technologies Limited LLC	USA	Ordinary	Genetic enhancement of colossal shrimp for higher quality chitin.
Ross Group Plc Inc	USA	Ordinary	Supply chain management

13. Investments

Group	**Unlisted investments £'000**
Cost	
At 1 January 2020	-
Additions	424
Disposals	-
At 31 December 2020	424
Provisions	
At 1 January 2020	-
Impairments	-
Disposals	-
At 31 December 2020	-
Net book value	
At 31 December 2020	424
At 31 December 2019	-

Company	**Unlisted investments £'000**
Cost	
At 1 January 2020	219
Additions	424
Disposals	-
At 31 December 2020	643
Provisions	
At 1 January 2020	16
Impairments	-
Disposals	-
At 31 December 2020	16
Net book value	
At 31 December 2020	627
At 31 December 2019	203

14. Business combinations during the period

During the year Ross Group Plc invested £424k into RGP – 525 receiving in return 19.9 % of the shareholding in this company.

15. Property, plant and equipment

Group	Land and buildings £'000	Motor vehicles £'000	Plant and machinery £'000	Totals £'000
Cost				
At 1 January 2020	500	-	387	887
Additions	-	46	20	66
Disposals	-	-	(612)	(612)
Foreign exchange	-	-	-	-
Impairment	(207)	-	225	18
At 31 December 2020	**293**	**46**	**20**	**359**
Depreciation				
At 1 January 2020	-	-	-	-
Charge for the year	-	4	-	4
Disposals	-	-	(58)	(58)
Foreign exchange	-	-	-	-
Impairment	-	-	58	58
At 31 December 2020	-	4	-	4
Net Book Value				
At 31 December 2020	**293**	**42**	**20**	**355**
At 31 December 2019	500	-	387	887

In December 2019 the group ceased trading in its US subsidiaries, Archipelago Aquaculture Group LLC, at the time the plant and machinery operated by the group were impaired to nil as the assets were no longer in use. During 2020 some of the equipment was sold to third parties resulting in the impairment been reversed.

15. Property, plant and equipment

Company	Plant and machinery £'000	Totals £'000
Cost		
At 1 January 2020	-	-
Additions	20	20
Disposals	-	-
At 31 December 2020	**20**	**20**
Depreciation		
At 1 January 2020	-	-
Charge for the year	-	-
Disposals	-	-
At 31 December 2020	-	-
Net Book Value		
At 31 December 2020	**20**	**20**
At 31 December 2019	-	-

16. Leases

Right-of-use Assets

	Land and buildings £'000	Total £'000
At 1 January 2020	515	515
Additions	-	-
Amortisation	(191)	(191)
Foreign exchange movements	(13)	(13)
At 31 December 2020	**311**	**311**

Lease liabilities

	Land and buildings £'000	Total £'000
At 1 January 2020	595	595
Additions	-	-
Interest expense	30	30
Lease payments	(219)	(219)
Foreign exchange movements	(15)	(15)
At 31 December 2020	**391**	**391**

Current liabilities	**208**	**208**
Non Current liabilities	**183**	**183**

17. Intangible assets

Group	Goodwill £'000	Total £'000
Cost		
At 1 January 2020	1,684	1,684
Additions	-	-
Foreign exchange	-	-
At 31 December 2020	**1,684**	**1,684**
Amortisation		
At 1 January 2020	1,684	1,684
Charge for the year	-	-
Impairment	-	-
Foreign exchange	-	-
At 31 December 2020	**1,684**	**1,684**
Net Book Value		
At 31 December 2020	**-**	**-**
At 31 December 2019	-	-

18. Inventories

	Group		Company	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	**-**	39	**-**	-

19. Trade and other receivables

	Group		Company	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Current:				
Trade receivables	**83**	13	**-**	13
Amounts owed by group undertakings	**-**	-	**1,310**	1,140
Provision for impairment	**-**	-	**(609)**	(706)
Amounts owed by associated undertakings	**14**	14	**-**	-
Directors' current accounts	**63**	25	**58**	25
VAT	**-**	11	**-**	11
Prepayments and accrued income	**109**	22	**4**	11
	269	85	**763**	494

20. Cash and cash equivalents

	Group		Company	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Bank accounts	**91**	649	**44**	636

21. Called up share capital

Group and company	**2020**	2019
	£'000	£'000
Authorised share capital:		
195,000,000 Deferred shares of 4.8p each	**9,360**	9,360
67,052,306 Deferred shares of 4p each	**2,682**	2,682
300,000,000 Ordinary shares of 0.1p each	**300**	300
2,700,000,000 Deferred shares of 0.1p each	**2,700**	2,700
	15,402	15,402
Allotted, called up and fully paid:		
147,745,300 Deferred shares of 4.8p each	**7,092**	7,092
67,052,306 Deferred shares of 4p each	**2,682**	2,682
218,767,475 Ordinary shares of 0.1p each	**218**	218
1,225,628,316 Deferred shares of 0.1p each	**1,226**	1,226
	11,218	11,218

The ordinary shares have both voting rights and the right to dividends. The deferred shares have no rights to dividends and no voting rights.

On a winding up the holders of the deferred shares of 4.8p each shall be entitled to receive 1p per share after the repayment of all amounts payable to the holders of any other class of share and the payment of £5,000 on each ordinary share for the time being in issue. On a winding up the holders of deferred shares of 0.1p each shall be entitled to receive 0.1p per share after the payment of £5,000 on each ordinary share for the time being in issue but shall not confer the right to participate in any surplus.

The deferred shares of 4.8p each are redeemable at the company's option any time at a price of 1p for each of the deferred shares held by any member. The deferred shares of 0.1p each are transferable at the company's option at any time to any person at a total price of 1p for all of the shares held by the shareholder. The deferred shares of 0.1p each are redeemable or cancellable at the company's option at any time at a total price of 1p for all of the shares held by a shareholder.

As the deferred shares rank behind the ordinary shares, they are recognised as equity.

Managing capital
The Group considers only the allotted share capital set out above to be the capital of the group. There are no financial liabilities considered to be part of the capital, and no components of equity excluded from it.

The Group's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing products and services at an appropriate level taking into account the level of risk.

The Group sets an amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and risk characteristics of the underlying assets.

The entity is not subject to any externally imposed capital requirements.

22. Reserves

Group	**Retained earnings £'000**	**Share premium £'000**	**Other reserves £'000**	**Convertible debenture £'000**	**Totals £'000**
At 1 January 2020	**(39,175)**	**3,146**	**15,384**	**5,489**	**(15,156)**
Total comprehensive income for the year	**(1,399)**	-	-	-	**(1,399)**
Premium on issue of share capital	-	-	-	-	-
Reserves transfer	-	-	-	**326**	**326**
At 31 December 2020	**(40,574)**	**3,146**	**15,384**	**5,815**	**(16,229)**

Company	**Retained earnings £'000**	**Share premium £'000**	**Other reserves £'000**	**Convertible debenture £'000**	**Totals £'000**
At 1 January 2020	**(52,265)**	**3,146**	**30,938**	**5,489**	**(12,692)**
Loss for the year	**(611)**	-	-	-	**(611)**
Premium on issue of share capital	-	-	-	-	**0**
Reserves transfer	-	-	-	**326**	**326**
At 31 December 2020	**(52,876)**	**3,146**	**30,938**	**5,815**	**(12,977)**

Other reserves of the Group consist of a capital redemption reserve of £1.92m (2019: £1.92m), a non-distributable capital reserve of £3.33m (2019: £3.33m) and a special reserve of £10.13m (2019: £10.13m).

Convertible debenture of the group consists of the equity portion of convertible loan debentures of £5.82m (2019: £5.49m).

Other reserves of the company consist of a capital redemption reserve of £1.92m (2019: £1.92m) and a special reserve of £29.02m (2019: £29.02m).

Convertible debenture of the company consists of the equity portion of convertible loan debentures of £5.82m (2019: £5.49m).

23. Trade and other payables

	Group		**Company**	
	2020 £'000	2019 £'000	**2020 £'000**	2019 £'000
Current:				
Trade payables	**461**	177	**100**	57
Amounts owed to associated undertakings	**2,226**	2,202	**-**	-
Amounts owed to group undertakings	**-**	-	**268**	-
Other creditors	**376**	402	**23**	23
Accruals and deferred income	**345**	150	**160**	140
	3,408	2,931	**551**	220

24. Financial liabilities – borrowings

	Group		Company	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Current:				
Debentures	**954**	696	**954**	696
Bank loans	**3**	-	**3**	-
	957	696	**957**	696
Non-current:				
Debentures	**-**	256	**-**	256
Bank loans	**47**	-	**47**	-
Other loans	**1,658**	1,635	**1,658**	1,635
	1,705	1,891	**1,705**	1,891

Terms and debt repayment schedule:

Group

	1 year or less	**2-5 years**	**Totals**
	£'000	**£'000**	**£'000**
Debentures	**954**	**-**	**954**
Bank loans	**3**	**47**	**50**
Other loans	**-**	**1,658**	**1,658**
	957	**1,705**	**2,662**

Company

	1 year or less	**2-5 years**	**Totals**
	£'000	**£'000**	**£'000**
Debentures	**954**	**-**	**954**
Bank loans	**3**	**47**	**50**
Other loans	**-**	**1,658**	**1,658**
	957	**1,705**	**2,662**

25. Financial liabilities – borrowings – continued

Convertible loan debenture

The parent entity issued two convertible loan debenture (CLD) on 27 September 2018 for £4,010k and £2,062k at a coupon rate of 5%.

The notes are convertible into Ordinary shares of the parent entity in three years after the date of issue. The convertible loan debenture will give right to a percentage of the issued share capital of parent company at the date of conversion. Each tranche of £1 Million CLD owed by the long-term loan holders correspond to 4.925% of the issued share capital at the date of conversion, resulting in a fixed percentage of the issued share capital of the company to be allocated to the loan holders regardless of the value/amount of the share capital of the company.

	2020	2019
	£'000	£'000
Face value of notes issued	**6,072**	6,072
Value of conversion rights	**5,815**	5,489
Interest expense	**697**	585
Interest payable	**257**	367
Total liability element	**954**	952

Interest is calculated by applying the effective interest rate of 5% to the total loan note amount. The interest payable has been deferred for a year.

The initial fair value of the liability portion of the debenture was determined using a market interest rate for an equivalent non-convertible debenture at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds.

26. Financial instruments

The Group uses financial instruments, comprising borrowings, cash, liquid resources and various items, such as trade debtors, trade creditors etc., that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The Group did not enter into derivatives transactions such as interest rate swaps, forward rate agreements and forward foreign currency contracts.

The Board of the Group considers that the interest rate risk, liquidity risk and foreign currency risks arising from the Group financial instruments are low. However, it reviews policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous periods.

It is and has been throughout the year under review, the group policy that no trading in financial instruments shall be undertaken.

Short-term debtors and creditors

Short-term debtors and creditors have been excluded from all the following disclosures, other than the currency risk disclosures.

26. Financial instruments – continued

Interest rate risk
The Group finances its operations through a mixture of borrowings. It relies on loans from its shareholders to ensure sufficient liquidity is available to meet foreseeable needs.

Maturity of financial liabilities
For the Group financial liabilities analysis at 31 December 2020 see note 24 and 25.

Currency risk
The Group does have foreign investments held in foreign currencies.

The Group's exposure to translation and transaction exchange risk is considered to be low by the board.

100% of the Group's worldwide income in the current year was invoiced in Sterling. There was no income in the prior year. As a result the board does not consider there is a need for Group policy to manage the currency risk as it considers the risk to be low.

Fair values
The board considers that the fair values of the Group's borrowings are equal to their book values.

27. **Related party disclosures**

Group
The Group had the following balances with related parties at the year end.

	31/12/20	31/12/19
	£'000	£'000
Receivables		
Barry Pettitt	**63**	25

Barry Pettitt, the Chairman and Chief Executive Officer of Ross Group Plc, owns Lynchwood Nominees (previously Prime Growth Enterprises Limited). Lynchwood Nominees owns 13% of the ordinary share capital in Ross Group Plc.

27. Related party disclosures – continued

Company

At the year end Ross Group Plc had the following outstanding balances with its related parties:

	31/12/20	31/12/19
	£'000	£'000
Receivables		
Barry Pettitt	**58**	25
Mari Signum Dragon Drying – MS LLC	**14**	-
Prometheus Progeniture Genetics Technologies Limited LLC	**164**	-
Ross Group Plc Inc	**523**	434
Ross Diversified	**-**	-
	759	459
Payables		
Mari Signum Mid-Atlantic II LLC	**268**	-
	268	-

Ross Group Plc owns 100% of the capital of Ross Diversified Trading Limited, Mari Signum Limited, Mari Signum Dragon Drying – MS LLC, Mari Signum Mid-Atlantic II LLC, Prometheus Progeniture Genetics Technologies Limited LLC and Ross Group Plc Inc.

Barry Pettitt, the Chairman and Chief Executive Officer of Ross Group Plc, owns Lynchwood Nominees (previously Prime Growth Enterprises Limited). Lynchwood Nominees owns 13% of the ordinary share capital in Ross Group plc.

28. Ultimate controlling party

The directors consider that there is no ultimate controlling party of Ross Group Plc and subsidiaries for 2020: however, Barry Pettitt, by virtue of his position as CEO within the Group and his 13% shareholding, exerts a significant influence.

29. Reconciliation of movements in reserves

Group	**31/12/20 £'000**	31/12/19 £'000
(Loss) for the financial year	**(1,399)**	(3,291)
Value of conversion rights	**326**	362
Issue of share capital	**-**	382
Net addition to reserves	**(1,073)**	(2,547)
Opening reserves	**(3,938)**	(1,391)
Closing reserves	**(5,011)**	(3,938)

Company	**31/12/20 £'000**	31/12/19 £'000
(Loss) for the financial year	**(611)**	(899)
Value of conversion rights	**326**	362
Issue of share capital	**-**	382
Net addition to reserves	**(285)**	(155)
Opening reserves	**(1,474)**	(1,319)
Closing reserves	**(1,759)**	(1,474)