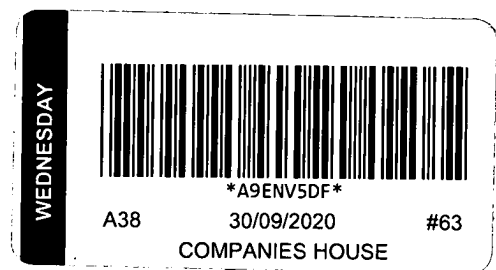


**OVERIZONE PLC**  
**Financial Statements**  
**31 December 2019**



**CHOWDHARY & CO**  
Chartered accountants & statutory auditor  
46 Syon Lane  
Isleworth  
Middlesex  
TW7 5NQ

**OVERIZONE PLC**  
**Financial Statements**  
**Year ended 31 December 2019**

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# **OVERIZONE PLC**

## **Strategic Report**

**Year ended 31 December 2019**

### **Introduction**

The strategic report contains the information that is relevant to shareholders' needs. The inclusion of information and details promotes a clear understanding of the entity's position. The terms "key" used in the term "key performance indicators" and "principal" used in the term "principal risks and uncertainties" refer to items or circumstances considered important for a shareholder's understanding of the development, performance, position or future prospects of the business. The strategic report provides to the shareholders of the company how the directors have performed their duty to promote the success of the company for their collective benefit. The strategic report has two main content related objectives: (a) To provide context for the related financial statements; (b) To provide insight into the entity's main objectives and strategies, and the principal risks it faces and how they might affect future prospects.

The strategic report reflects the collective view of the company's directors.

# OVERIZONE PLC

## Strategic Report *(continued)*

Year ended 31 December 2019

### Business review

The directors of the company are grateful to be able to give an overview of what happened during this fiscal year.

Overizone's activities in the first six months of the year focused on developing the fin-tech business opportunities identified during the previous year. In particular, several trips were made to Asia to make agreements with potential technology partners and evaluate the administrative procedures for the management of the business itself.

Furthermore, we've studied a new business, carried out through the logistic structure provided by Amazon Inc., which allows the import and distribution of products of various kinds to initially resell them on European markets, through the market place of the American company. In a second phase, the US market will also be considered.

Potentially it is a massive business that Overizone has started to evaluate by agreeing with a partner already operating for some time and with a consolidated track record in this sector.

During the year 2019, financial trading activity was discontinued because it has not proved to bring real economic benefits to the Company in recent years and, above all, because it has not been possible to operate with traders showing profitable and consolidated results. The liabilities generated overtime by financial trading will, therefore, have to be covered by other managing activities and those that will be created in the coming years.

Revenues during this year are limited to income generated by trademark and software licenses.

The directors invite the operating staff to pursue more effectively the creation of value for the company by following the guidelines agreed with management and focusing on constant revenue generation. Revenues have been from the beginning one of the most critical challenges for Overizone Plc, not having had to date adequate processes to achieve this valuable objective able to balance costs and create development in the projects undertaken.

As far as Brexit is concerned, recent events have confirmed the British decision to leave the European Union. At the report's date the bilateral relations between the two entities have not yet been fully defined but we expect to understand more in concrete terms what will happen and how financial services will be regulated.

Overizone increased its shareholding in BSM Refractory Ltd from 52% to 100% by taking control of it and replacing the previous director. The objective will be to give BSM a new position within the Group. CSM Refractory doo is a subsidiary of BSM Refractory (100%). Overizone received an offer for selling BSM shares. The company is entering into an agreement with Mr. Malavasi Luca who intends to purchase the shares of BSM Refractory and to repay the debts contracted by him, BSM and CSM within a period of 2 years from the signing of the agreement.

Real Freenance Ltd is a subsidiary of Overizone Plc (100%). The company will be put into a dormant state as soon as possible and will probably be involved in a new business we believe to be profitable as early as next year.

Overizone Plc's exposure to the real estate business managed by Overizone & Associates Plc is still very high and this is mainly due to the decision to reinvest the money generated by the early real estate transactions through the SPV under Italian law.

The share of revenues in 2019 decreased by 28.79% compared to the previous year with a 36.27% reduction in operating losses compared to 2018.

Also in this exercise, the management worked without remuneration.

# OVERIZONE PLC

## Strategic Report *(continued)*

Year ended 31 December 2019

### Covid 19 - impact of the corona virus pandemic

The United Kingdom declared a lockdown on March 23, 2020, to control the COVID-19 pandemic. We estimate that economic activity for Overizone is down roughly 60 per cent in this period from January 2020 levels. Overizone's activity will recover as lockdown restrictions are lifted, but the speed and patterns are highly uncertain and will vary by sector. Amazon investments are underperforming due to some changes in the European countries VAT requirements that need to be sorted. We have to wait until these changes apply to the business, but the end of June 2020 will accomplish it. One of the main problems caused by Covid was the inability to manage relations with customers and suppliers in an ordinary way. This situation has led to a substantial reduction in revenues with temporary disruptions on cash management. Another aspect was the difficulty in complying with tax and corporate obligations within the prescribed timeframe, as there were delays due to the impossibility of communicating effectively and optimally preparing the documentation.

### Going concern

The directors have reviewed the company's latest management figures and forecasts and consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. They believe that this information demonstrates that the company will be able to pay its creditors as they fall due.

It is also noted that the company's shareholders have invested significantly in the company and have indicated their willingness to continue to support the company for the foreseeable future.

The directors therefore have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

### Principal risks and uncertainties

The investment objective and strategy confirm that financial instruments are the main investments and the Company is interested to start some participation in other companies or separately managed fund. As a result, investors in the Company and its share classes will be subject to a wide range of risks. These risks will be of a general nature in that they relate to matters affecting the Company. Additional risks arise from the nature of the underlying asset classes in which the Company invests. Investment in the Company involves a significant degree of risk. Investors should undertake an investment if they are capable of evaluating the risks of an investment in the Company and of bearing those risks. An investment in the Company requires a long term commitment with no certainty of return. The following factors are in connection with a purchase of an Interest in the Company:

- (a) No guaranteed return on investment;
- (b) No assurance of achieving investment strategy;
- (c) Possible adverse conditions;
- (d) Competitive market;
- (e) Lack of liquidity;
- (f) Currency risk;
- (g) Hedging policy;
- (h) Valuation risk;
- (i) Investments with third parties;
- (j) Risks of investments in securities;
- (k) Absence of management rights and approvals;
- (l) Disclosure of identity;
- (m) Unpredictability of distributions;
- (n) Financial market fluctuations;
- (o) Lack of operating history;
- (p) Regulation.

# OVERIZONE PLC

## Strategic Report *(continued)*

Year ended 31 December 2019

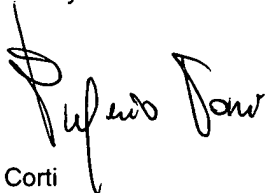
### Financial key performance indicators

The Company's objective is to provide current income as well as long term capital returns to the Investors through investments in different business affairs. The income creation and capital returns come through: (a) daily investing in Futures, Forex and other financial instruments; (b) Introducing customers to worldwide financial brokers. Investment can never be an exact science, given the unpredictability of the future therefore the Company has constantly striven to identify the major risks in the prevailing market environment and has aimed to find investments that guard against them. The financial trading business has been the key factor but a range of assets will come and diversify the Company's portfolio from the next annual accounts. It means the portfolio will be comprised of different businesses managed by different teams. All investment managers are involved in the investment process and closely follow the mutually agreed strategy. The portfolio has been composed of a number of different types of investments, or asset classes. Each of these has its own set of risk characteristics, including likely returns, timescale, volatility and liquidity.

### Other key performance indicators

The Company will target an adequate net return in the next years according to the business plan.

This report was approved by the board of directors on 26 September 2020 and signed on behalf of the board by:



E Corti  
Director

Registered office:  
Office 3.05  
1 King Street  
London  
EC2V 8AU

# **OVERIZONE PLC**

## **Directors' Report**

### **Year ended 31 December 2019**

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

#### **Principal activities**

The principal activity of the company during the year was that of consultancy in the field of financial trading and online marketing and income from granting the use of trademarks and business licences. The principal activity of the company during the year was that of consultancy in the field of financial trading and online marketing and income from granting the use of trademarks and business licences.

#### **Directors**

The directors who served the company during the year were as follows:

M Pavarin  
E.Corti

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Future developments**

The management intends to expand its efforts and investments in terms of time and money in the Amazon and fin-tech business. These are initiatives that perform in a reasonable time and can produce a sufficient volume of business on the condition that the amounts of capital invested are increased. For this reason, it is essential to increase the size of revenues so that part of the funding is reinvested having an increasing business volumes.

It is advisable to consider a new structure in the company's shareholding, having in mind the minor participations might be liquidated against consideration with the aim of repositioning only towards institutional investors.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

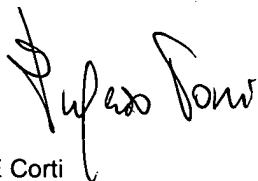
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# OVERIZONE PLC

## Directors' Report *(continued)*

**Year ended 31 December 2019**

This report was approved by the board of directors on 26 September 2020 and signed on behalf of the board by:



E Corti  
Director

Registered office:  
Office 3.05  
1 King Street  
London  
EC2V 8AU



# **OVERIZONE PLC**

## **Directors' Responsibilities Statement**

**Year ended 31 December 2019**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

# **OVERIZONE PLC**

## **Independent Auditor's Report to the Members of OVERIZONE PLC**

**Year ended 31 December 2019**

### **Opinion**

We have audited the financial statements of OVERIZONE PLC (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

# OVERIZONE PLC

## Independent Auditor's Report to the Members of OVERIZONE PLC *(continued)*

Year ended 31 December 2019

### Material uncertainty related to going concern

We draw attention to note 3 in the financial statements which indicates that they have been drawn up on a going concern basis.

The company reported a net loss of £33,450 during the year and the profit and loss reserves deficit was £621,508. These conditions could indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. However, this should be considered in conjunction with the fact that significant investment has been made by the company's shareholders who would have an interest in maintaining the going concern.

### Covid-19

The ongoing and evolving Covid-19 pandemic is having a significant impact on the global economy and the economies of those countries in which the company operates. There is significant uncertainty as to the duration of the pandemic and what its lasting impact will be on these economies. The directors have considered the potential impact on the company of the ongoing Covid-19 pandemic in several areas. In relation to the company's going concern assessment, the directors have reviewed the company's latest management figures and forecasts and consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. They believe that this information demonstrates that the company will be able to pay its creditors as they fall due.

The financial statements have been prepared on a going concern basis and do not include the adjustments that would result if the company was unable to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Directors' Report and Notes to the Accounts as follows:

### Significant debtor

We draw attention to the sum of £360,825 (included under other debtors, Note 11) that was owed to the company by Overizone & Associates PLC, a connected company.

This company had negative reserves of £152,628 at 31st December 2020.

The directors are of the opinion that this debt is fully recoverable in the foreseeable due to the progressive trading plans of this company.

The directors have therefore decided not to provide against this debt in these accounts.

Our opinion is not modified in this respect.

# OVERIZONE PLC

## Independent Auditor's Report to the Members of OVERIZONE PLC *(continued)*

Year ended 31 December 2019

### 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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.

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

### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

# OVERIZONE PLC

## Independent Auditor's Report to the Members of OVERIZONE PLC *(continued)*

Year ended 31 December 2019

### 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# OVERIZONE PLC

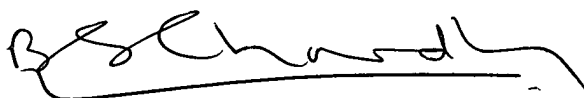
## Independent Auditor's Report to the Members of OVERIZONE PLC *(continued)*

**Year ended 31 December 2019**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

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



Mr Bhupindar Chowdhary FCA (Senior Statutory Auditor)

For and on behalf of  
Chowdhary & Co  
Chartered accountants & statutory auditor  
46 Syon Lane  
Isleworth  
Middlesex  
TW7 5NQ

26 September 2020

# OVERIZONE PLC

## Statement of Income and Retained Earnings

Year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	51,861	72,823
Gross profit		<u>51,861</u>	<u>72,823</u>
Administrative expenses		85,315	107,766
Operating loss	5	(33,454)	(34,943)
Other interest receivable and similar income	7	4	7
Loss before taxation		<u>(33,450)</u>	<u>(34,936)</u>
Tax on loss		—	—
Loss for the financial year and total comprehensive income		<u>(33,450)</u>	<u>(34,936)</u>
Retained losses at the start of the year		(588,058)	(553,122)
Retained losses at the end of the year		<u>(621,508)</u>	<u>(588,058)</u>

All the activities of the company are from continuing operations.

The notes on pages 16 to 23 form part of these financial statements.

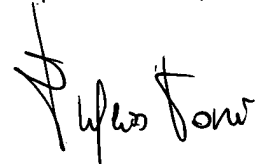
# OVERIZONE PLC

## Statement of Financial Position

31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	8	19,574	27,085
Tangible assets	9	4,979	9,702
Investments	10	11,197	6,312
		<u>35,750</u>	<u>43,099</u>
<b>Current assets</b>			
Debtors	11	549,922	531,667
Cash at bank and in hand		7,964	52,215
		<u>557,886</u>	<u>583,882</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>30,225</u>	<u>30,120</u>
<b>Net current assets</b>		<u>527,661</u>	<u>553,762</u>
<b>Total assets less current liabilities</b>		<u>563,411</u>	<u>596,861</u>
<b>Net assets</b>		<u>563,411</u>	<u>596,861</u>
<b>Capital and reserves</b>			
Called up share capital	13	160,703	160,703
Share premium account	14	1,024,216	1,024,216
Profit and loss account	14	(621,508)	(588,058)
<b>Shareholders funds</b>		<u>563,411</u>	<u>596,861</u>

These financial statements were approved by the board of directors and authorised for issue on 26 September 2020, and are signed on behalf of the board by:



E Corti  
Director

Company registration number: 09356079

The notes on pages 16 to 23 form part of these financial statements.



# OVERIZONE PLC

## Statement of Cash Flows

Year ended 31 December 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(33,450)	(34,936)
<i>Adjustments for:</i>		
Depreciation of tangible assets	4,723	4,991
Amortisation of intangible assets	7,511	7,512
Other interest receivable and similar income	(4)	(7)
Accrued expenses	250	1,900
<i>Changes in:</i>		
Trade and other debtors	(18,255)	(419,878)
Trade and other creditors	(338)	(35,415)
Cash generated from operations	(39,563)	(475,833)
Interest received	4	7
Net cash used in operating activities	<u>(39,559)</u>	<u>(475,826)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	–	(14,197)
Purchase of intangible assets	–	(2,479)
Acquisition of subsidiaries	(4,885)	–
Net cash used in investing activities	<u>(4,885)</u>	<u>(16,676)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	193	(6,177)
Net cash from/(used in) financing activities	<u>193</u>	<u>(6,177)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(44,251)</b>	<b>(498,679)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>52,215</b>	<b>550,894</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>7,964</u></b>	<b><u>52,215</u></b>

The notes on pages 16 to 23 form part of these financial statements.

# **OVERIZONE PLC**

## **Notes to the Financial Statements**

**Year ended 31 December 2019**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Office 3.05, 1 King Street, London, EC2V 8AU.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

The directors have reviewed the company's latest management figures and forecasts and consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. They believe that this information demonstrates that the company will be able to pay its creditors as they fall due.

It is also noted that the company's shareholders have invested significantly in the company and have indicated their willingness to continue to support the company for the foreseeable future.

The directors therefore have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

# OVERIZONE PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Trademarks	- 20% straight line
------------	---------------------

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% reducing balance
Equipment	- 33% straight line

#### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

# OVERIZONE PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### **Investments *(continued)***

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

#### **Investments in joint ventures**

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

# OVERIZONE PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### 4. Turnover

Turnover arises from:

	2019	2018
	£	£
Income from trading	3	11,772
Trademark rental	51,856	61,050
	<u>51,859</u>	<u>72,822</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Operating profit

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Amortisation of intangible assets	7,511	7,512
Depreciation of tangible assets	4,723	4,991
Impairment of trade debtors	10,921	—
Foreign exchange differences	<u>763</u>	<u>2,644</u>

### 6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>9,750</u>	<u>10,200</u>

# OVERIZONE PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 7. Other interest receivable and similar income

	2019 £	2018 £
Interest on cash and cash equivalents	<u>4</u>	<u>7</u>

### 8. Intangible assets

	Patents, trademarks and licences £
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	<u>37,556</u>
<b>Amortisation</b>	
At 1 January 2019	10,471
Charge for the year	<u>7,511</u>
<b>At 31 December 2019</b>	<u>17,982</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>19,574</u>
At 31 December 2018	<u>27,085</u>

### 9. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
At 1 January 2019 and 31 December 2019	<u>464</u>	<u>16,920</u>	<u>17,384</u>
<b>Depreciation</b>			
At 1 January 2019	274	7,408	7,682
Charge for the year	<u>38</u>	<u>4,685</u>	<u>4,723</u>
<b>At 31 December 2019</b>	<u>312</u>	<u>12,093</u>	<u>12,405</u>
<b>Carrying amount</b>			
At 31 December 2019	<u>152</u>	<u>4,827</u>	<u>4,979</u>
At 31 December 2018	<u>190</u>	<u>9,512</u>	<u>9,702</u>

# OVERIZONE PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 10. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2019	6,312
Additions	4,885
<b>At 31 December 2019</b>	<b>11,197</b>
<b>Impairment</b>	
At 1 January 2019 and 31 December 2019	-
<b>Carrying amount</b>	
<b>At 31 December 2019</b>	<b>11,197</b>
At 31 December 2018	6,312

### 11. Debtors

	2019 £	2018 £
Trade debtors	58,504	46,050
Other debtors	491,418	485,617
	<b>549,922</b>	<b>531,667</b>

### 12. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	18,950	18,700
Social security and other taxes	7,993	8,331
Director loan accounts	3,282	3,089
	<b>30,225</b>	<b>30,120</b>

### 13. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary A1 shares of £0.02 each	66,000	1,320	66,000	1,320
Ordinary A2 shares of £0.01706 each	111,020	1,894	111,020	1,894
Ordinary B1 shares of £0.02 each	3,102,000	62,040	3,102,000	62,040
Ordinary B2 shares of £0.01706 each	5,439,980	92,809	5,439,980	92,809
Ordinary C shares of £0.02 each	132,000	2,640	132,000	2,640
	<b>8,851,000</b>	<b>160,703</b>	<b>8,851,000</b>	<b>160,703</b>

# OVERIZONE PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 14. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 15. Analysis of changes in net debt

	At 1 Jan 2019	Cash flows	At 31 Dec 2019
	£	£	£
Cash at bank and in hand	52,215	(44,251)	7,964
Debt due within one year	(3,089)	(193)	(3,282)
	<u>49,126</u>	<u>(44,444)</u>	<u>4,682</u>

### 16. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

2019				
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
E Corti	<u>3,089</u>	<u>(3,931)</u>	<u>4,124</u>	<u>3,282</u>

2018				
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
E Corti	<u>9,266</u>	<u>(14,000)</u>	<u>7,823</u>	<u>3,089</u>



# OVERIZONE PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 17. Related party transactions

Overizone & Associates PLC is a company in which E Corti and M Pavarin are also directors

Rich & Son 1 Ltd is a company in which E Corti is a director and Standard Estate IT Company Ltd is a shareholder

Standard Estate IT Company Ltd in which E Corti is a director and sole shareholder

Rearn SRL is a company in which Rich & Son 1 Ltd is a shareholder

BSM Refractory Ltd is a company in which Overizone PLC is the sole shareholder

Real Freenance Ltd is a company in which E Corti is a director and Overizone PLC is the sole shareholder

All Boys Ltd is a company in which E Corti is a director and Standard Estate IT Company Ltd and M Pavarin are shareholders

Biz & Bit Ltd is a company in which E Corti is a director and Standard Estate IT Company Ltd and M Pavarin are shareholders

During the year, Overizone PLC billed Overizone & Associates PLC £25,000 (2018 £25,000)

At the year end, these companies owed Overizone PLC the following balances:

Overizone & Associates PLC £360,825 (2018 £303,517) against which a provision of £102,529 has been made

BSM Refractory Ltd £18,922 (2018 £8,763)

Biz & Bit Ltd £4,097 (2018 £4,966)

Rearn SRL £41,357 (2018 £41,357)

All Boys Ltd £47,289 (2018 £43,025)

Real Freenance Ltd £5,000 (2018 £5,000)

These balances are included in other debtors