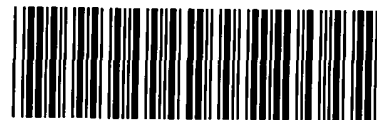


OVERIZONE PLC
Financial Statements
31 December 2021

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COMPANIES HOUSE

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

OVERIZONE PLC
Financial Statements
Year ended 31 December 2021

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OVERIZONE PLC

Strategic Report

Year ended 31 December 2021

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 2021

Business review

The Company's directors are grateful to be able to give an overview of what happened during this fiscal year. The Covid 19 pandemic characterised the first six months of 2021, making it impossible to manage the businesses in which the Company typically operates.

The concrete effects of this situation affected businesses such as Amazon. The adverse effects of the restrictions arose because the Company is developed in different jurisdictions and involves several players such as China-based suppliers, transport services, customs services, and Amazon's distribution. The impossibility of following ordinary procedures has slowed down the development process of the Company's business.

In 2020, Overizone Plc sold its stake in Bsm Refractory Ltd as the Company was irrelevant. In 2021 the entity started legal proceedings against Mr Malavasi. Overizone obtained an injunction and the registration of a judicial mortgage to guarantee the recovery of the sums owed by the debtor. The shareholding in Real Freenance Ltd (100%) is not relevant to the Company's business, and the Board has had no chance to sell the entity to a third party. Therefore, Real Freenance was closed down in 2022. Overizone Plc's exposure to Overizone & Associates Plc is high. Still, at the same time, Rearn srl, working as a real estate owned company, repaid its debt to Overizone Plc in full and paid a sum in terms of interests on the principal received. Overizone & Associates Plc's repayment trend is continuing along the year 2022. As usual, the management worked without remuneration in return.

Covid 19 - impact of the coronavirus pandemic

The effects of Covid 19 on the Company's business in 2021 can be attributed essentially to 3 elements: a) Movement capacity is dependent on the Government's measures to contain the pandemic: this situation has undoubtedly conditioned the development of the Company's business in Europe and Asia in previous years. b) Reduced business opportunities due to slower economic exchanges with customers and suppliers c) Planning a budget was challenging due to the lower cash available for investments. These are common issues that have characterised the year's first half. The situation gradually returned to normal in the second half of the year.

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.

OVERIZONE PLC

Strategic Report *(continued)*

Year ended 31 December 2021

Principal risks and uncertainties

The investment objective and strategy confirm that financial instruments are the direct investments, and the Company is interested in developing the area of interest. As a result, investors in the Company and its share classes will be subject to a wide range of risks. These risks will be general 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 can evaluate 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

Financial key performance indicators

The Company's objective is to provide the shareholders with current and long-term capital returns through investments in different real estate markets. The income creation and capital returns are currently coming through: (a) purchase of mortgage credits on the Italian market and sponsoring of a Special Purpose Vehicle (Chrysos Sec Spv Srl) (b) participation in real estate developments delivered by Rearn srl, an Italian entity managed by people with significant experience in the business.

Other key performance indicators

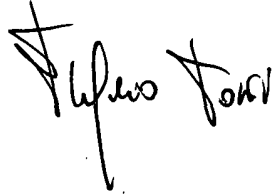
The Company will work to repay the money due to its creditors.

OVERIZONE PLC

Strategic Report *(continued)*

Year ended 31 December 2021

This report was approved by the board of directors on 27 September 2022 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'E Corti', is positioned above the printed name and title.

E Corti
Director

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

OVERIZONE PLC

Directors' Report

Year ended 31 December 2021

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

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

At the Annual General Meeting 2021 (YE2020), Eugenio Corti announced his intention to resign as Director. The choice is essentially due to the following reasons: a) there is no more harmony with the Pavarin family, the shareholder of Persistence Ltd, a company with significant voting rights in Overizone Plc. b) there is no shared vision regarding the future of the Plc c) Eugenio Corti has worked for the Company free of charge from the moment of his appointment until today. It is, therefore, time for others to make this commitment. d) there is a need to renew senior corporate figures capable of bringing new energy and fresh ideas to the Overizone Plc project. Even though Eugenio announced the resignation well in advance, the Company and, in particular, Persistence Ltd didn't concretely express new professional figures capable of taking over from the resigning Director in the running of Plc. Due to this situation, the outgoing Director remained in charge of the Company, limited to the day-to-day administration. It is time to replace the Director because he will execute his resignation at the end of the approval of this budget (YE2021). It is of particular importance to ensure that the Company generates revenues on an ongoing basis to stabilise the business. The new Board should consider a new corporate structure, reducing the number of current shareholders, liquidating their participation economically and repositioning the Company towards institutional investors only.

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 2021

This report was approved by the board of directors on 27 September 2022 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 2021

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 2021

Opinion

We have audited the financial statements of OVERIZONE PLC (the 'company') for the year ended 31 December 2021 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 2021 and of its profit 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 2021

Material uncertainty related to going concern

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 profit of £74,113 during the year and the profit and loss reserves deficit was £615,688. 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 following sums:

£334,555 (included under other debtors, Note 12) that was owed to the company by Overizone & Associates PLC, a connected company.

This company had negative reserves of £167,630 at 31st December 2021.

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

£123,553 (included under other debtors, note 12) that was owed to the company by Massimo Pavarin, a connected person.

The directors are of the opinion that this debt is fully recoverable in the foreseeable future and have received assurances to this effect by Mr Pavarin.

The directors have therefore decided not to provide against these debts 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 2021

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 2021

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 gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

OVERIZONE PLC

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

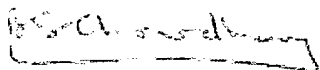
Year ended 31 December 2021

- 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.

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

27 September 2022

OVERIZONE PLC

Statement of Income and Retained Earnings

Year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	17,018	2,201
Cost of sales		<u>44,911</u>	<u>—</u>
Gross (loss)/profit		(27,893)	2,201
Administrative expenses		<u>(105,604)</u>	<u>70,494</u>
Operating profit/(loss)	5	77,711	(68,293)
Income from other fixed asset investments	7	<u>(6,293)</u>	<u>—</u>
Other interest receivable and similar income	8	<u>2,695</u>	<u>—</u>
Profit/(loss) before taxation		74,113	(68,293)
Tax on profit/(loss)		<u>—</u>	<u>—</u>
Profit/(loss) for the financial year and total comprehensive income		<u>74,113</u>	<u>(68,293)</u>
Retained losses at the start of the year		(689,801)	(621,508)
Retained losses at the end of the year		<u>(615,688)</u>	<u>(689,801)</u>

All the activities of the company are from continuing operations.

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

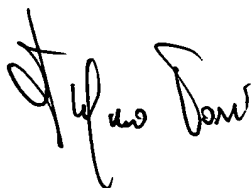
OVERIZONE PLC

Statement of Financial Position

31 December 2021

	Note	2021 £	£	2020 £
Fixed assets				
Intangible assets	9		4,552	12,063
Tangible assets	10		97	263
Investments	11		25,554	11,135
			<u>30,203</u>	<u>23,461</u>
Current assets				
Debtors	12	606,901		512,420
Cash at bank and in hand		68		669
		<u>606,969</u>		<u>513,089</u>
Creditors: amounts falling due within one year	13	<u>67,941</u>		<u>41,432</u>
Net current assets			<u>539,028</u>	<u>471,657</u>
Total assets less current liabilities			<u>569,231</u>	<u>495,118</u>
Net assets			<u>569,231</u>	<u>495,118</u>
Capital and reserves				
Called up share capital	14		160,703	160,703
Share premium account	15		1,024,216	1,024,216
Profit and loss account	15		(615,688)	(689,801)
Shareholders funds			<u>569,231</u>	<u>495,118</u>

These financial statements were approved by the board of directors and authorised for issue on 27 September 2022, 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 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	74,113	(68,293)
<i>Adjustments for:</i>		
Depreciation of tangible assets	48	4,716
Amortisation of intangible assets	7,511	7,511
Income from other fixed asset investments	6,293	–
Other interest receivable and similar income	(2,695)	–
Gains on disposal of tangible assets	(11,726)	–
Accrued (income)/expenses	(2,400)	250
<i>Changes in:</i>		
Trade and other debtors	(94,481)	37,502
Trade and other creditors	28,909	10,957
Cash generated from operations	5,572	(7,357)
Interest received	2,695	–
Net cash from/(used in) operating activities	<u>8,267</u>	<u>(7,357)</u>
Cash flows from investing activities		
Proceeds from sale of tangible assets	11,844	–
Acquisition of subsidiaries	(14,419)	–
Proceeds from sale of subsidiaries	–	62
Proceeds from sale of other investments	(6,293)	–
Net cash (used in)/from investing activities	<u>(8,868)</u>	<u>62</u>
Net decrease in cash and cash equivalents	(601)	(7,295)
Cash and cash equivalents at beginning of year	669	7,964
Cash and cash equivalents at end of year	<u>68</u>	<u>669</u>

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

OVERIZONE PLC

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

(a) Overizone PLC is a Public Limited Company, Registered in England and Wales with the number 09356079. Registered Office: Office 3.05, 1 King Street, London, EC2V 8AU - United Kingdom. The Financial Conduct Authority authorises it under registration number 730364.

(b) Overizone PLC is a Holding company with interests in the business of Financial Trading, Real estate and Fin-Tech. The primary markets are Italy, the United Kingdom, and some connections with Asia. The entity holds some participation in other companies and provides services to third parties in the field of marketing online.

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.

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

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.

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

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Investments

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

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.

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

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.

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:

	2021	2020
	£	£
Other income	16,849	—
Income from trading	169	7
Trademark rental	—	2,192
	<u>17,018</u>	<u>2,199</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/crediting:

	2021	2020
	£	£
Amortisation of intangible assets	7,511	7,511
Depreciation of tangible assets	48	4,716
Gains on disposal of tangible assets	(11,726)	—
Foreign exchange differences	<u>(1,680)</u>	<u>6,480</u>

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

6. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>7,100</u>	<u>9,750</u>

7. Income from other fixed asset investments

	2021	2020
	£	£
Gain/(loss) on disposal of other fixed asset investments	<u>(6,293)</u>	<u>—</u>

8. Other interest receivable and similar income

	2021	2020
	£	£
Interest on cash and cash equivalents	<u>2,695</u>	<u>—</u>

9. Intangible assets

	Patents, trademarks and licences £
Cost	
At 1 January 2021 and 31 December 2021	<u>37,556</u>
Amortisation	
At 1 January 2021	25,493
Charge for the year	<u>7,511</u>
At 31 December 2021	<u>33,004</u>
Carrying amount	
At 31 December 2021	<u>4,552</u>
At 31 December 2020	<u>12,063</u>

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

10. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2021	464	16,920	17,384
Disposals	–	(11,845)	(11,845)
At 31 December 2021	<u>464</u>	<u>5,075</u>	<u>5,539</u>
Depreciation			
At 1 January 2021	343	16,778	17,121
Charge for the year	24	24	48
Disposals	–	(11,727)	(11,727)
At 31 December 2021	<u>367</u>	<u>5,075</u>	<u>5,442</u>
Carrying amount			
At 31 December 2021	<u>97</u>	<u>–</u>	<u>97</u>
At 31 December 2020	<u>121</u>	<u>142</u>	<u>263</u>

11. Investments

	Shares in group undertakings £
Cost	
At 1 January 2021	11,135
Additions	14,419
At 31 December 2021	<u>25,554</u>
Impairment	
At 1 January 2021 and 31 December 2021	<u>–</u>
Carrying amount	
At 31 December 2021	<u>25,554</u>
At 31 December 2020	<u>11,135</u>

12. Debtors

	2021 £	2020 £
Trade debtors	58,504	58,504
Other debtors	548,397	453,916
	<u>606,901</u>	<u>512,420</u>

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	140	128
Accruals and deferred income	16,800	19,200
Director loan accounts	3,282	3,282
Other creditors	47,719	18,822
	<u>67,941</u>	<u>41,432</u>

14. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary A1 shares of £0.02 each	66,000	1,320	66,000	1,320
Ordinary A2 shares of Euros 0.02 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 Euros 0.02 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
	<u>8,851,000</u>	<u>160,703</u>	<u>8,851,000</u>	<u>160,703</u>

15. 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.

16. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	669	(601)	68
Debt due within one year	(3,282)	—	(3,282)
	<u>(2,613)</u>	<u>(601)</u>	<u>(3,214)</u>

17. Directors' advances, credits and guarantees

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

	Balance brought forward and outstanding	
	2021	2020
	£	£
E Corti	<u>3,282</u>	<u>3,282</u>

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

18. 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

Rule 72 is a company which has common shareholders with the company

Sophisticated Investor Ltd is a company which has common shareholders with the company

Massimo Pavarin is the father of the director, Marco Pavarin

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

Overizone & Associates PLC £334,555 (2020 £337,102)

BSM Refractory Ltd £24,092 (2020 £24,092)

All Boys Ltd £48,007 (2020 £47,309)

Sophisticated Investor Ltd £9,083 (2020 £9,083)

Massimo Pavarin £123,553 (2020 £Nil)

These balances are included in other debtors

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

Biz & Bit Ltd £983 (2020 £1,549)

Real Freenance Ltd £1,092 (2020 £165)

Rule 72 £17,108 (2020 £17,108)

These balances are included in other creditors

OVERIZONE PLC
Management Information
Year ended 31 December 2021

The following pages do not form part of the financial statements.

OVERIZONE PLC

Detailed Income Statement

Year ended 31 December 2021

	2021 £	2020 £
Turnover	17,018	2,201
Cost of sales		
Direct costs	44,911	—
Gross (loss)/profit	(27,893)	2,201
Overheads		
Administrative expenses	(105,604)	70,494
Operating profit/(loss)	77,711	(68,293)
Income from other fixed asset investments	(6,293)	—
Other interest receivable and similar income	2,695	—
Profit/(loss) before taxation	74,113	(68,293)

OVERIZONE PLC

Notes to the Detailed Income Statement

Year ended 31 December 2021

	2021 £	2020 £
Administrative expenses		
Rent rates and water	1,487	1,621
Hotels, travel and subsistence	–	53
Computer costs	(7,502)	5,246
Trade subscriptions	741	663
Printing postage and stationery	42	137
Staff training	344	–
Sundry expenses	494	215
Trading expenses	(123,497)	97
Legal and professional fees	8,305	26,826
Consultancy fees	5,696	–
Accountancy fees	6,850	6,850
Auditors remuneration	7,100	9,750
Amortisation of intangible assets	7,511	7,511
Depreciation of tangible assets	48	4,716
(Gain)/loss on disposal of tangible assets	(11,726)	–
Bank charges	183	329
Foreign currency gains/losses	(1,680)	6,480
	<u>(105,604)</u>	<u>70,494</u>
Income from other fixed asset investments		
Gain/(loss) on disposal of other fixed asset investments	<u>(6,293)</u>	<u>–</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>2,695</u>	<u>–</u>