

COMPANY REGISTRATION NUMBER: 09356079

OVERIZONE PLC
Financial Statements
31 December 2017



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

OVERIZONE PLC
Financial Statements
Year ended 31 December 2017

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OVERIZONE PLC

Strategic Report

Year ended 31 December 2017

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 2017

Business review

The directors are pleased to provide an overview of what has proved to be a transformational year for Overizone PLC.

The PLC has focused on three main strategic priorities to enable it to remain competitive in both the domestic and international markets. The PLC has progressed ahead of schedule with these strategies.

The PLC recognises the need to focus more on distinct corporate culture and to ensure clarity on this for all stakeholders.

A new Board and Leadership Team has been established to ensure the right people are recruited to continue the strategies detailed above.

In October 2017, Andrea Zordan stepped down and Marco Pavarin was appointed as a director. The directors believe that Marco's confident approach, experience in the sports environment and related trading strategies will benefit the PLC in achieving its aims. The PLC further believes that the changes to the Board will enable the PLC to focus more on core business.

The initial trading periods were tough for the PLC due to personnel not being fit for purpose, business relationship issues and hence poor trading results but the PLC is now confident that future performance will improve.

During the year, the PLC has reinforced its business relationships with established professionals that it believes will improve the PLCs procedures and improves efficiencies and lead to greater profitability and cash-flow.

The commitment and hard work of the team in recent times has contributed to placing the PLC in a competitive position in the markets it is trading in.

Brexit

The draft Withdrawal Agreement provides for a transition period from 29 March 2019 to 31 December 2020. During this period, the EU Single Market legislation and its Dual Regulation Coordination (DRC)/Mutual Recognition will continue to apply to the UK. The PLC continues to work with skilled professionals in this area to ensure the PLC is ready for the new trading environment and any further amendments to the framework. As at the date of this report, the PLC holds a 52% holding in a British company, BSM Refractory Ltd). The Slovenian subsidiary has developed many working relationships with refractory materials manufacturers worldwide which will help the PLC to increase its market share. BSM Refractory Ltd has also received an offer from an Italian Entrepreneur with extensive experience in the markets in which the PLC trades. The entrepreneur is looking to purchase the entire shareholding in the Slovenian company. The PLC supports this bid as it believes this will further assist the PLC in its strategic aims. The PLC also holds a 100% shareholding in another British company, Real Freenance Ltd. This is a trading vehicle for other future businesses that the PLC is planning to develop in the second part of this year. The PLC has sold its participation in Overizone & Associates PLC to other English entities. These entities are active in Italian Real Estates with particular focus on securing RMBS. The PLC has maintained its business relationship with Overizone & Associates and remains a significant investor in this entity. During the year, the PLC has also commenced relationships with experts in the US to start an investment program on tax liens and tax deed markets. These professionals are based locally, with experience in a range of disciplines, including the research of market opportunities as they arise and carrying out due diligence in acquisitions and disposals. The PLC is planning to grow in this business too and is considering the commencement of a US subsidiary in the US Real Estate market. The PLC also continues to trade in futures and derivatives, including the forex market. As explained in previous reports, low use of leverage is a specific strategy to minimise risk. Furthermore, the PLC has researched high-frequency instruments. The directors have invested time and cost in developing affordable and profitable trading systems. Technical implementation of these systems will continue in order to improve profitability.

OVERIZONE PLC

Strategic Report *(continued)*

Year ended 31 December 2017

To date, the PLC has developed commercial relationships with companies whereby the PLC provides advice on financial trading and the use of online communication strategies. The PLC has developed its skills in these areas in recent years and felt confident to approach the market place and offer these skills for commercial fees. This has enabled the PLC to increase its corporate revenues and in turn, invest more time in developing these skills in an ever evolving market and offer fresh expertise to existing and new customers. The PLC has also invested time and money in developing a structure based on developing intangible assets and investment related to the core businesses. The PLC seeks to maximise growth by optimising the positioning of its brands across the various market segments. The PLC has therefore benefited from licencing trademarks and software for which it owns the Intellectual Property. These brands are supported by digital marketing but trading and customer operations remain under the control of the PLC. During the year, the PLC increased its turnover by over 65%, boosting cash reserves and reducing the accumulated trading losses. Significant professional fees have been incurred, as explained above, but these costs are 47% lower than the previous year. Professional fees remain a necessary cost in order for the PLC to continue to manage operations in an efficient manner and to ensure the PLC complies with regulatory requirements. Overall, expenses during the year decreased by 70% and receivables from third parties decreased by 63%. These savings are the result of the planning and strategy outlined above. It should also be noted that management has also worked for no remuneration during the year. Furthermore, they have further assisted cash-flow by repaying monies advance to the directors in previous years during the previous management regime. The directors remain of the opinion that they will continue to invest time and money to demonstrate their confidence in the PLC and to consider equity in the future once the PLC has become consistently profitable. To date, the PLC has not been in the position to declare dividends but this is a medium term aim.

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 2017

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.

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.

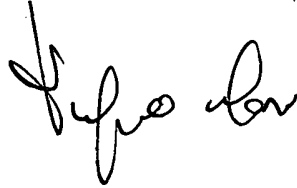
OVERIZONE PLC

Strategic Report *(continued)*

Year ended 31 December 2017

This report was approved by the board of directors on 28 June 2018 and signed on behalf of the board by:

E Corti
Director

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

Registered office:
3rd Floor
14 Hanover Street
London
W1S 1YH

OVERIZONE PLC

Directors' Report

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

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:

E Corti	
M Pavarin	(Appointed 6 October 2017)
A Zordan	(Resigned 6 October 2017)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The directors consider this year to have been a turning point. The PLC is looking forward to new market challenges and a move away from past strategies to keep place with an evolving market place. In the past, the PLC has laid its foundations, created an appropriate legal structure and selected relevant personnel to help it achieve its aims and ambitions. The directors believe they have now achieved an acceptable balance and the results in these accounts demonstrate the PLC is going in the right direction. This structure has generated greater commercial awareness through the team and established the platform for a more rational and financially agreeable corporate path. The PLC continues to monitor foreign company's participation in technological markets in which the PLC has a commercial interest. Such future partnerships will enable the PLC to continue to be a driving force in fast-changing markets and to improve profitability and business management skills. The main components of the PLCs 2018 revenue will be in the areas of exploiting the existing trademarks and business licences associated with the intangible fixed assets as well as consulting in the field of financial trading and online marketing. There are also high expectations from Real Estate management. The investment in the Italian market will continue during the remainder of 2018 and the PLC will seek to continue the success generated throughout 2017 through the financing of initiatives promoted by Overizone & Associates PLC.

The PLC will also consolidate its relationships with its US partner so that the US Real Estate market can become an alternative market to the PLCs operations in the European markets, thus diversifying its risk worldwide. The aim will be to provide significant economic benefit to the PLCs partners.

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.

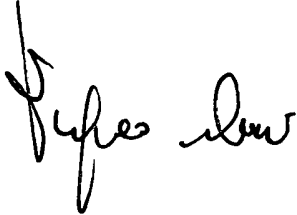
OVERIZONE PLC

Directors' Report *(continued)*

Year ended 31 December 2017

This report was approved by the board of directors on 28 June 2018 and signed on behalf of the board by:

E Corti
Director

A handwritten signature in black ink, appearing to read 'E Corti', written in a cursive style.

Registered office:
3rd Floor
14 Hanover Street
London
W1S 1YH

OVERIZONE PLC

Directors' Responsibilities Statement

Year ended 31 December 2017

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 2017

Opinion

We have audited the financial statements of OVERIZONE PLC (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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).

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 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OVERIZONE PLC

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

Year ended 31 December 2017

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:

Going concern

The company achieved a net profit of £4,936 during the period and the profit and loss reserves deficit was £553,122. 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.

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.

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.

OVERIZONE PLC

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

Year ended 31 December 2017

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.

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.


OVERIZONE PLC

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

Year ended 31 December 2017

- 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.

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.



Mr Bhupindar S Chowdhary (FCA) (Senior Statutory Auditor)

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

28 June 2018

OVERIZONE PLC

Statement of Comprehensive Income

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	154,000	93,318
Gross profit		<u>154,000</u>	<u>93,318</u>
Administrative expenses		150,833	506,304
Operating profit/(loss)	5	3,167	(412,986)
Other interest receivable and similar income	7	1,769	24
Profit/(loss) before taxation		<u>4,936</u>	<u>(412,962)</u>
Tax on profit/(loss)		-	-
Profit/(loss) for the financial year and total comprehensive income		<u>4,936</u>	<u>(412,962)</u>

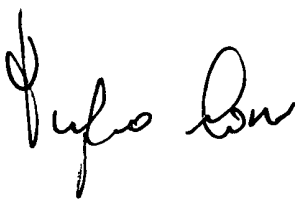
All the activities of the company are from continuing operations.

The notes on pages 17 to 23 form part of these financial statements.

OVERIZONE PLC
Statement of Financial Position
31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	8	32,118	–
Tangible assets	9	496	1,454
Investments	10	6,312	13,812
		<u>38,926</u>	<u>15,266</u>
Current assets			
Debtors	11	111,789	272,826
Cash at bank and in hand		550,894	377,022
		<u>662,683</u>	<u>649,848</u>
Creditors: amounts falling due within one year	12	<u>69,812</u>	38,253
Net current assets		<u>592,871</u>	611,595
Total assets less current liabilities		<u>631,797</u>	626,861
Net assets		<u>631,797</u>	<u>626,861</u>
Capital and reserves			
Called up share capital	13	160,703	160,703
Share premium account	14	1,024,216	1,024,216
Profit and loss account	14	(553,122)	(558,058)
Shareholders funds		<u>631,797</u>	<u>626,861</u>

These financial statements were approved by the board of directors and authorised for issue on 28 June 2018, and are signed on behalf of the board by:



E Corti
Director

Company registration number: 09356079

The notes on pages 17 to 23 form part of these financial statements.

OVERIZONE PLC

Statement of Changes in Equity

Year ended 31 December 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2016	50,000	–	(145,096)	(95,096)
Loss for the year	–	–	(412,962)	(412,962)
Total comprehensive income for the year	–	–	(412,962)	(412,962)
Issue of shares	110,703	1,024,216	–	1,134,919
Total investments by and distributions to owners	110,703	1,024,216	–	1,134,919
At 31 December 2016	160,703	–	(558,058)	(397,355)
Profit for the year	–	–	4,936	4,936
Total comprehensive income for the year	–	–	4,936	4,936
Issue of shares	–	1,024,216	–	1,024,216
Total investments by and distributions to owners	–	1,024,216	–	1,024,216
At 31 December 2017	<u>160,703</u>	<u>1,024,216</u>	<u>(553,122)</u>	<u>631,797</u>

The notes on pages 17 to 23 form part of these financial statements.

OVERIZONE PLC

Statement of Cash Flows

Year ended 31 December 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit/(loss) for the financial year	4,936	(412,962)
<i>Adjustments for:</i>		
Depreciation of tangible assets	958	982
Amortisation of intangible assets	2,959	–
Other interest receivable and similar income	(1,769)	(24)
Accrued (income)/expenses	(2,100)	360
<i>Changes in:</i>		
Trade and other debtors	161,037	304,178
Trade and other creditors	22,868	(943,170)
Cash generated from operations	188,889	(1,050,636)
Interest received	1,769	24
Net cash from/(used in) operating activities	<u>190,658</u>	<u>(1,050,612)</u>
Cash flows from investing activities		
Purchase of tangible assets	–	(748)
Purchases of other investments	–	(13,812)
Proceeds from sale of other investments	7,500	–
Net cash from/(used in) investing activities	<u>7,500</u>	<u>(14,560)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	1,024,216	1,134,919
Proceeds from borrowings	9,266	–
Proceeds from loans from group undertakings	1,525	–
Net cash from financing activities	<u>1,035,007</u>	<u>1,134,919</u>
Net increase in cash and cash equivalents	1,233,165	69,747
Cash and cash equivalents at beginning of year	377,022	307,275
Cash and cash equivalents at end of year	<u>1,610,187</u>	<u>377,022</u>

The notes on pages 17 to 23 form part of these financial statements.

OVERIZONE PLC

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 3rd Floor, 14 Hanover Street, London, W1S 1YH.

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 2017

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 recorded at the fair value at the acquisition date.

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 2017

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 2017

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:

	2017	2016
	£	£
Income from trading	<u>154,000</u>	<u>93,317</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:

	2017	2016
	£	£
Amortisation of intangible assets	2,959	–
Depreciation of tangible assets	958	982
Impairment of trade debtors	344	–
Foreign exchange differences	<u>(16,315)</u>	<u>81,677</u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>10,200</u>	<u>10,200</u>

7. Other interest receivable and similar income

	2017	2016
	£	£
Interest on loans and receivables	1,758	–
Interest on cash and cash equivalents	11	24
	<u>1,769</u>	<u>24</u>

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

8. Intangible assets

	Patents, trademarks and licences £
Cost	
Additions	–
Additions from internal developments	35,077
At 31 December 2017	<u>35,077</u>
Amortisation	
Charge for the year	2,959
At 31 December 2017	<u>2,959</u>
Carrying amount	
At 31 December 2017	<u>32,118</u>
At 31 December 2016	<u>–</u>

9. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2017 and 31 December 2017	464	2,723	3,187
Depreciation			
At 1 January 2017	167	1,566	1,733
Charge for the year	60	898	958
At 31 December 2017	<u>227</u>	<u>2,464</u>	<u>2,691</u>
Carrying amount			
At 31 December 2017	<u>237</u>	<u>259</u>	<u>496</u>
At 31 December 2016	<u>297</u>	<u>1,157</u>	<u>1,454</u>

10. Investments

	Other investments other than loans £
Cost	
At 1 January 2017	13,812
Disposals	(7,500)
At 31 December 2017	<u>6,312</u>
Impairment	
At 1 January 2017 and 31 December 2017	<u>–</u>

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

10. Investments *(continued)*

	Other investments other than loans £
Carrying amount At 31 December 2017	6,312
At 31 December 2016	13,812

11. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	43,155	65,911
Called up share capital not paid	-	18,173
Directors loan account	-	38,978
Other debtors	68,634	149,764
	<u>111,789</u>	<u>272,826</u>

12. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	31,212	19,353
Amounts owed to group undertakings	1,525	-
Accruals and deferred income	16,800	18,900
Social security and other taxes	11,009	-
Director loan accounts	9,266	-
	<u>69,812</u>	<u>38,253</u>

13. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary A1 shares of £0.02 each	66,000	1,320	66,000	1,320
Ordinary A2 shares of £0.02 each	111,020	2,220	111,020	2,220
Ordinary B1 shares of £0.02 each	3,102,000	62,040	3,102,000	62,040
Ordinary B2 shares of £0.02 each	5,439,980	108,800	5,439,980	108,800
Ordinary C shares of £0.02 each	132,000	2,640	132,000	2,640
	<u>8,851,000</u>	<u>177,020</u>	<u>8,851,000</u>	<u>177,020</u>

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.

OVERIZONE PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

15. Directors' advances, credits and guarantees

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

	2017			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
E Corti	<u>38,978</u>	<u>-</u>	<u>(48,244)</u>	<u>(9,266)</u>

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
E Corti	<u>-</u>	<u>38,978</u>	<u>-</u>	<u>38,978</u>