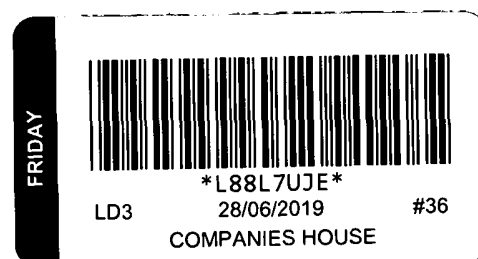


**OVERIZONE PLC**  
**Financial Statements**  
**31 December 2018**



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

**OVERIZONE PLC**  
**Financial Statements**  
**Year ended 31 December 2018**

<b>Contents</b>	<b>Page</b>
Strategic report	<b>1</b>
Directors' report	<b>5</b>
Directors' responsibilities statement	<b>7</b>
Independent auditor's report to the members	<b>8</b>
Statement of income and retained earnings	<b>12</b>
Statement of financial position	<b>13</b>
Statement of cash flows	<b>14</b>
Notes to the financial statements	<b>15</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed income statement	<b>23</b>
Notes to the detailed income statement	<b>24</b>

# **OVERIZONE PLC**

## **Strategic Report**

**Year ended 31 December 2018**

### **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 2018

### Business review

The directors are pleased to provide an overview of what has been an important period for Overizone PLC.

At the beginning of the financial year, the PLC has focused on three main strategic priorities to enable it to remain competitive in both the domestic and international markets. These strategies are financial trading, real estate and fin-tech markets. The PLC has progressed ahead of schedule with these strategies.

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.

Talking about Brexit, at the time of writing, there are no significant changes on this subject. The first reference date for Great Britain's exit from the EU is 31 October 2019. 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 is still holding a 52% holding in a British company, BSM Refractory Ltd). The Slovenian company is not part of the undertaking core business, and the Board has put this participation on the market looking for a fair deal to sell it. There have been several contacts with some buyers, but until now, these initiatives have not led to concrete results. The PLC also holds a 100% shareholding in another British company, Real Freenance Ltd. This is a dormant trading vehicle purchased for other future businesses that the PLC is still planning to develop. The PLC has a strong relationship with Overizone & Associates PLC having invested significant monies in the Italian real estate and NPL's securitisation markets with the operative support of a local special purpose vehicle. The PLC also continues to trade in futures and derivatives, including the forex market without significant operating results. Furthermore, the PLC is still developing high-frequency instruments, but it is taking time before obtain trustable and profitable trading systems. Technical implementation of these systems will continue to improve profitability. The PLC has also invested time and money in developing a fin-tech structure based on developing intangible assets and investment related to the core businesses. Overizone is running this opportunity through a British limited undertaking in the role of a parent company of an Asian entity. 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. Overizone invested lots of money and time in Amicaborsa.com an owned website with a good appeal on the Italian market. The scope of the investment is the promotion of its brand and marketing. During the year, the PLC decreased its turnover by over 50%, increasing the trading losses. Significant professional fees have been incurred as in the previous periods, but these expenditures are 50 % lower than the previous year. Professional fees are the main costs, but these costs are a necessity for the PLC to continue the development of its business strategy. Overall, expenses during the year decreased by 35%, and receivables from third parties increased by five times than the year 2017. These credits have increased a lot due to the Overizone's strategy to promote the business in the real estate and new ventures in partnership with some group undertakings. It should also be noted that management has also worked for no remuneration during the year. The directors remain of the opinion that they will continue to invest time and money to demonstrate their confidence in the PLC. Anyway, a change in business model is required to turn the PLC consistently profitable. The directors suggest a change of the company's shareholding interest in the return of assets also in the form of cryptocurrencies. These changes should become a reality in the following financial period. 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

# OVERIZONE PLC

## Strategic Report *(continued)*

**Year ended 31 December 2018**

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.

### **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.

# OVERIZONE PLC

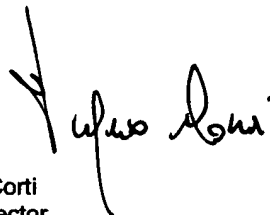
## Strategic Report *(continued)*

**Year ended 31 December 2018**

### **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 27 June 2019 and signed on behalf of the board by:



E Corti  
Director

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

# OVERIZONE PLC

## Strategic Report *(continued)*

### Year ended 31 December 2018

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;

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# **OVERIZONE PLC**

## **Directors' Report**

### **Year ended 31 December 2018**

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

#### **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 directors consider this year to have been a turning point. The PLC has found new market challenges and accepted to invest lots of money to develop fin-tech opportunities. The directors believe an acceptable balance is not achieved yet and the results in these accounts demonstrate the PLC needs more support from its operative partners especially in the financial trading where the company is still suffering a lack of consistency and profit are lower than expected. The PLC continues to monitor foreign company's participation in technological markets in which the PLC has a commercial interest. The main components of the PLCs 2019 revenue will be in the areas of exploiting the existing trademarks and business licences associated with the intangible fixed assets coming from the fin-tech activity. The investment in the Italian market will continue during the remainder of 2019, and the PLC will seek to continue the success generated throughout 2018 through the financing of initiatives promoted by Overizone & Associates PLC.

#### **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.

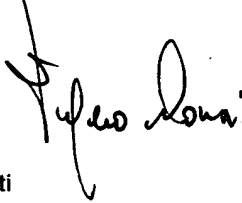


# **OVERIZONE PLC**

## **Directors' Report** *(continued)*

**Year ended 31 December 2018**

This report was approved by the board of directors on 27 June 2019 and signed on behalf of the board by:



E Corti  
Director

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

# **OVERIZONE PLC**

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- 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' Responsibilities Statement**

**Year ended 31 December 2018**

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 2018**

### **Opinion**

We have audited the financial statements of OVERIZONE PLC (the 'company') for the year ended 31 December 2018 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

### **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 2018

### 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 reported a net loss of £34,936 during the period and the profit and loss reserves deficit was £588,058. 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 2018

### 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.

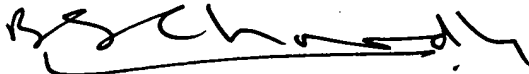
# OVERIZONE PLC

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

Year ended 31 December 2018

- 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 Chowdhary FCA (Senior Statutory Auditor)

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

27 June 2019

# OVERIZONE PLC

## Statement of Income and Retained Earnings

Year ended 31 December 2018

	Note	2018 £	2017 £
<b>Turnover</b>	<b>4</b>	<b>72,823</b>	154,000
<b>Gross profit</b>		<u>72,823</u>	<u>154,000</u>
Administrative expenses		<u>107,766</u>	150,833
<b>Operating (loss)/profit</b>	<b>5</b>	<b>(34,943)</b>	3,167
Other interest receivable and similar income	<b>7</b>	<u>7</u>	<u>1,769</u>
<b>(Loss)/profit before taxation</b>		<b>(34,936)</b>	4,936
Tax on (loss)/profit		<u>-</u>	<u>-</u>
<b>(Loss)/profit for the financial year and total comprehensive income</b>		<b>(34,936)</b>	<u>4,936</u>
<b>Retained losses at the start of the year</b>		<b>(553,122)</b>	(558,058)
<b>Retained losses at the end of the year</b>		<b>(588,058)</b>	<u>(553,122)</u>

All the activities of the company are from continuing operations.

The notes on pages 15 to 21 form part of these financial statements.

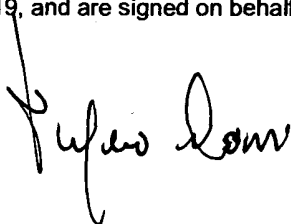


**OVERIZONE PLC**  
**Statement of Financial Position**  
**31 December 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	8	27,085	32,118
Tangible assets	9	9,702	496
Investments	10	6,312	6,312
		<u>43,099</u>	<u>38,926</u>
<b>Current assets</b>			
Debtors	11	531,667	111,789
Cash at bank and in hand		52,215	550,894
		<u>583,882</u>	<u>662,683</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>30,120</u>	<u>69,812</u>
<b>Net current assets</b>		<u>553,762</u>	<u>592,871</u>
<b>Total assets less current liabilities</b>		<u>596,861</u>	<u>631,797</u>
<b>Net assets</b>		<u>596,861</u>	<u>631,797</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	(588,058)	(553,122)
<b>Shareholders funds</b>		<u>596,861</u>	<u>631,797</u>

These financial statements were approved by the board of directors and authorised for issue on 27 June 2019, and are signed on behalf of the board by:

E Corti  
Director



Company registration number: 09356079

The notes on pages 15 to 21 form part of these financial statements.

# OVERIZONE PLC

## Statement of Cash Flows

Year ended 31 December 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(34,936)	4,936
<i>Adjustments for:</i>		
Depreciation of tangible assets	4,991	958
Amortisation of intangible assets	7,512	2,959
Other interest receivable and similar income	(7)	(1,769)
Accrued expenses/(income)	1,900	(2,100)
<i>Changes in:</i>		
Trade and other debtors	(419,878)	161,038
Trade and other creditors	(35,415)	24,392
Cash generated from operations	(475,833)	190,414
Interest received	7	1,769
Net cash (used in)/from operating activities	(475,826)	192,183
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(14,197)	–
Purchase of intangible assets	(2,479)	(35,077)
Proceeds from sale of other investments	–	7,500
Net cash used in investing activities	(16,676)	(27,577)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(6,177)	9,266
Net cash (used in)/from financing activities	(6,177)	9,266
<b>Net (decrease)/increase in cash and cash equivalents</b>	(498,679)	173,872
<b>Cash and cash equivalents at beginning of year</b>	<b>550,894</b>	<b>377,022</b>
<b>Cash and cash equivalents at end of year</b>	<b>52,215</b>	<b>550,894</b>

The notes on pages 15 to 21 form part of these financial statements.

# OVERIZONE PLC

## Statement of Cash Flows

Year ended 31 December 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(34,936)	4,936
<i>Adjustments for:</i>		
Depreciation of tangible assets	4,991	958
Amortisation of intangible assets	7,512	2,959
Other interest receivable and similar income	(7)	(1,769)
Accrued expenses/(income)	1,900	(2,100)
<i>Changes in:</i>		
Trade and other debtors	(419,878)	161,038
Trade and other creditors	(35,415)	24,392
Cash generated from operations	(475,833)	190,414
Interest received	7	1,769
Net cash (used in)/from operating activities	(475,826)	192,183
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(14,197)	–
Purchase of intangible assets	(2,479)	(35,077)
Proceeds from sale of other investments	–	7,500
Net cash used in investing activities	(16,676)	(27,577)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(6,177)	9,266
Net cash (used in)/from financing activities	(6,177)	9,266
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(498,679)</b>	<b>173,872</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>550,894</b>	<b>377,022</b>
<b>Cash and cash equivalents at end of year</b>	<b>52,215</b>	<b>550,894</b>

The notes on pages 15 to 21 form part of these financial statements.

# OVERIZONE PLC

## Notes to the Financial Statements

Year ended 31 December 2018

### 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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

#### 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 2018

### 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
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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 2018

### 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 2018

### 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:

	2018	2017
	£	£
Consultancy fees	–	87,113
Income from trading	11,772	9,930
Trademark rental	61,050	56,957
	<u>72,822</u>	<u>154,000</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:

	2018	2017
	£	£
Amortisation of intangible assets	7,512	2,959
Depreciation of tangible assets	4,991	958
Impairment of trade debtors	–	344
Foreign exchange differences	<u>2,644</u>	<u>(16,315)</u>

### 6. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>10,200</u>	<u>10,200</u>

# OVERIZONE PLC

## Notes to the Financial Statements (continued)

Year ended 31 December 2018

### 7. Other interest receivable and similar income

	2018 £	2017 £
Interest on loans and receivables	–	1,758
Interest on cash and cash equivalents	7	11
	<u>7</u>	<u>1,769</u>

### 8. Intangible assets

	Patents, trademarks and licences £
<b>Cost</b>	
At 1 January 2018	35,077
Additions	2,479
<b>At 31 December 2018</b>	<u>37,556</u>
<b>Amortisation</b>	
At 1 January 2018	2,959
Charge for the year	7,512
<b>At 31 December 2018</b>	<u>10,471</u>
<b>Carrying amount</b>	
<b>At 31 December 2018</b>	<u>27,085</u>
At 31 December 2017	<u>32,118</u>

### 9. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
At 1 January 2018	464	2,723	3,187
Additions	–	14,197	14,197
<b>At 31 December 2018</b>	<u>464</u>	<u>16,920</u>	<u>17,384</u>
<b>Depreciation</b>			
At 1 January 2018	227	2,464	2,691
Charge for the year	47	4,944	4,991
<b>At 31 December 2018</b>	<u>274</u>	<u>7,408</u>	<u>7,682</u>
<b>Carrying amount</b>			
<b>At 31 December 2018</b>	<u>190</u>	<u>9,512</u>	<u>9,702</u>
At 31 December 2017	<u>237</u>	<u>259</u>	<u>496</u>



# OVERIZONE PLC

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

Year ended 31 December 2018

### 10. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	<u>6,312</u>
<b>Impairment</b>	
At 1 January 2018 and 31 December 2018	<u>-</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>6,312</u>
At 31 December 2017	<u>6,312</u>

### 11. Debtors

	2018 £	2017 £
Trade debtors	46,050	-
Other debtors	<u>485,617</u>	<u>111,789</u>
	<u>531,667</u>	<u>111,789</u>

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

	2018 £	2017 £
Trade creditors	-	31,212
Accruals and deferred income	18,700	16,800
Social security and other taxes	8,331	11,009
Director loan accounts	3,089	9,266
Other creditors	-	1,525
	<u>30,120</u>	<u>69,812</u>

### 13. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary A1 shares of £0.02 each	66,000	1,320	66,000	1,320
Ordinary A2 shares of Euro 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 Euro 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>177,020</u>	<u>8,851,000</u>	<u>177,020</u>

# OVERIZONE PLC

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

Year ended 31 December 2018

### 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. Directors' advances, credits and guarantees

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

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>

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>

### 16. Related party transactions

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

During the year, Overizone PLC billed Overizone & Associates PLC £25,000 (2017 £17,000)

At the year end, Overizone & Associates PLC owed Overizone PLC £339,201 (2017 Overizone PLC owed Overizone & Associates PLC £1,525)