

Company registration number 00489118 (England and Wales)

OVERCOURT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

OVERCOURT LIMITED

COMPANY INFORMATION

Directors	Mrs B Faherty Mr J Rochman Miss L J Faherty
Secretary	Mrs E M Hendle
Company number	00489118
Registered office	66 Prescott Street London E1 8NN
Auditor	CBW Audit Limited 66 Prescott Street London E1 8NN
Business address	23 Highbury Crescent Highbury London N5 1RX

OVERCOURT LIMITED

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OVERCOURT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business

Overcourt Limited's principal activity continued to be that of general construction, civil engineering, development and sales of real estate. All the activities are undertaken with in the UK.

The company meets its day to day working capital requirements through its cash and reserves. The company's forecasts and projections, taking account of potential changes in trading performance, show that the company is able to operate within the level of its current facility.

Principal risks and uncertainties

The management of the business and the execution of our strategy are subject to a number of risks. The following section comprises a summary of the main risks which we believe could potentially impact upon our operating and financial performance.

People

The resignation of key subcontractor and the inability to recruit talented people with the right skill sets could adversely affect our results.

Macroeconomic environment

The property market sector is affected by the general macroeconomic cycle, and specifically the business suffers from inflation, interest rate fluctuations and other factors.

Competition

The industry has continued to see significant consolidation within the market and as a consequence the level of competition has increased considerably.

Technology

Having devised and operated successful technological solutions required for our trading activities, we are constantly investigating improvements in these areas.

Legal

The company is subject to property regulations. The company takes its responsibilities seriously and ensures that its policies, systems and procedures are continually updated and comply with the legal requirements in all the sectors in which we operate.

Key performance indicators

Turnover for the year has decreased by approximately 30% (£3.1m). The previous year was higher due to a dilapidation receipt and a slight rise in rental income.

Gross profit has decreased compared to the prior year by £9.1m which is due to revaluation downwards of work in progress property and so the gross profit margin has decreased from 89% to 3%, which is expected to be a one off adjustment. Overall, net assets have decreased by £2.2m (2%).

On behalf of the board

Miss L J Faherty
Director

6 March 2023

OVERCOURT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of General Construction, Civil Engineering, Development and Sale of Real Estate

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £176,666. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs B Faherty
Mr J Rochman
Miss L J Faherty

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth in recent years.

Auditor

In accordance with the company's articles, a resolution proposing that CBW Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

OVERCOURT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

On behalf of the board

Miss L J Faherty
Director

6 March 2023

OVERCOURT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OVERCOURT LIMITED

Opinion

We have audited the financial statements of Overcourt Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

OVERCOURT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OVERCOURT LIMITED

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 and 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 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.

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

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the company were identified through discussions with directors and other management, and from our commercial knowledge and experience of development and sale of real estate. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, IR35 Off Payroll Working, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

OVERCOURT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OVERCOURT LIMITED

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

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

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

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

Use of our report

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

Daniel Howarth
Senior Statutory Auditor
For and on behalf of CBW Audit Limited

9 March 2023

Chartered Accountants
Statutory Auditor

66 Prescott Street
London
E1 8NN

OVERCOURT LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2022**

		Year ended 31 March 2022 £	Year ended 31 March 2021 £
	Notes		
Turnover	3	7,432,425	10,549,311
Cost of sales		(7,179,574)	(1,129,170)
Gross profit		252,851	9,420,141
Distribution costs		(518,270)	(386,448)
Administrative expenses		(2,504,753)	(942,548)
Other operating income		118,005	198,214
Operating (loss)/profit	4	(2,652,167)	8,289,359
Interest receivable and similar income	8	4,025	15,636
Interest payable and similar expenses	9	(7,674)	-
(Loss)/profit before taxation		(2,655,816)	8,304,995
Tax on (loss)/profit	10	591,266	(1,593,614)
(Loss)/profit for the financial year		(2,064,550)	6,711,381

The profit and loss account has been prepared on the basis that all operations are continuing operations.

OVERCOURT LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
(Loss)/profit for the year	(2,064,550)	6,711,381
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(2,064,550)</u>	<u>6,711,381</u>

OVERCOURT LIMITED**BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		1,477,508		8,086
Current assets					
Stocks	13	78,820,712		77,485,009	
Debtors	14	4,435,710		3,926,263	
Cash at bank and in hand		17,151,334		17,937,311	
		100,407,756		99,348,583	
Creditors: amounts falling due within one year	15	(8,532,305)		(3,995,745)	
Net current assets			91,875,451		95,352,838
Total assets less current liabilities			93,352,959		95,360,924
Provisions for liabilities					
Deferred tax liability	16	234,574		1,323	
			(234,574)		(1,323)
Net assets			93,118,385		95,359,601
Capital and reserves					
Called up share capital	18	250,000		250,000	
Profit and loss reserves		92,868,385		95,109,601	
Total equity			93,118,385		95,359,601

The financial statements were approved by the board of directors and authorised for issue on 6 March 2023 and are signed on its behalf by:

Miss L J Faherty
Director

Company Registration No. 00489118

OVERCOURT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2020		250,000	88,751,552	89,001,552
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	6,711,381	6,711,381
Dividends	11	-	(353,332)	(353,332)
Balance at 31 March 2021		250,000	95,109,601	95,359,601
Year ended 31 March 2022:				
Loss and total comprehensive income for the year		-	(2,064,550)	(2,064,550)
Dividends	11	-	(176,666)	(176,666)
Balance at 31 March 2022		250,000	92,868,385	93,118,385

OVERCOURT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	20	1,337,340	1,798,863
Interest paid		(7,674)	-
Income taxes paid		(459,074)	(1,054,452)
Net cash inflow from operating activities		870,592	744,411
Investing activities			
Purchase of tangible fixed assets		(1,497,428)	-
Proceeds from disposal of tangible fixed assets		13,500	-
Interest received		4,025	15,636
Net cash (used in)/generated from investing activities		(1,479,903)	15,636
Financing activities			
Dividends paid		(176,666)	(353,332)
Net cash used in financing activities		(176,666)	(353,332)
Net (decrease)/increase in cash and cash equivalents		(785,977)	406,715
Cash and cash equivalents at beginning of year		17,937,311	17,530,596
Cash and cash equivalents at end of year		17,151,334	17,937,311

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Overcourt Limited is a private company limited by shares incorporated in England and Wales. The registered office is 66 Prescot Street, London, E1 8NN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents Rents receivable. The turnover and pre-tax profit are attributable to the company's activity as developers of real estate.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	over 50 years
Plant and machinery	20% Reducing Balance
Fixtures, fittings and equipment	20% Reducing Balance
Motor vehicles	25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Rent receivable	7,357,425	8,849,311
Dilapidation receipts	75,000	1,700,000
	<u>7,432,425</u>	<u>10,549,311</u>

	2022	2021
	£	£
Other revenue		
Interest income	4,025	15,636
Commissions received	43,005	48,214
	<u>47,030</u>	<u>63,850</u>

4 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	28,500	28,500
Depreciation of owned tangible fixed assets	20,870	2,618
Profit on disposal of tangible fixed assets	(6,364)	-
	<u>42,906</u>	<u>31,118</u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	28,500	28,500
	<u>28,500</u>	<u>28,500</u>

OVERCOURT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022****6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Site workers	11	10
Managerial and office administration	7	7
	<hr/>	<hr/>
Total	18	17
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	499,850	397,764
Social security costs	63,158	46,679
Pension costs	131,159	116,464
	<hr/>	<hr/>
	694,167	560,907
	<hr/>	<hr/>

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	253,224	206,762
Company pension contributions to defined contribution schemes	31,653	25,845
	<hr/>	<hr/>
	284,877	232,607
	<hr/>	<hr/>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	253,224	206,762
Company pension contributions to defined contribution schemes	31,653	25,845
	<hr/>	<hr/>

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	3,974	10,410
Other interest income	51	5,226
	<hr/>	<hr/>
Total income	4,025	15,636
	<hr/>	<hr/>

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2022**

		(Continued)	
8	Interest receivable and similar income		
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	3,974	10,410
		<u> </u>	<u> </u>
9	Interest payable and similar expenses		
		2022	2021
		£	£
	Other finance costs:		
	Other interest	7,674	-
		<u> </u>	<u> </u>
10	Taxation		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	-	1,594,064
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(591,266)	(450)
		<u> </u>	<u> </u>
	Total tax (credit)/charge	(591,266)	1,593,614
		<u> </u>	<u> </u>
The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:			
		2022	2021
		£	£
	(Loss)/profit before taxation	(2,655,816)	8,304,995
		<u> </u>	<u> </u>
	Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(504,605)	1,577,949
	Tax effect of expenses that are not deductible in determining taxable profit	54,726	15,618
	Tax effect of income not taxable in determining taxable profit	(1,315,739)	-
	Tax effect of utilisation of tax losses not previously recognised	1,312,996	-
	Unutilised tax losses carried forward	449,362	-
	Permanent capital allowances in excess of depreciation	(705)	(47)
	Depreciation on assets not qualifying for tax allowances	3,965	497
	Deferred tax adjustments in respect of prior years	-	(450)
	Deferred tax adjustment	(591,266)	47
		<u> </u>	<u> </u>
	Taxation (credit)/charge for the year	(591,266)	1,593,614
		<u> </u>	<u> </u>

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Dividends

	2022 Per share £	2021 Per share £	2022 Total £	2021 Total £
Ordinary shares				
Interim paid	1.41	0.71	176,666	353,332

12 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	-	94,206	8,468	30,073	132,747
Additions	1,464,428	-	-	33,000	1,497,428
Disposals	-	-	-	(30,073)	(30,073)
At 31 March 2022	1,464,428	94,206	8,468	33,000	1,600,102
Depreciation and impairment					
At 1 April 2021	-	94,091	7,633	22,937	124,661
Depreciation charged in the year	12,428	23	169	8,250	20,870
Eliminated in respect of disposals	-	-	-	(22,937)	(22,937)
At 31 March 2022	12,428	94,114	7,802	8,250	122,594
Carrying amount					
At 31 March 2022	1,452,000	92	666	24,750	1,477,508
At 31 March 2021	-	115	835	7,136	8,086

13 Stocks

	2022 £	2021 £
Work in progress	38,546,506	19,885,076
Finished goods and goods for resale	40,274,206	57,599,933
	78,820,712	77,485,009

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Corporation tax recoverable	522,964	-
Other debtors	492,139	-
Prepayments and accrued income	2,829,341	3,926,263
	3,844,444	3,926,263

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Debtors (Continued)

	2022	2021
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 16)	591,266	-
	<u>591,266</u>	<u>-</u>
Total debtors	4,435,710	3,926,263
	<u>4,435,710</u>	<u>3,926,263</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	289,000	178,740
Amounts owed to group undertakings	5,848,310	1,122,540
Corporation tax	-	169,361
Other taxation and social security	43,252	135,748
Other creditors	2,285,958	2,330,443
Accruals and deferred income	65,785	58,913
	<u>8,532,305</u>	<u>3,995,745</u>
	<u>8,532,305</u>	<u>3,995,745</u>

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities	Assets	Assets
	2022	2021	2022	2021
	£	£	£	£
Balances:				
Accelerated capital allowances	234,574	1,323	-	-
Tax losses	-	-	591,266	-
	<u>234,574</u>	<u>1,323</u>	<u>591,266</u>	<u>-</u>
	<u>234,574</u>	<u>1,323</u>	<u>591,266</u>	<u>-</u>
Movements in the year:				2022
				£
Liability at 1 April 2021				1,323
Credit to profit or loss				(591,266)
Other				233,251
Asset at 31 March 2022				<u>(356,692)</u>

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Deferred taxation

(Continued)

The deferred tax asset set out above is expected to reverse within three years and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

17 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	131,159	116,464

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	250,000	250,000	250,000	250,000

Interim dividends on Ordinary Shares held by the shareholders of the Company, totalling £176,666, were paid in April 2021.

19 Related party transactions

During the year the company entered into the following transactions with related parties:

During the year the company paid £50,000 (2021:£30,000) to a director as consultancy fees.

At 31 March 2022 the company owed the directors £207,331 (2021:£211,974).

OVERCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2022**

20 Cash generated from operations

	2022	2021
	£	£
(Loss)/profit for the year after tax	(2,064,550)	6,711,381
Adjustments for:		
Taxation (credited)/charged	(591,266)	1,593,614
Finance costs	7,674	-
Investment income	(4,025)	(15,636)
Gain on disposal of tangible fixed assets	(6,364)	-
Depreciation and impairment of tangible fixed assets	20,870	2,618
Movements in working capital:		
Increase in stocks	(1,335,703)	(1,924,583)
Decrease/(increase) in debtors	604,783	(1,287,302)
Increase/(decrease) in creditors	4,705,921	(3,281,229)
Cash generated from operations	<u>1,337,340</u>	<u>1,798,863</u>

21 Analysis of changes in net funds

	1 April 2021	Cash flows	31 March 2022
	£	£	£
Cash at bank and in hand	<u>17,937,311</u>	<u>(785,977)</u>	<u>17,151,334</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.