

Company Registration No. 03341094 (England and Wales)

Overfinch Limited

**Annual report and financial statements
for the year ended 30 April 2022**



Overfinch Limited

Company information

Directors	Mr K Sloane Mrs V Sloane
Secretary	Mr A Sloane
Company number	03341094
Registered office	151-153 Park Road St John's Wood London NW8 7HT
Independent auditor	Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX
Bankers	Svenska Handelsbanken AB Centre of Excellence Hope Park Bradford West Yorkshire BD5 8HH

Overfinch Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3
<i>Directors' responsibilities statement</i>	4
Independent auditor's report	5 - 8
Income statement	9
Statement of comprehensive income	10
Statement of financial position	11 - 12
Statement of changes in equity	13
Notes to the financial statements	14 - 31

Overfinch Limited**Strategic report****For the year ended 30 April 2022**

The directors present the strategic report for the year ended 30 April 2022.

Business Review

The principal activity of the Company continued to be that of motor car dealers specialising in bespoke solutions for high value vehicles, mainly through the “Overfinch” brand.

The Company’s activities incorporate in-house design, outsourced production and the global distribution of proprietary products.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. Some of the key performance measures for the Company are set out below.

	2022	2021
	£'000	£'000
Turnover	15,191	11,386
Gross profit	1,713	1,100
Gross profit margin	11.3%	9.7%
EBITDA	702	662

Development and financial performance during the year

The Directors are pleased to report a profit for the Company in what has continued to be a challenging period for the automotive industry and the economy as a whole. In the aftermath of the Covid 19 pandemic, the Company has returned to historic trading volumes and has produced improved margins due to the continued strength of the brand and also benefitting from the recent changes in operational structure implemented during 2020 and 2021.

Management continue to look at opportunities outside of its core revenue streams to improve the Overfinch brand and deliver exciting new products to its customers and to anticipate changes in the automotive market. During the financial year ended 30 April 2022 the Company has launched its Heritage range of “Restomod” Classic vehicles. This project has had significant investment over the past 2-3 years and represents an exciting new range of vehicles and opportunities for the Company and Group. The main focus of this new revenue stream will be international sales, principally in North America, however there have been and will continue to be significant opportunities in the UK. The initial reaction to the Heritage launch has been extremely positive from customers and the automotive press and management believe their Restomod vehicles to be unique and world class.

Overfinch Limited

Strategic report (continued)

For the year ended 30 April 2022

The Company has begun a significant research and development programme during 2021-22 for its next range of product offerings which is expected to be launched during the year ended 30 April 2023. The new range includes both our core products for the latest generation of vehicles and an innovative solution for the electrification of heritage vehicles. These new products are eagerly anticipated by the global Overfinch customer base and are expected to generate significant growth in turnover and profitability over the next 3-4 years.

Financial position at the reporting date

The balance sheet shows that the Company's net assets have increased by £118,757.

Principal risks and uncertainties

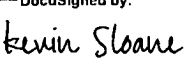
The directors are aware of the major financial and non-financial risks affecting the company and takes appropriate action to mitigate those risks as far as possible. An example of this is that vehicle inventories are kept to a level to adequately meet customer demands while minimising the company's cash outflow. Financial risks are managed through strict internal management controls and accurate and timely management information.

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. During the financial year ending 30 April 2022 and beyond, the Company has traded profitably and is cash generative from its operations. This has been achieved through the implementation of cost reduction and control measures and strategically targeted marketing campaigns.

The Directors have prepared forecasts which have been sensitised to take account of different circumstances that may prevail as a result of industry conditions and a weak economic outlook and is confident that the Company have sufficient access to working capital facilities together with cash generated from trading activities to be able to continue in business for the foreseeable future. The Directors are confident in the business and the forecast model and continues to commit his financial support to the Company should it be required. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements

On behalf of the board

DocuSigned by:

66D68A27B8744AE.....

Mr K Sloane

Director 16 December 2022 | 16:01:58 GMT

Date:

Overfinch Limited

Directors' report

For the year ended 30 April 2022

The directors present their annual report and financial statements for the year ended 30 April 2022.

Principal activities

The principal activity of the company continued to be that of motor car dealers specialising in bespoke solutions for high value vehicles.

Results and dividends

The results for the year are set out on page 9.

Ordinary interim dividends were paid amounting to £25,000. 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:

Mr K Sloane

Mrs V Sloane

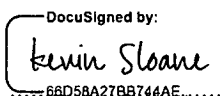
Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

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.

On behalf of the board

DocuSigned by:

.....66D5BA27BB74AAE.....

Mr K Sloane

Director

16 December 2022 | 16:01:58 GMT

Date:

Overfinch Limited

Directors' responsibilities statement

For the year ended 30 April 2022

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.

Overfinch Limited

Independent auditor's report

To the members of Overfinch Limited

Opinion

We have audited the financial statements of Overfinch Limited (the 'company') for the year ended 30 April 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 30 April 2022 and of its profit 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.

Overfinch Limited

Independent auditor's report (continued) To the members of Overfinch Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Overfinch Limited

Independent auditor's report (continued) To the members of Overfinch Limited

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Overfinch Limited

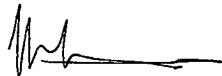
**Independent auditor's report (continued)
To the members of Overfinch Limited**

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.



**Jonathan Davis (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP**

Date: 20 December 2022

**Chartered Accountants
Statutory Auditors**

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Overfinch Limited**Income statement****For the year ended 30 April 2022**

		2022	2021
	Notes	£	£
Turnover	3	15,190,902	11,385,940
Cost of sales		(13,477,500)	(10,286,323)
Gross profit		<u>1,713,402</u>	<u>1,099,617</u>
Administrative expenses		(1,689,195)	(1,531,500)
Other operating income		236,843	599,328
Operating profit	4	<u>261,050</u>	<u>167,445</u>
Interest payable and similar expenses	7	(78,249)	(66,875)
Profit before taxation		<u>182,801</u>	<u>100,570</u>
Tax on profit	8	(39,044)	(18,679)
Profit for the financial year		<u><u>143,757</u></u>	<u><u>81,891</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

Overfinch Limited**Statement of comprehensive income
For the year ended 30 April 2022**

	2022	2021
	£	£
Profit for the year	143,757	81,891
Other comprehensive income	-	-
Total comprehensive income for the year	143,757	81,891

Overfinch Limited

Statement of financial position
As at 30 April 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Intangible assets	10		160,795		191,494
Tangible assets	11		328,792		512,091
			<u>489,587</u>		<u>703,585</u>
Current assets					
Stocks	12	3,043,158		3,425,576	
Debtors	13	1,851,389		1,264,759	
Cash at bank and in hand		202,971		2,971	
		<u>5,097,518</u>		<u>4,693,306</u>	
Creditors: amounts falling due within one year	14	(2,647,629)		(3,526,705)	
Net current assets			<u>2,449,889</u>		<u>1,166,601</u>
Total assets less current liabilities			<u>2,939,476</u>		<u>1,870,186</u>
Creditors: amounts falling due after more than one year	15		(983,905)		(15,936)
Provisions for liabilities					
Deferred tax liability	18	59,580		77,016	
		<u>(59,580)</u>		<u>(77,016)</u>	
Net assets			<u>1,895,991</u>		<u>1,777,234</u>
Capital and reserves					
Called up share capital	20		100		100
Profit and loss reserves	21		1,895,891		1,777,134
Total equity			<u>1,895,991</u>		<u>1,777,234</u>

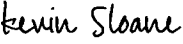
Overfinch Limited

Statement of financial position (continued)

As at 30 April 2022

The financial statements were approved by the board of directors and authorised for issue on 16 December 2022 at 16:01:58 GMT and are signed on its behalf by:

DocuSigned by:


66D58A27BB744AE,.....

Mr K Sloane

Director

Company Registration No. 03341094

Overfinch Limited**Statement of changes in equity
For the year ended 30 April 2022**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2020		100	1,720,243	1,720,343
Year ended 30 April 2021:				
Profit and total comprehensive income for the year		-	81,891	81,891
Dividends	9	-	(25,000)	(25,000)
Balance at 30 April 2021		100	1,777,134	1,777,234
Year ended 30 April 2022:				
Profit and total comprehensive income for the year		-	143,757	143,757
Dividends	9	-	(25,000)	(25,000)
Balance at 30 April 2022		100	1,895,891	1,895,991

Overfinch Limited

Notes to the financial statements For the year ended 30 April 2022

1 Accounting policies

Company information

Overfinch Limited is a private company limited by shares incorporated in England and Wales. The registered office is 151-153 Park Road, St John's Wood, London, NW8 7HT.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Silverton Holdings Limited. These consolidated financial statements are available from its registered office, 151-153 Park Road, St John's Wood, London, England, NW8 7HT.

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.

Overfinch Limited

Notes to the financial statements (continued)
For the year ended 30 April 2022

1 Accounting policies (continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured as cost less any accumulated amortisation and accumulated impairment losses.

All intangible assets are written off over 4 years. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 10 years.

In the research phase of an internal project, if it is not possible to demonstrate that the project will generate future economic benefits, all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over the useful economic life, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.5 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.

Overfinch Limited**Notes to the financial statements (continued)****For the year ended 30 April 2022****1 Accounting policies (continued)**

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:

Leasehold improvements	10-50% straight line
Tooling, plant and equipment	14-50% straight line
Fixtures and fittings	10-25% straight line
Motor vehicles	20% straight line

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 recognised in the income statement.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

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.

1.8 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.

1.9 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 statement of financial position 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.

Overfinch Limited**Notes to the financial statements (continued)**
For the year ended 30 April 2022

1 Accounting policies (continued)***Basic financial assets***

Basic financial assets, which include debtors, 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.

Overfinch Limited**Notes to the financial statements (continued)
For the year ended 30 April 2022**

1 Accounting policies (continued)***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.

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.

1.10 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable, deferred tax and adjustments made in respect of prior periods.

Overfinch Limited**Notes to the financial statements (continued)**
For the year ended 30 April 2022

1 Accounting policies (continued)***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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.

1.13 Retirement benefits

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

Overfinch Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

1 Accounting policies (continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Overfinch Limited**Notes to the financial statements (continued)****For the year ended 30 April 2022****2 Critical accounting 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors have considered factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Depreciation of Tooling and Design costs

When assessing the useful economic life of tooling and design costs, the directors have considered the product life of which the costs relate to. This assessment includes review of key suppliers future developments and anticipated product launches.

Stock provision

The company establishes a provision for stock that are estimated not to be fully recoverable or require additional costs in order to sell. When assessing the provision, the directors have considered factors such as ageing of stock, customer demand and past experience of stock write off.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of goods	15,190,902	11,385,940
	<u> </u>	<u> </u>
	2022	2021
	£	£
Other revenue		
Grants received	74,521	497,891
	<u> </u>	<u> </u>

Overfinch Limited

Notes to the financial statements (continued) For the year ended 30 April 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(74,521)	(497,891)
Fees payable to the company's auditor for the audit of the company's financial statements	11,550	10,900
Depreciation of owned tangible fixed assets	292,634	380,110
Profit on disposal of tangible fixed assets	(8,686)	(2,885)
Amortisation of intangible assets	147,780	114,130
Operating lease charges	198,802	194,388

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £8,391 (2021 - £10,058). A gain in the current year and a loss in the prior year.

5 Employees

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

	2022 Number	2021 Number
Directors and administration	10	10
Sales and production	20	18
Total	30	28

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,083,425	881,123
Social security costs	105,759	79,364
Pension costs	20,668	19,052
	1,209,852	979,539

Overfinch Limited**Notes to the financial statements (continued)**
For the year ended 30 April 2022**6 Directors' remuneration**

	2022	2021
	£	£
Remuneration for qualifying services	91,163	75,004
Company pension contributions to defined contribution schemes	1,974	2,154
	<u>93,137</u>	<u>77,158</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	14,656	31,434
Interest on finance leases and hire purchase contracts	885	9,108
Other interest	62,708	26,333
	<u>78,249</u>	<u>66,875</u>

8 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	57,283	41,858
Adjustments in respect of prior periods	(803)	(774)
	<u>56,480</u>	<u>41,084</u>
Deferred tax		
Origination and reversal of timing differences	(17,436)	(22,405)
	<u>39,044</u>	<u>18,679</u>

Overfinch Limited

Notes to the financial statements (continued)

For the year ended 30 April 2022

8 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	182,801	100,570
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	34,732	19,108
Tax effect of expenses that are not deductible in determining taxable profit	3,874	1,760
Adjustments in respect of prior years	-	(774)
Research and development tax credit	(7,660)	(11,233)
Other non-reversing timing differences	(5,398)	-
Under/(over) provided in prior years	-	134
Deferred tax adjustments in respect of prior years	23,518	-
Change in deferred tax rates	(10,022)	-
Fixed asset differences	-	9,684
Taxation charge for the year	39,044	18,679

9 Dividends

	2022 £	2021 £
Interim paid	25,000	25,000

Overfinch Limited**Notes to the financial statements (continued)**
For the year ended 30 April 2022**10 Intangible assets**

	Product design and development £
Cost	
At 1 May 2021	470,010
Additions - internally developed	117,081
	<hr/>
At 30 April 2022	587,091
	<hr/>
Amortisation and impairment	
At 1 May 2021	278,516
Amortisation charged for the year	147,780
	<hr/>
At 30 April 2022	426,296
	<hr/>
Carrying amount	
At 30 April 2022	160,795
	<hr/> <hr/>
At 30 April 2021	191,494
	<hr/> <hr/>

Overfinch Limited

Notes to the financial statements (continued)
For the year ended 30 April 2022

11 Tangible fixed assets

	Leasehold improvements	Tooling, Fixtures and plant and equipment	Motor vehicles	Total
	£	£	£	£
At 1 May 2021	193,832	1,457,908	253,431	2,372,132
Additions	10,187	48,854	-	117,149
Disposals	-	-	(37,317)	(66,142)
At 30 April 2022	204,019	1,506,762	224,606	2,423,139
At 1 May 2021	180,564	1,167,151	224,155	1,860,041
Depreciation charged in the year	8,246	191,292	15,968	292,634
Eliminated in respect of disposals	-	-	(28,825)	(58,328)
At 30 April 2022	188,810	1,358,443	211,298	2,094,347
Carrying amount				
At 30 April 2022	15,209	148,319	13,308	328,792
At 30 April 2021	13,268	290,757	29,276	512,091

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Motor vehicles	13,308	29,277

12 Stocks

	2022 £	2021 £
Work in progress	398,656	751,235
Finished goods and goods for resale	2,644,502	2,674,341
	3,043,158	3,425,576

Overfinch Limited**Notes to the financial statements (continued)**
For the year ended 30 April 2022**13 Debtors**

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	8,263	24,493
Amounts owed by group undertakings	1,494,302	1,044,658
Other debtors	4,993	37,872
Prepayments and accrued income	343,831	157,736
	<u>1,851,389</u>	<u>1,264,759</u>

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
	Notes	
Bank overdraft	16	178,764
Obligations under finance leases	17	15,936
Trade creditors		1,139,611
Amounts owed to group undertakings		70,349
Corporation tax		56,480
Other taxation and social security		37,734
Other creditors		1,059,733
Accruals and deferred income		89,022
		<u>2,647,629</u>
		<u>3,526,705</u>

Included in other creditors, the company has received £983,680 (2021: £782,213) in respect of advances from a stock finance provider. The amount is secured on specific vehicles held in stock at the end of the year.

15 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
	Notes	
Obligations under finance leases	17	-
Other borrowings	16	983,905
		<u>983,905</u>
		<u>15,936</u>

Overfinch Limited**Notes to the financial statements (continued)**
For the year ended 30 April 2022**16 Loans and overdrafts**

	2022	2021
	£	£
Bank overdraft	178,764	920,125
Other loans	983,905	-
	<u>1,162,669</u>	<u>920,125</u>
	<u><u>1,162,669</u></u>	<u><u>920,125</u></u>
Payable within one year	178,764	920,125
Payable after one year	983,905	-
	<u><u>983,905</u></u>	<u><u>-</u></u>

The bank overdraft facility is secured by a debenture and there is a cross guarantee between Overfinch Limited and Silverton Holdings Limited.

17 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	15,936	16,804
In two to five years	-	15,936
	<u>15,936</u>	<u>32,740</u>
	<u><u>15,936</u></u>	<u><u>32,740</u></u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Overfinch Limited**Notes to the financial statements (continued)**
For the year ended 30 April 2022**18 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	59,988	77,338
Short term timing differences	(408)	(322)
	<u>59,580</u>	<u>77,016</u>
		2022 £
Movements in the year:		
Liability at 1 May 2021		77,016
Credit to profit or loss		(17,436)
Liability at 30 April 2022		<u>59,580</u>

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.

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>20,668</u>	<u>19,052</u>

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.

20 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
A Ordinary shares of £1 each	80	80	80	80
B Ordinary shares of £1 each	20	20	20	20
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Overfinch Limited**Notes to the financial statements (continued)****For the year ended 30 April 2022****20 Share capital (continued)**

The A Ordinary and B Ordinary shares rank pari passu in all respects except for the distribution of dividends. Neither class of share has a right to fixed income but both have right to partake in the distribution of dividends.

21 Profit and loss reserves

Profit & loss account - This reserve represents cumulative profits and losses and any transfers from other reserves less dividends paid.

22 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	170,983	170,853
Between two and five years	74,613	164,793
	<u>245,596</u>	<u>335,646</u>

23 Related party transactions**Transactions with related parties**

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

	Rent		Service & other charges
	2022	2021	2022
	£	£	£
Kevin Sloane	-	39,041	-
	<u>-</u>	<u>39,041</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Kevin Sloane	983,905	-
	<u>983,905</u>	<u>-</u>

Overfinch Limited**Notes to the financial statements (continued)****For the year ended 30 April 2022****23 Related party transactions (continued)**

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due from related parties		
Kevin Sloane	-	4,443
	<u> </u>	<u> </u>

Interest is charged at 7.5% per annum on the director's loan. There is an interest accrual of £39,995 at the year end. £2,204,115 has been advanced and £1,215,767 has been repaid during the year.

24 Ultimate controlling party

Silverton Holdings Limited is the ultimate parent undertaking of Overfinch Limited. The ultimate controlling party is Mr K Sloane (Director). Copies of the consolidated financial statements can be obtained from Silverton Holdings Limited whose registered office is 151-153 Park Road, St John's Wood, London, England, NW8 7HT.