

Orchard Wealth Cultivation Ltd

Report and Financial Statements

Year Ended

31 December 2021

Company Number 05383425



Orchard Wealth Cultivation Ltd

Report and financial statements for the year ended 31 December 2021

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Company information

Directors

R N Brosch
H M Lovett

Company number

05383425

Registered office

2nd floor, 20 St Dunstan's Hill
London
EC3R 8HL

Independent Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Orchard Wealth Cultivation Ltd

Strategic report for the year ended 31 December 2021

STRATEGIC REPORT

The Directors present the Strategic Report, Directors' Report and the financial statements for Orchard Wealth Cultivation Limited (the "Company") for the year.

Introduction

The Company is a wholly owned subsidiary of Foster Denovo Group Limited ("the Group") and is incorporated and domiciled in England & Wales. Its principal activity is the provision of financial advice and associated services to individual and corporate clients.

Results

The results for the year are set out on page 8. The Company has not made a profit or loss for the year (2020 Profit before taxation £22k). In 2020 the clients were transferred to another Group company and following this Orchard Wealth Cultivation Ltd gave up its FCA authorisation. Following this the Company has not traded in 2021 and the Group Company has paid its expenses which are largely audit fees.

Note 2 includes details of key policies used in the preparation of the Company's financial statements.

Trading from the balance sheet date to the date of this report is in line with the Directors' expectations for 2022 and there have been no significant events other than the new funding investment noted below.

Overview and review of business

The principal activity of the company is the provision of independent financial advice and mortgage broking. The Company is a wholly owned subsidiary of the Foster Denovo Group Limited. Since acquisition the clients and activities of the company have been transferred to Foster Denovo Limited and the Company has ceased to be regulated by the FCA.

The Company's activities are wholly within Great Britain.

New funding received in early 2022 – post balance sheet event

The Group announced in early April 2022 that it had secured up to £100m of funding from Crestline Investors Inc. The investment will fund the Group's acquisition and growth strategy and the transaction was completed in February 2022. The Group has used the initial funding to undertake a series of acquisitions in the form of adviser practice buy-outs covering four of the largest private client and corporate practices operating under the Group. The Group expects to use further drawdowns to fund further acquisitions in line with strategy.

Going concern

As noted above, the Company's clients were transferred to another Group Company in 2020 and as a result the Company has had minimal activity since then. The Directors have yet to take a decision to formally wind the Company up and until such point the Company remains fully supported by the rest of the Group.

Accordingly Management concluded that it was appropriate to prepare the financial statements on a going concern basis.

The Group has had a more profitable year in 2021 than in 2020. This enabled the Directors to enter into discussions with potential investors resulting in the completion of a funding transaction in early 2022.

As noted above in the post balance sheet event section, the first drawdown of this additional funding has been immediately put to use by the Group through the initial acquisition of the four largest adviser practice buy-outs. The funding and acquisitions increase both the EBITDA of the Group and the operational cash flow of the Group, putting the Group in a stronger financial position.

Orchard Wealth Cultivation Ltd

Strategic report for the year ended 31 December 2021

Going concern (continued)

Future developments

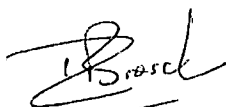
As noted above in the results section the clients were transferred to another Group company in 2020. As at the date of signing the accounts the Directors have not yet made a formal Board decision as to the future for the company and as it continues to be part of a larger Group have prepared the accounts on a going concern basis.

Principal Risks and uncertainties

In common with all other businesses, the Company holds or issues financial instruments to finance its operations and is exposed to risks that arise from its use of those financial instruments. Various financial instruments such as trade debtors and trade creditors arise directly from the Company's operations. The Company does not enter into hedging agreements. The company's business is wholly within Great Britain.

Approval

This Strategic Report was approved by the Board on 1 December 2022 and signed on its behalf:

A handwritten signature in black ink, appearing to read 'R Brosch', with a horizontal line underneath.

R Brosch
Director

Orchard Wealth Cultivation Ltd

Directors' report for the year ended 31 December 2021

DIRECTORS' REPORT

The directors present their report together with the financial statements for the year ended 31 December 2021.

Directors

The directors of the company throughout the year and to the date of this report were:

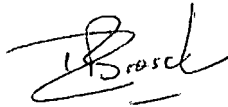
R N Brosch
H M Lovett

Annual General Meetings

In accordance with the provisions of the Companies Act legislation the Company has dispensed with the holding of Annual General Meetings.

Approval

This Directors' Report was approved by the Board on 1 December 2022 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'R Brosch', with a horizontal line underneath.

R Brosch
Director

Orchard Wealth Cultivation Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Orchard Wealth Cultivation Ltd

Independent Auditor's Report to Members of Orchard Wealth Cultivation Limited For the Year Ended 31 December 2021

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its result 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.

We have audited the financial statements of Orchard Wealth Cultivation Limited ("the Company") for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

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 directors are responsible for the other information. The other information comprises the information included in the 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.

Orchard Wealth Cultivation Ltd

Independent Auditor's Report to Members of Orchard Wealth Cultivation Limited For the Year Ended 31 December 2021

Other Companies Act 2006 reporting

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.

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We gained an understanding of the legal and regulatory framework applicable to Company and the industry in which they operate and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice.

Orchard Wealth Cultivation Ltd

Independent Auditor's Report to Members of Orchard Wealth Cultivation Limited For the Year Ended 31 December 2021

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including but not limited to compliance with Companies Act 2006, relevant accounting standards and UK tax legislation. We assessed the extent of compliance as part of our procedures on the related financial statement areas. We considered compliance through discussions with management and those charged with governance and performed audit procedures on these areas as considered necessary.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls and determined that the principal risks were related to management bias in accounting estimates. We addressed the risk of management override of internal controls through testing journals and other adjustments, evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

We read minutes of board minutes to identify any non-compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including any specialists, to ensure we remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

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.

DocuSigned by:

Andrew Barclay

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Andrew Barclay (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

1 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Orchard Wealth Cultivation Ltd

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue	4	-	3
Cost of sales		-	-
Gross profit		-	3
Administrative expenses:			
Normal		-	(25)
Exceptional		-	-
Depreciation and amortisation		-	-
Operating profit / (loss)	5		
Before exceptional administrative expenses and depreciation and amortisation		-	(22)
After exceptional administrative expenses and depreciation and amortisation		-	(22)
Interest receivable and similar income	8	-	-
Interest payable and similar charges	8	-	-
Profit / (loss) on ordinary activities before taxation			
Before exceptional administrative expenses		-	(22)
After exceptional administrative expenses		-	(22)
Tax on profit on ordinary activities	9	(-)	4
Total comprehensive income / (loss) for the financial year		-	(18)

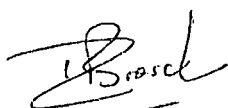
The notes on pages 11 to 18 form part of these financial statements.

Orchard Wealth Cultivation Ltd

Statement of financial position at 31 December 2021

Company number 05383425	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets			-		-
Current assets					
Debtors: amounts falling due within one year	10	96		83	
Cash at bank and in hand		-		94	
		<u>96</u>		<u>177</u>	
Creditors: amounts falling due within one year	11	-		(81)	
Net current assets			<u>96</u>		<u>96</u>
Net assets			<u>96</u>		<u>96</u>
Capital and reserves					
Called up share capital	12		10		10
Profit and loss account			86		86
Equity attributable to owners of parent company			<u>96</u>		<u>96</u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 December 2022



R N Brosch
Director

The notes on pages 11 to 18 form part of these financial statements.

Orchard Wealth Cultivation Ltd

Statement of changes in equity for the year ended 31 December 2021

	Share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2021	10	86	96
Changes in equity			
Dividends	-	-	-
Total comprehensive income for the year	-	-	-
	<u>10</u>	<u>86</u>	<u>96</u>
30 December 2021	<u>10</u>	<u>86</u>	<u>96</u>

	Share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2020	10	104	114
Changes in equity			
Total comprehensive income for the year	-	(18)	(18)
	<u>10</u>	<u>86</u>	<u>96</u>
31 December 2020	<u>10</u>	<u>86</u>	<u>96</u>

The notes on pages 11 to 18 form part of these financial statements.

Orchard Wealth Cultivation Ltd

Notes forming part of the financial statements for the year ended 31 December 2021

1 General information

Orchard Wealth Cultivation Ltd is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the directors have considered the following: budgeted and projected results of the business, projected cash flow and the risks that could impact on the company's liquidity and capital over the next twelve months including the impact of the COVID-19 pandemic. Accordingly, the Directors have prepared the financial statements on a going concern basis.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Foster Denovo Group Limited as at 31 December 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Revenue

Revenue comprises the value of commissions and fees receivable, excluding VAT, in the normal course of business. All revenue arises in the United Kingdom. Initial commissions are accounted for when the policies are accepted by the product providers, when mortgages are complete, after taking into account provisions for the potential cancellation of policies where commission is received under indemnity terms. Renewal commissions are accounted for when received. Fees for financial advice and administration charges are accounted for as invoiced with accruals being made for work performed but not invoiced.

Orchard Wealth Cultivation Ltd

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

2.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of each asset less its residual value over its estimated useful life, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- 4	years
Fixtures and fittings	- 4	years
Computer equipment	- 3	years
Computer software	- 3	years

2.5 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit 'CGU' to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Orchard Wealth Cultivation Ltd

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Orchard Wealth Cultivation Ltd

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.12 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.14 Current and deferred taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Orchard Wealth Cultivation Ltd

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

- Provisions are made where an event has taken place that gives the company a legal or constructive obligation at the year end. Estimates, assumptions and judgements relate to the determination of carrying value of these provisions.

4 Analysis of turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

5 Operating profit

	2021 £'000	2020 £'000
This is arrived at after charging:		
Depreciation of tangible fixed assets	-	-
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	-	10
Fees payable to the company's auditor or an associate of the company's auditor for taxation compliance services	-	4
Fees payable to the company's auditor or an associate of the company's auditor for other services	-	-
Defined contribution pension cost	-	-

Note in 2021 the costs of the audit and taxation compliance services have been borne by the Parent Company, Foster Denovo Group Limited.

Orchard Wealth Cultivation Ltd

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

6 Employees

The company had no employees during the year (2020 - Nil).

7 Directors' remuneration

	2021 £'000	2020 £'000
Directors' emoluments	-	-
Company contributions to money purchase pension schemes	-	-
	<u> </u>	<u> </u>

There were no directors in the company's defined contribution pension scheme (2020 - NIL). From 11 February 2019, following the purchase of the Company by Foster Denovo Group Limited, the directors were no longer paid emoluments by the Company.

Emoluments of the highest paid director were £NIL (2020 - £NIL). Company pension contributions of nil (2020 - £NIL) were made to a pension scheme on their behalf.

8 Interest receivable

	2021 £'000	2020 £'000
Bank interest	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

Orchard Wealth Cultivation Ltd

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

9. Taxation

	2021 £'000	2020 £'000
UK Corporation Tax		
Current tax on profits / (losses) for the year	-	(4)
Total Current Tax	-	(4)

Taxation on profit / (loss) on ordinary activities	<u>-</u>	<u>(4)</u>
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Factors affecting tax credit for the year

The tax assessed for the year is the same as (2020 – the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit / (loss) on ordinary activities before tax	<u>-</u>	<u>(22)</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	-	(4)
Effects of:		
Group relief	-	4
Payment for group relief claimed / surrendered	-	(4)
Remeasurement of deferred tax for changes in tax rates	-	
Movement in deferred tax not recognised	-	-
Total tax charge / (credit) for the year	<u>-</u>	<u>(4)</u>

10 Debtors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed by group undertakings	96	83
Other debtors	-	-
Prepayments and accrued income	-	-
	<u>96</u>	<u>83</u>

Orchard Wealth Cultivation Ltd

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

11 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	-	(1)
Amounts owed to group undertakings	-	(32)
Corporation tax	-	(29)
Accruals and deferred income	-	(19)
	<u>-</u>	<u>(81)</u>

12 Share capital

	2021 £'000	2020 £'000
<i>Allotted, called up and fully paid</i> 10,000 ordinary shares of 1 pence each	10	10
	<u>10</u>	<u>10</u>

13 Capital and reserves

The company's capital and reserves comprise the following:

Called up share capital

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

14. Ultimate parent company

The company is a subsidiary of Foster Denovo Group Limited which is the ultimate parent company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Foster Denovo Group Limited incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the company.