

Orchard Wealth Cultivation Ltd

Report and Financial Statements

Year Ended

31 December 2022

Company Number 05383425



Orchard Wealth Cultivation Ltd

Report and Financial Statements For the Year Ended 31 December 2022

Contents

Page:

1 to 2	Strategic report
3	Directors' report
4	Directors' Responsibility Statement
5 to 8	Independent Auditor's Report
9	Statement of Comprehensive Income
10	Statement of Financial Position
11	Statement of changes in equity
12 to 14	Notes forming part of the financial statements

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 2022

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 (2021: £Nil). 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 2022 nor 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.

Performance 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 has not traded during 2022.

The Company's activities are wholly within Great Britain.

New funding received in early 2022

The funding deal signed on 28 February 2022 with Crestline Investors Inc. is for up to £100m of funding. The investment is to fund the Group's acquisition and growth strategy. The Group has drawn down £20.3m during the year to fund a series of acquisitions in the form of practice buy-outs and repurchase of 12.7m of Ordinary shares in the parent company Foster Denovo Group Limited. Further details can be found in the accounts of the parent company.

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.

As noted above, the additional funding was put to use by the Group through acquisitions in the form of practice buy-outs. The funding and acquisitions increase both the EBITDA of the Group and the operational cash flow of Group, putting Group in a stronger financial position.

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. In reaching this conclusion Management considered the results on a number of scenario tests on the Company's and the Group's forward-looking results and cash flow projections.

Orchard Wealth Cultivation Ltd

Strategic Report For the Year Ended 31 December 2022

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.

Statement in compliance with section 172(1) of CA 2006

The Directors have a duty to promote the success of the company and our related stakeholders. A Director must act in the way he or she considers, in good faith, to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of our employees;
- The need to foster business relationships with our suppliers, clients and others;
- The impact of operations on our communities and environment;
- The desirability to maintain a reputation for high standards of business conduct; and
- The need to act fairly across all members.

The directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

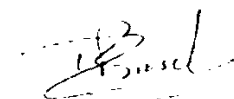
In considering their duty under s172, the directors have identified the following key stakeholders, in addition to shareholders:

- Employees – we promote a diverse workforce and provide an inclusive work environment with regular communication and feedback to and from employees and self-employed advisors. We monitor progress internally and against industry benchmarks through the use of surveys and regular meetings and have achieved IIP silver status;
- Environment and community – the company and wider Group sponsor an initiative to improve collaboration, communication and wellbeing through considering charity / wellbeing, environmental and social considerations;
- Suppliers – we aim to promote long term partnerships with key suppliers.

These key decisions are all taken to expand the customer base and provide a better experience to clients and hence improve the revenues and profitability of the company and Group that it is part of. As such they also benefit employees and self-employed advisors and the other key stakeholder groups identified

Approval

This Strategic Report was approved by the Board on 29 September 2023 and signed on its behalf:



R N Brosch
Director

Orchard Wealth Cultivation Ltd

Directors' report For the Year Ended 31 December 2022

DIRECTORS' REPORT

The directors present their report together with the financial statements for the year ended 31 December 2022.

Directors

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

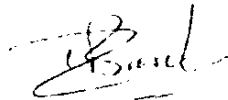
R N Brosch
H M Lovett

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 29 September 2023 and signed on its behalf.



R N Brosch
Director

Orchard Wealth Cultivation Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2022

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 2022

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 2022 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 Ltd ("the Company") for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the 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 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.

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.

1 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 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.

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the Companies Act 2006, the applicable accounting framework and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and 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:

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James Barber (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
29 September 2023

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 2022

	Note	2022 £'000	2021 £'000
Revenue		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating profit	3	-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	-
		<hr/>	<hr/>
Total comprehensive income for the financial year		-	-
		<hr/>	<hr/>

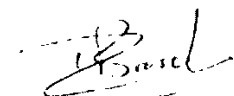
The notes on pages 12 to 14 form part of these financial statements.

Orchard Wealth Cultivation Ltd

Statement of Financial Position For the Year Ended 31 December 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Current assets					
Debtors: amounts falling due within one year	6	96		96	
Net current assets			96		96
Net assets			96		96
Capital and reserves					
Called up share capital	7		10		10
Profit and loss account			86		86
Equity attributable to owners of parent company			96		96

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2023



R N Brosch
Director

The notes on pages 12 to 14 form part of these financial statements.

Orchard Wealth Cultivation Ltd

Statement of Changes in Equity For the Year Ended 31 December 2022

	Share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2022	10	86	96
31 December 2022	<u>10</u>	<u>86</u>	<u>96</u>

	Share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2021	10	86	96
31 December 2021	<u>10</u>	<u>86</u>	<u>96</u>

The notes on pages 12 to 14 form part of these financial statements.

Orchard Wealth Cultivation Ltd

Notes to the Financial Statements For the Year Ended 31 December 2022

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 Ukraine conflict.* 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 7 Statement of Cash Flows and paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), 12.29A and 12.30;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of paragraph 33.7.

This information is included in the consolidated financial statements of Foster Denovo Group Limited as at 31 December 2022 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 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.

Orchard Wealth Cultivation Ltd

Notes to the Financial Statements For the Year Ended 31 December 2022

3 Operating profit

Fees for audit and taxation compliance services for 2022 and 2021 have been borne by the Parent Company, Foster Denovo Group Limited.

4 Employees

The company had no employees during the year (2021 - Nil).

5 Directors' remuneration

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 (2021: £Nil). Company pension contributions of £Nil (2021: £Nil) were made to a pension scheme on their behalf.

6 Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed by group undertakings	96	96
	<u>96</u>	<u>96</u>

7 Share capital

	2022 £'000	2021 £'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>

Orchard Wealth Cultivation Ltd

Notes to the Financial Statements For the Year Ended 31 December 2022

8 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.

9 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.