

Registered number: 11044696

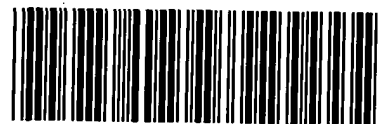
BLUE ORCHID (WELLINGTON) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

THURSDAY



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BLUE ORCHID (WELLINGTON) LIMITED
REGISTERED NUMBER: 11044696

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	51,855,376	45,319,640
		<u>51,855,376</u>	<u>45,319,640</u>
Current assets			
Debtors: amounts falling due within one year	5	1,361,072	2,886,559
Cash at bank and in hand		1,279,465	84,443
		<u>2,640,537</u>	<u>2,971,002</u>
Creditors: amounts falling due within one year	6	(22,123,431)	(48,520,810)
Net current liabilities		<u>(19,482,894)</u>	<u>(45,549,808)</u>
Total assets less current liabilities		<u>32,372,482</u>	<u>(230,168)</u>
Creditors: amounts falling due after more than one year		(25,768,335)	-
Provisions for liabilities			
Deferred tax	9	(2,231,955)	(417,008)
		<u>(2,231,955)</u>	<u>(417,008)</u>
Net assets/(liabilities)		<u><u>4,372,192</u></u>	<u><u>(647,176)</u></u>
Capital and reserves			
Called up share capital		2	2
Revaluation reserve		7,445,331	2,025,000
Profit and loss account		(3,073,141)	(2,672,178)
		<u>4,372,192</u>	<u>(647,176)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Tejinderpal Singh Matharu
 Director

Date: 20 December 2022

The notes on pages 3 to 10 form part of these financial statements.

BLUE ORCHID (WELLINGTON) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	2	2,025,000	(2,672,178)	(647,176)
Comprehensive income for the year				
Loss for the year	-	-	(400,963)	(400,963)
Surplus net of deferred tax on revaluation of freehold property	-	5,420,331	-	5,420,331
Total comprehensive income for the year	-	5,420,331	(400,963)	5,019,368
At 31 December 2022	2	7,445,331	(3,073,141)	4,372,192

The notes on pages 3 to 10 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	2	2,187,000	(2,482,902)	(295,900)
Comprehensive income for the year				
Loss for the year	-	-	(189,276)	(189,276)
Movement of deferred tax on revaluation of freehold property	-	(162,000)	-	(162,000)
Total comprehensive income for the period	-	(162,000)	(189,276)	(351,276)
At 31 December 2021	2	2,025,000	(2,672,178)	(647,176)

The notes on pages 3 to 10 form part of these financial statements.

BLUE ORCHID (WELLINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Blue Orchid (Wellington) Limited ('the Company') is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 10 Norwich Street, London, United Kingdom, EC4A 1BD.

The principal activity of the company during the year was the operation of its hotel.

The financial statements are presented in sterling which is the functional currency of the Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 Going concern

The Director has a reasonable expectation that the Company will continue to have adequate resources to remain in operational existence for the foreseeable future. The Company has received a letter of support from Integrity International Group Limited confirming it will continue to provide the Company with finance as required to meet its obligations for the period of at least one year from the date of approval of these financial statements.

On the basis of the Director's assessment of the Company's financial position and after confirmation received from the Director of Integrity International Group Limited, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Revenue

Revenue represents the amount derived from the provision of accommodation, conference facilities and meals. Revenue is recognised on the date of occupation for accommodation and meals, and on the date of the event for conference facilities. Revenue excludes value added tax, and relates solely to the United Kingdom.

2.4 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.

2.5 Finance costs

Finance costs are charged to profit or loss 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.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

BLUE ORCHID (WELLINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 balance sheet 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 balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

BLUE ORCHID (WELLINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% on a straight line basis.
Plant and machinery	- 20% on a straight line basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being the fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.9 Debtors

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

2.10 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.11 Creditors

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

2.12 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance Sheet.

BLUE ORCHID (WELLINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

3. Employees

The Company uses hotelier staff from Blue Orchid Group Limited, a fellow group company. The Company has no employees other than the director, who did not receive any remuneration (2021 - £NIL).

The director of the company is remunerated by the ultimate parent undertaking on behalf of the group. It is not practical to apportion amounts to the subsidiary undertakings.

BLUE ORCHID (WELLINGTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2022	47,236,191	523,054	47,759,245
Additions	361,138	-	361,138
Revaluation	4,202,671	-	4,202,671
At 31 December 2022	<u>51,800,000</u>	<u>523,054</u>	<u>52,323,054</u>
Depreciation			
At 1 January 2022	2,076,537	363,068	2,439,605
Charge for the year	947,901	104,610	1,052,511
Revaluation	(3,024,438)	-	(3,024,438)
At 31 December 2022	<u>-</u>	<u>467,678</u>	<u>467,678</u>
Net book value			
At 31 December 2022	<u>51,800,000</u>	<u>55,376</u>	<u>51,855,376</u>
At 31 December 2021	<u>45,159,654</u>	<u>159,986</u>	<u>45,319,640</u>

Land and buildings with a carrying value of £51,800,000 (2021 - £45,159,654) were valued at 31 December 2022 by the Director at a level deemed to be market value, based on evidence for similar properties sold in the local area and readily available market data.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts noted above would have been a cost of £45,056,638 (2021 - £44,710,699) less accumulated depreciation of £3,024,438 (2021 - £2,076,537), amounting to a carrying value of £42,032,200 (2021 - £42,634,162).

BLUE ORCHID (WELLINGTON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****5. Debtors**

	2022 £	2021 £
Amounts owed by group undertakings	1,307,196	2,859,711
Other debtors	-	1,752
Prepayments and accrued income	53,876	25,096
	<u>1,361,072</u>	<u>2,886,559</u>

Amounts owed by group undertakings are interest free and repayable on demand.

6. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	121,557	-
Trade creditors	164,382	12,696
Amounts owed to group undertakings	20,651,608	47,551,608
Corporation tax	120,372	-
Other creditors	85,258	-
Accruals and deferred income	980,254	956,506
	<u>22,123,431</u>	<u>48,520,810</u>

Amounts owed by group undertakings are interest free and repayable on demand.

During the year, the Company entered into loan agreement with Oak North Bank Plc. Bank loans are secured by way of a fixed and floating charge over the Company's assets. The bank loans at 31 December 2022 were due to mature on 31 July 2027. The interest on the bank loan is 4.5% plus the Bank of England base rate per annum.

7. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	25,768,335	-
	<u>25,768,335</u>	<u>-</u>

During the year, the Company entered into loan agreement with Oak North Bank Plc. Bank loans are secured by way of a fixed and floating charge over the Company's assets. The bank loans at 31 December 2022 were due to mature on 31 July 2027. The interest on the bank loan is 4.5% plus the Bank of England base rate per annum.

BLUE ORCHID (WELLINGTON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	121,557	-
	<u>121,557</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	25,768,335	-
	<u>25,768,335</u>	<u>-</u>
	<u>25,889,892</u>	<u>-</u>

9. Deferred taxation

	2022 £	2021 £
At beginning of year	(417,008)	(288,886)
Charged to profit or loss	(8,169)	-
Charged to other comprehensive income	(1,806,778)	(162,000)
Utilised in year	-	33,878
At end of year	<u>(2,231,955)</u>	<u>(417,008)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Revaluations on freehold property	(2,481,778)	(675,000)
Fixed asset timing differences	249,823	257,992
	<u>(2,231,955)</u>	<u>(417,008)</u>

BLUE ORCHID (WELLINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Related party transactions

The Company has taken advantage of the exemptions provided by section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

As at 31 December 2022, the Company owed £20,651,608 (2021: £47,551,908) to Blue Orchid Holdings Limited, the immediate parent undertaking. No interest is charged and it is repayable on demand.

As at 31 December 2022, the Company was owed £685,422 (2021: £nil) from Blue Orchid (Wellington) Limited, a fellow group company. No interest is charged and it is repayable on demand.

As at 31 December 2022, the Company was owed £621,774 (2021: £2,859,711) by Blue Orchid Group Limited, a fellow group company. No interest is charged and it is repayable on demand.

11. Controlling party

Blue Orchid Holdings Limited is the immediate parent undertaking of Blue Orchid (Wellington) Limited. Integrity International Group Limited, a company incorporated and domiciled in England, is the ultimate parent undertaking and also the parent of the largest and smallest group for which consolidated financial statements including Blue Orchid (Wellington) Limited are prepared.

The consolidated financial statements of Integrity International Group Limited are available from its registered office, 10 Norwich Street, London, EC4A 1BD.

The ultimate controlling individual is Tejinderpal Singh Matharu.

12. Auditor's information

As the statement of comprehensive income has been omitted from the filing of the financial statements, the following information in relation to the audit report on the statutory financial statements provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 20 December 2023 by Timothy Herbert (Senior Statutory Auditor) on behalf of PKF Littlejohn LLP.