Financial Statements

Barrough Limited

For the Year Ended 31 December 2016

Registered number: 03730967

Company Information

Directors	Lord E A C Spencer Churchill A J Thompson Withers Trust Corporation Limited D M Hare R L File H R Carter
Company secretary	S J Spare
Registered number	03730967
Registered office	The Estate Office Blenheim Palace WOODSTOCK OX20 1PP
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South OXFORD OX4 2WB
Bankers	Barclays Bank Plc 4th Floor, Apex Plaza Forbury Road READING RG1 1AX
Solicitors	Withers LLP 16 Old Bailey LONDON EC4M 7EG

Contents

Barrough Limited

Directors' Report
For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activities and review of business

Principal activity
The principal activity of the company during the year was that of a holding company. The group had two principal activities during the year, the provision of hospitality services and the management of investment properties.

Hospitality Services overview
The group provides both visitor day catering and conference/banqueting services at Blenheim Palace. In respect of day catering, this is provided by a catering partner, Searcy Tansley and Co Ltd ("Searcys") under a concession agreement effective from first of January 2012 and lasting 10 years. The group originally had a one-way break after five years. The exercise date of this break has been contractually deferred until 31st December 2018. In respect of conference/banqueting services, the group employs a sales team directly but contracts the catering element either to Searcy's or to one of a small number of other approved caterers. For all forms of catering transacted by Searcy's, the group receives a concession fee of between 20% and 22%.

Day catering continues to perform well. Visitor numbers at Blenheim Palace have grown and the food offer provided by Searcy's continues to be well received by our customers. Spends per head are at the upper level of those seen amongst competitors. Since the year end, the group has made further investment into its day catering facilities in order to enhance the food offer and improve visitor flows. In the year, the Orangery traded as a day restaurant and continues to gain positive momentum since the year end.

With slightly reduced facilities available to it, conference and banqueting performed exceptionally well in 2016. We now place less emphasis on daytime weddings, where we see a conflict between that business and the visitor attraction business. As an offset however, there has been a greater emphasis on higher value Palace-based business.

Management of Investment Property overview
The largest assets of this business are the Windrush Industrial Park in Witney and the Cowyards office complex at Blenheim Palace, now extended.

Both of these assets are performing well, as does the balance of the portfolio. These are long-term investments and the directors do not focus closely on year by year valuation movements. The largest leases at Windrush continue to shorten in term, with Brecht's it causing tenants to avoid lengthy additional commitments. For our part, we continue to invest into that estate, now adding a number of flexible starter units in place of old buildings on the estate boundary. The group's innovation centre in partnership with Oxford Innovation Ltd continues to perform well and is now highly profitable.

Results

The loss for the year, after taxation, amounted to £237,973 (2015: profit £558,449).

The directors do not recommend a dividend (2015: £nil).

Directors

The directors who served during the year were:

J F D Hoy (resigned 30 December 2016)
Lord E A C Spencer Churchill
A J Thompson
Withers Trust Corporation Limited

D M Hare, R L File and H R Carter were appointed post year end on 13 February 2017.

Directors' Report (continued)
For the Year Ended 31 December 2016

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Directors' Report (continued)
For the Year Ended 31 December 2016

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 31/7/17 and signed on its behalf.

D M Hare
Director

Grant Thornton

Independent Auditor's Report to the Members of Barrough Limited

We have audited the financial statements of Barrough Limited for the year ended 31 December 2016, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

GrantThornton

Independent Auditor's Report to the Members of Barrough Limited (continued)

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Tracey James (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Oxford
Date:

1 August 2017

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	**5,281,160**	5,469,474
Cost of sales		**(1,220,136)**	(1,085,737)
Gross profit		**4,061,024**	4,383,737
Administrative expenses		**(1,587,689)**	(2,084,476)
Fair value movements		**(756,475)**	(294,632)
Operating profit	5	**1,716,860**	2,004,629
Interest payable and expenses	6	**(1,542,439)**	(1,258,605)
Profit before taxation		**174,421**	746,024
Tax on profit	7	**(412,394)**	(187,575)
(Loss)/profit for the year		**(237,973)**	558,449
Total comprehensive income for the year		**(237,973)**	558,449

All amounts relate to continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

Barrough Limited
Registered number:03730967

Consolidated Balance Sheet
As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	8		696,522		597,270
Investment property	9		38,520,250		37,455,000
			39,216,772		38,052,270
Current assets					
Debtors: amounts falling due within one year	11	2,990,483		5,359,617	
Cash at bank and in hand	12	995,098		819,647	
		3,985,581		6,179,264	
Creditors: amounts falling due within one year	13	(6,002,193)		(5,040,518)	
Net current (liabilities)/assets			(2,016,612)		1,138,746
Total assets less current liabilities			37,200,160		39,191,016
Creditors: amounts falling due after more than one year	14		(26,795,209)		(28,889,981)
Provisions for liabilities					
Deferred taxation	16	(1,045,670)		(703,781)	
			(1,045,670)		(703,781)
Net assets			9,359,281		9,597,254
Capital and reserves					
Called up share capital			2		2
Revaluation reserve			4,642,800		5,253,158
Profit and loss account			4,716,479		4,344,094
			9,359,281		9,597,254

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
31/7/17

D M Hare

D M Hare
Director
The notes on pages 12 to 25 form part of these financial statements.

Barrough Limited
Registered number:03730967

Company Balance Sheet
As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Investments	10		3		3
			3		3
Current assets					
Debtors: amounts falling due within one year	11	324,698		2,120,355	
		324,698		2,120,355	
Creditors: amounts falling due within one year	13	(395,032)		(40,689)	
Net current (liabilities)/assets			(70,334)		2,079,666
Total assets less current liabilities			(70,331)		2,079,669
Creditors: amounts falling due after more than one year	14		-		(2,150,000)
Net liabilities			(70,331)		(70,331)
Capital and reserves					
Called up share capital			2		2
Profit and loss account			(70,333)		(70,333)
			(70,331)		(70,331)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
31/1/17

D M Hare
Director

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	2	5,253,158	4,344,094	9,597,254
Comprehensive income for the year				
Loss for the year	-	-	(237,973)	(237,973)
Transfer revaluation movement net of deferred tax	-	(610,358)	610,358	-
At 31 December 2016	2	4,642,800	4,716,479	9,359,281

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	2	5,527,655	3,511,148	9,038,805
Comprehensive income for the year				
Profit for the year	-	-	558,449	558,449
Transfer revaluation movement net of deferred tax	-	(274,497)	274,497	-
At 31 December 2015	2	5,253,158	4,344,094	9,597,254

The notes on pages 12 to 25 form part of these financial statements.

Company Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	2	(70,333)	(70,331)
At 31 December 2016	2	(70,333)	(70,331)

Company Statement of Changes in Equity
For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	2	(70,333)	(70,331)
At 31 December 2015	2	(70,333)	(70,331)

The notes on pages 12 to 25 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(237,973)	558,449
Adjustments for:		
Depreciation of tangible assets	163,346	107,736
Interest paid	1,542,439	1,258,605
Taxation charge	412,394	187,575
Decrease/(increase) in debtors	355,529	(227,299)
Decrease/(increase) in amounts owed by associates	2,013,606	(234,225)
Increase/(decrease) in creditors	27,354	(366,407)
Increase in amounts owed to associates	1,077,343	133,130
Investment property fair value movements	756,475	294,632
Corporation tax (paid)	(213,528)	(30,954)
Net cash generated from operating activities	5,896,985	1,681,242
Cash flows from investing activities		
Purchase of tangible fixed assets	(262,598)	(49,802)
Purchase of investment properties	(1,821,725)	(239,381)
Net cash from investing activities	(2,084,323)	(289,183)
Cash flows from financing activities		
Repayment of loans from related undertakings	(2,094,772)	(488,455)
Interest paid	(1,542,439)	(1,258,605)
Net cash used in financing activities	(3,637,211)	(1,747,060)
Net increase/(decrease) in cash and cash equivalents	175,451	(355,001)
Cash and cash equivalents at beginning of year	819,647	1,174,648
Cash and cash equivalents at the end of year	995,098	819,647
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	995,098	819,647
	995,098	819,647

The notes on pages 12 to 25 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

Barrough Limited is a private limited company limited by shares and registered in England and Wales. Its registered head office is located at The Estate Office, Blenheim Palace, Woodstock, OX20 1PP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention as modified by the revaluation of certain fixed assets and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 judgment in applying the Group's accounting policies (note 3).

The group financial statements consolidate the financial statements of Barrough Limited and all its subsidiary undertakings drawn up to 31 December each year.

The parent Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements.
The parent Company's profit for the year was £nil (2015: £nil).

The individual accounts of Barrough Limited have also adopted the following disclosure exemption:
- the requirement to present a statement of cash flows and related notes.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis as the group has the continuing financial support of Vanbrugh Unit Trust.

2.3 Turnover

Turnover in respect of commissions received is recognised in the period to which the commissions relate.

Turnover in respect of events management is recognised on completion of each event.

Turnover in respect of rental income is recognised on a straight line basis over the period in which the property is leased. Any lease incentives are spread over the term of the lease.

Notes to the Financial Statements
For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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 Group 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 Group. 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 assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 4 years straight line

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to the Consolidated 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.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated statement of comprehensive income in the year that the Group 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.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 balance sheet date in the countries where the Company and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

Notes to the Financial Statements
For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 payables or receivables, 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 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 Income statement.

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, which is an approximation of the amount that the Group 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.

Notes to the Financial Statements
For the Year Ended 31 December 2016

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgements that management have made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relate to the following:

Valuation of investment properties
Management instruct an independent valuation expert to assess the open market value of the investment properties at each reporting date. The future realisation of these amounts may be affected by future changes in the market condition.

Provisions
In recognising provisions, the company evaluates the extent to which it is probably that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

Deferred tax assets
The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

4. Turnover

All turnover arose within the United Kingdom.

Notes to the Financial Statements
For the Year Ended 31 December 2016

5. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	**163,346**	107,736

During the year, no director received any emoluments (2015: £nil).

The auditors remuneration in the current year and prior year was borne by Vanbrugh Unit Trust.

6. Interest payable and similar charges

	2016	2015
	£	£
Bank interest payable	**1,542,439**	647,661
Loans from group undertakings	**-**	610,944
	1,542,439	1,258,605

Notes to the Financial Statements
For the Year Ended 31 December 2016

7. Taxation

	2016	2015
	£	£
Corporation tax		
Current tax on profits for the year	118,310	207,710
Adjustments in respect of previous periods	(47,804)	-
	70,506	207,710
Total current tax	70,506	207,710
Deferred tax		
On revaluation of investment properties	(146,117)	(20,135)
Capital allowances for year in excess of depreciation	488,005	-
Total deferred tax	341,888	(20,135)
Taxation on profit on ordinary activities	412,394	187,575

Notes to the Financial Statements

For the Year Ended 31 December 2016

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**174,421**	746,024
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**34,884**	151,044
Effects of:		
Temporary difference on investment property revaluation	**(171,901)**	69,069
Non-taxable income	**-**	(19,400)
Adjusting deferred tax rate	**3,207**	(13,138)
Expenses not deductible	**180,240**	-
Adjustment to tax charge in prior years	**(47,804)**	-
Deferred tax liability not previously recognised - fixed asset timing differences	**413,768**	-
Total tax charge for the year	**412,394**	187,575

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the Financial Statements

For the Year Ended 31 December 2016

8. Tangible fixed assets

Group

	Plant & machinery £
Cost or valuation	
At 1 January 2016	1,471,322
Additions	262,598
At 31 December 2016	1,733,920
Depreciation	
At 1 January 2016	874,052
Charge for the year	163,346
At 31 December 2016	1,037,398
Net book value	
At 31 December 2016	696,522
At 31 December 2015	597,270

Notes to the Financial Statements
For the Year Ended 31 December 2016

9. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2016	37,455,000
Additions at cost	1,821,725
Revaluation movement	(756,475)
At 31 December 2016	38,520,250

The 2016 valuations were made by Carter Jonas LLP and Colliers International, Chartered Surveyors, on an open market value for existing use basis.

If the investment properties had not been revalued, they would have been included on the historical cost basis at £33,319,786 (2015: £31,498,061).

10. Fixed asset investments

Company

	Subsidiaries £
Cost or valuation	
At 1 January 2016 and 31 December 2016	3
Net book value	
At 31 December 2016	3
At 31 December 2015	3

Notes to the Financial Statements
For the Year Ended 31 December 2016

10. Fixed asset investments (continued)

At 31 December 2016 the company held 100% of the ordinary share capital in Barrough Hospitality Limited, a catering company, and Blenheim Estates Properties Limited, a property development company and Blenheim Industrial Properties Limited, a property management company. All of the above companies were incorporated in England and Wales.

In addition to the above investments, Barrough Hospitality Limited holds an investment in the Godolphin partnership, an entity set up to exhibit to the public the Godolphin rooms at Blenheim Palace. The directors consider that Barrough Hospitality Limited controls the Godolphin partnership. The partnership therefore qualifies as a subsidiary undertaking and has been consolidated in these financial statements.

11. Debtors

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Trade debtors	**507,964**	978,565	-	-
Amounts owed by group undertakings	-	-	-	1,795,657
Amounts owed by related undertakings	**2,168,703**	4,182,309	**324,698**	324,698
Other debtors	**70,774**	37,198	-	-
Prepayments and accrued income	**243,042**	161,545	-	-
	2,990,483	5,359,617	**324,698**	2,120,355

12. Cash and cash equivalents

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Cash at bank and in hand	**995,098**	819,647	-	-
	995,098	819,647	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

13. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	**244,881**	357,969	-	-
Amounts owed to related undertakings	**4,311,552**	3,234,209	**395,032**	40,689
Corporation tax	**65,109**	208,131	-	-
Other taxation and social security	-	39,764	-	-
Other creditors	**410,962**	359,456	-	-
Accruals and deferred income	**969,689**	840,989	-	-
	6,002,193	5,040,518	**395,032**	40,689

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts owed to related undertakings	**26,795,209**	28,889,981	-	2,150,000
	26,795,209	28,889,981	-	2,150,000

15. Financial instruments

Financial assets measured at amortised cost amount to £3,434,762 (2015: £6,133,812). This consists of cash, trade debtors, amounts owed by related undertakings and other debtors.

Financial liabilities measured at amortised cost amount to £31,990,163 (2015: £33,930,499). This consists of the amounts owed to related undertakings, trade creditors, corporation tax liability, other tax liabilities and other creditors.

16. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	**(703,781)**	(723,916)
Credit to the Income Statement	**(341,889)**	20,135
At end of year	**(1,045,670)**	(703,781)

16. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 2016 £	Group 2015 £
Revaluation on investment properties	**(557,665)**	(703,781)
Accelerated capital allowances	**(488,005)**	-
	(1,045,670)	(703,781)

17. Contingent liabilities

The company did not identify any contingent liabilities as at 31 December 2016 or 31 December 2015.

The company is party to a cross guarantee with respect to the bond borrowings of the parties to the guarantee. At 31 December 2016 the potential liability with respect to this guarantee amounted to a maximum across all guarantors of £90,000,000 being the amount of the bond (2015: £60,000,000).

18. Capital commitments

As at 31 December 2016 there was a capital commitment to purchase £nil of catering equipment as part of the improvement work (2015: £200,619).

19. Related party transactions

The company is exempt from the requirements of FRS 102 to disclose transactions with other members of the group.

At the year end, £479,902 (2015: £36,934) was owed to Blenheim Estate Contractors Limited, £1,393,783 (2015: £1,199,083) was owed to Blenheim Agency, £13,638,045 (2015: £13,101,739) was owed to Blenheim Finance Limited, £338,956 (2015: £87,500) was owed to Blenheim Visitors, £nil (2015: £69,323) was owed to Blenheim Visitors Partnership. The remaining balance of £15,256,075 was due to Vanbrugh Unit Trust for loans made to group companies. During the period interest of £1,542,439 (2015: £1,258,605) was charged to the group by Blenheim Finance Limited and Vanbrugh Unit Trust.

At 31 December 2016 £1,310,753 (2015: £1,314,777) was outstanding from Blenheim Agency, £nil (2015: £2,787,532) was outstanding from Blenheim Finance Limited. The other amounts owed totalling £857,950 relate to trading activities, principally with the Blenheim Visitors Limited, for receipts taken on behalf of the Godolphin partnership.

All of the above entities are related to the group through sharing a common ultimate controlling parties.

Notes to the Financial Statements
For the Year Ended 31 December 2016

20. Controlling party

Barrough Limited is 100% owned by Vanbrugh Unit Trust.

The entity's ultimate controlling parties are Sir Mark Aubrey Weinberg, Mr Alexander Pepys Muir, Mr Anthony John Thompson and Lord Edward Albert Spencer-Churchill as trustees of Marlborough 2003 settlement, which owns 100% of Vanbrugh Trustees Limited and Vanbrugh Trustees No 2 Limited, which are the trustees of Vanbrugh Unit Trust.