

Barrough Limited

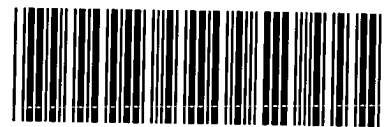
Directors' Report and Financial Statements

Year Ended

31 December 2019

Company Number 03730967

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COMPANIES HOUSE

Barrough Limited

Company Information

Directors	A J Thompson D M Hare Lord E A C Spencer Churchill H R Carter R L File Withers Trust Corporation Limited
Company secretary	S J Spare
Registered number	03730967
Registered office	The Estate Office Blenheim Palace Woodstock Oxfordshire OX20 1PP
Independent auditors	BDO LLP Two Snowhill Birmingham B4 6GA
Bankers	Barclays Bank plc 6th Floor One Snowhill Snow Hill Queensway Birmingham B4 6GN
Solicitors	Withers LLP 20 Old Bailey London EC4M 7AN

Barrough Limited

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Barrough Limited

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company during the year was that of a holding company.

Directors

The directors who served during the year were:

A J Thompson
D M Hare
Lord E A C Spencer Churchill
H R Carter
R L File
Withers Trust Corporation Limited

Directors' responsibilities statement

The directors are responsible for preparing 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; 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 to 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Barrough Limited

Directors' Report (continued) For the Year Ended 31 December 2019

Post balance sheet events

In common with most businesses in the UK we have been affected by Covid-19.

We have conducted a thorough reforecast of all our businesses in order to ensure that our cash flow is secure, that our covenants with Note Holders are not breached and to identify significant cost savings across our businesses. Deliberately we presented a cautiously realistic view with no construction income expected until October, significant provision for bad debt against tenants and no conference and banqueting income until quarter 4.

At the same time, we have taken steps to put extra funding lines in place with Barclays, replacing a £20m overdraft facility with a £25m 2-year revolving credit facility (RCF). As mentioned in Note 2.2 within the paragraph on Going Concern, this facility has credit approval from Barclays and will be put in place during May 2020.

Across the wider Estate, we have made full use of the Government furlough scheme, deferring major projects and freezing all but essential capex.

The reforecast was presented to our Trustees on the 3rd April and shows that once the new RCF is in place our cash flow will be secure. The report also considered our covenants which were modelled using the same cautious approach and we are confident of not breaching our covenants with Note Holders.

Looking forward, whilst it was right to model a cautious scenario, we are starting to see our businesses trading at healthier levels:

1. Where approached by tenants we have been able to agree deferred payment terms rather than a reduction in rental income for most of our tenants. Whilst we are expecting some bad debt, we expect this to be at manageable levels.
2. Pye Homes are planning to resume house building on the 11th May, targeting the completion of houses with a sale agreed and the purchaser able to complete the transaction.
3. Conference and banqueting remain quiet, but most events are deferring until after social distancing rules apply rather than cancelling.

These are challenging times – but we are confident that our businesses are robust and well placed to trade through this difficult period.

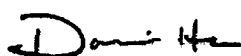
Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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 1 May 2020 and signed on its behalf.



D M Hare
Director

Barrough Limited

Independent Auditor's Report to the Members of Barrough Limited

Opinion

We have audited the financial statements of Barrough Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of Financial Position 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which refers to the company's reliance on support provided by Vanbrugh Unit Trust which is experiencing uncertainty as a result of Covid 19 and the requirement for a replacement bank facility in May 2020. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Barrough Limited

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Barrough Limited

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

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.

BDO LLP

Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of **BDO LLP**, Statutory Auditor
Birmingham
United Kingdom

01 May 2020

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

Barrough Limited

Statement of Comprehensive Income For the Year Ended 31 December 2019

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

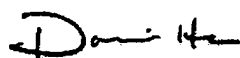
Barrough Limited
Registered number:03730967

Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	4		3		3
			<u>3</u>		<u>3</u>
Current assets					
Debtors: amounts falling due within one year	5	324,698		324,698	
		<u>324,698</u>		<u>324,698</u>	
Creditors: amounts falling due within one year	6	(395,032)		(395,032)	
Net current liabilities			(70,334)		(70,334)
Total assets less current liabilities			<u>(70,331)</u>		<u>(70,331)</u>
Net liabilities			<u>(70,331)</u>		<u>(70,331)</u>
Capital and reserves					
Called up share capital			2		2
Profit and loss account			(70,333)		(70,333)
			<u>(70,331)</u>		<u>(70,331)</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 were approved and authorised for issue by the board and were signed on its behalf by



D M Hare
Director

Date: 1 May 2020

The notes on pages 8 to 10 form part of these financial statements.

Barrough Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

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 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.

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. However there has not been deemed any critical accounting estimates or significant judgements in these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis.

In the current business climate, the Directors acknowledge the ongoing COVID-19 pandemic. The Government's decisions on social distancing is not expected to impact the business directly as the company is not currently trading, though it does hold investments in subsidiaries as a nominal cost.

In assessing going concern, the Directors have considered the impact of COVID-19 on the company and on its parent company, Vanbrugh Unit Trust which has issued a letter of financial support to the company for 12 months from the balance sheet date. Vanbrugh Unit Trust is experiencing material uncertainty in relation to cashflows as a result of COVID-19 and the need to finalised a credit approved facility with Barclays in May 2020.

These events or conditions indicate that a material uncertainty exists which may cast doubt on the company's ability to continue as a going concern and therefore its ability to settle its debts and realise its assets in the normal course of business.

2.3 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 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.

Barrough Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.6 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.

3. Auditors' remuneration

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

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	3
At 31 December 2019	3
Net book value	
At 31 December 2019	3
At 31 December 2018	3

5. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	324,698	324,698

6. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	395,032	395,032

Barrough Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Post balance sheet events

Since the 31 December 2019 to the date of signing these financial statements the outbreak of the pandemic COVID19 has had a significant effect on the economy. As a result, whilst there are no direct indicators of the value property assets held by the company having fallen, the lack of transactions, the broad economic downturn, warnings of a severe recession and the increased credit risk of some tenants does mean that investment property values may have decreased since the balance sheet date.

8. Controlling party

Barrough Limited is 100% owned by Vanbrugh Unit Trust. Vanbrugh Unit Trust is registered at the same address as Barrough Limited.

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.