

## **Barrough Limited**

Directors' Report and Financial Statements

Year Ended

31 December 2020

Company Number 03730967



# Barrough Limited

## Company Information

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**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 2020**

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The Directors present their report and the financial statements for the year ended 31 December 2020.

### **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.

# Barrough Limited

## Directors' Report (continued) For the Year Ended 31 December 2020

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### Going concern

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

In May 2020 we replaced a £20m overdraft facility with a £25m 2-year revolving credit facility (RCF) with Barclays to ensure sufficient liquidity is available. In January 2021, Blenheim Industrial Property Limited sold the Windrush Industrial Park providing a significant cash boost to the Group. Following the sale, the RCF remains available for use with a reduced limit of £10m, none of which is drawn.

Our forecasts show that our cashflow is sufficient to fund our operations for a period of at least twelve months from the date of approval of these financial statements and we are confident of not breaching our covenants with Note Holders. We are confident that our businesses are robust and well placed to trade through this difficult period.

### 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.

### Post balance sheet events

On 15 January 2021, the Company received a dividend of £13m from its subsidiary, Blenheim Industrial Property Limited. The Company subsequently made a loan of £13m to a related party entity, Blenheim Finance Limited.

### 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 and signed on its behalf by:



**D M Hare**  
Director

Date: 30 April 2021

# **Barrough Limited**

## **Independent Auditor's Report to the Members of Barrough Limited**

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### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020;
- 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 Barrough Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, 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).

### **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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

# Barrough Limited

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

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### Other Companies Act 2006 reporting

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.

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.

# Barrough Limited

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

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### Auditor's responsibilities for the audit of the financial statements (continued)

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

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

- We made enquiries of management, and the Board, including:
  - how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
  - their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act 2006 and UK GAAP.
- In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.
- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results.

#### *Audit response to risks identified*

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Board and management
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.



# **Barrough Limited**

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

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### **Auditor's responsibilities for the audit of the financial statements (continued)**

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.

**BDO LLP**

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

Date: 30 April 2021

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 2020**

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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 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	4		5		3
<b>Current assets</b>					
Debtors: amounts falling due within one year	5	-		324,698	
				<u>324,698</u>	
Creditors: amounts falling due within one year	6	(70,336)		(395,032)	
<b>Net current liabilities</b>			<u>(70,336)</u>		<u>(70,334)</u>
<b>Total assets less current liabilities</b>			<u>(70,331)</u>		<u>(70,331)</u>
<b>Net liabilities</b>			<u>(70,331)</u>		<u>(70,331)</u>
<b>Capital and reserves</b>					
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: 30 April 2021.

The notes on pages 9 to 12 form part of these financial statements.

# Barrough Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 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 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
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

#### 2.3 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 do not impact the Company directly as the Company is not currently trading, though it does hold investments in subsidiaries as a nominal cost.

In January 2021, the company's subsidiary, Blenheim Industrial Property Limited, sold the Windrush Industrial Park providing a significant cash boost to the Group and resulted in a dividend of £13m being paid up to Barrough Limited post year end. This moves the company from a net liability to a net asset position. The company has subsequently loaned this money to Blenheim Finance Limited though it is repayable on demand and can be recalled when required.

In assessing going concern, the Directors have considered the sale of the Windrush Industrial Park and the impact of COVID-19 on the Company and believe that there is no material uncertainty relating to going concern.

#### 2.4 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.

# Barrough Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.6 Debtors

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

#### 2.7 Creditors

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

### 3. Auditor's remuneration

The auditor's remuneration in the current year and prior year was borne by Vanbrugh Unit Trust.

### 4. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2020	3
Additions	2
	<hr/>
At 31 December 2020	5
	<hr/>
<b>Net book value</b>	
At 31 December 2020	5
	<hr/>
At 31 December 2019	3
	<hr/>

# Barrough Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 4. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Barrough Hospitality Limited	Provision of office space, hospitality space and related services.	Ordinary	100%
Blenheim Estate Properties Limited	Management of residential and commercial letting properties and related investments.	Ordinary	100%
Blenheim Industrial Property Limited	Management of industrial letting properties and related investments.	Ordinary	100%
Vanbrugh Homes Construction Limited	Development of residential and commercial property.	Ordinary	100%
Blenheim Estate Homes Limited	Management of residential letting of affordable properties and shared ownership of residential properties	Ordinary	100%

All companies in the Group have the registered office of The Estate Office, Blenheim Palace, Woodstock, Oxfordshire, OX20 1PP.

On 10 June 2020, Vanbrugh Homes Construction Limited was incorporated with 1 Ordinary share of £1.

On 10 June 2020, Blenheim Estate Homes Limited entire share capital of 1 Ordinary share of £1 was transferred from Vanbrugh Unit Trust to the Company.

### 5. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	-	324,698

### 6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	70,336	395,032

# Barrough Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 7. Related party transactions

Barrough Limited is one entity within the Blenheim Estate.

The following amounts were owed to/(owed from) the Company, by entities under common control at the year end:

	2020 £	2019 £
Vanbrugh Unit Trust	-	(395,032)
Blenheim Agency Limited	(70,336)	324,698
	<u>(70,336)</u>	<u>(70,334)</u>

### 8. Post balance sheet events

On 15 January 2021, the Company received a dividend of £13m from its subsidiary, Blenheim Industrial Property Limited. The Company subsequently made a loan of £13m to a related party entity, Blenheim Finance Limited.

### 9. 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.