

**Blenheim Estates Contractors
Limited**

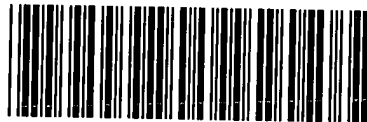
Directors' Report and Financial Statements

Year Ended

31 March 2020

Company Number 05558946

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COMPANIES HOUSE

Blenheim Estates Contractors Limited

Company Information

Directors	D M Hare R L File H R Carter
Company secretary	S J Spare
Registered number	05558946
Registered office	The Estate Office Blenheim Palace Woodstock Oxfordshire OX20 1PP
Independent auditors	BDO LLP Two Snowhill Birmingham B4 6GA

Blenheim Estates Contractors Limited

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Blenheim Estates Contractors Limited

Directors' Report For the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of the company is the construction of buildings under contract for related parties and third parties.

Results and dividends

The profit for the year, after taxation, amounted to £282,234 (2019 - £241,576).

Directors

The directors who served during the year were:

D M Hare
R L File
H R Carter

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 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;
- 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.

Qualifying third party indemnity provisions

During the year the company maintained liability insurance for its directors and officers. The provision, which is a qualifying third party indemnity provision as defined by section 233 of the Companies Act 2006, was in force throughout the period and is currently in force.

Blenheim Estates Contractors Limited

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

Going concern

The board consider it appropriate to prepare the accounts on a going concern basis. The board have assessed the company's forecasts, including the ongoing impact of the Covid-19 pandemic. Given the company's pipeline of activity and the continued delivery of construction projects since the initial response to the pandemic, the directors do not consider there to be a material uncertainty to adopting the going concern basis of preparation. The strength of the balance sheet at 31 March 2020 and the availability of funds support the board's view that the going concern basis is appropriate. The forecasts prepared demonstrate that sufficient cash is expected to be generated which will enable the company to continue operating for at least twelve months from the date of signing.

Post balance sheet events

In the current business climate, the Directors acknowledge the ongoing COVID-19 pandemic. The Government's decisions on social distancing have impacted the income generating activities of the company as construction activity has been reduced during the year. We have made full use of the Government furlough scheme and have conducted a thorough reforecast of our business in order to ensure that our cash flow is secure. The impact on the company of the pandemic cannot be accurately determined at the current date as its duration and severity are uncertain but we are confident that our business is 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.

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

28 January 2021

and signed on its behalf.



D M Hare
Director

Blenheim Estates Contractors Limited

Independent Auditor's Report to the Members of Blenheim Estates Contractors Limited

Opinion

We have audited the financial statements of Blenheim Estates Contractors Limited ("the company") for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 March 2020 and of its profit 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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Blenheim Estates Contractors Limited

Independent Auditor's Report to the Members of Blenheim Estates Contractors 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;
- 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.

Blenheim Estates Contractors Limited

Independent Auditor's Report to the Members of Blenheim Estates Contractors 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
29 January 2021

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

Blenheim Estates Contractors Limited

Statement of Income and Retained Earnings For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover		4,663,758	3,338,732
Cost of sales		(4,279,282)	(2,999,433)
Gross profit		384,476	339,299
Administrative expenses		(36,082)	(38,160)
Operating profit	4	348,394	301,139
Interest payable and expenses	8	(198)	-
Profit before tax		348,196	301,139
Tax on profit	9	(65,962)	(59,563)
Profit after tax		282,234	241,576
 Retained earnings at the beginning of the year		 1,161,627	 920,051
Profit for the year		282,234	241,576
Retained earnings at the end of the year		1,443,861	1,161,627

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 8 to 15 form part of these financial statements.

Blenheim Estates Contractors Limited

Registered number:05558946

Balance Sheet As at 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	10		11,645		17,997
			<u>11,645</u>		<u>17,997</u>
Current assets					
Debtors: amounts falling due within one year	11	2,155,918		3,556,875	
Bank and cash balances		51,664		5,068	
		<u>2,207,582</u>		<u>3,561,943</u>	
Creditors: amounts falling due within one year	12	(775,365)		(2,418,312)	
Net current assets			<u>1,432,217</u>		<u>1,143,631</u>
Total assets less current liabilities			<u>1,443,862</u>		<u>1,161,628</u>
Net assets			<u>1,443,862</u>		<u>1,161,628</u>
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account			1,443,861		1,161,627
			<u>1,443,862</u>		<u>1,161,628</u>

The Company's financial statements have been prepared in accordance with the 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



D M Hare

Director

28 January 2021

The notes on pages 8 to 15 form part of these financial statements.

Blenheim Estates Contractors Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

1. General information

Blenheim Estates Contractors Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the company information page and the nature of the company's principal activity is shown in the director's report.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

2.3 Going concern

The board consider it appropriate to prepare the accounts on a going concern basis. The board have assessed the company's forecasts, including the ongoing impact of the Covid-19 pandemic. Given the company's pipeline of activity and the continued delivery of construction projects since the initial response to the pandemic, the directors do not consider there to be a material uncertainty to adopting the going concern basis of preparation. The strength of the balance sheet at 31 March 2020 and the availability of funds support the board's view that the going concern basis is appropriate. The forecasts prepared demonstrate that sufficient cash is expected to be generated which will enable the company to continue operating for at least twelve months from the date of signing.

2.4 Turnover

Turnover is the total amount receivable by the company, net of Value Added Tax, in the ordinary course of business for goods supplied as a principal and for services provided, adjusted by the subsequent certified valuation of work in progress on contracts between the beginning and the end of the period.

Blenheim Estates Contractors Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the 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.

2.6 Taxation

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.

2.7 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.

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:

Motor vehicles	- 25%
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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.

Blenheim Estates Contractors Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 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.

2.10 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.

2.11 Financial instruments

The company has financial instruments of a kind that qualify as basic financial instruments which are recognised at transaction value initially and subsequently at their settlement value.

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

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

A. Revenue recognition and long term contract balances

Management applies judgement when assessing the percentage of completion for contracts and the subsequent net realisable value of accrued income, taking into account the most reliable evidence available at each reporting date. The future realisation of these amounts may be affected by the future outcome of these contracts. Provisions are made for any losses which are foreseen.

Blenheim Estates Contractors Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

4. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation	6,352	8,404

5. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,885	3,500

Non-audit services

Accounts preparation	1,150	900
Other services relating to taxation	1,810	1,750
	2,960	2,650

6. Employees

In the prior year, pension costs were recharged to another entity within the group.

The average monthly number of employees, including the directors, during the year was as follows:

	2020	2019
	No.	No.
Employees	5	5

7. Directors' remuneration

Amounts payable to the Directors are borne by Blenheim Palace Heritage Foundation.

Blenheim Estates Contractors Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

8. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	198	-

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	65,962	59,563
Total current tax	65,962	59,563

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	348,196	301,139
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	66,157	57,217
Effects of:		
Adjust closing deferred tax to average rate	(109)	109
Adjust opening deferred tax to average rate	-	18
Deferred tax not recognised	1,050	1,083
Adjustments to tax charge in respect of prior periods	(1,136)	1,136
Total tax charge for the year	65,962	59,563

Blenheim Estates Contractors Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

10. Tangible fixed assets

	Motor vehicles £
Cost or valuation	
At 1 April 2019	33,557
At 31 March 2020	33,557
Depreciation	
At 1 April 2019	15,560
Charge for the year	6,352
At 31 March 2020	21,912
Net book value	
At 31 March 2020	11,645
At 31 March 2019	17,997

11. Debtors

	2020 £	2019 £
Trade debtors	9,819	157,792
Amounts owed by related entities	1,544,544	2,557,874
Other debtors	68,792	81,610
Prepayments and accrued income	532,763	759,599
	<u>2,155,918</u>	<u>3,556,875</u>

Blenheim Estates Contractors Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	260,109	409,473
Amounts owed to related entities	29,204	1,680,562
Corporation tax	65,551	59,156
Other creditors	278,794	203,903
Accruals and deferred income	141,707	65,218
	775,365	2,418,312

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 Ordinary share of £1.00	1	1

14. Related party transactions

Blenheim Estates Contractors Limited has transactions with a number of related parties. Not infrequently, invoices are received in the wrong entity and are recharged. These are not detailed as a transaction but are included in the totals above.

	Balance as at 1 April 2019 £	Sales £	Recharges £	Paid/ (received) £	Balance as at 31 March 2020 £
2020					
Vanbrugh Unit Trust	2,509,230	4,550,555	-	(6,541,282)	518,503
Blenheim Agency Limited	(800,276)	-	64,320	800,276	64,320
Blenheim Visitor Partnership	10,473	-	(38,739)	-	(28,266)
Blenheim Farm Partnership	(286)	-	86	-	(200)
Blenheim 1994 Settlement SPV Limited	4,517	15,250	(738)	(19,767)	(738)
Blenheim Palace Heritage Foundation	31,911	-	(30,318)	-	1,593
Blenheim Finance Limited	(880,000)	-	-	1,820,641	940,641
Blenheim Estate Homes Limited	1,742	-	-	(1,742)	-
Blenheim Palace Game LLP	-	-	19,487	-	19,487
	877,311	4,565,805	14,098	(3,941,874)	1,515,340

Blenheim Estates Contractors Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

14. Related party transactions (continued)

	Balance as at 1 April 2018 £	Sales £	Recharges £	Paid/ (received) £	Balance as at 31 March 2019 £
2019					
Vanbrugh Unit Trust	353,247	2,764,582	-	(608,599)	2,509,230
Blenheim Agency Limited	(198,972)	-	(800,276)	198,972	(800,276)
Blenheim Visitor Partnership	-	-	10,473	-	10,473
Blenheim Farm Partnership	-	-	(286)	-	(286)
Blenheim 1994 Settlement SPV Limited	-	-	4,517	-	4,517
Blenheim Palace Heritage Foundation	(264)	-	32,175	-	31,911
Blenheim Finance Limited	-	-	-	(880,000)	(880,000)
Blenheim Estate Homes Limited	-	-	1,742	-	1,742
Barrough Hospitality Limited	-	211	-	(211)	-
	<u>154,011</u>	<u>2,764,793</u>	<u>(751,655)</u>	<u>(1,289,838)</u>	<u>877,311</u>

15. Post balance sheet events

In the current business climate, the Directors acknowledge the ongoing COVID-19 pandemic. The Government's decisions on social distancing have impacted the income generating activities of the company as construction activity has been reduced during the year. We have made full use of the Government furlough scheme and have conducted a thorough reforecast of our business in order to ensure that our cash flow is secure. The impact on the company of the pandemic cannot be accurately determined at the current date as its duration and severity are uncertain but we are confident that our business is robust and well placed to trade through this difficult period

16. Controlling party

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.