

Report and Financial Statements Blenheim Palace Heritage Foundation

(A company limited by guarantee)

Year ended 31 March 2023
Charity number: 1166164
Company number: 09430048



Blenheim Palace Heritage Foundation

Contents

Legal and administration details for the year ended 31 March 2023	3
Report of the Trustees for the year ended 31 March 2023	4
Independent auditor's report to the members of Blenheim Palace Heritage Foundation	24
Consolidated Statement of Financial Activities	29
Consolidated and Parent Charitable Company Balance Sheets	30
Statement of Cash Flows and Consolidated Statement of Cash Flows	31
Notes to the Financial Statements for year ended 31 March 2023	32

Blenheim Palace Heritage Foundation

Legal and administration details for the year ended 31 March 2023

Charity number

1166164

Company number

09430048

Trustees/Directors

Richard Ellwood (appointed 22 September 2022)

Christopher Groves

Dominic Hare

Alexander Muir

Lord Edward Spencer-Churchill

Sarah Staniforth (appointed 22 September 2022)

Secretary

Stephen Spare

Key Management Personnel (Blenheim Palace Heritage Foundation)

Senior Management Team:

Chief Executive Officer	Dominic Hare
Chief Financial Officer	Ingrid Fernandes
Managing Director (Visitor Attraction)	Heather Carter
Managing Director (Land Management)	Roy Cox
Marketing and Communications Director	Stephanie Duncan
Finance Director	Stephen Spare
People Director	Megan Carter

Key Management Personnel (Blenheim Visitors Limited)

The Key Management Personnel for Blenheim Visitors Limited is aligned to the Key Management Personnel of the Charity.

Key Management Personnel (Love Water Limited)

Blenheim Visitors Limited's wholly owned subsidiary, Love Water Limited, has the following Key Management Personnel:

Director – Nick Swan

Director – Dominic Hare

Director – Ingrid Fernandes (appointed 6 July 2023)

Registered office

The Estate Office

Blenheim Palace

Woodstock

Oxford

OX20 1PP

Independent Auditor

BDO LLP

Two Snowhill

Birmingham

B4 6GA

Solicitor

Withers LLP

20 Old Bailey

London

EC4M 7AN

Bankers

Barclays Bank PLC

6th Floor, One Snowhill

Snowhill Queensway

Birmingham

B4 6GN

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023

The Trustees are pleased to present their annual report of the Trustees together with the consolidated financial statements of the Charity and its subsidiaries for the year ended 31 March 2023 which are prepared in accordance with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2022).

The information with respect to the Trustees, Directors, officers and advisors set out on page 3 forms part of this report.

Structure, Governance and Management

Governing Document

Blenheim Palace Heritage Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 9 February 2015. It is registered as a charity with the Charity Commission.

There are currently three members (2022: four), who are the Trustees of the Marlborough 2003 Settlement and each of whom agrees to contribute £1 in the event of the charity winding up. Members are:

Richard Jessel

Alexander Muir

James Ritblat (appointed on 26 May 2023)

Sir Rocco Forte (resigned on 26 May 2023)

Christopher Groves (appointed on 15 November 2022 and resigned on 1 September 2023)

Appointment of trustees

As set out in the Articles of Association those persons notified to Companies House as the first directors are the first trustees. Subsequent trustees shall be appointed by the members in such a manner as they shall from time to time determine. The trustees when complete shall consist of a minimum of three persons being individuals who are over the age of 18, all of whom support the Objects and have signed a written declaration of willingness to act as a charity trustee of the Charity.

The Chairman shall be elected from among the trustees for a term not exceeding three years and a retiring chairman may be re-elected by the trustees for a further term of office. There shall be no limit to the number of times a chairman may be re-elected. Every trustee has one vote on each issue.

Trustee induction and training

The trustees of the Charity include long standing trustees of the Blenheim Estate. Trustees of the Charity have been selected to ensure the appropriate mix of skills, knowledge and experience exists to make sure the charity is well governed and is run effectively and efficiently. Recently appointed Trustees Sarah Staniforth and Richard Ellwood were appointed for their specific experience relevant to the Charity and Visitor Attractions and act as independent Trustees.

Trustees are briefed on their legal obligations under charity and company law, the Charity Commission on public benefit, content of the Memorandum and Articles of Association, the committee and decision-making process, the business plan and financial performance. Trustees are made aware of the indemnity provision and insurance in place for them as directors. Training for trustees is organised on a need basis.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Our purposes and activities

The primary objectives and aims of the Charity, as stated in the governing document, are to:

- restore and preserve Blenheim for the public benefit;
- promote for the public benefit the study and the appreciation of Blenheim as a place of historic and architectural interest and natural beauty; and
- develop and improve the knowledge, understanding and practice of the arts, principally through the exhibition and performance of artistic works.

Strategies and activities for achieving objectives and providing a public benefit

In shaping the objectives for the year and planning our activities, the Trustees had due regard to the Charity Commission's guidance on public benefit.

Preservation and Restoration of the Palace and park

The vision that shapes our annual activities remains the restoration and preservation of Blenheim. Our magnificent Palace (now over 300 years old) is in constant need of attention, as is the extensive collection within its walls. The Palace and its collection are held outside of the charity, the charity's primary purpose is to restore and preserve through funding from the visitor business and funding raised through the wider Estate's land development. To this end we have established a designated fund of £12.0m (2022: £14.0m) for the purpose of funding restoration of the Palace.

The Palace, park and gardens are now open all year round. All funds that we raise through admission charges, after operating and administration costs, are invested back into vital and ongoing restoration and conservation projects that keep the Palace, its contents and surroundings as glorious today as they have always been.

Trustees and the management team have committed to spend £40m on vital restoration as part of the 10-year goals launched in 2017. This will be funded through profits of the visitor business and commercial operations, along with relevant grants and donations from related entities. The aim of the restoration projects is to secure Blenheim Palace for future generations to explore and discover.

Historic and architectural interest and natural beauty

The Palace, a masterpiece of Baroque architecture, provides an awe-inspiring experience for visitors. Home to the 12th Duke of Marlborough and his family and the birthplace of Sir Winston Churchill, Blenheim Palace is a UNESCO World Heritage Site boasting a long and diverse history.

Palace visitors can explore the gilded State Rooms and priceless collections set against striking stonework and experience the beauty and magnificence of the Grade I listed building.

Blenheim Palace was built as a gift to John Churchill, 1st Duke of Marlborough, from Queen Anne and a grateful nation in thanks for his victory at the Battle of Blenheim on 13th August 1704. Today, the Palace is home to one of the most important and extensive collections in Europe, which includes portraits, furniture, sculpture and tapestries. This collection, and the Palace itself, are held outside of the Charity but within the Blenheim Estate wider Group hereafter referred to as "the Estate" (see note 12 for all related entities within the Estate). For the use of the Palace, the Charity pays a small annual rent to a related entity plus a significant maintenance obligation which it fulfils through its restoration programme.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Our purposes and activities (continued)

Historic and architectural interest and natural beauty (continued)

Amongst the many treasures to be found in the State Rooms are the famous Marlborough Tapestries (the 'Victories Series') in the Green Writing Room and the First, Second and Third State Rooms. The Long Library has its walls lined by more than 10,000 books, many of them hundreds of years old and of great historic significance.

Visitors are invited to discover the Palace's rich history in a variety of ways; free guided tours of the State Rooms along with the Churchill Exhibition to learn about the life of our 'Greatest Briton' Winston Churchill.

The picture-perfect British stately home of Blenheim Palace sits among more than 2000 acres of extraordinary landscaped Parkland and Formal Gardens.

The inspired work of Lancelot 'Capability' Brown has created a legacy in the park at Blenheim Palace. The visionary master landscaper constructed the Great Lake and planted thousands of trees in his ten-year tenure here, engineering a landscape that appears natural but is actually 'contrived to pleasing effect'. The park is home to hidden treasures of all kinds; Vanbrugh's Grand Bridge spans the Great Lake, the historic site of Woodstock Manor is marked by a small plinth, the Column of Victory is topped by a statue of the first Duke of Marlborough, Rosamund's Well is tucked away next to a quiet part of the Great Lake and the Grand Cascade at the western end of the Great Lake is one of England's most picturesque waterfalls.

The park is now home to several Sites of Special Scientific Interest including the Great Lake and the ancient oaks in High Park.

The Formal Gardens which surround the Palace have been created over the centuries by esteemed garden designers such as Henry Wise and Achille Duchêne. They include the majestic Water Terraces, the Duke's Private Italian Garden, the tranquil Secret Garden with all its hidden treasures, the Churchill Memorial Garden and the beautifully delicate Rose Garden.

There are a variety of routes for visitors to explore throughout the park and gardens. Buggy tours are available and free walking tours of the formal gardens run in the summer.

Arts, culture and charity

Blenheim Palace continues to develop new experiences and attractions each season: special exhibitions, displays of contemporary art and seasonal specialist talks and tours to name but a few.

Blenheim Palace Heritage Foundation also offers a wealth of artistic, sporting and cultural events throughout the year. These include Christmas at Blenheim, Blenheim Palace International Horse Trials, Nocturne Live Concerts, Battle Proms Picnic Concerts, Blenheim Palace Flower Show, Blenheim Palace Food Festival, Salon Privé and Classic Cars, and the Blenheim Triathlon. Many of these events attract a wide diverse market that can experience the Palace and Grounds during their visit.

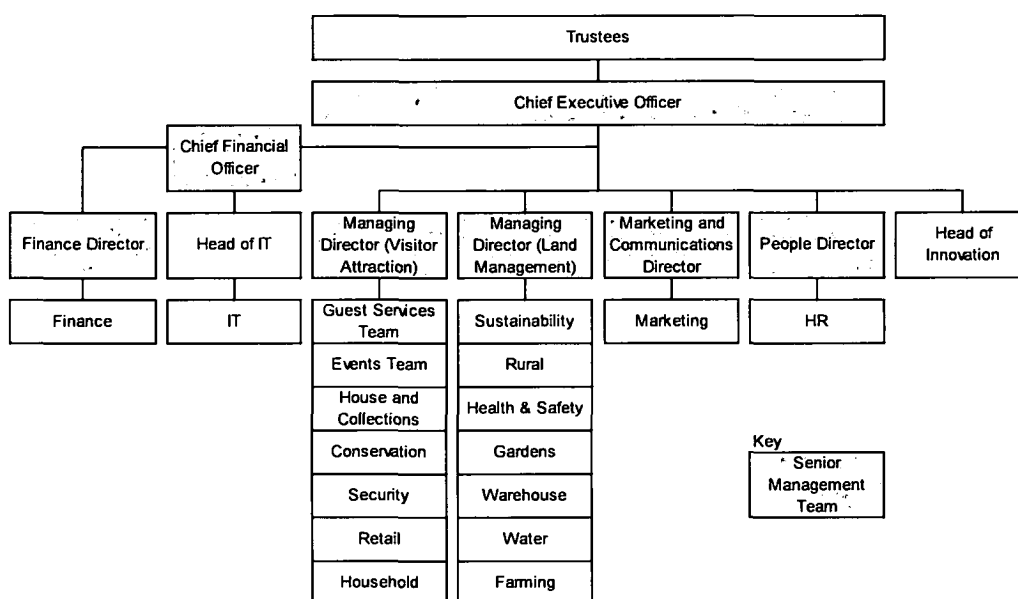
Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Our purposes and activities (continued)

Organisation

Trustees of the Blenheim Estate meet every two months and they receive monthly management accounts. The Trustees take an active interest in their role and a lively dialogue exists outside of the formal meetings. The Trustees have delegated day to day decision making with key operational matters including finance, estate management, employment, HR and training to the senior management team.



Group Structure and related entities

Blenheim Palace Heritage Foundation owns 100% of Blenheim Visitors Limited. Blenheim Visitors Limited owns 100% of Love Water Limited. Blenheim Palace Heritage Foundation Group is part of the wider Blenheim Estate ("Estate"). The Estate's strategy is discussed on page 9. Related party transactions and balances are disclosed in note 12.

Pay policy for senior staff

The Directors, who are the Charity's Trustees, and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis.

The Chief Executive Officer, Dominic Hare, is the only Director and Trustee who is employed by the Charity, in his capacity of CEO, not Trustee. All other Trustees give of their time freely and no Trustee received material remuneration in the year. Trustees do receive free water from the subsidiary Blenheim Visitors Limited. Details of this along with Directors' and Trustees' expenses and senior management team remuneration are disclosed in note 10.

The pay reviews for the statutory directors of the Blenheim entities across the Estate (Dominic Hare, Ingrid Fernandes, Roger File and Heather Carter) are approved by a remuneration committee on behalf of the Trustees. The CEO, Dominic Hare, approves the pay reviews for the remainder of the senior management team.

Risk management

Trustees and key management have reviewed major risks to which the charity is exposed, in particular those related to the operations and finances of the Charity and the protection of Blenheim Palace against major damage or loss to its structure or fabric. Key management maintain a risk register which is periodically reviewed with the Trustees.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Our purposes and activities (continued)

Risk management (continued)

Appropriate corporate governance is considered as utmost importance and the senior management team have been appointed to mitigate the exposure to the business, strategic and operational risks. The Charity has limited exposure to financial risk as no investments or financial securities are held other than the internal loan to Blenheim Finance Limited (note 12). The Charity ultimately has the protection of extensive insurance and the support of other Blenheim-related entities if needed. The major risks are considered below.

In common with all visitor attractions, the Charity experienced a significant decrease in visitor numbers during the coronavirus pandemic and the implementation of measures to control the spread of the virus. Visitor numbers continue to recover and are approaching pre-pandemic levels, despite the continued absence of international visitors who have not yet returned in numbers previously seen, and we are running a full programme of events through 2023.

Whilst risk to visitor attractions from further waves of coronavirus remains, we are well placed to continue our recovery and hope to continue visitor number growth into 2024.

UK economic downturn and cost of living

The Charity is reliant on visitors, yet it carries very little business from one year to another. While we have vast experience in attracting visitors to the Palace, there is always a risk that, in an economic downturn or period of high inflation, a discretionary spend like Blenheim Palace will be the first to go. Key performance indicators, including visitor numbers and revenue, are regularly reviewed to ensure the Charity is performing in line with expectations. A wide range of events are held across the year to attract a variety of visitors, which has broadened post the pandemic to include family markets, alongside returning international visitors. The rapidly increasing cost of living is providing a unique challenge to our visitors and to our staff. Despite this, unemployment levels in Oxfordshire are extremely low so if there are imposed changes to working regulations this may limit the Charity's ability to recruit.

The Trustee's reserves policy is also designed to protect the Charity from the impact of an economic downturn and we continue to actively monitor and respond to inflationary pressure to protect the Charity and all its stakeholders.

Damage to Palace by fire or other disaster

We accept that the Palace was not built in an era with fire regulations. We have however, extensive control systems in place to warn, suppress and limit damage. Our programme of fire compartmentalisation was paused in the year ended 31 March 2021 due to the coronavirus pandemic and completed during the year ended 31 March 2023.

Related parties and co-operation with other organisations

The Charity and its subsidiaries form one part of the Blenheim Estate. Interaction with other companies across the Blenheim Estate is vital for the long-term strategic goals of the Palace, see note 12.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Blenheim Estate ten-year development programme

For Blenheim Palace to meet its charitable objectives, the Chief Executive Officer (Director and Trustee), Dominic Hare, along with the wider Estate team has adopted a 10-year development programme which will revolutionise the Oxfordshire World Heritage Site, with the aim for Blenheim Palace to be the lifeblood of the local economy, to enhance the lives of the people of Oxfordshire, to share this magnificent Palace and to conserve and protect it for future generations.

The development programme, which aligns with the charity's aims, consist of the following areas

- Achieve annual paying visitor numbers in excess of 750,000
- Triple the economic contribution to the local area
- Train over 100 new apprentices and set equivalent training goals for current staff development
- Become a net generator of green energy
- Become one of the UK's top 100 employers
- Complete £40 million of vital restoration work
- Reacquire key works from the Palace's lost collections and establish new ones
- Secure funds of £45 million to conserve our World Heritage Site

The 10-year development plan is a joint initiative devised in consultation with the management team, trustees and the Duke which commenced in 2017. It involves every area of the Estate, including the visitor attraction, retail and water business as reported in the charity financial statements.

During the year ended 31 March 2023, our work towards the 10 development plan has progressed as follows:

Achieve annual paying visitor numbers in excess of 750,000

Our paying visitor number at the end of March 2023 were 645,000 (2022: 600,000). Numbers have significantly recovered from the impacted pandemic-related closures and are expected to increase further in 2023/2024 as we see more Groups and international Tour and Travel visitors re-enter into the market. The number of visitors is linked to the local economic contribution of the area.

Triple the economic contribution to the local area

Blenheim's economic impact was captured by Oxford Brookes Business School at March 2023. Blenheim's total gross value added (GVA, being the total contribution to gross domestic product (GDP)) is £161m (2022 £137m, 2021: £84m).

Within the £161m, visitors to Blenheim have contributed £67m GVA (2022 £52m), £65m GVA (2022 £65m) is made by expenditure of goods and services by Blenheim and £29m (2022 £20m) is the direct contribution of Blenheim.

We invested £3.6m in a new adventure playground which will drive future impact following its opening in April 2023.

Train over 100 new apprentices and set equivalent training goals for current staff development

In the year to 31 March 2023, 28 apprentices were employed across the Estate in a diverse range of positions (2022: 27).

Become a net generator of green energy

We continue to seek innovative ways to have a significantly positive impact on our energy consumption and conservation throughout the World Heritage Site.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Blenheim Estate ten-year development programme (continued)

Become a net generator of green energy (continued)

By promoting green travel discounts for our visitors, we have seen a move to 1 in 5 visitors traveling via green methods. We also offer visitors that travel by car an offsetting option, which has delivered over 10,000 additional trees being planted to offset their journeys.

Alongside this we have actively established energy management system that aid in managing energy consumption across the Palace and Estate. We have two biomass boilers within the Blenheim grounds and generate hydro electricity from our dam. We also generate solar energy onsite with 2 areas delivering 90KW.

We continue to work with energy consultants to help us exceed our current onsite renewable energy generation to bring us up above 100%.

Become one of the UK's top 100 employers

Our employees are core to the success of the charity.

We use an external independent measure of our employee satisfaction, Best Companies, in order to benchmark ourselves as employer. We are pleased to have achieved 2 stars in our 2022 survey, 3 stars being the top category.

We want every one of our employees to be proud of where they work and want to remain a part of our team. We feel if we don't become an employer who can persuade great people to join us and stay with us, then we will not be able to successfully achieve the other goals.

Complete £40 million of vital restoration work

During the year to 31 March 2023, we have spent £4.9m (2022: £4.1m) on preservation and restoration work (note 6). We aim to spend an average of £4m each year on conservation and restoration. Our largest restoration project yet, the dredge of Queen Pool, began in early 2022, having been on hold during the pandemic and continued through the 2022/23 financial year. The project is due to be completed at the end of 2023. Other notable projects during the year were restoration works to the Stable Court Tower and the restoration of the Chapel, which involved repairing the significant damage to the monument and fabric of the building.

Reacquire key works from the Palace's lost collections and establish new ones

Public awareness of this goal continues to be strong, and we receive generous offers to borrow or purchase items. Some of these are for Winston Churchill's paintings, several which have been on display and we anticipate further progress on this goal in the continuing years.

Secure funds of £45 million to conserve our World Heritage Site

We recognise that sustaining Blenheim in perpetuity is just as important for the long-term economic well-being of the area as it is for our goal; sharing and protecting Blenheim.

The Blenheim Estate is committed to ensure that an endowment reserve continue built, safeguard the future of the site and continuing with the restoration work required.

The Charity received donations of £Nil (2022: £2.6m) from Blenheim Supporting Limited, which were gifted from the Hanborough Gate development. It is expected that Blenheim Supporting Limited will resume donations in 23/24 following a successful planning application.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Achievements and performance

The Trustees and management consider that the Charity's principal objectives of preserving and maintaining the Palace, park and gardens and opening this to the public are being achieved.

The key performance indicators that management use to monitor the achievement against these objectives include completion of essential restoration and preservation work to the Palace, park and gardens, monitoring visitor numbers and trends and reviewing financial performance against budget.

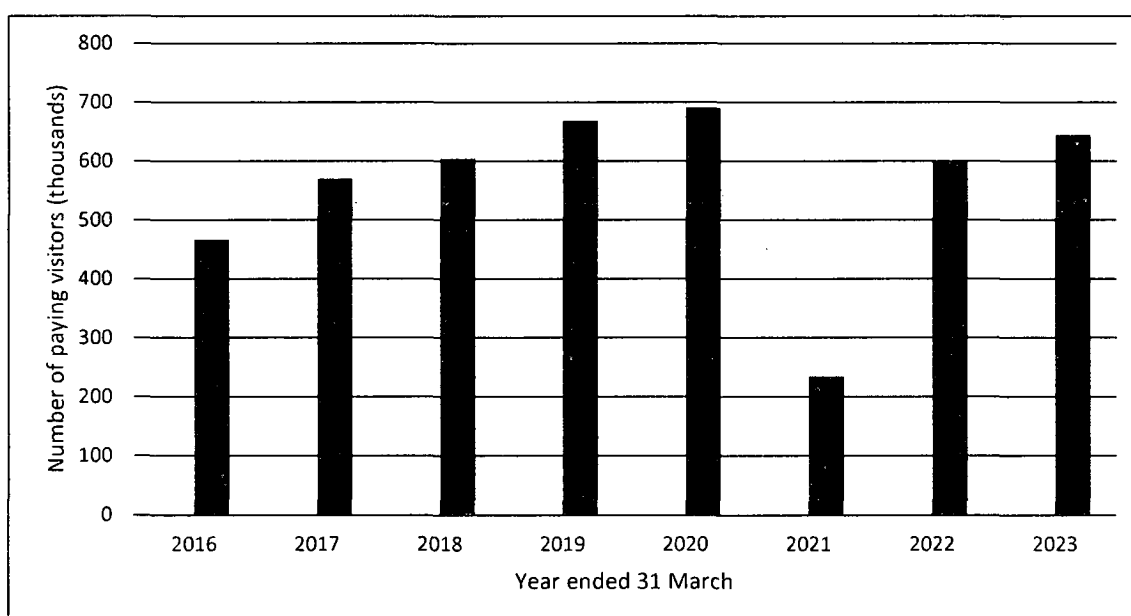
Restoration and preservation work

During the year, just over £4.9m (2022: £4.1m) was spent on preservation and maintenance. Projects most notably included stage one repairs to the Stables Towers, repair of the walled garden and commencement of our largest restoration project yet, dredging of the Queen Pool. Restoration work also commenced on the much needed Chapel Decorations.

In addition to the £40m spend of restoration we have created a designated fund and are in the process of building it to £45m dedicated to the conservation and enhancement of our World Heritage Site by 2026. At 31 March 2023 the designated fund is £11,954k (2022: £14,000k). The designated fund seeks to conserve and protect the Palace and park for future generations.

Visitor numbers

Paying visitor numbers for the financial year ended March 2023 have been compared with the previous five years. These numbers include all paying visitors to the Palace, park and gardens.



Visitor numbers continue to recover in 2023 from the decrease experienced in the year ended 31 March 2021 due to closures of the Palace, park and gardens during the coronavirus pandemic. Our goal is to reach paying visitors of over 750,000, which we expect to reach during 2023/24.

Recruitment, Advertising and Selection

We value our employees and the vital part they play in the prosperity and conservation of this special World Heritage Site for future generations. With such diverse roles across the charity, selecting the best talent is critical to the future success.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Recruitment, Advertising and Selection (continued)

The recruitment process is conducted in such a way as to result in the selection of the most suitable person for the job in terms of experience, abilities and qualifications. Blenheim Visitors Limited, the wholly owned subsidiary of the Charity, acts as a payroll bureau for the whole of Blenheim Estates. The Estate is committed to applying its equal opportunities policy statement at all stages of recruitment and selection.

Advertisements encourage applications from all suitably qualified and experienced people. When advertising job vacancies, in order to attract applications from all sections of the community, the Estate will, as far as reasonably practicable:

- ensure advertisements are not confined to those publications which would exclude or disproportionately reduce the number of applicants of a particular gender, sexual orientation, religion or racial Group;
- avoid prescribing any unnecessary requirements which would exclude a higher proportion of a particular gender, sexual orientation, religion or racial Group or which would exclude disabled job applicants;
- avoid prescribing any requirements as to marital status;
- where vacancies may be filled by promotion or transfer, they will be published to all eligible employees in such a way that they do not restrict applications from employees of any particular gender, sexual orientation, religion or racial Group or from employees with a disability;
- ensure that the setting of age limits, as a criterion of any specific job, is justifiable.

The selection process is carried out consistently for all jobs at all levels. All applications are processed in the same way. The staff responsible for short-listing, interviewing and selecting candidates are informed of the selection criteria and of the need for their consistent application. Wherever possible, all applicants are interviewed by at least two interviewers and all questions asked of the applicants relate to the requirements of the job. The selection of new staff is based on the job requirements and the individual's suitability and ability to do, or to train for, the job in question.

For job applicants with disabilities, the Estate has regard to its duty to make reasonable adjustments to work arrangements or to work premises in order to ensure that the person with a disability is not placed at a substantial disadvantage in comparison with persons without disabilities.

Training and Promotion

The Estate informs all line managers about the Estate's policy on equal opportunities and help them identify discriminatory acts or practices or acts of harassment or bullying. Line managers are responsible for ensuring they actively promote equal opportunity within the departments for which they are responsible. We are committed to training and have expanded our apprenticeship scheme.

The Estate supports all employees to help them understand their rights and responsibilities in relation to dignity at work and what they can do to create a work environment free of bullying and harassment.

Where a promotional system is in operation, it is not discriminatory and is checked from time to time to assess how it is working in practice. When a Group of workers predominantly of one race, religion, sex or sexual orientation or a worker with a disability appears to be excluded from access to promotion and training and to other benefits, the promotional system will be reviewed to ensure there is no unlawful discrimination.

Retaining talent is also vital and therefore we have undertaken an independent employee engagement survey and are delighted that we have shot up the Best Companies rankings in 2022 to a "2 Star – Outstanding Employer" – almost the top category in the survey.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "voluntary income" and includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the Trustees. The Charity is not bound by any undertaking to be bound by any regulatory scheme.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds, we do not have an employee policy for fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

Financial review

As part of the strategic goals, Blenheim Palace Heritage Foundation was founded in late 2015 under the auspices of the 12th Duke of Marlborough, to safeguard the future of our World Heritage Site for centuries to come.

By taking on the visitor business, the Charity can clearly demonstrate all proceeds raised from admissions and visitor activity go towards operating the visitor attraction and enhancing the World Heritage Site through restoration, conservation and maintenance.

The Charity allows us to visibly communicate our ring-fenced restoration funding and our preservation portfolio that we intend to build over the next 10 years. We have a formally designated fund for restoration in the coming year. The charity can claim Gift Aid on eligible donated annual passes, which makes visitor admissions go even further without impacting visitor admission cost, which contributes to improving visitor experience.

Blenheim Visitors Limited includes retail and water businesses and both enhance the visitor experience and Blenheim Palace brand. Its trade was impacted by the pandemic from January 2020, initially through a reduction in visitors from overseas and eventually through full closure of the Palace, park and gardens during the national lock downs. The financial results of Blenheim Visitors Limited are shown in note 5. Blenheim Visitors Limited's retained reserves at 31 March 2023 were £(1.7)m which, whilst in deficit, is expected to be recovered through trading and continued recovery from the pandemic, particularly with the new catering income stream and increased revenues expected from the refurbished Orangery.

Love Water Limited was impacted by the coronavirus pandemic during the year ended 31 March 2021 and income has begun to recover in 2023. The financial results of Love Water Limited are shown in note 5. Love Water Limited's retained reserves at 31 March 2023 were £(1.8)m which, whilst in deficit, is expected to be recovered through trading and continued recovery from the pandemic. Recovery of the deficit is forecast to take several years as Love Water Limited recovers from the pandemic.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Financial review (continued)

Income

The Group has three main sources of income:

Income generated from charitable activities; predominately admission income. This is 33% (£7.4m) of all income including donations (2022: 25% and £6.8m). Visitors have the option to purchase Palace, park and gardens entry (PPG) or park and gardens (PG). If visitors choose to donate their PPG entry fee they will receive a free annual pass. If visitors are eligible, we ask for them to kindly agree to Gift Aid their donation. Concessions to students, elderly, children and Groups are available to ensure pricing is accessible to all.

Other income generated includes the retail and water business and other activities within the Palace and park including events. This amounted to 41% (£9.3m) of total income (2022: 29% and £7.9m).

Restoration and long-term funding are received from land development within the Blenheim Estate, Blenheim Supporting Limited and The Blenheim Foundation in addition to Government grants. Blenheim Supporting Limited is a related entity which donates its profits to the Charity. The Blenheim Foundation is a related charity which fundraises for restoration within the Palace. Within restoration funding is grant funding received for the park and funding to contribute to the costs of being a World Heritage Site. Total donations and grants received accounts for 26% (£5.8m) (2022: 46% and £12.4m) of total income.

Expenditure

Income is applied in pursuance of the objectives. The largest proportion of expenditure is the cost of our people who make our objectives achievable, from operations ensuring a positive visitor experience to supporting functions (note 8).

Another substantial cost is the restoration, preservation, maintenance and repair work which totalled £4.9m for the year (2022: £4.1m).

Investment powers and policy

Under its Memorandum of Association the charity has power to invest its funds in or upon such investments, securities or property as the charity thinks fit. At the year end, the Charity invested its cash held for restoration projects in a related entity, Blenheim Finance Limited. In return, the Charity receives interest income of c.5% (note 12). The Charity will see additional investments in future years as part of the £45m designated fund.

Reserves policy and going concern

We are confident of our cash flows and that the charity is a going concern.

Sufficient reserves are required to cover unplanned emergency repairs and other emergency events, alongside ongoing cash needs for the visitor business.

Given the regularity of income streams and the availability of funding from related entities within the Blenheim Estate we do not think it is necessary to hold more than £1m of free reserves for visitor business activities and other emergencies, however we do hold significant further funds to spend on future restoration projects. The level and expectation of restoration and repair requires the Charity to build up funds to cover these costs which are bulky in nature.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Financial review (continued)

Reserves policy and going concern (continued)

Free reserves at 31 March 2023 were:

	Group 2023 £000	Group 2022 £000
Unrestricted income funds	21,819	20,932
Less:		
Intangible assets	(33)	(108)
Tangible assets	(7,234)	(4,395)
Chattels	(910)	(903)
Investments	-	-
Designated funds	(11,954)	(14,000)
Free reserves	1,688	1,526

Whilst free reserves are in excess of our policy, during the year the trustees approved the creation of a designated fund to formally ring fence funds towards restoration. The designated fund at 31 March 2023 was £12.0m (2022: £14.0m). Given the nature of the planned restoration and maintenance programme the trustees consider that the level of reserves is justifiable for plans that are in place.

Plans for future periods

Despite the impact of the pandemic, the Trustees and management team are still committed to an ambitious 10-year programme to protect and share Blenheim's prosperity for generations to come. This strategy is adopted across the whole Blenheim Estate, of which the Charity plays a vital part.

Of the strategic goals, the Charity will primarily take on the £40m restoration programme, £45m preservation portfolio, training 100 apprentices and current staff, being rated as top 100 employer, receiving 750k paying visitors, and reacquiring key works from the old collections and establishing new ones. It will also significantly contribute towards the tripling local economic contribution.

We continue to expand our visitor attractions throughout the year ending 31 March 2024 returning to a full range of events, including running for a third year the Halloween light trail. Another exciting new venture is an Adventure playground in the Walled Garden which opened in April 2023. This will enhance the family visitor experience and drive a longer dwell time in the Walled Garden area. We brought catering in house from the 1st January 2023 in order for the visitor business to meet the various needs of our diverse customer base, through providing catering facilities through eat-in restaurants, quick service facilities and food and drink kiosks, across the estate.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023

(continued)

Carbon reporting and energy usage

As a large unquoted charitable company incorporated in the UK, Blenheim Palace Heritage Foundation has a mandatory obligation under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 to disclose its UK energy and greenhouse gas emissions.

As a minimum, the Palace is required to report its UK energy use relating to gas, electricity and transport and associated greenhouse gas emissions. All energy consumed by the Palace is in the United Kingdom.

The Palace has chosen to use tonnes of CO₂e per visitor as its intensity ratio (energy performance indicator) to normalise the energy and carbon figures. This is considered to be the most appropriate ratio as the visitors' number drive the performance of the Palace and will have a direct impact on energy produced. The number of visitors for the year to 31 March 2023 was calculated at 899,183 (2022: 594,042).

Emission scope

Total emission scope summary

	2023		2022	
Emission Type	Total Volume (kWh)	Calculated emissions (Tonnes of CO ₂ e)	Total Volume (kWh)	Calculated emissions (Tonnes of CO ₂ e)
Scope 1 (direct)	3,546,019	620	4,106,271	662
Scope 2 (indirect)	1,681,037	333	1,457,724	310
Scope 3 (indirect)	n/a	19,486	n/a	13,488
Total	5,227,056	20,439	5,563,995	14,460

Scope 1 (Direct)

Emissions from activities owned or controlled by the Palace that release emissions direct into the atmosphere, for example the combustion of natural gas and emissions from combustion of other fuels, both stationary and mobile.

		2023		2022	
Type	Definition	Volume (kWh)	Calculated Emissions	Volume (kWh)	Calculated Emissions
Gas	Emissions from combustion of natural gas	2,241,709	412	2,833,418	519
Fuels	Emissions from combustion of other fuels	1,304,310	208	1,272,853	143
Total		3,546,019	620	4,106,271	662

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023

(continued)

Carbon reporting and energy usage (continued)

Scope 2 (Indirect)

Emissions from activities owned or controlled by the Palace that indirectly release emissions into the atmosphere, for example the emissions from purchased electricity, heat, steam or cooling. These are indirect emissions that are a consequence of the Palaces's activities, but which occur at sources not owned or controlled by the Palace.

Type	Definition	2023		2022	
		Volume (kWh)	Calculated Emissions	Volume (kWh)	Calculated Emissions
Electricity	Emissions from purchased electricity	1,681,037	333	1,457,724	310
Total		1,681,037	333	1,457,724	310

Scope 3 (Indirect)

Emissions from activities owned or controlled by the Palace that indirectly release emissions into the atmosphere, but which occur at sources not owned or controlled by the Palace that do not fall under the definitions of Scope 2. Examples include business travel, purchasing of goods and services and waste generated in operations.

Type	2023	2022
	Calculated Emissions	Calculated Emissions
Purchased goods and services	6,461	5,126
Capital goods	909	261
Fuel and energy related activities	213	219
Waste generated in operations	15	12
Employee-owned cars	796	458
Other business travel	3	0
Home working	25	73
Downstream transportation and distribution	11,064	7,339
Total	19,486	13,488

Intensity Ratio

Measurement	2023		2022	
	Total gross emissions	Total net emissions	Total gross emissions	Total net emissions
kg CO2e per visitor to the Palace	22.7	15.3	24.3	15.1

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023

(continued)

Carbon reporting and energy usage (continued)

Approach and methodology

The Palace has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol - Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. This guidance has also been applied for Purchased goods and services and Downstream transportation and distribution Scope 3 emissions. Energy usage information (gas and electricity) has been obtained directly from the Palace's energy suppliers and half-hourly (HH), where available, for those supplies with HH meters. Transport mileage data was obtained from expense claims submitted for our company cars and grey fleet. For travel by staff for business purposes in their own vehicles we only hold mileage data, which is split into car and motorcycle. Therefore, we have applied the conversion factor for an average car with an unknown fuel type to calculate the emissions from employee-owned vehicles. Supply chain emissions are calculated based on spend procurement expenditure and then estimated using to-date adjusted figures from DEFRA 2013 Annex E Supply chain emissions. For Purchased goods and services and Capital goods (Scope 3) emissions were calculated using a spend-based approach multiplying spend by to-date-spend-based emissions factors for the UK industry activities from Leeds University (2020). For Downstream transportation and distribution (Scope 3) travel data for standard visits was supplied from the Green Journey Funnel. This platform provided a breakdown of the number of visitors by travel mode: car, green travel (local bus, rail, walk/cycle), and coach in the reporting year.

Energy efficient action

In order to continue to drive progress Blenheim have appointed a full-time sustainability officer, who is helping to drive the following initiatives:

- Energy-related actions:
 - Implemented an energy management strategy.
 - Purchased electricity is from zero carbon sources via a green tariff (effective October 2023)
 - Investing in electrification and renewable energy, heat pumps and a solar park.
- Other actions:
 - Launched in 2022 a carbon reduction travel fund enabling visitors to pay for carbon sequestration projects within the boundary of Blenheim's estate – in the first-year visitors could make a donation to plant woodland trees.
 - Give a 30% discount to visitors who arrive either on foot, by public transport or via an electric vehicle. Approximately 1 in 5 visitors take advantage of this offer.

As part of the report Pilio measure our energy use, our Energy-related results are as follows:

- 5.3 million kWh (Scope 1 and Scope 2) from all energy sources, this is 16% lower than in 2021/22
- Total net emissions increased from 8,973 (tonnes of CO₂e) in 2021/22 to 13,796 in 2022/23. The main driver was a partial return of overseas visitors post Covid. We are looking at schemes to minimize the Carbon Footprint impact of returning overseas visitors.

Both Carbon Reduction and reducing energy consumption are important to us and a real focus of the Senior Management Team.

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Working with our stakeholders: Section 172 Statement

Companies are required to include a statement in their strategic report of how directors have complied with their duty to have regard to the matters in section 172 (1) (a)–(f) of the Companies Act 2006 ('the Act'). As per the Charities SORP Information Sheet 3: The Companies (Miscellaneous Reporting) Regulations 2018 and UK Company Charities, the duty of the Trustee of a charitable company under this subsection of the Act is to act in the way he or she considers, in good faith, would be most likely to achieve its charitable purpose and in doing so have regard (among other matters) to:

- a) the consequences of any decision in the long term
- b) the interests of the charity's employees
- c) the need to foster the charity's business relationships with suppliers, customers and others
- d) the impact of the charity's operations on the community and the environment
- e) the desirability of the charity maintaining a reputation for high standards of business conduct
- f) the need to act fairly as between members of the charity

We listen to and engage effectively with our wide variety of stakeholders on whom the future success of Blenheim Palace depends, including visitors, future generations, employees, suppliers, and the environment, to make sure responsible decisions are made. This helps us ensure that decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group. The charity exists to operate a World Class Visitor Attraction (within a World Heritage Site), which generates funds for the restoration and preservation of the Palace and Park's extensive history and beauty.

The Board considers the following to be the key decisions and considerations it has made during the year to 31 March 2023:

Significant board decision	Stakeholders affected	Action and Impact
To bring catering in house from 1 January 2023	Local suppliers, environment, and visitors	Bringing catering in house has allowed us to prioritise suppliers within 20 miles both supporting the local economy and reducing our carbon footprint. Greater control of catering has enabled us to improve the quality of the food offer for visitors
To build a market leading Adventure Playground	Visitors and employees	We have spent £3.6m on a new Adventure Playground vastly improving our offer to the family market. The new venture brings additional jobs, and has been a source of pride to employees, that we can create and operate a top-class product

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Working with our stakeholders: Section 172 Statement (continued)

Engaging with our stakeholders

In this table, we set out in more detail how we've engaged with our key stakeholders and the impact of that engagement:

Stakeholder group and their importance to Palace success	Issues that they may face	How we engage	Key highlights demonstrating impact of engagement
Visitors	<ul style="list-style-type: none"> Value for money as an attraction Variety of activities 	<ul style="list-style-type: none"> Customer surveys following visits Regular review of feedback on social media 	<ul style="list-style-type: none"> Customers requested more provision for families – which we have addressed through the new Adventure Playground Improve the quality of catering – brought in house to bring greater control
Employees	<ul style="list-style-type: none"> Opportunities for development and progression Fair and transparent pay Collaborative and supporting work environment 	<ul style="list-style-type: none"> Anonymously survey all employees for continuous feedback. The survey results were a major focus of both the SMT and Management Team Appraisals at least annually and transparent pay increases on annual basis 	<ul style="list-style-type: none"> The People Team have focused on an approach of 'you said, we listened' One area highlighted for improvement was communication – this has been improved through more regular management team meetings and quarterly meetings where our CEO delivers an in person briefing to all teams

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Working with our stakeholders: Section 172 Statement (continued)

Engaging with our stakeholders (continued)

Stakeholder group and their importance to Palace success	<ul style="list-style-type: none"> Issues that they may face 	<ul style="list-style-type: none"> How we engage 	<ul style="list-style-type: none"> Key highlights demonstrating impact of engagement
Future Generations (people)	<ul style="list-style-type: none"> Availability of employment 	<ul style="list-style-type: none"> Apprentice schemes and employment opportunities 	<ul style="list-style-type: none"> Blenheim remain committed to training apprentices and every year spend more than the apprentice levy. In addition, many local youngsters are employed in seasonal roles giving them their first taste of employment
Future Generations (buildings)	<ul style="list-style-type: none"> Longevity of buildings 	<ul style="list-style-type: none"> Annually we listen to building surveyors, architects and our inhouse team to prioritise restoration projects 	<ul style="list-style-type: none"> £4m is spent annually on crucial repairs and maintenance A multiyear plan is held and agreed with our Trustees
Suppliers	<ul style="list-style-type: none"> Engagement with and work for local suppliers 	<ul style="list-style-type: none"> Blenheim is committed to being the lifeblood of the local economy 	<ul style="list-style-type: none"> Suppliers within 20 miles are prioritised where possible Annually we run a competition for start-up businesses. Business support is offered to the winner for a minimum of one year

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Working with our stakeholders: Section 172 Statement (continued)

Engaging with our stakeholders (continued)

Stakeholder group and their importance to Palace success	Issues that they may face	How we engage	Key highlights demonstrating impact of engagement
Environment	<ul style="list-style-type: none"> We are aiming to be Carbon Neutral by 2027 	<ul style="list-style-type: none"> Blenheim are part of national forums and engage with exemplar organisations 	<ul style="list-style-type: none"> A 30% discount is offered on the admission price to those who arrive either by public transport or electric car A carbon offset scheme is available to visitors One in five visitors have taken advantage of these schemes

Blenheim Palace Heritage Foundation

Report of the Trustees for the year ended 31 March 2023 (continued)

Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Report of the Trustees (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditor

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

The Report of the Trustees, incorporating the Strategic Report, was approved by the Trustees on 6 December 2023 and signed on their behalf by Dominic Hare:



..... (Trustee and Director)

Date: 6 December 2023

Blenheim Palace Heritage Foundation

Independent auditor's report to the members of Blenheim Palace Heritage Foundation

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of Blenheim Palace Heritage Foundation ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Statement of Cash Flows and the Consolidated Statement of Cash Flows 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 Group and the Parent Charitable 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 Trustees with respect to going concern are described in the relevant sections of this report.

Blenheim Palace Heritage Foundation

Independent auditor's report to the members of Blenheim Palace Heritage Foundation (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' 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 by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable 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.

Blenheim Palace Heritage Foundation

Independent auditor's report to the members of Blenheim Palace Heritage Foundation (continued)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the Group's and the Parent Charitable 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 Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and Parent Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group and Parent Charitable Company policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the Companies Act 2006, Charities Act 2011, UK Generally Accepted Accounting Practice, Charities SORP and tax legislation.

The Group and Parent Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, health and safety, food hygiene, and data protection.

Blenheim Palace Heritage Foundation

Independent auditor's report to the members of Blenheim Palace Heritage Foundation (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group and Parent Charitable Company policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the assumptions applied in the apportionment of support costs, defined benefit pension scheme, recoverability of intercompany balances, stock provision, depreciation rates for assets, valuation of fixed assets and impairment considerations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Blenheim Palace Heritage Foundation

Independent auditor's report to the members of Blenheim Palace Heritage Foundation (continued)

Use of our report

This report is made solely to the Charitable 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 Charitable 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Kyla Bellingall

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Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham, UK
Date 06 December 2023

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

Blenheim Palace Heritage Foundation

Consolidated Statement of Financial Activities

for year ended 31 March 2023

(including consolidated income and expenditure account)

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Funds	Funds	Funds	Funds	Funds	Funds
	Note	2023	2023	2023	2022	2022	2022
		£000	£000	£000	£000	£000	£000
Income:							
Donations and grants	3	4,732	1,030	5,762	11,120	1,316	12,436
<i>Income from charitable activities:</i>							
Operation of the Palace and park	4	7,413	-	7,413	6,825	-	6,825
<i>Income from other trading activities:</i>							
Commercial trading operations	5	9,265	-	9,265	7,949	-	7,949
Total income		21,410	1,030	22,440	25,894	1,316	27,210
Expenditure							
<i>Costs of raising funds:</i>							
Commercial trading operations		5,785	-	5,785	4,672	-	4,672
<i>Expenditure on charitable activities:</i>							
Operation of the Palace and park	6	10,836	-	10,836	8,842	-	8,842
Preservation and maintenance	6	3,902	1,030	4,932	2,706	1,352	4,058
Total expenditure		20,523	1,030	21,553	16,220	1,352	17,572
Net income before transfers		887	-	887	9,674	(36)	9,638
Transfer between funds	23	-	-	-	(36)	36	-
Net income and net movement in funds for the year		887	-	887	9,638	-	9,638
Reconciliation of funds							
Total funds brought forward	23	20,932	-	20,932	11,294	-	11,294
Total funds carried forward		21,819	-	21,819	20,932	-	20,932

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Blenheim Palace Heritage Foundation

Consolidated and Parent Charitable Company Balance Sheets

for year ended 31 March 2023

Company number 09430048

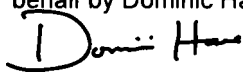
	Note	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Fixed assets					
Intangible assets	14	33	108	-	-
Tangible assets	15	7,234	4,395	5,852	3,618
Chattels	16	910	903	910	903
Investments	17	-	-	-	-
Total Fixed Assets		8,177	5,406	6,762	4,521
Current assets					
Stock	18	783	571	-	-
Debtors	19	24,157	24,742	23,412	24,158
Cash at bank and in hand		486	1,446	159	962
Total Current Assets		25,426	26,759	23,571	25,120
Liabilities					
Creditors falling due within one year	20	11,717	11,233	4,941	5,656
Net Current assets		13,709	15,526	18,630	19,464
Total assets less current liabilities		21,886	20,932	25,392	23,985
Creditors falling due after more than one year	21	67	-	-	-
Net assets		21,819	20,932	25,392	23,985
The funds of the charity:					
Unrestricted income funds: general fund	23	9,865	6,932	13,438	9,985
Unrestricted income funds: designated fund	23	11,954	14,000	11,954	14,000
Restricted income fund	23	-	-	-	-
Total charity funds		21,819	20,932	25,392	23,985

Parent charity income for the year ended 31 March 2023 was £17,835k (2022: £24,191k). Parent charity net income for the year ended 31 March 2023 was £1,407k (2022: £10,368k).

The trustees have prepared Group accounts in accordance with section 399 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The notes on pages 32 to 61 form part of these accounts.

The financial statements were approved by the Board on 6 December 2023 and were signed on its behalf by Dominic Hare:



Blenheim Palace Heritage Foundation

Statement of Cash Flows and Consolidated Statement of Cash Flows for year ended 31 March 2023

	Note	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Cash (used in)/provided by operating activities	25	(4,215)	13,723	(4,189)	13,751
Cash flows from investing activities					
Interest income	5	866	346	666	346
Purchase of chattels	16	(7)	(2)	(7)	(2)
Purchase of tangible fixed assets	15	(3,581)	(740)	(2,820)	(674)
Loan to Blenheim Finance Limited	12	5,547	(13,370)	5,547	(13,370)
Cash provided by/(used in) investing activities		2,825	(13,766)	3,386	(13,700)
Cash flows from financing activities					
Drawdown of borrowing	12	12,092	3,983	-	-
Repayment of borrowing	12	(11,662)	(3,629)	-	-
Cash provided by financing activities		430	354	-	-
(Decrease)/increase in cash and cash equivalents in the year		(960)	311	(803)	51
Cash and cash equivalents at the beginning of the year		1,446	1,135	962	911
Total cash and cash equivalents at the end of the year		486	1,446	159	962

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2022) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

1.2) Preparation of the accounts on a going concern basis

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

The Trustees and Senior Management Team have assessed the Group's forecast and stress tested to assess the Group's ability to continue as a going concern. The Group's financial position has improved and is expected to continue to do so improve and so the Trustees and Senior Management Team are confident that Group will have sufficient working capital and cashflows to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements. The Trustees are satisfied that the Group has strong cash reserves and therefore there is no material uncertainty which may cast doubt of the Group's ability to continue as a going concern.

1.3) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Blenheim Visitors Limited (company number 05957291), and its wholly owned subsidiary, Love Water Limited (company number 05131762), on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The registered address of the Charity and its subsidiaries is The Estate Office, Blenheim Palace, Woodstock, Oxfordshire, OX20 1PP.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

1 Accounting Policies (continued)

1.4) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Admissions income

Visitors can purchase entrance tickets in advance for entrance on a selected date. Income is recognised in full on the date of admission. Entrance tickets, including non-refundable annual pass upgrades, are recognised as income in full on the day of purchase.

Event income

During each year Blenheim Palace runs a number of events for visitors. Income is recognised in full on the day, or days, of the event. Income received in advance of an event or advanced ticket sales is deferred until the criteria for income recognition are met (see note 22).

Retail, catering and water income

Retail and catering income is recognised at point of sale. Water income is recognised on dispatch.

Restoration funding

The charity receives funding from a supporting charity and Maintenance Fund. The funding is against agreed restoration expenditure and is treated as receivable, and recognised as income, in the month that it is received.

Grant Income

Grant income, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. This includes the Government Coronavirus Job Retention Scheme ('Furlough Scheme').

Legacy Income

Legacy income is recognised when there has been grant of probate, the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy and any conditions attached to the legacy are either within the control of the charity or have been met.

1.5) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds that the Trustees have set aside to fund the Charity's restoration and conservation initiatives. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

1 Accounting Policies (continued)

1.6) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the retail and water business and their associated support costs.
- Expenditure on charitable activities includes the costs of day to day maintenance and running of the Palace, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.7) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 8.

1.8) Operating leases

The charity classifies the lease of printing as operating leases; the title to the equipment remains with the lessor and the equipment is replaced every 5 years whilst the economic life of such equipment is normally 10 years.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.9) Intangible fixed assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Financial Activities over its useful economic life of between five and ten years.

Goodwill has been recognised within Blenheim Visitors Limited, the charity's wholly owned subsidiary, on acquisition of Blenheim Visitors Partnership. Goodwill relating to the visitor part of the business was transferred to the charity on 1 January 2017.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

1 Accounting Policies (continued)

1.10) 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.

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 the Statement of Financial Activities during the period in which they are incurred.

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset Category	Annual rate
Plant and machinery	10% - 33%
Motor vehicles	25%
Fixtures and fittings	10% - 20%
Leasehold	5%

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 the Statement of Financial Activities.

1.11) Investments

Investments are measured at cost less accumulated impairment.

1.12) Chattels

The Charity owns chattels with artistic or historical significance related to Blenheim Palace. These are tangible fixed assets that are held and maintained principally for their contribution to knowledge and culture and are accounted for as heritage assets.

Purchased chattels are measured at cost. Donated chattels are initially valued at the date of donation and this is treated as its deemed cost thereafter.

Subsequent to initial recognition, chattels are measured at cost less accumulated impairment.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

1 Accounting Policies (continued)

1.13) Stock

Stock is stated at the lower of cost or net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

1.14) 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.

1.15) Cash at bank and in hand

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.

1.16) Financial instruments

The Charity only enters basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Charitable Company 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.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

1 Accounting Policies (continued)

1.17) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.18) Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group supports an obligation for the defined benefit plan which was closed to future accrual in 2000. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in the Statement of Financial Activities as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

1 Accounting Policies (continued)

1.18 Pensions (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of Financial Activities as a 'finance expense'.

1.19 Current and deferred taxation

The Group contains two limited companies which are subject to corporation tax. The subsidiary companies make qualifying donations of all taxable profit, where applicable, to the charity. No corporation tax liability on the subsidiaries arises in the accounts.

1.20 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 the Statement of Financial Activities, 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 has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Tangible fixed assets

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

Stocks

Management estimates the net realisable values of stock, considering the most reliable evidence at each reporting date.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Provisions

In recognising provisions, the Group evaluates the extent to which it is probable 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.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

1 Accounting Policies (continued)

1.20) Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Defined benefit pension

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates.

Intangible assets

Management applies judgement when assessing the value of goodwill acquired on a business combination, held in the Group and Charity Balance Sheets as intangibles, at both the year end date and the date of the business combination. The goodwill represents the excess consideration over the fair value of the net assets acquired. Judgement was applied when determining the fair value of the net assets and takes into account the most reliable evidence available at the valuation date. Judgement is also applied in determining the useful economic life, based on the period over which value is expected to be derived from the long-term contracts.

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity is a public benefit entity.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

3 Income from donations and grants

	2023 Unrestricted funds £000	2023 Restricted funds £000	2023 Total funds £000	2022 Unrestricted funds £000	2022 Restricted funds £000	2022 Total funds £000
Donations						
Grants	-	459	459	35	865	900
Coronavirus job retention scheme	-	-	-	143	-	143
Other donations	4,732	571	5,303	10,942	451	11,393
	4,732	1,030	5,762	11,120	1,316	12,436

In the Charity, the income from donations and grants was £5,762k (2022: £12,421k) of which £4,732k was unrestricted (2022: £11,105k) and £1,030k restricted (2022: £1,316k).

Within other donations, £nil (2022: £2,600k) was received from Blenheim Supporting Limited, a related entity which donates its profits to the charity each year (note 12).

The restricted fund includes grants and donations from:

- Garfield Weston grant of £350k for external landscape restoration works.
- Blenheim Foundation Restoration of £299k for restoration and conservation of the Palace.
- Maintenance Fund distribution of £139k for restoration and conservation of the Palace.
- Vanbrugh Unit Trust donation of £115k for restoration of Water Meadows bridge.
- Higher Level Stewardship of £60k for conservation of the land and Palace grounds.
- Rowse Honey of £49k for bee conservation on the estate.
- Palace Visitors of £14k carbon offsetting of the carbon impact of visitors' journey to the Palace.
- Saddlers' Company members of £4k for forestry conversation.

4 Income from charitable activities

	Unrestricted Funds 2023 £000	Unrestricted Funds 2022 £000
Operation of the Palace and Park		
Income from admission and tour charges	6,461	6,060
Gift aid recovered on donated admissions for annual passes	952	765
Total income from charitable activities	7,413	6,825

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023

(continued)

5 Income from other trading activities

	Unrestricted Funds 2023 £000	Unrestricted Funds 2022 £000
Income from the sale of Christmas trees	19	22
Income from Palace functions and park events	2,576	2,632
Income from filming	1,326	1,728
Other income	73	216
Income from subsidiary	4,405	3,005
Interest receivable	866	346
	9,265	7,949

Within interest receivable is £666k (2022: £346k) of interest income earned from the charity's loan made to Blenheim Finance Limited (note 12) at the end of the year to utilise surplus cash in a secure and liquid investment.

Within income from subsidiary of £4,405k (2022: £3,005k) is £3,357k (2022: £2,097k) from Blenheim Visitors Limited £1,048k (2022: £908k) from Love Water Limited.

Commercial trading operations

The wholly owned trading subsidiary Blenheim Visitors Limited ("BVL") is incorporated in the United Kingdom (company number 05957291). Love Water Limited ("LWL") is a wholly owned subsidiary of Blenheim Visitors Limited (company number 05131762).

The summary financial performance of the subsidiaries alone (before consolidation adjustments) are:

	BVL 2023 £000	BVL 2022 £000	LWL 2023 £000	LWL 2022 £000
Turnover	3,442	2,150	1,048	908
Cost of sales and administration costs	(3,741)	(2,552)	(1,129)	(1,001)
Grants	-	5	-	-
Coronavirus job retention scheme	-	10	-	-
Interest receivable	277	68	-	-
Interest payable	(257)	(261)	(77)	(68)
Taxation	(44)	-	(24)	-
Net (loss)	(323)	(580)	(182)	(161)
Retained in subsidiary	(323)	(580)	(182)	(161)

The assets and liabilities of the subsidiaries are:

	BVL 2023 £000	BVL 2022 £000	LWL 2023 £000	LWL 2022 £000
Fixed assets	1,134	676	281	208
Current assets	4,122	3,800	215	210
Current liabilities	(6,987)	(5,881)	(2,338)	(2,066)
Total net (liabilities)	(1,731)	(1,405)	(1,842)	(1,648)
Aggregate share capital and reserves	(1,731)	(1,405)	(1,847)	(1,648)

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

6 Analysis of expenditure on charitable activities

	Operation of the Palace and park £000	Preservation and maintenance £000	2023 Total £000	2022 Total £000
Admissions expenses	199	-	199	140
Maintenance of the garden and park	-	567	567	777
Central premises costs	1,480	-	1,480	938
Bank charges	90	-	90	71
Depreciation	586	-	586	567
Amortisation	-	-	-	102
Repair expenditure	168	256	424	413
Restoration	-	3,929	3,929	3,044
Rural Park maintenance	-	120	120	47
Higher Level Stewardship	-	60	60	110
World Heritage Site Management	-	-	-	(71)
Governance costs (see note 8)	344	-	344	286
Support costs (see note 8)	7,969	-	7,969	6,476
Total	10,836	4,932	15,768	12,900

Expenditure on charitable activities was £15,768k (2022: £12,900k) of which £14,738k was unrestricted (2022: £11,548k) and £1,030k was restricted (2022: £1,352k).

7 Summary analysis of expenditure and related income for charitable activities

This table shows the cost of the two main charitable activities and the sources of income directly to support those activities.

	Operation of the Palace and Park £000	Preservation and Maintenance £000	2023 Total £000	2022 Total £000
Costs	(10,836)	(4,932)	(15,768)	(12,900)
Admission charges	6,461	-	6,461	6,060
Gift aid recovered on donated admissions	952	-	952	765
	(3,423)	(4,932)	(8,355)	(6,075)
Donations	-	5,303	5,303	11,393
Direct grant support	-	459	459	1,043
Net cost funded from other income	(3,423)	830	(2,593)	6,361

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

8 Analysis of governance and support costs

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function.

Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two key charitable activities undertaken (see note 6) in the year.

Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	General support 2023 £000	Governance 2023 £000	Total 2023 £000	General support 2022 £000	Governance 2022 £000	Total 2022 £000
Salaries, wages and related costs	5,751	-	5,751	4,975	-	4,975
Production and marketing	699	-	699	495	-	495
Audit fees	-	94	94	-	64	64
Other non-audit services	-	10	10	-	10	10
Health and Safety	1	-	1	1	-	1
Legal & Professional	-	240	240	-	212	212
Other Administrative	1,518	-	1,518	1,005	-	1,005
Total	7,969	344	8,313	6,476	286	6,762

Salaries and related costs are apportioned based on time. The remainder of costs are apportioned based on type.

9 Net income for the year

	2023 £000	2022 £000
This is stated after charging:		
Operating leases – equipment	18	25
Amortisation	75	176
Depreciation	735	695
Auditor's remuneration:		
Audit fees (charity)	54	36
Audit fees (subsidiary)	40	28
Non-audit Fees (subsidiary)	10	10

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 20223 (continued)

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Salaries and wages	7,335	5,562	5,919	4,452
Social security costs	635	425	532	345
Pension costs	597	464	508	394
	8,567	6,451	6,959	5,191

Ex gratia payments made in the Charity Group in the year to 31 March 2023 totalled £nil (2022: £22k).

Salaries and wages include redundancy costs of £nil (2022: £10k).

Some employees benefit from accommodation. Total staff accommodation cost for the Charity in the year to 31 March 2023 were £239k (2022: £233k).

Employment costs to the charity above are not the full cost of all employees of the Estate. A number of employees, including SMT, are recharged to other entities within the Estate depending on their roles and department. The number of employees receiving paid employment or benefits from the Group (excluding employer pension and national insurance costs and after charges to related entities) over £60k for the year is as follows:

	2023	2022
£60,000-£70,000	13	4
£70,001-£80,000	6	1
£80,001-£90,000	4	1
£90,001-£100,000	1	1
£100,001-£110,000	1	-
£120,001-£130,000	2	-
£240,001-£250,000	1	-

The number of employees receiving paid employment or benefits from the whole Estate, not just the charity Group, (excluding employer pension and national insurance costs) over £60k for the year is as follows:

	2023	2022
£60,000-£70,000	15	5
£70,001-£80,000	6	1
£80,001-£90,000	6	-
£90,001-£100,000	1	1
£100,001-£110,000	1	2
£120,001-£130,000	2	-
£130,001-£140,000	1	-
£140,001-£150,000	-	1
£150,001-£160,000	-	-
£160,001-£170,000	-	1
£180,001-£190,000	-	1
£220,001-£230,000	1	-
£240,001-£250,000	2	-

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The SMT receive performance related pay depending on their role and the Estate's performance. Therefore, remuneration fluctuates year on year.

The charity trustees were not paid from employment or receive material benefits with the charity or its subsidiary in the year except for the Chief Executive Officer (CEO), Dominic Hare, in his capacity as director and for his role as CEO. The charity's governing document gives authority to pay the CEO. Dominic Hare received remuneration from the charity of £92,401 (2022: £92,734), of which £22,789 (2022: £22,789) was pension contributions and £17,292 (2022: £14,640) was in relation to private healthcare. The charity trustees receive the benefit of free water from the water business which operates in the charity's subsidiary however this is not considered a material benefit as declared in the Articles of Association.

Two trustees (2022: one) were reimbursed for expenses for travel and business expenses. Total reimbursement was £1,128 (2022: £1,134). No charity trustee received payment for professional or other services supplied to the charity in their capacity as trustee (2022: none).

The key management of the Group and the charity (except for Love Water Limited's Director) are paid by the wholly owned subsidiary Blenheim Visitors Limited which acts as a payroll bureau and recharges salaries across the Estate. Love Water Limited's Director is paid directly by Love Water and costs are included within the consolidated Group.

The key management personnel of the parent charity and the Group are the Senior Management Team including the Chief Executive Officer, Chief Financial Officer, Managing Director (Visitor Attraction), Managing Director (Land Management), Marketing and Communications Director, Finance Director and People Director. Key management of Blenheim Visitors Limited's wholly owned subsidiary, Love Water Limited, are the Directors.

The salary cost to 31 March 2023 (including employer pension costs and social security, after charges to related entities) of the key management personnel to the wholly owned subsidiary and the charity was £535k (2022: £654k).

The salary cost for the whole Estate to 31 March 2023 (including employer pension costs and social security, after charges to related entities) of the key management personnel was £1,239k (2022: £1,043k).

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

11 Staff Numbers

The wholly owned trading subsidiary Blenheim Visitors Limited acts as a payroll bureau across the Estate. The seasonality of the business means that the only appropriate way to measure headcount is based on average monthly heads (including casual and part-time staff).

The average monthly head count across the estate was 404 (2022: 337) and is broken down by department as follows:

	2023 Number	2022 Number
Operations	192	195
Retail, warehouse and water	29	29
Admin and support	74	62
Game	15	11
Construction (Pye & BECL from 2022)	64	27
Hospitality Sales	3	3
Catering	12	-
Property	9	7
Other	6	3
	<u>404</u>	<u>337</u>

Retail, warehouse and water staff are not a cost of the charity, but its wholly owned subsidiary, Blenheim Visitors Limited. Construction employees are recharged to Pye Homes Limited and Blenheim Estate Contractors Limited. Hospitality sales employees are recharged to Barrough Hospitality Limited. Property employees are recharged across our property entities. Game employees are recharged to Blenheim Palace Game LLP. Other employees are recharged to other entities within the Estate.

12 Related party transactions

Members, trustees, directors and key management

The current four members of Blenheim Palace Heritage Foundation are trustees of the controlling company The Marlborough 2003 Settlement.

Blenheim Palace Heritage Foundation trustees Christopher Groves, Alexander Pepys Muir and Edward Albert Charles Spencer Churchill are trustees of the wider Blenheim Estate it being the whole of Blenheim and all its related entities.

Dominic Hare, CEO, trustee and director of the charity and subsidiary is a director of other Blenheim related entities (see listing of related party transactions below) and is a trustee of Experience Oxfordshire. Sales made to Experience Oxfordshire from the Group in the year totalled £nil (2022: Nil). Blenheim Palace Heritage Foundation paid Experience Oxfordshire in the year to 31 March 2023 £29k (2022: £13k) for Ambassador Level Partnership, Oxford Pass contribution and other marketing and advertising spend it shares.

Dominic Hare and Lord Edward Spencer Churchill are directors of Blenheim Art Foundation. Blenheim Art Foundation put on an exhibition at Blenheim Palace each year which is free to visitors. The visitor business within the charity sees the benefit of increased visitor numbers and in return Blenheim Art Foundation receive a proportion of the increased visitor income. There was no exhibition held in the year ended 31 March 2023 (2022: Tino Sehgal exhibition). The profit share due to Blenheim Art Foundation from the charity for the exhibition was £Nil (2022: £Nil).

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

12 Related party transactions (continued)

Christopher Groves is a Partner at Withers LLP. Withers LLP are the Estate's primary legal advisors. Any legal advice provided directly to the charity or subsidiaries are through a separate team and conflicts of interest are reviewed for each engagement. Fees paid to Withers LLP by the Group in the year to 31 March 2023 were £61k (2022: £199k).

Roger File is a director of the wholly owned subsidiary, Blenheim Visitors Limited. Roger File is a Governor for Abingdon and Witney College which provide training programmes for Blenheim's apprentices.

Dominic Hare is a trustee of The Emotional Help Hub UK Ltd. Fees paid by the group to The Emotional Help Hub UK Limited for counselling sessions in the year to 31 March 2023 were £2k (2022: £nil)

Related entities

The charity and the wholly owned subsidiary, Blenheim Visitors Limited, has transactions with several related entities within the Blenheim Estate. Not infrequently invoices are received into the charity or the subsidiary which relate in part or total to related parties, once settled the relevant costs recharged to the related party. Less frequently related parties pay invoices on behalf of the charity or subsidiary and recharged. These transactions are not disclosed in detail within this related party note, though they are included within the year end balances. Blenheim Visitors Limited also acts as the payroll bureau for the "Group" and incurs central costs.

Love Water's Director, Nick Swan, owed Love Water Limited £2k at 31 March 2023 (2022: £6k).

Blenheim Finance Limited is the wider Estate's funding facility. During the year ended 31 March 2023, Blenheim Visitors Limited borrowed £12,092k (2022: £3,983k) from Blenheim Finance Limited and repaid £11,662k (2022: £3,629k). Interest of £257k (2022: £261k) was charged. The balance outstanding at 31 March 2023 was £5,363k (2022: £4,676k).

At the year end, the charity was owed £11,954k by Blenheim Finance Limited (2022: £17,501k). A competitive interest rate of 5% is charged on this balance and interest of £666k was earned during the year (2022: £346k).

For the year ended 31 March 2023 the charity received a donation of £nil from Blenheim Supporting Limited (via Blenheim Agency Limited) (2022: £2,720k).

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

12 Related party transactions (continued)

The charity provides management services to several related entities. The following management charges were levied based on the time spent on services for each related entity:

	Charity 2023 £000	Charity 2022 £000
Barrough Hospitality Limited		
Professional fee recharge	-	100
Consumer marketing recharge	-	100
Salary costs	-	60
Management fee	3	-
Blenheim Parliamentary 1994 (via Agency)		
Management fee	-	95
Vanbrugh Unit Trust		
Maintenance staff call out and stand by costs	-	261
Management fee	43	-
Vanbrugh Management Limited		
IT cost	-	45
Salary costs	-	107
Property Management Service	-	133
J. A. Pye (Oxford) Limited		
Management fee	5	-
Blenheim Strategic Partners LLP		
Management fee	6	-
Blenheim Supporting Limited		
Management fee	-	51
Blenheim Estate Contractors Limited		
Management fee	2	63
Blenheim Palace Game LLP		
Management fee	1	22

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

12 Related party transactions (continued)

Both the parent charity and the wholly owned subsidiary have outstanding balances with other Blenheim entities.

Amounts owed to the Charity and the Group at 31 March 2023:

	Group 2023 Debtor £000	Group 2022 Debtor £000	Charity 2023 Debtor £000	Charity 2022 Debtor £000
Blenheim Strategic Partners LLP	9	18	9	18
Vanbrugh Unit Trust	56	107	54	82
Blenheim Industrial Property Limited	1	1	1	1
Blenheim Estates Contractors Limited	-	29	-	1
Vanbrugh Management Limited	-	4	-	4
Blenheim Agency Limited	14	6	1	-
Blenheim Finance Limited	11,954	17,581	11,954	17,581
Blenheim Art Foundation	-	1	-	1
Barrough Hospitality Limited	44	27	37	16
Blenheim Visitors Limited	-	46	-	-
Blenheim Parliamentary 1994 Settlement	-	4	-	4
Blenheim Palace Game LLP	9	11	-	3
Blenheim Palace 1984 Maintenance Fund	-	4	-	4
Blenheim Supporting Limited	7	-	-	-
J. A. Pye (Oxford) Limited	285	129	9	5
Love Water Limited	-	-	8	-
Settled Estates A Fund	-	5	-	-
The Emotional Help Hub UK Limited	4	-	-	-
The Blenheim Foundation	-	5	-	5
	12,383	17,978	12,073	17,725

Amounts owed by the Charity and the Group at 31 March 2023

	Group 2023 Creditor £000	Group 2022 Creditor £000	Charity 2023 Creditor £000	Charity 2022 Creditor £000
Blenheim Parliamentary 1994 Settlement	-	(1)	-	-
Blenheim Agency Limited	(12)	(2)	(9)	(2)
Blenheim Finance Limited	(5,363)	(4,676)	-	-
Blenheim Visitors Limited	-	-	(709)	(787)
Blenheim Supporting Limited	(17)	(40)	(17)	(35)
Blenheim Palace Game LLP	(23)	-	(23)	-
The Blenheim Foundation	(9)	(9)	(9)	(9)
Withers LLP	(9)	(2)	(9)	-
	(5,433)	(4,730)	(776)	(833)

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

13 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14 Intangible assets

	Group Goodwill £000	Charity Goodwill £000
Cost		
Balance as at 01/04/2022	2,297	763
Balance as at 31/03/2023	2,297	763
Accumulated amortisation		
Balance as at 01/04/2022	2,189	763
Amortisation charge	75	-
Balance as at 31/03/2023	2,264	763
Net book value		
Balance as at 31/03/2023	33	-
Balance as at 01/04/2022	108	-

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

15 Tangible Fixed Assets

Group

	Freehold Land and Leasehold £000	Plant and Machinery £000	Motor Vehicles £000	Fixtures and Fittings £000	Total £000
Cost					
Balance as at 01/04/2022	608	2,720	1,159	5,775	10,262
Addition	-	292	130	3,159	3,581
Disposals	-	-	(36)	(141)	(177)
Balance as at 31/03/2023	608	3,012	1,253	8,793	13,666
Accumulated Depreciation					
Balance as at 01/04/2022	90	2,436	1,015	2,326	5,867
Charge	30	45	88	572	735
	-	-	(35)	(135)	(170)
Balance as at 31/03/2023	120	2,481	1,068	2,763	6,432
Net Book Value					
Balance as at 31/03/2023	488	531	185	6,030	7,234
Balance as at 01/04/2022	518	284	144	3,449	4,395

Included within motor vehicles are assets held under finance lease with a net book value of £83,000 (2022: £nil). Depreciation charged during the year on these assets was £12,000 (2022: £nil).

Charity

	Plant and Machinery £000	Motor Vehicles £000	Fixtures and Fittings £000	Total £000
Cost				
Balance as at 01/04/2022	1,697	1,091	5,415	8,203
Addition	77	30	2,713	2,820
Balance as at 31/03/2023	1,774	1,121	8,128	11,023
Accumulated Depreciation				
Balance as at 01/04/2022	1,697	959	1,929	4,585
Charge	15	67	504	586
Balance as at 31/03/2023	1,712	1,026	2,433	5,171
Net Book Value				
Balance as at 31/03/2023	62	95	5,695	5,852
Balance as at 01/04/2022	-	132	3,486	3,618

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

16 Chattels	Group £000	Charity £000
Balance as at 01/04/2022	903	903
Addition	7	7
Balance as at 31/03/2023	910	910

Chattels purchased in the year relate to Winston Churchill's suit.

17 Investments

Investment in subsidiary

The charity holds 1 share of £1 in its wholly owned trading subsidiary company, Blenheim Visitors Limited, which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid.

The activities and results of the wholly owned subsidiary are summarised in note 5.

Other investments	Group £000	Charity £000
Additions	3,300	-
Disposals	(3,300)	-
Net book value as at 01/04/2022 and 31/03/2023	-	-

During the year, Blenheim Visitors Limited entered an arrangement with a related entity, Blenheim Finance Limited, whereby it acquired a receivable from Blenheim Finance Limited for £3.3m and subsequently sold it back to Blenheim Finance Limited for £3.5m. Thereby Blenheim Visitors Limited earned a profit of £0.2m which has been recognised as profit on disposal.

18 Stock	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Retail stock	456	378	-	-
Bottled water	214	193	-	-
Catering stock	113	-	-	-
	783	571	-	-

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

19 Debtors	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade debtors	1,169	610	904	368
Amounts owed from related entities (note 12)	12,383	17,978	12,073	17,725
Other debtors	10,064	5,783	10,030	5,755
Prepayments and accrued income	541	371	405	310
	24,157	24,742	23,412	24,158

20 Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade creditors	2,084	3,094	1,511	2,675
Amounts owed to related entities (note 12)	5,433	4,730	776	833
Other creditors and accruals	2,963	1,702	2,342	1,279
Deferred income (note 22)	312	888	312	869
VAT	531	460	-	-
Taxation and social security costs	328	329	-	-
Deferred tax	66	30	-	-
	11,717	11,233	4,941	5,656

21 Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Other Creditors and accruals > 1 year	67	-	-	-
	67	-	-	-

The finance leases relate to three motor vehicles which are leased from a specialist leasing company by Love Water Limited. The remaining lease terms are four years.

22 Deferred income

Deferred income comprises advanced ticket sales, corporate event fees and grant income.

	Group £000	Charity £000
Balance as at 1 April 2022	888	869
Amount released to income earned from charitable activities	(888)	(869)
Amount deferred in year for advanced ticket sales	241	241
Amount deferred in year in relation to events	71	71
Balance as at 31 March 2023	312	312

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

23 Analysis of charitable funds

Analysis of movements in Group unrestricted funds

	1 April 2022	Income	Expenditure	31 March 2023
	£000	£000	£000	£000
General fund	6,932	20,744	(17,811)	9,865
Designated Funds	14,000	666	(2,712)	11,954
Total	20,932	21,410	(20,523)	21,819

Analysis of movements in Group unrestricted funds - prior year

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£000	£000	£000	£000	£000
General fund	11,294	25,894	(16,220)	(14,036)	6,932
Designated funds	-	-	-	14,000	14,000
Total	11,294	25,894	(16,220)	(36)	20,032

Name of unrestricted fund

Description, nature and purposes of the fund

General fund	The 'free reserves' of the charity.
Designated fund	Unrestricted fund held to fund the charity's restoration and conservation activities

Analysis of movements in Charity unrestricted funds

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£000	£000	£000	£000	£000
General fund	9,985	16,139	(12,686)	-	13,438
Designated funds	14,000	666	(2,712)	-	11,954
Total	23,985	16,805	(15,398)	-	25,392

Analysis of movements in Charity unrestricted funds - prior year

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£000	£000	£000	£000	£000
General fund	13,605	22,875	(12,459)	(14,036)	9,985
Designated funds	-	-	-	14,000	14,000
Total	13,605	22,875	(12,459)	(36)	23,985

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023

(continued)

23 Analysis of charitable funds (continued)

Analysis of movements in Group restricted funds

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£000	£000	£000	£000	£000
Blenheim Foundation Restoration	-	299	(299)	-	-
Higher Level Stewardship	-	60	(60)	-	-
Maintenance Fund distribution	-	139	(139)	-	-
Garfield Weston	-	350	(350)	-	-
Rowse Honey	-	49	(49)	-	-
Vanbrugh Unit Trust	-	115	(115)	-	-
Carbon Offset	-	14	(14)	-	-
Saddlers Copse	-	4	(4)	-	-
Total	-	1,030	(1,030)	-	-

Analysis of movements in Group restricted funds - prior year

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£000	£000	£000	£000	£000
World Heritage Site Management	-	(71)	-	71	-
Blenheim Foundation Restoration	-	290	(290)	-	-
Higher Level Stewardship	-	110	(110)	-	-
Maintenance Fund distribution	-	126	(126)	-	-
Culture Recovery Fund	-	826	(826)	-	-
Electric Charger Grant	-	35	-	(35)	-
Total	-	1,316	(1,352)	36	-

Analysis of movements in Charity restricted funds

	1 April 2022	Income	Expenditure	Transfers	31 March 2023
	£000	£000	£000	£000	£000
Blenheim Foundation Restoration	-	299	(299)	-	-
Higher Level Stewardship	-	60	(60)	-	-
Maintenance Fund distribution	-	139	(139)	-	-
Garfield Weston	-	350	(350)	-	-
Rowse Honey	-	49	(49)	-	-
Vanbrugh Unit Trust	-	115	(115)	-	-
Carbon Offset	-	14	(14)	-	-
Saddlers Copse	-	4	(4)	-	-
Total	-	1,030	(1,030)	-	-

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

23 Analysis of charitable funds (continued)

Analysis of movements in Charity restricted funds - prior year

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£000	£000	£000	£000	£000
World Heritage Site Management	-	(71)	-	71	-
Blenheim Foundation Restoration	-	290	(290)	-	-
Higher Level Stewardship	-	110	(110)	-	-
Maintenance Fund distribution	-	126	(126)	-	-
Culture Recovery Fund	-	826	(826)	-	-
Electric Charger Grant	-	35	-	(35)	-
Total	-	1,316	(1,352)	36	-

Name of restricted fund

- World Heritage Site Management
- Blenheim Foundation Restoration
- Higher Level Stewardship
- Maintenance Fund distribution
- Culture Recovery Fund
- Garfield Weston
- Rowse Honey
- Vanbrugh Unit Trust
- Carbon Offset
- Saddlers Copse

Description, nature and purposes of the fund

- Conservation of the land and Palace grounds
- Blenheim Foundation Restoration Projects
- Conservation of the land and Palace grounds
- Restoration and conservation of the Palace
- Restoration and conservation of the Palace
- Restoration of the external landscape
- Bee conservation in the Palace grounds
- Restoration of Water Meadows bridge
- Carbon offsetting of the carbon impact of visitors' journey to the Palace
- Forestry conservation

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

24 Analysis of Group net assets between funds

	General Fund £000	Designated Funds £000	Total £000
Tangible fixed assets	7,234	-	7,234
Intangible fixed assets	33	-	33
Investments	-	-	-
Chattels	910	-	910
Cash at bank and in hand	486	-	486
Other net current assets	1,202	11,954	13,156
Total	9,865	11,954	21,819

Analysis of Group net assets between funds - prior year

	General Fund £000	Designated Funds £000	Total £000
Tangible fixed assets	4,395	-	4,395
Intangible fixed assets	108	-	108
Investments	-	-	-
Chattels	903	-	903
Cash at bank and in hand	1,446	-	1,446
Other net current assets	80	14,000	14,080
Total	6,932	14,000	20,932

The restricted fund had a value of £nil at year end (2022: £nil) and does not represent any of the Group's net assets.

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

25 Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Net income before transfers	887	9,638	1,407	10,380
Add back amortisation	75	176	-	102
Add back depreciation charge	735	695	586	567
Deduct interest income shown in investing activities	(866)	(346)	(666)	(346)
(Increase) in stock	(212)	(30)	-	-
(Increase)/decrease in debtors	(4,962)	186	(4,801)	345
Increase/(decrease) in creditors	121	3,404	(715)	2,703
Loss on disposal of tangible assets	7	-	-	-
Net cash (used in)/provided by operating activities	(4,215)	13,723	(4,189)	13,751

Analysis of changes in net debt for the Group:

	1 April 2022 £000	Cash flows £000	Other movement £000	31 March 2022 £000
Cash at bank and in hand	1,446	(960)	-	486
Cash and cash equivalents	1,446	(960)	-	486
Borrowings due within one year	(4,676)	(430)	(257)	(5,363)
Total Borrowings	(4,676)	(430)	(257)	(5,363)
Net Debt	(3,230)	(1,390)	(257)	(4,877)

Analysis of changes in net debt for the Charity:

	1 April 2022 £000	Cash flows £000	31 March 2023 £000
Cash at bank and in hand	962	(803)	159
Cash and cash equivalents	962	(803)	159
Net Debt	962	(803)	159

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

26 Pension commitments

The wholly owned subsidiary operates a defined contributions pension scheme and a defined benefits pension scheme.

The assets of the defined contributions scheme are held separately from those of the subsidiary in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £489k (2022: £421k).

Contributions totalling £69k (2022: £49k) were payable to the fund at the reporting period at the 31 March 2023.

The wholly owned subsidiary operates a Defined Benefit Pension Scheme.

A full actuarial valuation was carried out as at 1 April 2018. The FRS102 results as at 31 March 2023 are based on the last full actuarial valuation with updated figures to reflect market conditions as at 1 April 2023.

Reconciliation of present value of plan liabilities:	2023	2022
	£000	£000
At the beginning of the year	(7,257)	(8,019)
Interest cost	(192)	(150)
Actuarial gains	1,552	638
Benefits paid	309	274
At the end of the year	(5,588)	(7,257)

Reconciliation of present value of plan assets:	2023	2022
	£000	£000
At the beginning of the year	7,257	8,019
Return on assets excluding interest income	(857)	551
Interest income	192	150
Contributions	60	60
Benefits paid	(309)	(274)
Limit on recognition of assets less interest	(755)	(1,249)
At the end of the year	5,588	7,257

Composition of plan assets:	2023	2022
	£000	£000
Equities	-	4,897
Bonds	7,044	2,220
Index-linked gilts	725	-
Property	-	1,322
Cash	24	53
Annuities	680	895
Total plan assets	8,473	9,387

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

26 Pension commitments (continued)

Property and cash above include annuities held in the name of the pension scheme trustees.

The above represents the total plan assets held including any pension surplus that has not been recognised.

	2023	2022
	£000	£000
Present value of plan assets	5,588	7,257
Present value of plan liabilities	(5,588)	(7,257)
Net pension scheme asset	-	-

The difference between the fair value and present value of the plan assets represents the unrecognised pension surplus.

Fair value of plan assets was as follows:	2023	2022
	£000	£000
Opening fair value of scheme assets	9,387	8,900
Return on assets excluding interest income	(857)	551
Interest income	192	150
Contributions by employer	60	60
Benefits paid	(309)	(274)
	8,473	9,387

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £nil (2022: £nil).

Principal actuarial assumptions at the Balance Sheet data (expressed as weighted averages):

	2023	2022
	%	%
Discount rate	4.75	2.70
Future pension increases	3.00	3.00
Mortality rates	1.00	1.00
RPI assumption	3.55	4.25
CPI assumption	2.85	3.45

Amounts for the current and previous period are as follows:

	2023	2022
	£000	£000
Defined benefit obligation	(5,588)	(7,257)
Unrecognised past service cost	8,473	9,387
Unrecognised surplus	2,885	2,130

Blenheim Palace Heritage Foundation

Notes to the Financial Statements for year ended 31 March 2023 (continued)

27 Operating leases

The Group and Charity had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Vehicles and equipment				
Due within one year	4	7	4	5
Between one and five years	2	7	2	7
Total	6	14	6	12

28 Capital Commitments

Blenheim Palace Heritage Foundation's commitment to the Lake Dredge in the year ending 31 March 2024 is £1,683k (2023: £nil).

29 Ultimate parent undertaking

The subscribers to the Memorandum, being the Trustees of the Marlborough 2003 Settlement, are the first members.