

SEPARATOR SHEET

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REGISTERED NUMBER 06307678
BARNETT WADDINGHAM LLP

Annual report and financial statements

For the year ended 31 May 2023



BARNETT WADDINGHAM LLP

Limited Liability Partnership information

Designated members

A J Vaughan
A M Pocock
R Hawkes
D A J Stoddard
S A Brown
M W F Futchner
Z F Smith

LLP registered number

OC307678

Registered office

2 London Wall Place
London
England
EC2Y 5AU

Registered auditor

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

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Members' report

For the year ended 31 May 2023

The members present their annual report and financial statements of Barnett Waddingham LLP (the LLP and the group) for the year ended 31 May 2023.

Principal activities and review of the business

We are an independently owned consultancy and administration firm which helps our clients navigate the ever-changing complexities in risk, pensions, investment and insurance. Our success is a testament to our unrivalled focus on delivering long-term value for both our clients and our people.

We continue to evolve our business strategy which remains focussed on service excellence, the development of new services, investment in technology, the progression of our people and the protection of our culture. Our specialist knowledge and experience cover a wide range of areas and we continue to invest within the business to broaden and enhance our services focussed on the needs of our clients. As a summary, our services include the following:

Actuarial Consulting - We provide a full range of completely tailored and independent advice to trustees of defined benefit (DB) pension schemes of all sizes. Alongside the statutory scheme actuary role, which includes triennial valuations and funding updates, we support our clients with the design and monitoring of integrated funding and investment strategies and de-risking frameworks.

Bulk Annuity Transactions - Our specialist bulk annuity team has extensive experience of advising both trustees and employers with DB schemes on all aspects of buyouts, buy-ins and longevity swaps – including traditional and medically underwritten bulk annuity processes – spanning initial objective setting, feasibility and preparation, through to insurer selection, transaction execution and implementation. We have advised on the full range of transaction sizes including large £multi-billion deals.

Pension Administration – We provide a full range of high-quality administration services to DB and defined contribution (DC) pension schemes which includes record keeping, benefit calculations, regulatory reporting, accounting, data cleansing and analysis, pensioner payroll and process control. We also provide specialist services for pension schemes in Pension Protection Fund (PPF) assessment. Our offering is supported by a bespoke, flexible and integrated administration system with online access for members, trustees and employers.

Investment Consulting – We assist DB and DC pension schemes, endowments, family offices and charities with a range of investment advice, including investment strategy development, strategy implementation and monitoring of investment performance. We also provide selection advice for, and ongoing monitoring of, fiduciary managers.

Pensions executive, management and secretarial (PEMS) services – Our diverse and highly experienced team support pension scheme trustees with a range of much-needed pension management services, including secretarial and governance work, executive and management services, project and resource management and one-off projects. The team also supports corporates with their ever-increasing risk and governance needs.

Employer Consulting – We provide client-focussed advice to employers on a wide range of matters, both in the UK and globally through our joint venture MBWL International. This includes:

- DB pensions, advising scheme sponsors on identifying, measuring and mitigating the inherent risks, including solutions on scheme funding, end game journey planning and implementation, and corporate transactions;
- Employee Benefits, helping employers deliver the maximum impact from their benefit spend, including integrated benefit strategy, healthcare, risk benefits, flexible and voluntary benefits and wellbeing, all delivered to employees through our digital employee benefit platform; and
- Management Consulting, providing outcome focused and data driven Management Consultancy with a specialism in Risk Management. Our Risk Portal is an online platform where clients can access Risk Management and Resilience content, complemented by a range of simulation, modelling and real-time decision analytics tools.

Defined Contribution (DC) Pension Consulting - We achieve exceptional outcomes for DC pension scheme members, employers, and trustees. Our experts provide a full suite of consultancy services to corporates, trustees and providers,

Members' report

For the year ended 31 May 2023

covering data analytics, DC plan design, communications, and governance, all underpinned by our governance, engagement and monitoring (GEM) toolkit.

Member Engagement - Working with employers, trustees, and private clients, we design and implement a successful employee engagement strategy that empowers members. Starting from strategy right through to implementation, our experts within our creative agency and wholly owned business, DrumRoll, deliver the best solutions to inspire employees to make the right choices with their pension and benefits.

Insurance and Longevity Consulting – Through our actuarial and longevity expertise, we provide independent solutions to help insurers manage their financial risk. Our committed experts are dedicated to excellent client service delivery, and action this through efficient outsourcing or technological solutions, flexible project support, or traditional advisory and assurance engagements. Our team researches the latest ideas and insurance market knowledge to keep clients informed of changes in the industry.

International - We can advise clients globally through our joint venture MBWL International and have additional international networks via Global Actuarial and Consulting Services (GLOBACS).

Public Sector Consulting – We provide clear, pragmatic, and practical advice to local authorities and other bodies participating or wishing to participate in the Local Government Pension Scheme (LGPS) including charities and non-profit organisations.

SIPP and SSAS Services – We have a strong tradition of providing specialist pensions for company directors, business owners, self-employed and other high net worth individuals. Our Self-Invested Personal Pension (SIPP) (registered as a separate entity for compliance reasons) and Small Self-Administered Schemes (SSAS) services have grown significantly, illustrating the value we add in these areas. We have two main SIPP services: our Flexible SIPP, which we offer to individuals, often supported via a financial adviser, and institutional SIPP arrangements that we run on behalf of other businesses, often on a white-labelled basis.

Principal risks and uncertainties

The principal risks and uncertainties associated with the limited liability partnership are the maintenance of:

- (a) client relationships;
- (b) sufficiently skilled and motivated staff;
- (c) sufficient cashflow;
- (d) effective risk controls; and
- (e) authorisation by the Financial Conduct Authority.

Positive impact

We carefully consider our impact on our people and wider society and the environment. We take great pride in our caring and diverse culture. Our people strategy has been developed around creating an inclusive employee experience, engendering a learning culture, and leading transformation to inform decisions. We give back to our local communities through volunteering, donations and sponsorship. We are making strong progress in terms of our sustainability goals, particularly in our pledge to become net zero including scope 3 by 2025.

Results

The consolidated statement of comprehensive income for the year is set out on page 9.

Designated Members

The following designated members have held office since 1 June 2022:

A J Vaughan
D G Wilding (resigned 8 March 2023)
A M Pocock
R Hawkes
M I Whitehead (resigned 8 March 2023)

Members' report

For the year ended 31 May 2023

D Stoddard

S A Brown (appointed 1 June 2023)

M W F Fitcher (appointed 1 June 2022)

Z F Smith

Auditors

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

Statement of disclosure to auditor

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

Policy in respect of members' drawings

The members' drawing policy allows each member to draw a proportion of their expected profit share during the year, subject to the cash requirements of the business. Any amounts remaining due to members will be paid after these accounts have been completed.

A members' capital requirement is linked to their share of profit and the financial requirement of the limited liability partnership. Members' capital is repaid upon retirement from the limited liability partnership.

Transfers between debt and equity capital represent movements in the levels of required capital within the regulated subsidiaries.

Employee involvement

Throughout the year the group encourages active participation from employees on committees and at regular department meetings that plan, organise and monitor work. All employees are invited to attend an annual presentation reviewing the limited liability partnership's progress and future direction.

Disabled persons

The group's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Members' report

For the year ended 31 May 2023

Statement of members' responsibilities

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), the members 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 limited liability partnership and of the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. These responsibilities are exercised by the delegated members on behalf of the members.

On behalf of the members:

Andrew Vaughan

.....
A J Vaughan

Designated member

3 November 2023

Independent auditor's report

To the members of Barnett Waddingham LLP

Opinion

We have audited the financial statements of Barnett Waddingham LLP (the "limited liability partnership") and its subsidiaries ("the group") for the year ended 31 May 2023 which comprise the Consolidated Statement of Comprehensive Income, the Balance Sheets, the Statements of Members' Interests, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and limited liability partnership's affairs as at 31 May 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the member's 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 doubt on the group and limited liability partnership'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 members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. 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 consistent 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.

Independent auditor's report

To the members of Barnett Waddingham LLP

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities, set out on page 4, the members 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 members 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 members are responsible for assessing the group's and limited liability partnership'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 members either intend to liquidate the group or the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit is considered capable of detecting irregularities, including fraud

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

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and limited liability partnership, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"
- Companies Act 2006
- Corporation Tax legislation
- VAT legislation
- Financial Conduct Authority regulations

Independent auditor's report

To the members of Barnett Waddingham LLP

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

- General Data Protection Regulation
- Statement of Recommended Practice "Accounting by Limited Liability Partnerships"

We gained an understanding of how the group is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and of board minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition
- Work in progress

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- enquiring of management and those charged with governance regarding the actual or suspected instances of non-compliance with laws and regulations and following up on any items identified to ensure no irregularities included;
- reviewing the level of and reasoning behind the LLP's procurement of legal and professional services;
- reviewing board minutes for any reference to breaches in laws or regulations or indications of any potential litigation or claims, including any health and safety issues;
- performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias; and
- challenging assumptions made by management in its significant accounting estimate in relation to work in progress valuation.

Our audit procedures were designed to respond to the risk of material misstatements 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 intentional concealment, forgery, collusion, omission or misrepresentation. 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.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

BARNETT WADDINGHAM LLP

Independent auditor's report

To the members of Barnett Waddingham LLP

Johnston Carmichael LLP

Barry Masson (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP
Chartered Accountant
Statutory Auditor

07/11/2023

7-11 Melville Street
Edinburgh
EH3 7PE

Consolidated Statement of Comprehensive Income

To the members of Barnett Waddingham LLP

	Notes	2023 £	2022 £
Turnover	3	145,781,224	120,931,481
Administrative expenses		(107,865,920)	(88,388,601)
Operating profit	4	37,915,304	32,542,880
Other interest receivable and similar income	6	240,089	21,130
Interest payable and similar charges	7	-	(19,411)
Profit on ordinary activities before taxation		38,155,393	32,544,599
Tax on profit on ordinary activities	8	(875,180)	(443,291)
Profit for the period before members' remuneration and profit share		37,280,213	32,101,308
Members' remuneration charged as an expense		(36,131,723)	(31,218,540)
Profit for the period available for discretionary division among members		1,148,490	882,768
Total comprehensive income for the year		1,148,490	882,768

Balance sheets

As at 31 May 2023

		Group		LLP	
		2023	2022	2023	2022
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10	6,783,989	7,651,004	3,907,927	3,817,505
Goodwill	11	-	-	-	-
Other intangible assets	11	2,269,160	332,371	46,000	92,000
Investments	12	-	-	6,173,622	5,830,710
		<u>9,053,149</u>	<u>7,983,375</u>	<u>10,127,549</u>	<u>9,740,215</u>
Current assets					
Debtors	13	47,911,642	38,519,389	42,289,264	33,876,265
Cash at bank and in hand		<u>15,441,175</u>	<u>14,530,309</u>	<u>6,034,530</u>	<u>8,881,337</u>
		63,352,817	53,049,698	48,323,794	42,757,602
Creditors: amounts falling due within one year	14	<u>(21,422,800)</u>	<u>(15,452,017)</u>	<u>(13,402,983)</u>	<u>(11,372,671)</u>
Net current assets		<u>41,930,017</u>	<u>37,597,681</u>	<u>34,920,811</u>	<u>31,384,931</u>
Total assets less current liabilities		50,983,166	45,581,056	45,048,360	41,125,146
Provisions for liabilities	16	<u>(2,768,883)</u>	<u>(2,517,875)</u>	<u>(1,814,012)</u>	<u>(1,893,410)</u>
Net assets attributable to members		<u>48,214,283</u>	<u>43,063,181</u>	<u>43,234,348</u>	<u>39,231,736</u>

BARNETT WADDINGHAM LLP

Balance sheets (continued)

As at 31 May 2023

		Group		LLP	
		2023	2022	2023	2022
	Notes	£	£	£	£
REPRESENTED BY:					
Loans and other debts due to members within one year					
Members' capital classified as a liability	15	20,124,996	16,149,037	20,124,996	16,149,037
Amounts due in respect of profits		20,011,718	19,985,065	23,109,352	23,082,699
		<u>40,136,714</u>	<u>36,134,102</u>	<u>43,234,348</u>	<u>39,231,736</u>
EQUITY					
Members capital – Other reserves classified as equity		3,200,000	3,200,000	-	-
Other reserves		4,877,569	3,729,079	-	-
		<u>8,077,569</u>	<u>6,929,079</u>	<u>-</u>	<u>-</u>
TOTAL MEMBERS' INTERESTS					
Amounts due from members		-	-	-	-
Loans and other debts due to members		40,136,714	36,134,102	43,234,348	39,231,736
Members' other interests		8,077,569	6,929,079	-	-
		<u>48,214,283</u>	<u>43,063,181</u>	<u>43,234,348</u>	<u>39,231,736</u>

Profit for the financial year

As permitted by section 408 Companies Act 2006, the parent entity's profit and loss account has not been included in these financial statements. The profit for the financial year, before members' remuneration charged as an expense, was £36,131,723 (2022: £31,218,540).

3 Nov 2023

The financial statements were approved by the members and authorised for issue on.....and signed on their behalf by:

Andrew Vaughan

.....

A J Vaughan

Designated member

LLP Registered Number OC307678

Statement of members' interests

For the year ended 31 May 2023

Year ended 31 May 2023 (Group)

Group – current financial year	EQUITY		DEBT		TOTAL
	Members'	Other Interests	Loans and other debts due to members		MEMBERS' INTERESTS
	Members' capital classified as equity	Other reserves classified as equity	Members' capital (classified as debt)	Other amount	Total
	£	£	£	£	£
Members' interests at 1 June 2022	3,200,000	3,729,079	16,149,037	19,985,065	43,063,181
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	36,131,723	36,131,723
Profit available for discretionary division among members	-	1,148,490	-	-	1,148,490
Members' interests after profit and remuneration for the year	3,200,000	4,877,569	16,149,037	56,116,788	80,343,394
Drawings	-	-	-	(19,072,928)	(19,072,928)
Taxation	-	-	-	(13,056,183)	(13,056,183)
Other movements	-	-	3,975,959	(3,975,959)	-
Members' interests at 31 May 2023	3,200,000	4,877,569	20,124,996	20,011,718	48,214,283

Statement of members' interests

For the year ended 31 May 2023

Year ended 31 May 2022 (Group)

Group – prior financial year	EQUITY		DEBT		TOTAL MEMBERS INTERESTS
	Members' capital classified as equity	Other reserves classified as equity	Loans and other debts due to members	Members' capital (classified as debt)	Other amount
	£	£	£	£	£
Members' interests at 1 June 2021	2,800,000	2,846,311	15,261,716	20,551,757	41,459,784
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	31,218,540	31,218,540
Profit available for discretionary division among members	-	882,768	-	-	882,768
Members' interests after profit and remuneration for the year	2,800,000	3,729,079	15,261,716	51,770,297	73,561,092
Drawings	-	-	-	(17,384,447)	(17,384,447)
Taxation	-	-	-	(13,113,464)	(13,113,464)
Transfer of equity	400,000	-	-	(400,000)	-
Other movements	-	-	887,321	(887,321)	-
Members' interests at 31 May 2022	3,200,000	3,729,079	16,149,037	19,985,065	43,063,181

Statement of members' interests

For the year ended 31 May 2023

Year ended 31 May 2023 (LLP)

LLP – current financial year	DEBT		TOTAL
	Loans and other debts due to members		MEMBERS'
	Members' capital (classified as debt)	Other amount	INTERESTS
	£	£	Total £
Members' interests at 1 June 2022	16,149,037	23,082,699	39,231,736
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	36,131,723	36,131,723
Profit available for discretionary division among members	-	-	-
	<hr/>	<hr/>	<hr/>
Members' interests after profit and remuneration for the year	16,149,037	59,214,422	75,363,459
Drawings	-	(19,072,928)	(19,072,928)
Taxation	-	(13,056,183)	(13,056,183)
Other movements	3,975,959	(3,975,959)	-
	<hr/>	<hr/>	<hr/>
Members' interests at 31 May 2023	20,124,996	23,109,352	43,234,348
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Statement of members' interests

For the year ended 31 May 2023

Year ended 31 May 2022 (LLP)

LLP – prior financial year	DEBT		TOTAL
	Loans and other debts due to members		MEMBERS' INTERESTS
	Members' capital (classified as debt)	Other amount	Total
	£	£	£
Members' interests at 1 June 2021	15,261,716	23,249,391	38,511,107
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	31,218,540	31,218,540
Profit available for discretionary division among members	-	-	-
	<hr/>	<hr/>	<hr/>
Members' interests after profit and remuneration for the year	15,261,716	54,467,931	69,729,647
Drawings	-	(17,384,447)	(17,384,447)
Taxation	-	(13,113,464)	(13,113,464)
Other movements	887,321	(887,321)	-
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Members' interests at 31 May 2022	16,149,037	23,082,699	39,231,736
	<hr/>	<hr/>	<hr/>

Consolidated cash flow statement

For the year ended 31 May 2023

	Note	2023	2022
		£	£
Operating activities			
Cash generated from operating activities before transactions with members	24	36,987,388	28,574,939
Corporation taxes paid		(424,837)	(749,470)
Members' drawings		(19,072,928)	(17,384,447)
Tax paid on behalf of members		(13,056,183)	(13,113,464)
Net cash generated from operating activities		4,433,440	(2,672,442)
Investing activities			
Purchase of tangible fixed assets	(1,683,417)	(1,985,749)	
Purchase of intangible fixed assets	(2,079,246)	(148,607)	
Interest received	240,089	21,130	
Net cash used in investing activities		(3,522,574)	(2,113,226)
Financing activities			
Repayment of bank loan	-	(845,525)	
Interest paid	-	(19,411)	
Net cash used in financing activities		-	(864,936)
Net increase (decrease) in cash and cash equivalents		910,866	(5,650,604)
Cash and cash equivalents at beginning of the year		14,530,309	20,180,913
Cash and cash equivalents at end of the year		15,441,175	14,530,309

Notes to the consolidated financial statements

For the year ended 31 May 2023

1 Accounting policies

Limited liability partnership information

Barnett Waddingham LLP is a limited liability partnership domiciled and incorporated in England and Wales. The registered office is 2 London Wall Place, London, EC2Y 5AU.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting for Limited Liability Partnerships" issued in December 2018 together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the parent limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements combine the financial statements of Barnett Waddingham LLP and its subsidiary companies (collectively known as "the group").

The parent entity and subsidiaries have therefore taken the following exemptions under the reduced disclosure framework of FRS 102:

- from the requirement to present a statement of cash flows;
- from the requirement to disclose key management compensation; and
- from the requirement of FRS 102 Section 11 paragraphs 11.39 to 11.48A relating to certain financial instrument disclosures and equivalent disclosures are included within the consolidated financial statements.

Uniform accounting policies are followed throughout the group and the financial statements of all operating subsidiary companies are prepared to the same accounting date as the parent entity. The profit shown in the consolidated statement of comprehensive income excludes material unrealised profits arising from trading between group members.

A joint venture is an undertaking in which the group has a long-term interest and over which it exercises joint control. The group's share of the profits less losses of joint ventures is included in the consolidated statement of comprehensive income and its interest in their net assets is included in investments in the consolidated balance sheet.

1.3 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the group and the limited liability partnership have adequate resources to continue in operational existence for at least the period of 12 months from the balance sheet date. Thus the members continue to adopt the going concern basis in preparing the financial statements.

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

1 Accounting policies (continued)

1.4 Turnover

Turnover is recognised as earned when, and to the extent that, the limited liability partnership obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding VAT.

Services provided to clients during the year, which are unbilled at the balance sheet date, are recognised as turnover. Unbilled turnover is included in debtors. Negative WIP relates to fixed fee income billed in advance of work performed.

If, at the balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the limited liability partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the balance sheet date are carried forward as work in progress, at the lower of cost and net realisable value.

1.5 Members' participating interests

Members' participation rights are the rights of a member against the limited liability partnership that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the limited liability partnership are analysed between those that are, from the limited liability partnership's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the limited liability partnership has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

1.6 Intangible fixed assets – goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is between 4 and 11 years.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software	- 20% reducing balance
Customer lists	- 25% straight line

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

1 Accounting policies (continued)

1.7 Intangible fixed assets other than goodwill (continued)

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use;
- The intention to complete the software and use it;
- How the software will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the software;
- The ability to measure reliably the expenditure attributable to the software during its development.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Tenants improvements	- Over the period of the lease
Plant and machinery	- 20% reducing balance or 20% straight line
Computer equipment	- 20-25% reducing balance or 13-25% straight line

1.9 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the limited liability partnership. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.11 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group and the limited liability partnership's balance sheet when the group or limited liability partnership becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

1 Accounting policies (continued)

1.11 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents included in the balance sheet comprise cash in hand and deposits held at call with banks.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group entities, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.12 Taxation

The taxation payable on the partnership profits is solely the personal liability of the individual members consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

The tax expense represents the sum of current tax and deferred tax incurred by subsidiary companies.

The tax currently payable is based on taxable profit for the period. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

1 Accounting policies (continued)

1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employees services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Members' remuneration

The allocation of profit is agreed in advance of the year end and the Members' Agreement stipulates that any and all residual profit must be allocated to members rather than retained by the limited liability partnership. As a result, members' remuneration equals the profit for the financial year of the limited liability partnership, as the limited liability partnership has an obligation, at the year end date, to allocate in full such profits for the year. Drawings by members on account of profits for the year reduce the amounts due to members at the year end.

1.18 Work in progress

Work in progress held at the year end represents fees and time spent on professional services for clients and is included in accrued income in debtors and accruals in creditors. This value represents the recoverable work in progress balance, being unbilled time and fixed fee amounts due.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

2 Judgements and key sources of estimation uncertainty (continued)**Key sources of estimation uncertainty**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Work in progress

In respect of client balances included within work in progress (WIP) at the year end, an estimate is required of their recoverability. The recoverability of WIP is determined by management, taking account of the expected fee levels, anticipated time to come and other relevant factors. Provision is made for work in progress that is not considered to be recoverable. WIP of £7,060,550 (2022: £6,411,326) is included in prepayments and accrued income within debtors.

3 Turnover

An analysis of the group's turnover is as follows:

	2023 £	2022 £
Turnover		
Rendering of services	145,781,224	120,931,481
	<u>145,781,224</u>	<u>120,931,481</u>
Turnover analysed by geographical market		
	2023 £	2022 £
United Kingdom	144,742,123	119,695,250
Europe	739,296	770,740
Rest of the world	299,805	465,491
	<u>145,781,224</u>	<u>120,931,481</u>

The total turnover of the group for the year has been derived from its principal activities.

4 Operating profit

	2023 £	2022 £
Operating profit is stated after charging:		
Depreciation of tangible assets	2,012,686	1,648,035
Amortisation of intangible assets	142,457	191,578
Loss on disposal of asset	109,080	32,276
Operating lease rentals:		
- Other operating leases	4,033,584	4,022,168
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	35,000	27,500
Fees payable to the LLP's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the LLP pursuant to legislation	50,480	45,500
Other services relating to taxation and consultancy	109,000	110,000
	<u>109,000</u>	<u>110,000</u>

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

5 Employees

Staff costs, including members' remuneration, were as follows:

	2023	2022
	£	£
Wages and salaries	60,482,721	52,448,958
Social security costs	8,462,255	5,132,466
Other pension costs	8,672,934	6,898,582
	<u>77,617,910</u>	<u>64,480,006</u>

The average monthly number of employees employed during the year was as follows:

	2023	2022
	Number	Number
Management and administration	222	207
Professional	1,189	1,098
	<u>1,411</u>	<u>1,305</u>

6 Other interest receivable and similar income

	2023	2022
	£	£
Bank interest received	240,089	21,130
	<u>240,089</u>	<u>21,130</u>

7 Interest payable and similar charges

	2023	2022
	£	£
Interest on bank overdrafts and loans	-	19,411
	<u>-</u>	<u>19,411</u>

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

8	Taxation	2023 £	2022 £
	Current tax		
	UK Corporation tax on profits for the current period	566,818	236,069
	Adjustments in respect of prior periods	(22,043)	-
		<u>544,775</u>	<u>236,069</u>
	Deferred tax		
	Origination and reversal of timing differences	301,935	207,222
	Change in tax rate	28,470	-
		<u>330,405</u>	<u>207,222</u>
	Total tax charge	<u>875,180</u>	<u>443,291</u>

From 1 April 2023 the main rate increased to 25% for business profits made by the company over £250,000. A small profit rate (SPR) was also introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

The tax charge can be reconciled to the profit per the statement of comprehensive income as follows:

Factors affecting the tax charge for the year

Profit on ordinary activities before taxation	38,155,393	32,544,599
Less profit arising in LLPs	(36,131,723)	(31,218,540)
	<u>2,023,670</u>	<u>1,326,059</u>
Profit on ordinary activities of group companies before tax		
Profit on ordinary activities before taxation multiplied by average standard rate of UK corporation tax of 20% (2022 – 19%)	404,734	251,951
Effects of:		
Non-deductible expenses	403,665	141,908
Effect of change in tax rate	60,354	49,432
Deferred tax in respect of prior period	(22,043)	-
Adjustment to tax charge in respect of previous periods	28,470	-
	<u>875,180</u>	<u>443,291</u>
Current tax charge for the year		

9 Parent entity profit for the financial year

As permitted by section 408 of the Companies Act 2006, as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the profit and loss account of the parent limited liability partnership has not been included in these financial statements. The parent entity profit for the financial year is made up as follows:

	2023 £	2022 £
Parent limited liability partnership's profit for the financial year, before members' remuneration charged as an expense	<u>36,131,723</u>	<u>31,218,540</u>

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

10 Tangible fixed assets

Group	Tenants improvements £	Plant & machinery £	Computer equipment £	Total £
Cost				
At 1 June 2022	6,989,354	1,865,969	4,884,375	13,739,698
Additions	601,968	132,102	949,347	1,683,417
Disposals	(180,204)	(387,752)	(1,962,950)	(2,530,906)
At 31 May 2023	7,411,118	1,610,319	3,870,772	12,892,209
Depreciation				
At 1 June 2022	3,171,849	998,661	1,918,184	6,088,694
Charge for the year	503,705	192,943	1,316,038	2,012,686
On disposals	(172,363)	(372,252)	(1,448,545)	(1,993,160)
At 31 May 2023	3,503,191	819,352	1,785,677	6,108,220
Net book value				
At 31 May 2023	3,907,927	790,967	2,085,095	6,783,989
At 1 June 2022	3,817,505	867,308	2,966,191	7,651,004

LLP	Tenant's improvements £
Cost	
At 1 June 2022	6,989,354
Additions	601,968
Disposals	(180,204)
At 31 May 2023	7,411,118
Depreciation	
At 1 June 2022	3,171,849
Charge for the year	503,705
On disposals	(172,363)
At 31 May 2023	3,503,191
Net book value	
At 31 May 2023	3,907,927
At 1 June 2022	3,817,505

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

11 Intangible fixed assets

Group	Goodwill	Computer Software	Customer Lists	Total
	£	£	£	£
Cost				
At 1 June 2022	12,524,933	1,698,656	1,289,180	15,512,769
Additions	-	2,079,246	-	2,079,246
At 31 May 2023	12,524,933	3,777,902	1,289,180	17,592,015
Amortisation or impairment				
At 1 June 2022	12,524,933	1,366,285	1,289,180	15,180,398
Charge for the year	-	142,457	-	142,457
At 31 May 2023	12,524,933	1,508,742	1,289,180	15,322,855
Net book value				
At 31 May 2023	-	2,269,160	-	2,269,160
At 31 May 2022	-	332,371	-	332,371

LLP	Goodwill	Computer Software	Total
	£	£	£
Cost			
At 1 June 2022	2,770,998	230,000	3,000,998
At 31 May 2023	2,770,998	230,000	3,000,998
Amortisation			
At 1 June 2022	2,770,998	138,000	2,908,998
Charge for the year	-	46,000	46,000
At 31 May 2023	2,770,998	184,000	2,954,998
Net book value			
At 31 May 2023	-	46,000	46,000
At 31 May 2022	-	92,000	92,000

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

12 Investments**Group****Movement in fixed asset investments**

Cost	£
At 1 June 2022	75,001
Additions	-
At 31 May 2023	<u>75,001</u>
 Impairment	
At 1 June 2022	75,001
Share of losses	-
At 31 May 2023	<u>75,001</u>
 Net book value	
At 31 May 2023	<u>-</u>
At 1 June 2022	<u>-</u>

The group own 33% of the issued share capital of MBWL International Limited.

LLP

Cost or valuation	£
At 1 June 2022	5,830,710
Allocation of profit	342,912
At 31 May 2023	<u>6,173,622</u>
 Carrying amount	
At 31 May 2023	<u>6,173,622</u>
At 1 June 2022	<u>5,830,710</u>

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

13 Debtors

	Group		LLP	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	21,275,332	15,590,768	20,076,174	14,917,786
Corporation tax recoverable	-	33,525	-	-
Other debtors	1,090,167	403,503	-	-
Prepayments and accrued income	25,546,143	22,491,593	22,213,090	18,958,479
	<u>47,911,642</u>	<u>38,519,389</u>	<u>42,289,264</u>	<u>33,876,265</u>

Trade debtors are net of a provision of £262,177 (2022: £262,177).

14 Creditors: amounts falling due within one year

	Group		LLP	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	3,770,281	1,986,720	1,566,426	1,412,671
Amounts owed to group undertakings	-	-	5,082,210	3,665,448
Corporation tax	416,818	-	-	-
Other taxes and social security costs	3,133,987	2,917,116	1,789,183	1,480,572
Other creditors	513,251	156,601	449,142	48,410
Accruals and deferred income	13,588,463	10,391,580	4,516,022	4,765,570
	<u>21,422,800</u>	<u>15,452,017</u>	<u>13,402,983</u>	<u>11,372,671</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

15 Loans and other debts due to members

	Group		LLP	
	2023	2022	2023	2022
	£	£	£	£
Member capital treated as debt	20,124,996	16,149,037	20,124,996	16,149,037
Undrawn profits due to members	20,011,718	19,985,065	23,109,352	23,082,699
	<u>40,136,714</u>	<u>36,134,102</u>	<u>43,234,348</u>	<u>39,231,736</u>

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank after debts due to unsecured creditors.

16 Provisions for liabilities**Group**

	Deferred tax	Dilapidations	Claims	Total
	£	£	£	£
Balance at 1 June 2022	624,466	1,003,834	889,575	2,517,875
Increase of provisions in the year	330,405	227,389	492,708	1,050,502
Utilisation of provision	-	(121,625)	(677,869)	(799,494)
Balance at 31 May 2023	<u>954,871</u>	<u>1,109,598</u>	<u>704,414</u>	<u>2,768,883</u>

LLP

	Dilapidations	Claims	Total
	£	£	£
Balance at 1 June 2022	1,003,834	889,575	1,893,409
Increase of provisions in the year	227,389	492,708	720,097
Utilisation of provision	(121,625)	(677,869)	(799,494)
Balance at 31 May 2023	<u>1,109,598</u>	<u>704,414</u>	<u>1,814,012</u>

Dilapidations

The provision for dilapidation costs at 31 May 2023 is in respect of expected costs on property leases ending in the period between October 2023 and May 2035. The provision assumes reinstatement of the property at the end of each individual lease term.

Claims

The provision for claims at 31 May 2023 is in respect of expected costs associated with the settlement of on-going legal cases open at the year end. The provision includes an estimate of both the actual settlement and the legal costs associated with each individual case.

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

17 Financial commitments**Group**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings 2023 £	Land and buildings 2022 £
Within one year	4,240,243	4,344,939
Between two and five years	17,017,975	17,457,029
After more than five years	13,687,693	15,696,598
	<u>34,945,911</u>	<u>37,498,566</u>

LLP

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings 2023 £	Land and buildings 2022 £
Within one year	4,240,243	4,344,939
Between two and five years	17,017,975	17,457,029
After more than five years	13,687,693	15,696,598
	<u>34,945,911</u>	<u>37,498,566</u>

18 Capital Commitments**Group**

Amounts contracted for but not provided in the financial statements:

	2023 £	2022 £
	-	561,361
	<u>-</u>	<u>561,361</u>

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

19 Security and Contingent liabilities

A fixed charge exists over the assets of the LLP as appropriate in the event of an individual default by a partner in connection with partner capital loans. No such default exists at 31 May 2023 (2022: none)

20 Pension commitments

The entity participates in a defined contribution pension arrangement and the defined contribution assets are held within that arrangement being separate from the entity. The pension cost charge represents contributions payable by the entity to the fund and amounted to £8,672,934 (2022 - £6,898,582).

21 Information on members

The average number of members during the year was 93 (2022 – 88). The amount of profit attributable to the member with the largest entitlement was £1,344,582 (2022 - £1,299,367).

22 Remuneration of key management personnel

The remuneration of key management personnel, defined as being the designated members of the limited liability partnership, for the year to 31 May 2023 is £3,350,337 (2022 - £4,817,460).

23 Cash generated from operations before transactions with members

	2023	2022
	£	£
Profit for the financial year available for discretionary division among members	1,148,490	882,768
Adjustments for:		
Members remuneration charged as an expense	36,131,723	31,218,540
Taxation charged	875,180	443,291
Finance costs	-	19,411
Investment income	(240,089)	(21,130)
Amortisation and impairment of intangibles	142,457	191,578
Depreciation of tangible fixed assets	2,012,686	1,648,035
Loss on sale of tangible fixed assets	537,746	32,276
Movements in working capital:		
(Increase) in debtors	(9,425,778)	(2,309,063)
(Increase) / decrease in creditors	5,553,965	(3,966,064)
(Increase) / decrease in provisions	251,008	435,297
Cash generated from operations before transactions with members	36,987,388	28,574,939

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

24 Analysis of changes in net debt

	Balance at beginning of period £	Arising from cash flows £	Other non- cash changes £	Balance at end of period £
Cash at bank	14,530,309	910,866	-	15,441,175
Net funds (before members' debt)	14,530,309	910,866	-	15,441,175
Loans and other debts due to members:				
Members' capital	(16,149,037)	-	(3,975,959)	(20,124,996)
Other amounts due to members	(19,985,065)	(30,497,911)	30,471,258	(20,011,718)
Net debt	<u>(21,603,793)</u>	<u>(29,587,045)</u>	<u>26,495,299</u>	<u>(24,695,539)</u>

25 Subsidiaries

LLP / Company	Country of registration or incorporation	Principal activity	Shares held	
			Class	%
BW SIPP LLP *	England & Wales	Provider of self invested personal pensions	NA	100
Barnett Waddingham Actuaries and Consultants Limited *	England & Wales	Actuarial consultants	Ordinary	100
Barnett Waddingham Capital Partner Limited ⁽¹⁾ *	England & Wales	Non trading	Ordinary	100
Barnett Waddingham Trustees Limited **	England & Wales	Dormant	Ordinary	100
Flexible Annuity Company Limited **	England & Wales	Dormant	Ordinary	100
BW Trustees (Cheltenham) Limited **	England & Wales	Dormant	Ordinary	100
BW SIPP Trustees Limited ***	England & Wales	Dormant	Ordinary	100
Pensioner Trustees Limited **	England & Wales	Dormant	Ordinary	100
Pensioner Trustees (London) Limited **	England & Wales	Dormant	Ordinary	100

Notes to the consolidated financial statements (continued)

For the year ended 31 May 2023

Barnett Waddingham Capital Trustees Limited **	England & Wales	Dormant	Ordinary	100
Pensioner Trustees (Leeds) Limited **	England & Wales	Dormant	Ordinary	100
Barnett Waddingham Trustees Scotland Limited **	England & Wales	Dormant	Ordinary	100
Barnett Waddingham Trustees (1996) Limited ⁽¹⁾ **	England & Wales	Dormant	Ordinary	100
Barnett Waddingham Trustees (1984) Limited ⁽¹⁾ **	England & Wales	Dormant	Ordinary	100
Barnett Waddingham Trustees (1992) Limited **	England & Wales	Dormant	Ordinary	100
Barnett Waddingham Trustees (1980) Limited ⁽¹⁾ **	England & Wales	Dormant	Ordinary	100
Harsant Pensioner Trustees Limited ⁽¹⁾ **	England & Wales	Dormant	Ordinary	100
Barnett Waddingham Trustees (1997) Limited ⁽¹⁾ **	England & Wales	Dormant	Ordinary	100

⁽¹⁾ Subsidiary held indirectly through subsidiaries of Barnett Waddingham LLP

Registered office addresses (all UK unless otherwise indicated):

* 2 London Wall Place, London EC2Y 5AU

** Decima Place, Chiltern Avenue, Amersham, Buckinghamshire, HP6 5FG

*** St James's House, St James Square, Cheltenham, Gloucestershire, GL50 3PR

26 Joint Ventures

Name of Undertaking	Registered Office	Nature of Business	Share Held Class	%
MBWL International Limited (previously MBW International Limited) *	England & Wales	Provision of professional services	Ordinary	33

*Joint venture held indirectly through an intermediate parent.



Please visit www.barnett-waddingham.co.uk
or call 0333 11 11 22 for further information.

Barnett Waddingham LLP is a body corporate with members located overseas as partners. All of members can be expected to be registered in the UK. Barnett Waddingham LLP (0630678), BW LLP (0632417), and Barnett Waddingham Advisors and Consultants Limited (0639243) are registered in England and Wales with their registered offices at 100 Old Broad Street, London, EC2Y 5AU. Barnett Waddingham LLP is authorised and regulated by the Financial Conduct Authority. BW LLP is authorised and regulated by the Financial Conduct Authority.

BARNETT WADDINGHAM LLP – 06307678
STREAMLINED ENERGY AND CARBON REPORTING

Energy and Carbon Reporting 2023

For the period 1 June 2022 to 31 May 2023



Barnett Waddingham is committed to reducing our carbon footprint as well as other greenhouse gases (GHG). Our long-term goal is for all the group's operations to be carbon neutral.

Table of emissions

Table 1: GHG emissions and energy use data for the period 01-Jun-22 to 31-May-23 (UK and offshore).

	Current year 2022-23		Comparison year 2021-22	
	kWh	kg CO2e	kWh	kg CO2e
Combustion of gas (Scope 1)	None	None	None	None
Combustion of fuel for transport purposes (Scope 1)	None	None	None	None
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	176,750	42,700	19,200	4,705
Purchased electricity, heat, steam, and cooling (Scope 2, location-based)	4,890,160	947,819	4,608,321	861,799
Total gross based on above	5,066,911	990,519	4,627,521	866,503
Intensity ratio - revenues (per £million)	34,808	6,804	38,313	7,174
Intensity ratio - people (per FTE)	3,811	745	3,372	631

Full time employee (FTE) numbers are 1,320 (2021/22) and 1,455 (2022/23) for the two fiscal years.

Methodology

We have followed the guidance on environmental reporting guidelines, including Streamlined Energy and Carbon Reporting requirements^[1] for our current reporting year. Last year's reporting followed a broadly similar approach.

We extracted data on business travel from our finance, expenses, and travel booking systems. Where we do not have journey information, we have estimated typical journeys separately for each office based on conversations with staff and business leaders. We have used the relevant government conversion factors for company reporting of greenhouse gas emissions^[2] to convert distance into carbon emissions. In most cases, we have information about the type of vehicle used; where this is missing, we have used the 'average' from the tables.

We purchase part of our electricity directly and have used kWh figures from our providers, combined with the government conversion factors for carbon emissions. This directly purchased electricity is 100% renewable. We have included the full emissions in this report.

In our offices, we directly purchase the gas for heating. We have used the kWh from our provider and the government conversion factors.

We have also included the electricity consumption incurred from employees working from home. The total number of days worked from home, taken from an internal database, has been multiplied by a reasonable estimate of the daily consumption.

We also purchase electricity and gas via landlord service charges. We do not have sub-meters in any office and our landlords do not provide data that is directly usable for this SECR report.

Last year, with our landlords and own buildings experts, we made assumptions about what parts of the service charges are for heating and for electricity. These percentages are different for each office based on the use and design of the building. We estimated kWh from the service charge amounts using the applicable BEIS gas and electricity price in the nondomestic sector^[3] over the quarter before the annual charge commenced. Carbon emissions were estimated from this based on the government conversion factors.

We have not been able to obtain additional information to improve our estimates and so have used last year's figures as a best estimate of our emissions from offices with service charges. We consider this appropriate given the similar property portfolio and usage.

[1] <https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>

[2] <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

[3] <https://www.gov.uk/government/statistical-data-sets/gas-and-electricity-prices-in-the-non-domestic-sector>



Please visit www.barnett-waddingham.co.uk
or call 0533 11 11 22 for further information.

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