

Bidwells LLP

Annual report and consolidated financial statements
for the year ended 31 December 2019



Bidwells LLP

Contents

Management Board and advisers	1
Strategic report.....	2
Report of the members.	4
Independent auditors' report to the members of Bidwells LLP	6
Consolidated profit and loss account	8
Consolidated statement of comprehensive income	9
Consolidated balance sheet.....	10
LLP balance sheet	11
Group and LLP reconciliations of members' interests	12
Consolidated statement of cash flows	14
Notes to the financial statements.....	15

Bidwells LLP

Management Board and advisers

Management Board

F C Clark
G P L Collins
M Derbyshire
P L McMahon
R J Pilsworth
C A Spitzer

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Maurice Wilkes Building
St. John's Innovation Park
Cowley Road
Cambridge
CB4 0DS

Bankers

Barclays Bank plc
Corporate Banking Services
2nd Floor
1 Church Street
Peterborough
PE1 1XE

Registered Office

Bidwell House
Trumpington Road
Cambridge
Cambridgeshire
CB2 9LD

Bidwells LLP

Strategic Report for the year ended 31 December 2019

The members present their strategic report for the year ended 31 December 2019.

Principal activities and review of the business

The principal activity of the Group is the provision of property consultancy and agency services to commercial, residential and rural clients. There have not been any significant changes in the group's principal activities in the year under review.

Bidwells LLP is the largest multi-disciplined property consultancy in the UK based outside of London. The subsidiary undertakings of Bidwells LLP are set out in note 14 of the financial statements.

The Oxford-Cambridge Arc remains Bidwells' primary strategic focus in England. The Arc's economy is being driven by high-growth science and technology industries and continues to post above UK average growth figures. The Arc is earmarked as a trailblazer region by UK Government, with The Treasury and MHCLG implementing policies that will accelerate growth across the region. This will enable major real estate and infrastructure projects to come forward at pace - creating jobs, homes and a significant economic boost across Bidwells' core markets.

The UK's Forestry and Renewables sectors will play a key role in the Government's 2050 climate change targets and support the drive for post-Brexit self-sufficiency, with Bidwells' Scotland teams well placed to capitalise on the opportunity this presents.

Bidwells strong track-record of financial performance continued in 2019 achieving a turnover of £49m. A profit margin of 11% was maintained in a period of economic uncertainty with Brexit and a general election impacting on transactional activity across the commercial, residential and rural property markets.

The business delivered £14.0 million of operating profit (2018 - £15.5 million) and fee income of £49.1 million (2018 - £50.4 million).

Our Balance Sheet continues to be influenced by the pension liabilities. We continue to work with the trustees in reducing this deficit with recovery plans in place to eliminate it by 2032.

Future Developments

Recording another year of good profit means Bidwells has the strength and stability required to continue investing in our people and infrastructure in what is expected to become a more challenging business environment. The business is investing in a new office for our residential business and introducing new tools and ways of working and as part of our digital transformation. We expect Bidwells' strategy of providing exceptional market knowledge in well-chosen markets to continue delivering profit if not further increasing revenues.

Principal risks and uncertainties

One risk facing the business is the expected long term performance of investments, in which the pension assets are invested, together with the underlying assumptions used to calculate the pension liability. There is a risk that the pension liability may increase in the future as a result of a change in the assumptions used to calculate the pension liability under FRS102. However, the impact of higher liabilities is being mitigated through increased hedging for both interest rates and inflation.

Bidwells LLP

Strategic Report for the year ended 31 December 2019 *(continued)*

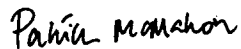
Covid-19

Like all businesses Bidwells has been affected by the impact of the COVID-19. However, having implemented agile working and technology for all staff several years ago Bidwells was well placed to quickly adapt to challenges presented by lockdown. In response to the financial impact of COVID-19 we have taken decisive steps to reshape our business to respond to the changing needs of our clients over the coming period.

As a diversified, partner-led business, we remain committed to maintaining a presence across all our key functions. We see continued growth opportunities across the Oxford-Cambridge Arc, science and technology, forestry and rural markets, and take pride in supporting long-term landholders, investors and institutions whom we will continue to support through current uncertainties.

While revenue has fallen to some extent it has not had a material impact on the prospects of Bidwells for the longer term and we expect business growth over the years ahead.

On behalf of the members



P L McMahon
Designated Member

16th November 2020

Bidwells LLP

Report of the members

The members present their annual report and audited consolidated financial statements of Bidwells LLP and its subsidiary undertakings ("the Group") for the year ended 31 December 2019.

Designated members

The designated members of the LLP who were in office during the year and up to the date of signing the financial statements were:

G P L Collins
P L McMahon
R J Pilsworth

Members' drawings and the subscription and repayment of members' capital

In accordance with the LLP agreement, from time to time, the LLP determines the amount of profit to be treated as partners' salaries. This profit is treated as allocated. The remaining profit is allocated after the year end and is shown in members' other interests in 'other reserves'. Allocated profit is included with 'loans and other debts due to members' in 'other amounts'.

Drawings are treated as payments on account of profit allocation and are only repayable to the LLP in so far as there are insufficient profits to allocate such drawings. Drawings in excess of total profits are included within 'loans and other debts due from members' in 'other amounts'. All payments are made subject to the cash requirements of the business.

The terms of the members' agreement require that capital be returned to a member on his or her retirement. Capital is accounted for as a liability of the LLP in accordance with Financial Reporting Standard ('FRS') 102.

Statement of members' responsibilities in respect of the financial statements

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

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have prepared the Group and limited liability partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland", and applicable law). Under company law, as applied to limited liability partnerships, 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 group and the limited liability partnership and of the profit or loss of the group and limited liability partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and limited liability partnership will continue in business.

Bidwells LLP

Report of the members (*continued*)

Statement of members' responsibilities in respect of the financial statements (*continued*)

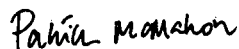
The members are also responsible for safeguarding the assets of the group and limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the group and limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

Disclosure of information to auditors

The designated members who held office at the date of approval of this 'report of the members' confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditors are unaware; and each designated member has taken all the steps that they ought to have taken as a designated member to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

On behalf of the members



P L McMahon
Designated Member

16th November 2020

Bidwells LLP

Independent auditors' report to the members of Bidwells LLP

Report on the audit of the financial statements

Opinion

In our opinion, Bidwells LLP's group financial statements and limited liability partnership financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 31 December 2019 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included within the Annual report and consolidated financial statements (the "Annual Report"), which comprise: the consolidated and LLP balance sheets as at 31 December 2019; the consolidated profit and loss account and consolidated statement of comprehensive income, the consolidated statement of cash flows, and the group and LLP reconciliations of members' interests for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and limited liability partnership's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a

Bidwells LLP

material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of members' responsibilities in respect of the financial statements, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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 the 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with 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 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.



Richard Bedlow (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

16 November 2020

Bidwells LLP

Consolidated profit and loss account for the financial year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	49,137,134	50,427,527
Less: Share of joint venture turnover		(391,844)	(249,422)
Group turnover		48,745,290	50,178,105
Change in work in progress		285,357	(122,662)
Staff costs	5	(26,793,123)	(26,633,997)
Depreciation and amortisation		(1,477,850)	(1,490,346)
Other operating charges		(6,899,321)	(6,398,472)
Group operating profit	6	13,860,353	15,532,628
Share of operating profit of joint venture		106,010	10,293
Total operating profit including joint venture		13,966,363	15,542,921
Interest receivable and similar income	7	3,817	2,293
Interest payable and similar charges	8	(1,164,497)	(940,022)
Profit on ordinary activities before taxation		12,805,683	14,605,192
Tax on profit on ordinary activities	9	(14,620)	(148,212)
Profit for the financial year before members' remuneration and profit shares		12,791,063	14,456,980
Members' remuneration charged as an expense		(7,384,258)	(6,933,215)
Profit for the financial year available for discretionary division among members		5,406,805	7,523,765

All profits arise from continuing operations.

Bidwells LLP

Consolidated statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £	2018 £
Profit for the financial year			
- Group		12,685,053	14,446,687
- Joint venture		106,010	10,293
		12,791,063	14,456,980
Remeasurements of net defined benefit obligation	20	(1,382,000)	(1,097,000)
Remeasurement of past service costs	20	-	(6,402,000)
Total tax on components of other comprehensive expense		204,630	1,298,460
Total comprehensive income relating to the year		11,613,693	8,256,440

Bidwells LLP

Consolidated balance sheet as at 31 December 2019

LLP Registration number: OC344553	Note	2019 £	2018 £
Non-current assets			
Intangible assets	11	986,315	632,654
Tangible assets	12	12,030,370	12,328,585
Deferred tax asset	10	5,438,180	5,233,550
Investments in joint venture:			
- Share of gross assets	13	229,187	112,636
- Share of gross liabilities		(88,200)	(28,648)
Other investments	13	15,000	15,000
Total investments	13	155,987	98,988
		18,610,852	18,293,777
Current assets			
Work in progress	15	1,262,370	977,013
Debtors	16	11,730,744	10,879,664
Cash at bank and in hand		529,049	3,449,763
		13,522,163	15,306,440
Creditors: amounts falling due within one year	17	(6,984,296)	(7,568,136)
Net current assets		6,537,867	7,738,304
Total assets less current liabilities		25,148,719	26,032,081
Creditors: amounts falling due after more than one year	18	(593,476)	(1,107,461)
Provision for liabilities	19	(505,289)	(307,431)
		24,049,954	24,617,189
Pension liability	20	(28,622,000)	(27,545,000)
Net liabilities attributable to members		(4,572,046)	(2,927,811)
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		5,805,000	5,700,000
Other amounts		13,390,551	11,271,114
Members' other interests		19,195,551	16,971,114
Other reserves		(23,767,597)	(19,898,925)
		(4,572,046)	(2,927,811)
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members		19,195,551	16,971,114
Members' other interests		(23,767,597)	(19,898,925)
		(4,572,046)	(2,927,811)

The financial statements on pages 8 to 38 were approved by the Members on 16th November 2020 and were signed on their behalf by:

Pahia McMahon

P L McMahon
Designated Member

Bidwells LLP

LLP balance sheet as at 31 December 2019

LLP Registration number: OC344553	Note	2019 £	2018 £
Non-current assets			
Intangible assets	11	83,403	125,611
Tangible assets	12	10,559,603	10,934,155
Investments	13	70,000	70,000
		10,713,006	11,129,766
Current assets			
Work in progress	15	1,262,370	977,013
Debtors	16	11,306,412	10,537,519
Cash at bank and in hand		-	1,715,366
		12,568,782	13,229,898
Creditors: amounts falling due within one year	17	(6,352,747)	(5,993,594)
Net current assets		6,216,035	7,236,304
Total assets less current liabilities		16,929,041	18,366,070
Creditors: amounts falling due after more than one year	18	(172,021)	(759,691)
Provision for liabilities	19	(505,289)	(307,431)
Net assets attributable to members		16,251,731	17,298,948
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		5,805,000	5,700,000
Other amounts		3,654,948	2,658,095
Members' other interests		9,459,948	8,358,095
Members' other interests - other reserves classified as equity		6,791,783	8,940,853
		16,251,731	17,298,948
Total Members' interests			
Loans and other debts due to members		9,459,948	8,358,095
Members' other interests		6,791,783	8,940,853
		16,251,731	17,298,948

As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented for the LLP. The profit before members' remuneration charged as an expense for the LLP for the year ended 31 December 2019 is £12,210,711 (2018: £13,819,988).

The financial statements on pages 8 to 38 were approved by the Members on 16th November 2020 and were signed on their behalf by:

Paula McMahon

P L McMahon
Designated Member

Bidwells LLP
Reconciliation of members' interests for the year ended 31 December 2019
Group

	Members' other interests				Loans and other debts due to/(from) members		Total 2019	Total 2018
	Members' capital (Non-distributable) £	Revaluation reserve (Non – distributable) £	Other reserves £	Total Members' other interests £	Members' capital classified as a liability £	Other amounts £		
Amounts due to members						11,271,114		
Amounts due (from) members						-		
Balance at 1 January	492,653	1,472,677	(21,864,255)	(19,898,925)	5,700,000	11,271,114	(2,927,811)	1,455,106
Members' remuneration charged as an expense	-	-	-	-	-	7,384,258	7,384,258	6,933,215
Profit for the financial year available for discretionary division among members	-	-	5,406,805	5,406,805	-	-	5,406,805	7,523,765
Members' interests after profit for the year	492,653	1,472,677	(16,457,450)	(14,492,120)	5,700,000	18,655,372	9,863,252	15,912,086
Allocated profits	-	-	(7,523,765)	(7,523,765)	-	7,523,765	-	-
Introduced by members	-	-	-	-	230,000	-	230,000	270,000
Repayment of debt (including members capital classified as a liability)	-	-	-	-	(125,000)	-	(125,000)	(615,000)
Drawings	-	-	-	-	-	(13,362,928)	(13,362,928)	(12,294,357)
Amounts allocated to subsidiary reserves	-	-	(574,342)	(574,342)	-	574,342	-	-
Actuarial loss on pension scheme	-	-	(1,382,000)	(1,382,000)	-	-	(1,382,000)	(7,499,000)
Movement on deferred tax relating to pension scheme recognised through the statement of comprehensive income	-	-	204,630	204,630	-	-	204,630	1,298,460
Amounts due to members						13,390,551		
Amounts due/(from) members						-		
Members' interest at 31 December	492,653	1,472,677	(25,732,927)	(23,767,597)	5,805,000	13,390,551	(4,572,046)	(2,927,811)

Bidwells LLP
Reconciliation of members' interests for the year ended 31 December 2019
LLP

	Members' other interests				Loans and other debts due to/(from) members			
	Members' capital (Non-distributable) £	Revaluation reserve (Non – distributable) £	Other reserves £	Total Members' other interests £	Members' capital classified as a liability £	Other amounts £	Total 2019 £	Total 2018 £
Amounts due to members						2,658,095		
Amounts due/(from) members						-		
Balance at 1 January	492,653	1,472,677	6,975,523	8,940,853	5,700,000	2,658,095	17,298,948	16,029,561
Members' remuneration charged as an expense	-	-	-	-	-	7,384,258	7,384,258	6,933,215
Profit for the financial year available for discretionary division among members	-	-	4,826,453	4,826,453	-	-	4,826,453	6,975,529
Members' interests after profit for the year	492,653	1,472,677	11,801,976	13,767,306	5,700,000	10,042,353	29,509,659	29,938,305
Allocated profits	-	-	(6,975,523)	(6,975,523)	-	6,975,523	-	-
Introduced by members	-	-	-	-	230,000	-	230,000	270,000
Repayment of debt (including members capital classified as a liability)	-	-	-	-	(125,000)	-	(125,000)	(615,000)
Drawings	-	-	-	-	-	(13,362,928)	(13,362,928)	(12,294,357)
Amounts due to members						3,654,948		
Amounts due/(from) members						-		
Members' interest at 31 December	492,653	1,472,677	4,826,453	6,791,783	5,805,000	3,654,948	16,251,731	17,298,948

In the event of winding up, loans and other debts due to members and members' other interests rank subordinate to other unsecured creditors.

Bidwells LLP**Consolidated statement of cash flows for the year ended
31 December 2019**

	Note	2019 £	2018 £
Net cash generated from operating activities	23	12,460,207	16,607,397
Taxation paid		(160,302)	(151,360)
Net cash generated from operating activities		12,299,905	16,456,037
Cash flow from investing activities			
Purchase of tangible fixed assets		(1,400,477)	(3,112,584)
Purchase of intangible fixed assets		(452,871)	(495,438)
Proceeds from sale of tangible fixed assets		383,384	336,230
Proceeds from investments		49,011	50,023
Interest received		3,817	2,293
Net cash used in investing activities		(1,417,136)	(3,219,476)
Cash flow from financing activities			
Repayment of obligations under finance leases		(980,000)	(1,026,126)
Interest element of finance lease payments		(84,134)	(98,236)
New finance leases		531,942	1,901,970
Interest paid		(13,363)	(37,786)
Net cash (used in)/generated from financing activities		(545,555)	739,822
Cash flow from transactions with members and former members			
Contributions by members		230,000	270,000
Payments to members		(13,362,928)	(12,294,357)
Post retirement payments to former members		(125,000)	(615,000)
Net cash used in transactions with members and former members		(13,257,928)	(12,639,357)
Net (decrease)/increase in cash and cash equivalents	24	(2,920,714)	1,337,026
Cash and cash equivalents at the beginning of the year		3,449,763	2,112,737
Cash and cash equivalents at the end of the year		529,049	3,449,763
Cash and cash equivalents consists of:			
Cash at bank and in hand		529,049	3,449,763
Cash and cash equivalents		529,049	3,449,763

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019

1 Statement of compliance

The financial statements of Bidwells LLP have been prepared in compliance with applicable accounting standards in the United Kingdom including the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", and Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

2 Accounting policies

The principal accounting policies are set out below. The accounting policies have been consistently applied across the Bidwells group.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 December 2019.

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

The results of the joint venture with Creative Places LLP are accounted for using the gross equity method of accounting.

Turnover

Turnover represents amounts chargeable to clients for professional services provided during the year, exclusive of direct expenses incurred on client assignments and excluding value added tax. Turnover is recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of the work performed. Turnover also includes appropriate amounts in respect of long-term work in progress as described below, to the extent that the outcome of these contracts can be assessed with reasonable certainty. Turnover is not recognised where the right to receive payment is contingent on events outside the control of the group. In respect of transactional business, turnover is recognised on unconditional exchange where completion takes place within one calendar month of the year end.

Turnover is recognised over the year in which the services are supplied and consists solely of services provided within the United Kingdom.

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 *(continued)*

2 Accounting policies *(continued)*

Tangible fixed assets and depreciation

With the exception of long leasehold property, tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Long leasehold property is held at historical valuation plus additions to date. Any surplus on revaluation is recognised in the revaluation reserve, which is a non-distributable reserve within Members' other interests.

The long leasehold property is held as security for the Bidwells Pension & Life Assurance Scheme ("BPLAS") and an independent valuation was performed as at 31 December 2019. The current market value was assessed as £8,840,000, which is in excess of the current carrying amount of £8,202,589 (Note 12). This has not been reflected in the financial statements as the valuation was undertaken by the pension fund.

Depreciation is provided to write off tangible fixed assets on a straight line basis over their estimated useful economic lives as follows:

Leasehold Buildings	in equal instalments over the length of lease
Motor vehicles	6 years
Fixtures, fittings and office equipment	4 – 7 years

Finance and operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Leasing agreements which transfer to the LLP substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the lower of the useful lives of equivalent owned assets and the expected term of the lease.

Work in progress

Work in progress is the value of the unbilled management and professional time deemed to be recoverable and is stated at charge out rates less any ageing provision. No value is attributed to agency work in progress until contracts on the underlying instructions have been unconditionally exchanged, at which point income is recognised in full.

Goodwill

Goodwill represents the excess of the fair value of the consideration given over the agreed value of the identifiable assets acquired. This goodwill has been amortised over its useful economic life, which is 5 years.

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

Intangible fixed assets

In 2007, the LLP acquired a contract giving the right to future revenue.

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised over its estimated useful life, of between four and seven years, on a straight line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Investments

Investments are stated in the balance sheet at cost less any necessary provision for a permanent diminution in value.

Taxation

Taxation on all Bidwells LLP profits is solely the personal liability of individual members. Consequently, neither taxation nor related deferred taxation arising in respect of Bidwells LLP are accounted for in these financial statements. Amounts retained for tax are treated in the same way as other profits of the LLP and so are included in "*members' other interests*" or in "*loans and other debts due to members*" depending on whether or not division of profits has occurred.

Certain companies dealt with in these consolidated financial statements are subject to corporation tax based on their profits for the accounting year. The tax liabilities and any deferred taxation of these companies are recorded in the profit and loss account under the relevant heading and any related liability is carried as a creditor in the consolidated balance sheet.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis and only recognised where material.

Employee benefits

The Group provides a range of benefits to employees, including bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

(a) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 *(continued)*

2 Accounting policies *(continued)*

Pension Scheme arrangements

The Group operates a defined benefit pension scheme. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the year during which the Group benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

The Group also operates a contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contribution into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

The Group provides no other contractual post-retirement benefits to its employees.

Capital

The capital requirements of the LLP are determined from time to time by the LLP. Each member is required to subscribe a proportion of this capital linked to time served. Interest is paid on capital. On leaving the LLP, a member's capital is re-paid by agreement with the member concerned and in accordance with the Members' Agreement. Consequently, Members' capital is treated as a liability in the balance sheet.

Allocation of Profits

The allocation of profits to those who were members during the financial year occurs following the finalisation of the annual financial statements. During the year, members receive monthly drawings and from time to time, additional profit distribution.

The monthly drawings represent payments on account of current year profits and are reclaimable from members until profits have been allocated. Pending the allocation of profits and their division between members, therefore, drawings are shown in "Debtors". Unallocated profits are shown in "Members' other interests". In both cases, necessarily, amounts due from and attributable to members who retired in the year may be included.

3 Critical accounting judgements and estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- (a) Key accounting estimates and assumptions
 - (i) *defined benefit pension scheme*

The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds.

Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 20 for the disclosures relating to the defined benefit pension scheme.

Bidwells LLP
Notes to the financial statements for the year ended
31 December 2019 *(continued)*

3 Critical accounting judgements and estimation uncertainty
(continued)

(ii) useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 2 for the useful economic lives for each class of assets.

(iii) impairment of debtors

The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the age of debtors and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.

(iv) work in progress (WIP)

Our WIP balance is based upon the individual employee charge out rates with provisions made for aged WIP.

4 Turnover

The members consider that the partnership has only one class of business, which is the provision of property consultancy and agency services to commercial, residential and rural clients. All services are provided in the United Kingdom.

Bidwells LLP
Notes to the financial statements for the year ended
31 December 2019 *(continued)*

5 Staff costs

Group

The average monthly number of members of the Group during the year was:

	2019 Number	2018 Number
Full members	51	50

The average monthly number of employees of the Group during the year was:

	2019 Number	2018 Number
By business entity:		
Copewell Limited	515	506

	2019 £	2018 £
Staff costs during the year (excluding members) were as follows:		
Wages and salaries	18,383,805	17,858,497
Contract labour	731,734	779,599
Bonuses and commissions	804,457	943,056
Profit shares (divisional partners and executives)	1,761,324	1,539,468
Other staff costs (including redundancy)	1,795,270	2,365,328
Social security costs	2,173,535	2,126,038
Other pension costs	1,142,998	1,022,011
	26,793,123	26,633,997

Other pension costs include contributions by the Group to staff pensions and the annual PPF levy charge.

Included in the above are amounts related to temporary staff costs of £97,042 (2018: £113,000).

Profits are not fully shared amongst members until after the Group financial statements have been finalised and approved by members. The estimated entitlement of the highest paid member for the current year, yet to be fully allocated, is £598,485 (2018: £610,450). The average remuneration per member, yet to be fully allocated, is £239,944 (2018: £271,033).

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 *(continued)*

5 Staff costs *(continued)*

Key management compensation

There are not considered to be any key management personnel in addition to the members of the LLP.

6 Group operating profit

In addition to those items disclosed on the face of the consolidated profit and loss account, Group operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets:		
- Owned assets	724,021	756,953
- Leased assets	638,021	443,525
Amortisation of intangible assets		
- Owned assets	115,807	125,654
(Profit)/Loss on sale of tangible assets	(46,729)	60,016
Operating lease rentals:		
- Other	980,170	846,851
Fees payable to the LLP auditors for the audit of parent company and consolidated financial statements	53,600	60,000
- The audit of the LLP's subsidiaries	13,400	15,000
Fees payable to the LLP auditors and its associates for other services:		
- Tax advisory services	5,000	14,520
- Tax compliance services	25,000	25,000

Bidwells LLP**Notes to the financial statements for the year ended
31 December 2019 (continued)****7 Interest receivable and similar income**

	2019 £	2018 £
Bank interest receivable	3,817	2,293

8 Interest payable and similar charges

	2019 £	2018 £
Interest payable on overdrafts	13,363	37,786
Finance leases	84,134	98,236
Interest cost on post-employment benefits	1,067,000	804,000
Finance expense	1,164,497	940,022

9 Tax on profit on ordinary activities

	2019 £	2018 £
United Kingdom corporation tax at 19% (2018: 19%):		
Current year	14,620	160,302
Adjustment in respect of previous years	-	(12,090)
Total current tax	14,620	148,212
Deferred tax:		
Adjustment for change in tax rate	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	14,620	148,212

The tax charge is in respect of Copewell Limited and Bidwells Holdings Ltd. Tax payable in respect of Bidwells LLP is a liability of the individual members.

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 *(continued)*

9 Tax on profit on ordinary activities *(continued)*

Deferred tax arising on the difference between capital allowances and depreciation in the current and prior year has not been recognised on the basis that this is not material.

The tax rate for the current year remains the same as 2018. Changes to the UK corporation tax rates were substantially enacted as part of Finance Act 2016 (on 6 September 2016). These included reductions to the Corporation Tax main rate to 17% from 1 April 2020. However, at Budget 2020, the government announced that the Corporation Tax main rate will remain at 19% for the year starting at 1 April 2020 and 2021 (included as part of Draft Finance Bill 2020). Deferred taxes at the balance sheet date have been measured using the latest announced tax rates at Budget 2020 and this has been reflected within these financial statements.

The tax assessed for the year is lower than (2018: lower than) the standard effective rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

Reconciliation from total current tax

	2019 £	2018 £
Profit on ordinary activities before taxation	12,805,683	14,605,192
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax at 19% (2018: 19%)	2,433,080	2,774,986
<i>Effects of:</i>		
Profit not subject to corporation tax	(2,540,776)	(2,751,359)
Expenses not deductible for tax purposes	122,316	136,675
Adjustment in respect of previous years	-	(12,090)
Total current tax	14,620	148,212

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 (continued)

10 Deferred tax asset

The provision for deferred tax consists of the following deferred tax assets all arising on the pension liability:

	2019 Group £	2018 Group £
At 1 January	5,233,550	3,935,090
Deferred tax recognised in the statement of comprehensive income	204,630	1,298,460
At 31 December	5,438,180	5,233,550

Due to future contributions to the scheme this amount is considered recoverable.

11 Intangible assets

Group

	Right to contract £	Goodwill £	Software £	Total £
Cost				
At 1 January 2019	250,000	4,249,755	1,298,260	5,798,015
Additions	-	-	452,871	452,871
Disposals	-	-	(224,333)	(224,333)
At 31 December 2019	250,000	4,249,755	1,526,798	6,026,553
Accumulated amortisation				
At 1 January 2019	250,000	4,249,755	665,606	5,165,361
Disposals	-	-	(240,930)	(240,930)
Charge for year	-	-	115,807	115,807
At 31 December 2019	250,000	4,249,755	540,483	5,040,238
Net book value at 31 December 2019	-	-	986,315	986,315
Net book value at 31 December 2018	-	-	632,654	632,654

Amounts brought forward represent the goodwill arising on previous acquisitions.

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 *(continued)*

11 Intangible assets *(continued)*

LLP

	Software £
Cost	
At 1 January 2019	563,970
Additions	11,650
Disposals	-
At 31 December 2019	575,620
Accumulated amortisation	
At 1 January 2019	438,359
Disposals	-
Charge for year	53,858
At 31 December 2019	492,217
Net book value at 31 December 2019	83,403
Net book value at 31 December 2018	125,611

Bidwells LLP**Notes to the financial statements for the year ended 31 December 2019** *(continued)***12 Tangible assets****Group**

	Long leasehold buildings	Short leasehold buildings	Motor vehicles	Fixtures, fittings and office equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2019	8,741,161	988,649	3,608,844	2,837,465	16,176,119
Additions	6,025	-	995,262	399,190	1,400,477
Disposals	-	-	(1,030,778)	(73,997)	(1,104,775)
At 31 December 2019	8,747,186	988,649	3,573,328	3,162,658	16,471,821
Accumulated depreciation					
At 1 January 2019	302,677	737,617	1,354,760	1,452,480	3,847,534
Disposals	-	-	(694,128)	(73,997)	(768,125)
Charge for year	241,920	67,969	599,336	452,817	1,362,042
At 31 December 2019	544,597	805,586	1,259,968	1,831,300	4,441,451
Net book value					
At 31 December 2019	8,202,589	183,063	2,313,360	1,331,358	12,030,370
At 31 December 2018	8,438,484	251,032	2,254,084	1,384,985	12,328,585

The net book value of tangible fixed assets includes an amount of £1,823,998 (2018: £1,820,744) in respect of assets held under finance leases.

The total depreciation charge in the year allocated in respect of assets held under finance leases is £493,560 (2018: £443,525). Assets held under finance leases relate to motor vehicles.

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 (continued)

12 Tangible assets (continued)

LLP	Long leasehold buildings	Short leasehold buildings	Motor vehicles	Fixtures, fittings and office equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2019	8,741,161	988,649	1,348,408	2,837,465	13,915,683
Additions	6,025	-	304,142	399,190	709,357
Disposals	-	-	(344,381)	(73,997)	(418,378)
At 31 December 2019	8,747,186	988,649	1,308,169	3,162,658	14,206,662
Accumulated depreciation					
At 1 January 2019	302,677	737,617	488,754	1,452,480	2,981,528
Disposals	-	-	(242,361)	(73,997)	(316,358)
Charge for year	241,920	67,969	219,183	452,817	981,889
At 31 December 2019	544,597	805,586	465,576	1,831,300	3,647,059
Net book value					
At 31 December 2019	8,202,589	183,063	842,593	1,331,358	10,559,603
At 31 December 2018	8,438,484	251,032	859,654	1,384,985	10,934,155

The net book value of tangible fixed assets includes an amount of £469,769 (2018: £530,613) in respect of assets held under finance leases.

The total depreciation charge in the year allocated in respect of assets held under finance leases is £125,003 (2018: £104,164). Assets held under finance leases relate to motor vehicles.

Bidwells LLP
Notes to the financial statements for the year ended
31 December 2019 *(continued)*

13 Investments

Group	Interests in joint venture £	Other investments £	Total £
Cost			
At 1 January 2019	83,988	15,000	98,988
Share of profits paid	(49,011)	-	(49,011)
Share of profits retained	106,010	-	106,010
At 31 December 2019	140,987	15,000	155,987
Provision for impairment			
At 1 January 2019	-	-	-
At 31 December 2019	-	-	-
Net book value			
At 31 December 2019	140,987	15,000	155,987
At 31 December 2018	83,988	15,000	98,988

LLP	Investments in group undertakings £	Investment in joint venture £	Other investments £	Total £
Cost				
At 1 January 2019	20,000	35,000	15,000	70,000
At 31 December 2019	20,000	35,000	15,000	70,000
Provision for impairment				
At 1 January 2019	-	-	-	-
At 31 December 2019	-	-	-	-
Net book value				
At 31 December 2019	20,000	35,000	15,000	70,000
At 31 December 2018	20,000	35,000	15,000	70,000

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 (continued)

14 Subsidiary undertakings

The financial statements consolidate the results and financial position of the Group, including the subsidiary undertakings listed below, all of which are registered at Bidwell House, Trumpington Road, Cambridge, CB2 9LD:

	Proportion of nominal value of shares held by the Group	Principal activity
Subsidiary undertakings		
Copewell Limited	100%	Service company and employment of staff
Bidwells Holdings Ltd	100%	Holding company
Joint Venture		
Creative Places LLP	50%	Consultancy services in the research and development industry

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Creative Places LLP is a joint venture with one other member who owns 50% of the business.

15 Work in Progress

	2019 Group £	2018 Group £	2019 LLP £	2018 LLP £
Work in progress	1,262,370	977,013	1,262,370	977,013

16 Debtors

	2019 Group £	2018 Group £	2019 LLP £	2018 LLP £
Trade debtors	10,174,890	9,527,598	10,174,890	9,527,598
Amounts owed by joint venture	145,104	15,123	109,706	41,972
Other debtors	309,175	264,533	150,113	94,795
Prepayments and accrued income	1,101,575	1,072,410	871,703	873,154
	11,730,744	10,879,664	11,306,412	10,537,519

Bidwells LLP**Notes to the financial statements for the year ended
31 December 2019 (continued)****17 Creditors: amounts falling due within one year**

	2019 Group £	2018 Group £	2019 LLP £	2018 LLP £
Trade creditors	479,141	495,342	255,825	346,699
Bank loans and overdrafts	-	-	620,820	-
Amounts owed to group undertakings	-	-	1,087,387	2,762,116
Obligations under finance leases	1,062,141	996,216	587,670	569,232
Corporation tax	14,620	160,302	-	-
Other taxation and social security	1,889,494	2,048,456	3,310,896	1,344,747
Accruals and deferred income	3,538,900	3,867,820	490,149	970,800
	6,984,296	7,568,136	6,352,747	5,993,594

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18 Creditors: amounts falling due after more than one year

	2019 Group £	2018 Group £	2019 LLP £	2018 LLP £
Obligations under finance leases	593,476	1,107,461	172,021	759,691

Bidwells LLP**Notes to the financial statements for the year ended
31 December 2019 (continued)****18 Creditors: amounts falling due after more than one year (continued)****Maturity of financial liabilities****Bank loan and overdrafts**

The Group has an overdraft facility available with its bank of £2,000,000 (2018: 2,000,000).

Finance leases and equipment loans

	2019 Group £	2018 Group £	2019 LLP £	2018 LLP £
Due within 1 year	1,062,141	996,216	587,670	569,232
Due within 1 – 2 years	463,998	858,855	172,021	587,670
Due within 2 – 5 years	129,478	248,606	-	172,021
	1,655,617	2,103,677	759,691	1,328,923

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 (continued)

19 Provision for liabilities

	2019 Group £	2018 Group £	2019 LLP £	2018 LLP £
Provisions				
At 1 January	307,431	422,510	307,431	422,510
Utilised during the year	(177,105)	(319,328)	(177,105)	(319,328)
Additional provisions	374,963	204,249	374,963	204,429
At 31 December	505,289	307,431	505,289	307,431

Provisions

Onerous lease provision

Provision relates to former premises from which the Group no longer operate part of its business for which the Group still retain the leases. Provision was made net of any subletting income expected over the periods of the leases.

Dilapidation provision

Provision relates to former premises from which the Group no longer operate business from for which the lease terminates within a year of the financial statements. Provision was made to account for the expenditure required to revert the office back to its original state ahead of the end of the lease.

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 *(continued)*

20 Pension liability

The Bidwells Pension & Life Assurance Scheme ("BPLAS") is a defined benefit scheme. The assets of the scheme are held separately from those of the LLP, being invested with Standard Life, Barings and F+C.

Copewell Limited is the sponsoring entity for the defined benefit scheme and recognises the liability within its financial statements.

The latest comprehensive actuarial valuation of the scheme was carried out by a qualified independent actuary at 1 November 2017 updated to 31 December 2019 for the purposes of FRS102. The scheme was closed to new members from May 2002, and contribution rates from both employees and employers were reviewed and a planned programme of additional contributions actioned, in order to eliminate this deficit by 2032.

Contributions paid during the year amounted to £1,372,000 (2018: £1,469,000) from the employer. There are pension contributions included in creditors at the year-end of £95,000 (2018: £100,000).

The principal employer Copewell Limited closed the scheme to future accrual on 1st May 2012 and all active members became deferred at this date.

The financial assumptions used to calculate scheme liabilities under FRS102 are as follows:

	2019	2018
Discount rate	2.1%	3.0%
Rate of increase in salaries	n/a	n/a
Rate of increase in pre 1997 pensions in payment	2.1%	3.0%
Rate of increase in 1997-2002 pensions in payment	3.5%	3.6%
Rate of increase in 2002-2007 pensions in payment	2.9%	3.1%
Rate of increase in post 2007 pensions in payment	2.1%	2.2%
Rate of revaluation of pensions in deferment	3.0%	3.2%
Inflation	3.0%	3.2%
Mortality rates – Non pensioners female	25.0 years	25.0 years
Mortality rates – Non pensioners male	23.0 years	22.9 years
Mortality rates – Pensioners female	23.8 years	23.7 years
Mortality rates – Pensioners male	21.9 years	21.8 years

Any 0.1% change in the discount rate has the impact of increasing or decreasing the liability by approximately £1,231,000.

Bidwells LLP**Notes to the financial statements for the year ended
31 December 2019 (continued)****20 Pension liability (continued)**

The following amounts at 31 December 2019 were measured in accordance with the requirements of FRS102:

The assets in the scheme and the expected rate of return were:

	Value at 31 December 2019 £	Long term rate of return expected 31 December 2019 %	Value at 31 December 2018 £
Growth Seeking Funds	25,153,000	7.7	25,469,000
LDI Funds	14,160,000	3.1	9,991,000
Cash	329,000	0.5	158,000
Total market value of assets	39,642,000		35,618,000
Present value of scheme liabilities	(68,264,000)		(63,163,000)
Deficit in the scheme	(28,622,000)		(27,545,000)

Reconciliation of present value of scheme liabilities:

	2019 £	2018 £
At 1 January	63,163,000	60,173,000
Interest cost	1,819,000	1,544,000
Benefits paid	(5,084,000)	(1,594,000)
Remeasurement of past service costs	-	6,402,000
Experience loss/(gain) on defined benefit obligation	(852,000)	756,000
Changes to financial assumptions	9,218,000	(4,118,000)
At 31 December	68,264,000	63,163,000

Bidwells LLP**Notes to the financial statements for the year ended
31 December 2019 (continued)****20 Pension liability (continued)**

Reconciliation of fair value of scheme assets

	2019 £	2018 £
At 1 January	35,618,000	39,462,000
Interest on assets	752,000	740,000
(Loss)/Return on plan assets less interest	6,984,000	(4,459,000)
Benefits paid	(5,084,000)	(1,594,000)
Contributions paid by employer	1,372,000	1,469,000
At 31 December	39,642,000	35,618,000

Reconciliation to statement of comprehensive income

	2019 £	2018 £
Changes to financial assumptions	(9,218,000)	4,118,000
(Loss)/Return on plan assets less interest	6,984,000	(4,459,000)
Experience loss/(gain) on defined benefit obligation	852,000	(756,000)
Total	(1,382,000)	(1,097,000)

Total costs recognised as an expense

	2019 £	2018 £
Current service cost	-	6,402,000
Interest cost	1,067,000	804,000
Total	1,067,000	7,206,000

The return on the plan assets was:

	2019 £	2018 £
Interest on assets	752,000	740,000
(Loss)/Return on plan assets less interest	6,984,000	(4,459,000)
Total return on plan assets	7,736,000	(3,719,000)

Bidwells LLP

Notes to the financial statements for the year ended 31 December 2019 *(continued)*

Defined contribution scheme

The Group also operates a defined contribution group personal pension plan and membership is open to all employees of the LLP who joined after May 2002. The LLP matches employees' contributions at rates from 2% to 8%.

Employer's pension contribution during the year amounted to £1,050,504 (2018: £995,130). There were no amounts outstanding at the year-end in relation to the defined contribution scheme (2018: nil).

Significant movements in the prior year

During 2018 the following events took place that had implications on the Statement of comprehensive income for the year:

- The Lloyds judgment on equalising GMPs
- The decision to rectify members benefits based on ineffective Pensionable Salary cap Deeds

The impact of these events were:

- Making an allowance for the future costs of GMP equalisation had increased the Scheme's liabilities by approximately 1.1% (£687,000) at the review date
- The total additional liability as a result of the ineffective Deeds had increased the Scheme's FRS102 liabilities by £5,715,000 as at 31 December 2018 (£773,000 for pensioner members and £4,942,000 for preserved members).

21 Capital commitments

There were £16,558 of capital commitments as at 31 December 2019 (2018: £69,830). All of these were in respect of motor vehicles.

22 Financial commitments

At 31 December, the Group and the LLP had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Group	2019 Land and buildings £	2018 Land and buildings £
Not later than one year	780,024	755,015
Later than one year and not later than five years	1,838,682	1,824,077
Later than five years	5,644,986	5,386,492
	8,263,692	7,965,584

Bidwells LLP**Notes to the financial statements for the year ended
31 December 2019 (continued)****LLP**

	2019 Land and buildings £	2018 Land and buildings £
Not later than one year	780,024	755,015
Later than one year and not later than five years	1,838,682	1,824,077
Later than five years	5,644,986	5,386,492
	8,263,692	7,965,584

23 Net cash generated from operating activities**Reconciliation of operating profit to net cash inflow from operating activities:**

	2019 £	2018 £
Profit for the financial year	12,791,063	14,456,980
Adjustments for:		
Tax on profit on ordinary activities	14,620	148,212
Net interest expense	1,160,680	937,729
Share of operating profit of joint venture	(106,010)	(10,293)
Operating profit	13,860,353	15,532,628
Amortisation charge	115,807	125,654
Depreciation charge	1,362,042	1,364,752
Loss/(profit) on disposal of fixed assets and property	(46,734)	60,016
Loss/(profit) on disposal of intangible fixed assets	(16,597)	-
Cash contributions into pension scheme	(1,372,000)	(1,469,000)
Increase/(Decrease) in provisions	197,858	(115,079)
(Increase)/Decrease in work in progress	(285,357)	122,662
(Increase)/Decrease in debtors	(851,081)	1,419,950
(Decrease) in creditors	(504,084)	(434,186)
Net cash generated from operations	12,460,207	16,607,397

Bidwells LLP**Notes to the financial statements for the year ended
31 December 2019 (continued)****24 Analysis of changes in net debt**

	At 1 January 2019 £	Net cash flow £	At 31 December 2019 £
Cash at bank and in hand	3,449,763	(2,920,714)	529,049
	3,449,763	(2,920,714)	529,049
Obligations under finance leases	(2,103,677)	448,058	(1,655,619)
Members' capital classified as a liability	(5,700,000)	(105,000)	(5,805,000)
	(4,353,914)	(2,577,656)	(6,931,570)

	At 1 January 2018 £	Net cash flow £	At 31 December 2018 £
Cash at bank and in hand	2,112,737	1,337,026	3,449,763
	2,112,737	1,337,026	3,449,763
Obligations under finance leases	(1,227,833)	(875,844)	(2,103,677)
Members' capital classified as a liability	(6,045,000)	345,000	(5,700,000)
	(5,160,096)	806,182	(4,353,914)

Bidwells LLP

25 Related party transactions

The LLP has taken advantage of the exemption available under FRS 102 not to provide information on related party transactions with other undertakings within the Bidwells Group.

	Value of transactions 2019 £	Receivable/ (payable) at year end 2019 £	Value of transactions 2018 £	Receivable/ (payable) at year end 2018 £
Transactions with Creative Places LLP:				
Provision of employee services to Creative Places LLP	286,857	113,387	271,679	22,139
Creative Places LLP income billed by Bidwells LLP	(44,441)	(5,322)	(53,034)	(12,836)
Recharges for overheads and professional indemnity insurance	50,966	8,969	56,547	5,537
Expenses paid on behalf of Creative Places LLP	8,591	4,359	3,742	260
Profit Share recoverable from Creative Places LLP	106,010	105,986	10,293	48,987
	407,983	227,379	289,227	64,087

26 Ultimate controlling party

In the opinion of the members, there is no controlling party.