



**BARNETT  
WADDINGHAM**  
beyond the expected



**ANNUAL REPORT 2019/20**

# Continued growth as an independent, resilient and evergreen business

How we created certainty in uncertain times



ANDREW VAUGHAN, SENIOR PARTNER

## From our clients to our communities, we helped alleviate their concerns

Our most recent financial year allowed us an opportunity to reach new heights and to prove again to our clients that we fulfil our promise of going beyond their expectations.

At the same time it presented us with challenges we – and the rest of the world – could not possibly have imagined. Our 2019–2020 Annual Report illustrates how our developments, our strategy and our strengths have made a real difference to our clients.

∴ Truly, our story this year has been one of resilience.

Following unprecedented growth and development, we set ourselves firmly on course towards another year of record revenues and I'm delighted to announce that we have surpassed the £100 million milestone in annual turnover.

While Covid-19 had an impact on us, our many years of building a truly independent organisation that prioritises people, clients, resilience and good governance allowed us to continue our progress.

Together, our people worked successfully to help clients meet their objectives and priorities without interruption, leveraging our digital technology and the robust IT systems we already had at hand.

∴ In true Barnett Waddingham spirit, our teams adapted to the lockdown pressures of working remotely and communicating with many anxious employers, trustees and pension scheme members.

At every step we alleviated their concerns, ensuring clients received a direct line of support and that thousands of pensions were successfully paid in full.

At the same time, we maintained our commitments to local communities, donating to food banks alongside our regular charity fundraising activities. For them all, we helped to create certainty during uncertain times.

In spite of the pandemic, we also remained profitable in all four quarters and our projections for the year ahead anticipate further growth still, owing to our client focus and our continued investment in improvements and enhancements to our broad range of services.

Work to develop our newest services – including risk and management data analytics – is building momentum, while our more mainstay pension services in support of trustees, employers and sponsors continue to differentiate themselves in the market, seeing us named 'Pensions Consultancy of the Year' by Pensions Age.

We continue to add real value to our clients by responding to their needs and providing clearer direction on the issues that matter to them most, whether it's guidance on ESG investing or the impact of Climate Change on the Insurance sector. We've also produced a wealth of new research into everything from the DB pensions endgame landscape to the latest longevity figures.

Our success is driven by our proud independence as a business. It's what sets us apart from our competitors. Our impartiality, our self-reliance and – yes – our resilience is vital to giving clients a service they can control, can tailor, and can trust.

Just as we always do what's right for our clients, we always do what's right for our team of over 1,280 people, who are working hard right across the UK. It's the reason we are now listed among the nation's Best Companies to work for. I am conscious of the extent to which the pandemic affected our people across the business – some far more seriously than others. So it is right that we acknowledge these results in the wider context. As fortunate as we are to have achieved so much this year, supporting our people as they deal with personal pressures and anxieties has been – and will remain – more important than profits.

This was an extraordinary year to take over as Senior Partner. We owe a great deal to Nick Salter's many years of leadership and I look forward to building on the inclusive culture that he has championed during his tenure as Senior Partner – one of doing the right thing, no matter the situation. I would also like to pay tribute to Jane Galvin's outstanding work as our COO for the last 10 years and I look forward to working closely with David Stoddard who has recently joined us as Jane's successor.

While I am sure that the remainder of 2020 and 2021 will provide many challenges for the economy and our clients and partners, I am confident that the Barnett Waddingham team will continue to provide an exceptional level of support and service to our long-standing as well as more recent clients.

**THE SUNDAY TIMES**

**100**  
**BEST**  
**COMPANIES**  
TO WORK FOR  
**2020**

**A** **PENSIONS** **Age**  
**WARDS**  
2020  
**WINNER**

PENSIONS CONSULTANCY OF THE YEAR



No.1 rated Third  
Party Administrator  
in the UK  
**PROFESSIONAL**  
**PENSIONS SURVEY**  
**2020**



"Good materials, dedicated team and very personable. Good at explaining things, seem to give honest opinions and know their stuff. Seems less 'corporate' and more individual than other firms – in a good way. Much less silo-driven."



**HEAD OF GROUP PENSIONS**

**Thomas Cook**



JANE GALVIN, PARTNER AND COO

## Long-term investment in people and technology made all the difference

This year has been one of challenges like no other, but in spite of this we have continued to achieve another year of growth, and our engagement scores for our employees have not only increased in the Best Companies survey, but have been very positive during the difficulties of the last few months of the year. Our independence and free thinking approach has not only allowed us to reach landmark revenue but has also meant we have continued to invest in our people with over 1,280 now part of our story.

Our investment in technology has long been in line with our strategy to develop our capacity to deliver, but never has this been more important than this past year. Having embraced Smart Working, supported by fast IT solutions and cognisant of the work/life balance of our employees, we found ourselves well-equipped to deal with the pressures of both the Covid-19 global pandemic and the general increase we experienced in the need for client support.

Throughout the lockdown, our priority was to ensure our clients and pension scheme members received everything they needed from us so their focus could remain on their health and their loved ones.

We managed to do this with no more than a few-hours transition time from largely office working to fully working remotely.



### CLIENT FEEDBACK DURING LOCKDOWN

"Barnett Waddingham's transition to work from home during the coronavirus has been exceptional. To be frank, I didn't even notice on my first call. To me, it feels like business as usual."

"Online logging-in is unaffected. I'd like to take this opportunity to say thank you for such a robust virtual work from home transition."

"It is great to see that BW are proactive and efficient...communication like this goes a long way to help justify the decision we made to change providers."



### STAFF FEEDBACK DURING LOCKDOWN

“For me, BW internal communications during the pandemic have been perfect and I feel very fortunate to be working for a truly great company that is always looking out for its employees.”

“Whilst this whole lockdown has been a challenge on occasion, it has also been a far less lonely time than it possibly could have been. All of the work put into keeping us updated by all of the means open to BW has been great and for which I am personally very grateful.”

“I just wanted to say that the effort and measures put into the making the office a ‘safe and comfortable’ environment has been excellent. I’ve been really impressed with BW’s efforts and the fact that, as an organisation, the decision was made to go above the recommendations of the Government to ensure staff are safe and looked after.”

As an example, in the first week of lockdown, our pension administration team successfully ensured that over 161,000 pensioners received their payment as normal. In the following weeks, we saw an increase of 20% in retirements processed, and an increase of 15% in transfer payments made.

Achievements like this could not have been done without the great effort and enthusiasm of our people across the whole business, who persisted with both professionalism and unrelenting positivity.

Among them, 53 were promoted to Partner, Associate or Principal this year, and we continue to recruit a highly skilled and diverse selection of professionals to strengthen all our business areas. Most notably, our business development, risk advisory and investment areas have all welcomed experienced consultants into the team.

We are proudly committed to supporting young people in the work place and continued both our apprenticeship programme and graduate scheme during the year. Nationwide, we welcomed 27 graduates to our Actuarial, Insurance, Investment, and Insurance and Longevity Consulting practices. A further 32 have since been recruited to begin in our new financial year.

Meanwhile, 25 apprentices filled our annual intake, spread across our pension administration teams and our IT team, representing a significant increase on the seven openings available in 2018.

Our development of these programmes saw us ranked among the top 30 for Medium-Sized Schemes by Rate My Placement, and shortlisted for the Best Apprentice positions by Rate My Apprentice.

In all, over 6,000 people applied to positions at Barnett Waddingham this year and we welcomed 131 new starters.

Our underlying principle of doing the right thing saw us maintain commitment to local communities and to our ongoing corporate social investment (CSI) endeavours, particularly during the national lockdown when many social projects and charities were worst hit. This year we raised over £24,700 to help our nominated charities of Marie Curie, Create, UK Youth, KickStart Money, Young Enterprise and Reengage, with the organisation matching donations by £15,800 and donating an additional £85,000. Our people also contributed 1,225 hours (equivalent to 175 days support) to volunteer projects, ensuring that it is not just money that is provided, but support ranging from tea-parties for the elderly, relief shifts in foodbanks, advice on marketing campaigns and hosting events.

Like many forward-looking businesses, sustainability continues to be an important factor when considering how we work and what we can do to support our clients in the years ahead. From reducing the carbon footprint of our offices to challenging our procurement processes, we are committed to ensuring that longstanding sustainable practices are a priority. At the same time, we are engaging with clients about Environmental, Social and Governance (ESG) investment factors, helping them to identify investments with the potential to generate higher returns and mitigate risk over the long-term.

Among the achievements we are most proud of in the past year, being included in The Sunday Times' 100 Best Companies to Work For – receiving a coveted 'two-star' status – has to be one of our most momentous. Even though we have had strong continued growth in our headcount, our focus on doing the right thing remains the foundation of how we treat our people and how we do business.

We have also been delighted to see members of our team secure outstanding personal recognition, including Actuarial Post's Actuary of the Year award and Pensions Age's Personality of the Year.

They say there is no 'I' in team but, within Barnett Waddingham, we have a diverse and engaged group of exceptional individuals who are all pulling together for the benefit of the Barnett Waddingham team!

All of us have learnt a great deal this year – in terms of what we are capable of dealing with as a team, and as individuals. We are proud of what we have achieved and these lessons will continue to empower our strategic plans and the way we work, for the years ahead.

As I retire from the partnership later in 2020, David Stoddard joins the organisation as Barnett Waddingham's new COO. I have no doubt he will continue to build on the momentum we have gathered, and help the firm create new ways of enriching the experience and value it provides to clients and its employees.

Now with  
**1,286**

PEOPLE IN EIGHT  
OFFICES NATIONWIDE

We had  
**53**

PROMOTIONS TO  
PARTNER, PRINCIPAL  
AND ASSOCIATE

Over  
**£100k**

DONATED TO  
CHARITIES AND  
COMMUNITY PROJECTS



"Prompt, professional and friendly. I would recommend Barnett Waddingham to others unreservedly – I know of no better firm."



**TRUSTEE CHAIRMAN**  
Bank Leumi (UK) Retirement Benefits Scheme



DAVID STODDARD, COO

## While we may reflect on the successes, now is the time to look ahead

First and foremost, I am delighted to be joining a firm with such a strong reputation for independence and which shares my own values of putting our people and our clients first. As unusual as the global pandemic circumstances are, Jane has done an exceptional job and it is a privilege to be taking the reins from her in a very robust and well organised business.

Like any forward thinking organisation, the coming year will see us place an increased focus on our commitment to both people and local communities.

Our Sustainability strategy, our work in Diversity and Inclusion as well as Talent Development are particularly high on our agenda. All three are underpinned by our core principle of doing the right thing, and these priorities will help the business to establish a consistent focus on our wider role in the world.

We will also drive continued innovation and investment in our technology, as well as improvements in both efficiency and effectiveness. These will be to the benefit of our clients and to help secure the fantastic culture that has long established a free thinking approach at all levels. Undoubtedly the world has changed, but it has always been our approach to change ahead of it, implementing an operational strategy that is agile enough to embrace both the opportunities and to tackle any challenges together. While we may reflect on the successes, now is the time to look ahead and find new ways to build on the strong foundations Barnett Waddingham has laid down.



“Combining an in-depth knowledge of the industry with meeting customers’ needs. Barnett Waddingham genuinely cares.”

**RICOH** COMPANY NOMINATED  
TRUSTEE  
Ricoh



MARCUS WHITEHEAD, MANAGING PARTNER\*

## Our business isn't just growing, it's evolving

Through our hard work, dedication and forward thinking mentality, this year has seen us continuing to build a lasting partnership of trust with our clients. Our financial strength is a significant part of our success but the value we have been able to maintain for our clients in a time of adversity is what makes us most proud.

We now act as a trusted partner for a wide range of clients in both the private and public sectors – this includes approximately 25% of the FTSE 100 and over 15% of FTSE 350 companies with DB pension schemes.

**We added 70 new clients this year and a number of our existing clients are using us for new services and solutions, particularly in business risk, management data analytics and HR analytics.**

In January, we hosted a series of well-received investment conferences across the country and were inspired by the positive feedback. The number of investment consulting clients we support has risen to almost 500 with over £70 billion in assets collectively, advised and overseen by a team of more than 90 specialist professionals.

We remain proud of our continued growth in actuarial consulting and our expertise in DB pensions remains even more important as many DB schemes draw nearer to their endgame.

Our insurance and longevity business has increased revenue significantly in the past three years, with 80 clients now benefiting from this expertise.

We are particularly pleased to have a growing presence in the M&A market and engaging in the role of Part VII Independent Expert.

We are now the fund actuary to seven of the largest 25 LGPS funds in England and Wales. Our public sector business successfully completed 23 actuarial valuations over the year, involving several thousand separate employer valuations. It achieved record income while implementing innovative systems to deliver a faster, better and more efficient service to our clients.

Our self-invested pension services continue to gain in popularity. We support over 2,000 SSAS and FURBS clients with assets under administration (AUA) of £4.2bn, while our SIPP service has grown to 40,000 clients and £8.8bn in clients' AUA. We were re-awarded IIC Silver awards for both SIPP and SSAS services and granted – for the fourth year in a row – a 'Strong' AKG financial strength rating for our SIPP business (rated as 'B'). Meanwhile our client survey conducted in the summer revealed that 90% of SIPP and SSAS members either agreed or strongly agreed that we have kept them well informed of any changes during lockdown.

When our clients are happy, we're happy – and given the accolades we have received this year, we know we are performing to a particularly high standard. We were evaluated as the most highly rated third party administrators in the industry in the 2020 Professional Pensions Administration Survey. This is something we are particularly proud of as the survey coincided with the Covid-19 lockdown, proving we maintained the quality of our services to our clients throughout this time.

We care about the individuality of our clients and our free thinking approach allows us to do the right thing for them, at all times. It is this mentality that also saw us accredited a Gold Award from Investor in Customers across all our services to trustees. Our ability to create long-term client relationships – based on meeting needs with tailored solutions – has been recognised with the highest scores across each of the four principles – understanding customer needs, meeting customer needs, delighting customers and engendering loyalty.

Our business isn't just growing, it's evolving. We have continued to invest in our suite of proprietary client technology, which is developed by our in-house software team and designed to make life and work simpler for our clients and members.

This has included further development of our 4me employee benefits and engagement platform, our tools to support DC governance and DB 'fast track' decision-making, as well as upgrades to our popular Illuminate software that simplifies scheme funding and investment decisions.

We have faced more change this year than could have ever been predicted but we can be proud of the fact that we were able to look after our clients during a time of adversity. Looking forward to the next twelve months we will continue to evolve and embrace the changes happening, not only in the industries in which we operate, but in the wider world around us.

What will stay the same is our dedication to our people – and making sure each and every one of them continues to be best placed to benefit our clients.



#### **A PERSONAL NOTE FROM NICK SALTER, PARTNER [November 2020]**

\*The pandemic has affected us all at Barnett Waddingham, but some more directly than others. Marcus contracted the virus in April and suffered long-term debilitation in the following months, requiring me to support some of his duties during his road to recovery – including this review of the year. Thanks to our agile planning, Marcus's temporary absence has not prevented us from progressing our business. It has instead acted as a reminder of the effectiveness of our approach and the benefits of having nurtured a supportive and caring environment.





ROBERT HAWKES, FINANCE PARTNER

## Our finances have proved as resilient as our people

31 May 2020 marked the end of our 2019-2020 financial year. This period has seen us achieve an annual turnover of £107.9 million, representing an increase of 8.6% on 2018-19. In the last two years, our revenue has grown by 28%.

We added over £4.7m in new annual recurring business and over £4.9m in brand new project work.

Of course, these numbers must be taken in context. As with most businesses, the final quarter of our financial year was impacted by the Coronavirus pandemic, yet our early planning ensured we remained resilient throughout.

In addition to these impressive figures and despite the extreme economic backdrop around the world, we have not used the furloughing scheme, we have made no redundancies, we have not deferred payments to our people and our business remains busy.

Our prudent financial management put us in a good position going into the crisis and our finances remain robust. We are proud to be independent, 100% owned by our partners. We do not have any significant debts as a business and cashflow remains positive.

Given the strength of our business, we remain very positive about our future. Our ownership structure enables us to be nimble through challenging economic conditions and to focus on providing a market leading quality service for our clients. Thanks to the hard work and quality service we provide, we continue to win new clients and to expand the services we provide. We will continue to invest in our people and systems to deliver on our objectives and to maintain our high quality services to clients.

**£107.9m**

ANNUAL TURNOVER

**£8.67m**

(+8.6%) YOY REVENUE GROWTH

**28%**

REVENUE GROWTH IN  
LAST TWO YEARS



ELIZABETH RENSRAW-AMES, NON-EXECUTIVE CHAIR

## When strong leadership was needed, we stepped forward

This year's annual report shows that Barnett Waddingham has dealt exceptionally well with the emerging challenges in the global pandemic, and continued to serve clients and meet their needs throughout the entire year.

In common with most businesses, we saw the need for strong leadership and governance during the first months of lockdown. Despite the many operational and commercial hurdles, I am proud that our organisation responded confidently to step forward to support those affected and to develop a clear and effective approach to managing our people and clients. This has been achieved by facilitating a strong level of communication and engagement from our senior leadership team, as well as by inspiring our teams to challenge the norm and find smart, alternative solutions where needed.

With a remarkable 12 months behind us, we now focus on the future. While we expect the year ahead to come with further challenges brought on by the unpredictable economic outlook and uncertainties about the impact of ongoing and changing restrictions, we will play to our strengths, continuing to serve and partner with our clients and lead our people in getting things done at pace, with enthusiasm, drive and a focus on execution.



"Barnett Waddingham is excellent – every member of the team is fully reliable, easy to talk to and provides first-class service."



**SECRETARY TO THE TRUSTEES**  
Musicians' Union Permanent  
Officials and Staff Pension  
Fund

## Our highlights



**£107.9m**

annual turnover



**£8.67m**

YoY revenue growth (+8.6%)



**28%**

Revenue growth in last two years

**70**

New clients

New recurring business

**£4.7m**

**£4.9m**

New project work

Providing services to almost **25%** of FTSE 100 and over **15%** of FTSE 350 companies with DB schemes.



**£24,797**

firmwide office fundraising



**1,225**

volunteering hours donated by BW people



Over

**£100k**

donated by BW to charities and community projects

Including our nominated charities – Marie Curie, Create, UK Youth, KickStart Money, Young Enterprise and Reengage.

People **1,286**



Partners

**80**

**168**

Associates and Principals

Graduates recruited

**32**

**53**

Promotions

**131**

New starters

**6,033**

Applications received

## Notable awards and accreditations



No.1 rated Third Party Administrator in the UK  
**PROFESSIONAL PENSIONS SURVEY 2020**



Among the top 30 for Medium-Sized Schemes  
**RATE MY PLACEMENT**



**Investor in Customers®**  
Gold 2019

All trustee services



**Investor in Customers®**  
Silver 2019

SIPP and SSAS services



Awarded for our SIPP business for the fourth year running



Principal Melanie Durrant named Actuary of the Year 2019

**ACTUARIAL POST AWARDS**



Partner Damian Stancombe named Pensions Personality of the Year 2020

**PENSIONS AGE AWARDS**

## Business area highlights

Continued success and significant growth across our defined benefit scheme services.

Major growth in revenue for our Insurance and Longevity business in the past three years, with **80** clients now benefiting from this expertise.



An increase to **our number of** investment clients with over **£70bn** in assets collectively, advised and overseen by a team of more than **90** specialist professionals.



**Record** revenue for our Public Sector Consulting business, which now acts as fund actuary for seven of the 25 largest public sector schemes.

**2,000**

SSAS and FURBS clients with £4.2bn AUA.

**4,000**

SIPP clients with £8.8bn AUA.



of SIPP and SSAS members either agreed or strongly agreed that we kept them well informed of any changes during lockdown

## How our Pension Administration team overcame the first lockdown



WE ENSURED

**161,000**

pensioners received their pension payments as normal amid the first week of the first national lockdown (23-27 March)

..... BETWEEN MARCH–JUNE 2020... ..

WE SAW AN  
INCREASE OF

**20%**

in retirements  
processed.

WE SAW AN  
INCREASE OF

**15%**

in transfer  
payments made.

WE SAW AN  
INCREASE OF

**15%**

in general  
member queries.

WE SAW AN  
APPROXIMATELY

**30%**

increase in cases related  
to member deaths.



WE COMPLETED AND  
LAUNCHED

**9**

new schemes, meeting all our  
pre-existing agreed deadlines  
with clients.



WE PROGRESSED OR  
COMPLETED

**19**

large-scale projects to support  
our clients and their priorities.



WE HAD

**2x**

as many instances of positive  
feedback received compared to  
the previous three months.



“My experience with Barnett Waddingham actuaries and support staff has always been outstanding. They explain investment jargon, alternatives and potential outcomes, and ensure nothing is overlooked before trustees commit to a course of action.”

**godwin**   
a xylem brand

**TRUSTEE**  
Godwin Pumps Ltd

## THE NUMBERS

A summary of our accounts have been included in this document but these should not be considered as our statutory financial statements.

If you would like to see our statutory financial statements these can be found at Companies House.

## Consolidated statement of comprehensive income

For the year ended 31 May 2020

	2020	2019
	£	£
Turnover	107,920,712	99,253,116
Administrative expenses	(78,145,876)	(70,776,300)
	<hr/>	<hr/>
Operating profit	29,774,836	28,476,816
Joint venture – share of operating loss	(108,725)	(115,309)
Other interest receivable and similar income	79,391	35,946
Interest payable and similar charges	(50,778)	(118,153)
	<hr/>	<hr/>
Profit on ordinary activities before taxation	29,694,724	28,279,300
Tax on profit on ordinary activities	(546,806)	(444,937)
	<hr/>	<hr/>
Profit for the period before members' remuneration and profit share	29,147,918	27,834,363
Members' remuneration charged as an expense	(27,448,633)	(26,170,375)
	<hr/>	<hr/>
Profit for the period available for discretionary division among members	1,699,285	1,663,988
	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income for the year	1,699,285	1,663,988
	<hr/> <hr/>	<hr/> <hr/>

## Balance sheet

For the year ended 31 May 2020

	Group	
	2020	2019
	£	£
<b>Fixed assets</b>		
Tangible assets	7,152,944	6,783,274
Goodwill	-	-
Other intangible assets	618,234	828,277
Investments	-	-
	<hr/>	<hr/>
	7,771,178	7,611,551
	<hr/>	<hr/>
<b>Current assets</b>		
Debtors	32,136,919	28,279,370
Cash at bank and in hand	19,522,863	12,924,162
	<hr/>	<hr/>
	51,659,782	41,203,532
<b>Creditors: amounts falling due within one year</b>	(20,574,763)	(14,016,541)
	<hr/>	<hr/>
<b>Net current assets</b>	31,085,019	27,186,991
	<hr/>	<hr/>
<b>Total assets less current liabilities</b>	38,856,197	34,798,542
<b>Creditors: amounts falling due after more than one year</b>	(845,525)	(1,845,525)
<b>Provisions for liabilities</b>	(2,014,438)	(1,338,095)
	<hr/>	<hr/>
<b>Net assets attributable to members</b>	35,996,234	31,614,922
	<hr/> <hr/>	<hr/> <hr/>

# Notes

For the year ended 31 May 2020

## 1 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.

## 2 Consolidated accounts

These results combine the results from Barnett Waddingham LLP and its subsidiary companies, including the group's share of the joint venture's results.

## 3 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
Harsant Services Limited	England & Wales	Pension administration of self invested personal pensions and small self-administered schemes	Ordinary	100
Barnett Waddingham Capital Partner Limited	England & Wales	Group service company	Ordinary	100

## 4 Joint Venture

LLP / Company	Country of registration or incorporation	Principal activity	Shares held	
			Class	%
MBWL International Limited	England & Wales	Provider of professional services	Ordinary	33

