

Baringa Partners LLP

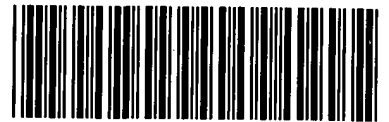
Members' Report and Financial Statements

Year Ended

31 March 2024

LLP Number OC303471

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About Baringa Partners LLP

We set out to build the world's most trusted consulting firm – creating lasting impact for clients and pioneering a positive, people-first way of working. We work with everyone from FTSE 100 names to bright new start-ups, in every sector.

You'll find us collaborating shoulder-to-shoulder with our clients, from the big picture right down to the detail: helping them define their strategy, deliver complex change, spot the right commercial opportunities, manage risk or bring their purpose and sustainability goals to life. Our clients love how we get to know what makes their businesses tick – slotting seamlessly into their teams and being proudly geeky about solving their challenges.

As a Certified B Corporation[®], we've proven that we've built social and environmental good into every bit of what we do.

We have hubs in Europe, the US, Asia and Australia, and we work all around the world – from a wind farm in Wyoming to a boardroom in Berlin. Find us wherever there's a challenge to be tackled and an impact to be made.

Baringa Partners LLP

Information

Designated Members

A Bettridge
A Gaskins
D Hatcher
G Swan

LLP registered number

OC303471

Registered office

62 Buckingham Gate, London, SW1E 6AJ

Independent auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Baringa Partners LLP

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Baringa Partners LLP

Members' Report for the Year Ended 31 March 2024

The members present their annual report together with the audited consolidated financial statements of Baringa Partners LLP (the "LLP") and its subsidiaries (the "Group") for the year ended 31 March 2024.

Principal activities

The principal activity of the LLP and the Group is the provision of business and technology consultancy services.

Designated Members

A Bettridge and A Gaskins were designated members of the Group throughout the year and up to the date of this report.

D Hatcher and G Swan were appointed as designated members on 7 September 2023 and I Patel resigned as designated member on 3 October 2023.

Profit distribution and members' capital

Policies for members' profit shares and subscription for and repayment of members' capital are set out in the LLP Agreement dated 1 October 2024 ("the LLP Agreement").

The members participate fully in the LLP's profit and share the risks according to the LLP agreement. Members do not subscribe to the LLP's capital.

Members are remunerated out of the profits of the LLP and are personally responsible for funding pensions and other benefits. The LLP's drawings policy allows each member to draw a proportion of their allocated profit entitlement. The balance of their profits is paid only where profits allow and subject to the cash requirements of the business.

Business review

We've always believed in putting people first to deliver work with a lasting impact. It's not what we do that sets us apart, but how we do it. These principles are the foundation of everything we do, helping us stand out in a crowded consulting marketplace.

As part of this mission, we're proud to be a certified **B Corp**[™], meaning we've been independently verified as using business as a force for good. This makes Baringa one of the largest management consultancies to achieve certification. Being a B Corp is validation that Baringa meets high standards of social and environmental performance, transparency, and accountability. And it's the beginning, not the end, of a journey: B Corp status is written into our Partnership Agreement, ensuring we continue to work to make life better for our clients, people, the communities in which we live and work, and the planet.

The year ending 31 March 2024 marked another year of strong, profitable growth in our industries, capabilities and geographies. In **financial terms**, we grew turnover to £433m, an increase of 16% over last year. Adjusted operating profit increased by 12%. Adjusted operating profit is adjusted for the remeasurement of contingent consideration (refer to note 5). Our Team has grown to over 2,000 people across 11 countries.

Baringa Partners LLP

Members' Report (continued) for the Year Ended 31 March 2024

Business review (continued)

Our achievements recognised

We aim to be an outstanding global employer, and we're proud to be consistently recognised as a Great Place to Work, ranking in the top 10 for 15 consecutive years. Starting in the 'Small' category, we've been in the 'Super Large' category since 2023. This year, we ranked 7th in the UK, achieved 3rd in Best Workplaces for Development, 6th in Best Workplaces for Wellbeing, 10th in Best Workplaces for Women, and featured in the list for the UK's Best Workplaces in Consulting and Professional Services. Our global offices also rank highly and consistently feature in the Best Workplaces lists. These awards are a credit to the strong, people-first culture we are building worldwide.

We are proud to have won sixteen awards in the Financial Times' 2024 list of the UK's leading management consultants. The accolade is all the more powerful because it is voted on by our clients and our peers, so is a measure of the lasting impact we have made. Reflecting our continued growth as a business, 2024 saw Baringa breakthrough in four new categories, winning awards for the first time for insurance, consumer goods and retail, telecommunications, and organisation and change. Meanwhile we won three more awards compared to the preceding year, and have now been awarded a gold medal for energy, utilities and environment for each of the past five years. Baringa was also recognised as one of the World's Best Management Consulting Firms by Forbes for the third year in a row.

Putting people first

Our business is built around putting people first. We measure our success against the lasting impact of our work and our clients' and people's satisfaction ratings. As we grow our brand reputation, we're attracting great clients, top talent and senior expertise.

Putting people first also means putting diversity, equity and inclusion ("DEI") at the heart of our strategy. We've grown our networks to eight: Embrace (LGBTQ+), Ethnic Diversity, Gender Diversity, Industry to Consulting, Neurodiversity, Interfaith, Black at Baringa, Social Mobility. Our networks keep DEI top of mind at every level of our company: in how we make decisions, the clients we work with, and how we recruit talent. Our aim is to build a diverse and inclusive business.

We've continued our global growth throughout the financial year, growing our presence across the UK, mainland Europe, the US and Asia Pacific. We're developing our people in all our hubs and attracting new talent across all levels of the business, including senior local experts. We now have more people, in more places, supporting global clients.

Baringa Partners LLP

Members' Report (continued) for the Year Ended 31 March 2024

Business review (continued)

Creating impact that lasts

Global energy markets are experiencing seismic change from climate change and political pressures. Our Energy and Resources experts are guiding our clients who span the entire energy value chain - including oil and gas, commodities, power generators, utilities, investors, government and regulators - through the most extreme challenges and unprecedented levels of change.

In Financial Services we work with clients across the banking, markets, insurance, wealth and asset management sectors to shape and deliver their most strategic transformation. The pace of change in the finance sector has never been greater, as technology advances, customer expectations increase and regulation evolves. Our specialists help clients see over the horizon and realise the potential of their business. We shape and build the Financial Services firms of the future.

Our Government and Public Sector practice has been working at the heart of some of UK Government's most strategic programmes in the last year. From HMRC to the Home Office, the NHS, DESNZ and beyond, we work across the Civil Service and closely align our skills with the government professions – operational delivery, digital and technology, commercial, strategy and design, and project delivery. We stand shoulder-to-shoulder with our public sector clients, their teams and suppliers, deploying our impartial, cross-sector expertise to tackle the government's transformation ambitions.

Our Products & Services sector, which includes telco and media, technology, consumer products, retail, pharma, R&D and life sciences continues to go from strength to strength. Our clients feel the impact of post pandemic changes in consumer behaviour, the disruption of global supply shocks, and the pressure of the cost of living crisis; we help them stay competitive by getting their products and services to market faster, increasing their sales and profitability, accelerating and de-risking their biggest transformation programmes and building new capabilities in their businesses.

Our Capabilities sector continues to be central to our strategy, underpinning our overall client offering. Clients pursuing workforce transformation, operational excellence, strengthening supply chains, enhancing sustainability strategies, and driving change with digital, data and technology, brought about a significant increase in activity resulting in strong performance across the board this year.

Promoting our brand

We continued our brand campaign on the "economics of kindness", exploring the views of our clients, our experts, academics, and the general public on how kindness in business pays. We launched campaigns in the energy and resources sector on Low Carbon Capital, Low Carbon Futures and the Digital Energy Transition. In financial services we ran campaigns on Future-Proofing Payments, Climate Change & Sustainability and De-Risking Risk. In the government sector our campaign was on Public Sector Productivity and in Pharmaceuticals we focused on Patient-Centric Biopharma Transformation.

Reducing our environmental impact

The climate crisis demands collective action, and we're committed to playing our part. We've set targets to reduce our carbon emissions in line with a 1.5 C world by 2050. In the interim, we have a near-term target to ensure we are aligned to that net zero pathway by 2030. These targets were approved by the Science Based Targets Initiative this year, and we'll refresh them against the latest climate science every five years.

We're focused on emissions reduction opportunities in our offices, in our business operations and with our suppliers. While reducing our emissions is our priority, we offset the residual emissions under our direct operational control that we cannot yet eliminate, prioritising carbon removal projects. We track our progress using our emissions estimations, which are externally verified.

Baringa Partners LLP

Members' Report (continued) for the Year Ended 31 March 2024

Business review (continued)

Community contribution

We have a long legacy of supporting the communities in which we work, offering our people a variety of ways to contribute - through donating our time, our skills, and our cash. In addition to our charitable donations this year, we made a record investment in delivering a number of pro bono projects, using our professional skills and experience to deliver support to charitable organisations that do incredible work. Combined with our volunteering efforts and other related activities, the value of our total community contribution, following the B4SI framework, was just over £1m.

The year ahead

Looking to the year ahead, we're excited by the opportunities we see, although we recognise the global economic headwinds that may face us and our clients. We don't underestimate these challenges but are confident in our strategy and the positive difference we can make to our clients' businesses.

Streamlined Energy & Carbon Reporting (SECR)

Our Energy and Carbon Report for the financial year ending 31 March 2024 forms part of the Members' Report as required by the Companies and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Reporting boundaries and methodology

We have included our UK-only energy consumption and associated carbon emissions activities following the operational control approach. We used the UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting & Reporting Standard to compile this report. The GHG emissions conversion factors and advisory fuel rates were also sourced from the UK Government.

Commitment to emissions reductions

We are committed to managing our energy consumption and carbon emissions responsibly. Our overarching target is to reduce our Scope 1, 2 & 3 global emissions (gross) in line with the Net-Zero Standard from the Science Based Targets Initiative (SBTi). This commitment is an important part of being a certified B Corporation. Our global targets were verified and approved by the SBTi during this financial year.

Energy efficiency changes

We reduced our total energy consumption by 17% between FY23 and FY24. Our consumption of natural gas and electricity fell in our in our London headquarters, alongside a reduction in business road travel - despite a 28% growth in FTE in the UK.

- **Gas:** We used less 23% less gas for heating in our UK office because of the milder winter, with a corresponding drop in emissions. We are working with the office landlord to understand their pathway for replacing gas heating in our London headquarters.
- **Electricity:** We reduced our electricity consumption by 6% through implementing a number of changes. These include implementing a new printing system, and reducing the number of on-premises data servers. We are in the process of optimising our cloud data storage which will gradually reduce the intensity of our data infrastructure each year.
- **Road travel:** We continue to encourage lower emission travel options and have seen a reduction in the volume of journeys being taken by car. We also introduced an electric vehicle lease schemes for our people. Overall, our emissions from UK road travel reduced by 24% compared with last year.

Baringa Partners LLP

Members' Report (continued) for the Year Ended 31 March 2024

Streamlined Energy & Carbon Reporting (SECR) (continued)

Energy consumption and related carbon emissions

	Units	FY24	FY23	Variance (%)
<u>Energy consumption</u>				
Total energy consumption	Thousand kWh	1,026	1,236	-17%
Gas (natural)	Thousand kWh	255	333	-23%
Electricity	Thousand kWh	438	464	-6%
Business travel: road	Thousand kWh	333	439	-24%
<u>Carbon emissions</u>				
Total carbon emissions	Tonnes CO2e	218	261	-16%
Scope 1 (Gas - natural)	Tonnes CO2e	47	61	-23%
Scope 2 (Electricity - Location based)	Tonnes CO2e	91	90	1%
Scope 2 (Electricity - Market based)	Tonnes CO2e	0	0	0%
Scope 3 (Business travel: road)	Tonnes CO2e	80	110	-27%
<u>Total carbon emissions intensity</u>				
Full Time Employee (FTE) intensity	Tonnes CO2e / FTE	0.15	0.22	-32%
Revenue intensity	Tonnes CO2e / £ millions	0.63	1.00	-37%
<u>Other metrics</u>				
Average UK FTE	FTE	1,487	1,163	28%

FY23 amendments

We have evolved our methodology for energy and emissions estimations, resulting in differences between the data reported for the financial year 2023 (FY22, 1st April 2022 – 31st March 2023) Energy and Carbon Report and the FY23 data above. The net impact of these differences is a 4% increase in total energy consumption and an 5% increase in total carbon emissions in FY23 compared to the previously reported figures.

Baringa Partners LLP

Members' Report (continued) for the Year Ended 31 March 2024

Members' responsibilities statement

The members are responsible for preparing the Members' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Limited Liability Partnership and of the profit or loss of the 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

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

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of the members were in force during the year under review and remain in force at the date of approval of the Members' Report and financial statements.

Disclosure of information to auditor

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the Limited Liability Partnership's auditor is unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Limited Liability Partnership's auditor is aware of that information.

Post balance sheet event

There has been no significant events affecting the LLP and the Group since the year end.

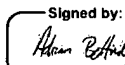
Baringa Partners LLP

Members' Report (continued) for the Year Ended 31 March 2024

Auditor

The auditor, BDO LLP, will be proposed for reappointment by the designated members at a meeting of the members.

This report was approved by the members and signed on their behalf by:

Signed by:


.....
A Bettridge
Designated member

Date: 11/11/2024

Baringa Partners LLP

Independent Auditor's Report to the Members of Baringa Partners LLP

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Limited Liability Partnership's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Baringa Partners LLP ("the Limited Liability Partnership") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated statement of comprehensive income, consolidated and LLP balance sheet, consolidated and LLP statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Limited Liability Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Baringa Partners LLP

Independent Auditor's Report to the Members of Baringa Partners LLP (continued)

Other information

The members are responsible for the other information. The other information comprises the information included in the Members' Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting as applied to limited liability partnerships

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

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

Responsibilities of members

As explained more fully in the Members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Group 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.

Baringa Partners LLP

Independent Auditor's Report to the Members of Baringa Partners LLP (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on:

- Our understanding of the Limited Liability Partnership and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Limited Liability Partnership's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006 (as applied to Limited Liability Partnerships), and relevant tax compliance legislation.

The Limited Liability Partnership is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law and general data protection regulations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Limited Liability Partnership's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Baringa Partners LLP

Independent Auditor's Report to the Members of Baringa Partners LLP (continued)

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be valuation of accrued revenue at year end related to fixed fee and capped time and material projects and the potential for management to override controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias by testing the key area of estimation uncertainty or judgment, for example, we recomputed the percentage of completion of sampled projects considering the time booked on those projects post year end to assess the reasonableness of accrued revenue at year end in the context of our understanding of the entity and its environment; and
- Substantively tested accrued and deferred revenue at year end.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Tim Neathercoat

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Tim Neathercoat (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 12 November 2024

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

Baringa Partners LLP

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Turnover	4	432,772,334	373,868,817
Cost of sales		(115,986,421)	(100,817,349)
		<hr/>	<hr/>
Gross profit		316,785,913	273,051,468
Administrative expenses		(150,426,987)	(125,334,200)
Other operating expense	5	(8,727,573)	(35,587,612)
		<hr/>	<hr/>
Operating profit	6	157,631,353	112,129,656
Interest receivable and similar income	9	1,069,178	345,160
Interest payable and similar expenses	10	(3,250)	-
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Profit before tax		158,697,281	112,474,816
Tax on profit	11	(5,074,669)	(1,502,187)
		<hr/>	<hr/>
Profit before members' remuneration and profit shares available for discretionary division among members		153,622,612	110,972,629
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All amounts relate to continuing operations, with the exception of the other operating expense (see note 5).

There was no other comprehensive income for 2024 (2023 - £Nil).

The notes on pages 19 to 39 form part of these financial statements.

Baringa Partners LLP
Registered number: OC303471


Consolidated Balance Sheet
as at 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible assets	13		3,897,930		796,938
Tangible assets	14		4,272,575		4,542,820
			<u>8,170,505</u>		<u>5,339,758</u>
Current assets					
Debtors: amounts falling due after more than one year	16	6,051,436		16,231,397	
Debtors: amounts falling due within one year	16	185,729,353		156,248,923	
Cash at bank and in hand		26,921,771		44,268,765	
		<u>218,702,560</u>		<u>216,749,085</u>	
Creditors: amounts falling due within one year	17	(59,978,344)		(61,459,369)	
Net current assets			<u>158,724,216</u>		<u>155,289,716</u>
Total assets less current liabilities			<u>166,894,721</u>		<u>160,629,474</u>
Provisions for liabilities					
Deferred taxation	19	(520,289)		(2,958)	
			<u>(520,289)</u>		<u>(2,958)</u>
Net assets attributable to members			<u>166,374,432</u>		<u>160,626,516</u>
Members' other interests					
Other reserves classified as equity	25		<u>166,374,432</u>		<u>160,626,516</u>
Total members' interests					
Amounts due from members (included in debtors)	16		(61,721,803)		(42,697,383)
Members' other interests	25		<u>166,374,432</u>		<u>160,626,516</u>
			<u>104,652,629</u>		<u>117,929,133</u>

Baringa Partners LLP
Registered number:OC303471

Consolidated Balance Sheet (continued)
as at 31 March 2024

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

Signed by:

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A Bettridge
Designated member

Date: 11/11/2024

The notes on pages 19 to 39 form part of these financial statements.

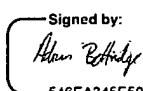
Baringa Partners LLP
Registered number:OC303471

LLP Balance Sheet
as at 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible assets	13		3,897,930		796,938
Tangible assets	14		3,808,793		4,107,965
Investments	15		110,003		110,003
			<u>7,816,726</u>		<u>5,014,906</u>
Current assets					
Debtors: amounts falling due after more than one year	16	6,051,436		16,231,397	
Debtors: amounts falling due within one year	16	169,354,560		139,961,805	
Cash at bank and in hand		16,781,559		33,054,054	
		<u>192,187,555</u>		<u>189,247,256</u>	
Creditors: amounts falling due within one year	17	(49,808,300)		(43,524,120)	
Net current assets			<u>142,379,255</u>		<u>145,723,136</u>
Net assets attributable to members			<u>150,195,981</u>		<u>150,738,042</u>
Members' other interests					
Other reserves classified as equity	25		<u>150,195,981</u>		<u>150,738,042</u>
Total members' interests					
Amounts due from members (included in debtors)	16		(70,079,523)		(49,013,323)
Members' other interests	25		150,195,981		150,738,042
			<u>80,116,458</u>		<u>101,724,719</u>

The LLP has elected to take the exemption under Section 408 of the Companies Act not to present a statement of comprehensive income. The profit for the year of Baringa Partners LLP was £138,356,487 (2023 - £101,996,481)

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

Signed by:

540EA345E50D4E1.....

A Bettridge
Designated member

Date: 11/11/2024

The notes on pages 19 to 39 form part of these financial statements.

Baringa Partners LLP

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2024

	Members' other equity interests	Total equity
	£	£
At 1 April 2023	160,626,516	160,626,516
Profit for year available for discretionary division among members	153,622,612	153,622,612
Adjustment related to 2023 disposal of a business stream	(36,902,067)	(36,902,067)
Allocated profit in the year	(110,972,629)	(110,972,629)
At 31 March 2024	166,374,432	166,374,432

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2023

	Members' other equity interests	Total equity
	£	£
At 1 April 2022	188,329,672	188,329,672
Profit for year available for discretionary division among members	110,972,629	110,972,629
Adjustment related to 2022 disposal of a business stream	51,699,024	51,699,024
Allocated profit in the year	(190,374,809)	(190,374,809)
At 31 March 2023	160,626,516	160,626,516

The notes on pages 19 to 39 form part of these financial statements.

Baringa Partners LLP

LLP Statement of Changes in Equity for the Year Ended 31 March 2024

	Members' other equity interests	Total equity
	£	£
At 1 April 2023	150,738,042	150,738,042
Profit for year available for discretionary division among members	138,356,487	138,356,487
Adjustment related to 2023 disposal of a business stream	(36,902,067)	(36,902,067)
Allocated profit in the year	(101,996,481)	(101,996,481)
At 31 March 2024	150,195,981	150,195,981

LLP Statement of Changes in Equity for the Year Ended 31 March 2023

	Members' other equity interests	Total equity
	£	£
At 1 April 2022	175,050,487	175,050,487
Profit for year available for discretionary division among members	101,996,481	101,996,481
Adjustment related to 2022 disposal of a business stream	51,699,024	51,699,024
Allocated profit in the year	(178,007,950)	(178,007,950)
At 31 March 2023	150,738,042	150,738,042

The notes on pages 19 to 39 form part of these financial statements.

Baringa Partners LLP

Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Profit for the financial year	153,622,612	110,972,629
Adjustments for:		
Amortisation of intangible assets	118,780	-
Depreciation of tangible assets	2,108,253	1,410,941
Remeasurement of contingent consideration	8,727,573	35,995,757
Interest charged to income statement	3,250	-
Interest credited to income statement	(1,069,178)	(345,160)
Taxation charged to the income statement	5,074,669	1,502,187
Foreign exchange differences	365,794	(332,760)
Increase in debtors	(9,003,622)	(17,398,289)
(Decrease)/increase in creditors	(1,272,168)	9,403,259
Corporation tax paid	(4,766,195)	(2,808,014)
Net cash generated from operating activities before transactions with members	153,909,768	138,400,550
Cash flows from investing activities		
Purchase of intangible assets	(3,219,772)	(796,938)
Purchase of tangible assets	(1,838,008)	(2,091,771)
Interest received	1,069,178	345,160
Net cash used in investing activities	(3,988,602)	(2,543,549)
Cash flows from financing activities		
Interest paid	(3,250)	-
Payments to members	(166,899,116)	(129,805,456)
Net cash used in financing activities	(166,902,366)	(129,805,456)
Net (decrease)/increase in cash at bank and in hand	(16,981,200)	6,051,545
Cash at bank and in hand at beginning of year	44,268,765	37,884,460
Foreign exchange gains and losses	(365,794)	332,760
Cash at bank and in hand at the end of year	26,921,771	44,268,765
Cash at bank and in hand at the end of year comprise:		
Cash at bank and in hand	26,921,771	44,268,765

The notes on pages 19 to 39 form part of these financial statements.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

1. General information

Baringa Partners LLP is a Limited Liability Partnership incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the information page and the nature of the Group's and the LLP's operations and its principal activities are set out in the Members' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

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

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The treatment of members' share of profits reflect the element of variability in the allocation of profit to members that is only determined after the end of the financial period. Members' shares of profit are only fully allocated after taking account of adjustments to profit shares arising from the consideration of relative performance in the year.

The Group's and the LLP's functional and presentational currency is GBP. Therefore, the financial statements have been presented in Pound Sterling and are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

Parent LLP disclosure exemptions

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows for the parent LLP;
- the disclosures in respect of the parent LLP's financial instruments; and
- the aggregate remuneration of the key management personnel of the parent LLP.

The following principal accounting policies have been applied:

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

2. Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements present the results of the LLP and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In addition, the results of Baringa Partners International LLP are consolidated by virtue of the Group's ability to direct the financial and operating policies.

2.4 Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the members have considered the Group's operations and principal risks and uncertainties. As a professional services firm providing a wide variety of consultancy services to a broad range of geographies and sectors, the Group has demonstrated both a natural resilience and an ability to adapt in response to changes in global economic conditions.

As part of the going concern assessment a modelling exercise has been performed, which has been stress-tested. No plausible scenarios were identified that could cause the members to revise the going concern basis under which the financial statements are being prepared.

The Group has a £20m overdraft facility, which was unused during the year and post year end.

Based on this assessment, the members have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, consequently, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is GBP and the financial statements are rounded to the nearest pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to cash at bank and in hand are presented in the consolidated statement of comprehensive income within 'interest payable and similar expenses' or 'interest receivable and similar income'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2.7 Interest receivable and similar income

Interest receivable and similar income is recognised in the consolidated statement of comprehensive income using the effective interest rate method.

2.8 Interest payable and similar expenses

Interest payable and similar expenses are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in other creditors as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.10 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

2. Accounting policies (continued)

2.11 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.12 Current and deferred taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

2. Accounting policies (continued)

2.13 Amounts due to/(from) members; allocation of profits

Profit allocations

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP. Unallocated profits are recognised in equity ('other reserves'). The statutory profit for the financial year available for discretionary division among members will be allocated subsequent to the approval of the financial statements. This will be allocated to individual members on the basis set out in the LLP partnership agreement. Any losses not allocated to members must be eliminated by future profits before profit allocations recommence.

Drawings

Drawings represent payments on account of profits which may be allocated to members. The amount of such drawings is set at the beginning of each financial year, taking into account anticipated cash needs of the LLP and may be reclaimed from members until profits have been allocated to them.

2.14 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Software development - 3 years

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life of 5 years.

Amortisation is included in 'administrative expenses' in the consolidated statement of comprehensive income.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

2. Accounting policies (continued)

2.15 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the lifetime of the lease or until the first break clause where applicable
Equipment and computers	- 20% - 100% per annum
Fixtures and fittings	- 20% - 50% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

Depreciation is included in 'administrative expenses' in the consolidated statement of comprehensive income.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGUs) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

2. Accounting policies (continued)

2.18 Debtors

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

2.19 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and other third parties, loans to related parties and investments in ordinary shares.

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

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

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

In preparing these financial statements, the members have had to make the following judgements:

- Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Accrued income balances relating to contracts are based on management's best estimates of costs incurred and cost to completion.
- Provision for bad debts is made based on management's best estimate of the prospect of recovering the amount due which includes considering the credit status of the customer and its history in meeting commitments.

Other key sources of estimation uncertainty

- **Tangible assets (see note 14)**
Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Contingent consideration (see note 16)**
The Partnership has conducted a thorough analysis of the business income which could be generated including several scenarios and probabilities for the purposes of assessing the contingent sale consideration. The cost of capital used for the discount of the contingent sale consideration cashflows has been validated against comparable organisations and reflects the Partnership's debt to equity ratio. The projections of the contingent sale consideration that the sale of the business could generate are supported by expected numbers of licences for use of the business assets across clients operating in different sectors.

4. Turnover

Analysis of turnover by country of destination:

	2024 £	2023 £
United Kingdom	320,592,174	287,714,510
Rest of Europe	63,148,041	48,516,260
Rest of the world	49,032,119	37,638,047
	<u>432,772,334</u>	<u>373,868,817</u>

Included within the results for the year ended 31 March 2024 are rechargeable expenses totalling £4,197,867. The costs incurred and revenue generated from clients in respect of these rechargeable expenses have been presented gross within turnover, as the Group is acting as the principal. This treatment differs to the treatment in the prior year.

Turnover is wholly attributable to the principal activity of the Group.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

5. Other operating expense

	2024	2023
	£	£
Remeasurement of contingent consideration receivable	(8,727,573)	(35,995,757)
Sundry income	-	408,145
	(8,727,573)	(35,587,612)

In FY22 the members assessed the contingent consideration for the business to be an amount of USD69,017,075 over a period of 7 years. In FY24 the members reassessed the contingent consideration for a business stream disposed of in FY22 to be USD9,160,023 (2023 - USD21,742,375). This results in an impairment in FY24 which is shown under other operating expense in the consolidated statement of comprehensive income.

6. Operating profit

The operating profit is stated after charging/(crediting):

	2024	2023
	£	£
Amortisation of intangible assets	118,780	-
Depreciation of tangible assets	2,108,253	1,662,277
Exchange differences	1,048,718	(636,466)
Other operating lease rentals	8,509,550	6,451,257
	8,509,550	6,451,257

7. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements.	197,000	171,500
Fees payable to the Group's auditor and its associates in respect of:		
All services relating to taxation	243,970	453,750
All other services	37,942	25,000
	243,970	453,750

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

8. Employees

Staff costs were as follows:

	Group 2024 £	Group 2023 £	LLP 2024 £	LLP 2023 £
Wages and salaries	154,046,620	122,383,584	131,393,565	106,737,518
Social security costs	16,742,404	12,741,301	15,410,436	11,865,880
Cost of defined contribution scheme	8,097,969	5,864,218	6,900,457	5,245,848
	178,886,993	140,989,103	153,704,458	123,849,246

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	Group 2024 No.	Group 2023 No.	LLP 2024 No.	LLP 2023 No.
Administration	340	269	297	242
Consultants	1,423	1,272	1,181	1,096
	1,763	1,541	1,478	1,338

9. Interest receivable and similar income

	2024 £	2023 £
Bank interest receivable	1,069,178	345,160

10. Interest payable and similar expenses

	2024 £	2023 £
Bank interest payable	3,250	-

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

11. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	728,612	353,996
Adjustments in respect of previous periods	10,421	(37,008)
	739,033	316,988
Double taxation relief	(555,973)	(221,770)
	183,060	95,218
Foreign tax		
Foreign tax on income for the year	4,430,732	1,446,788
Foreign tax in respect of prior periods	(50,885)	(59,304)
	4,562,907	1,482,702
Deferred tax		
Origination and reversal of timing differences	511,762	16,752
Adjustment in respect of prior periods	-	2,733
	511,762	19,485
Taxation on profit on ordinary activities	5,074,669	1,502,187

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

The standard rate of corporation tax in the UK was 19% up to 31 March 2023, and has been 25% since 1 April 2023. Accordingly, the Group's profits for year are taxed at a rate of 25% (2023 - 19%).

	2024	2023
	£	£
Profit on ordinary activities before tax	158,697,281	112,474,816
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	39,674,320	21,370,215
Effects of:		
Expenses not deductible for tax purposes	398,046	65,454
Adjustments to tax charge in respect of prior periods	(40,464)	(93,946)
Adjustments to tax charge in respect of prior periods - deferred tax	-	2,733
Provision for withholding tax	510,000	-
Profit not subject to corporation tax	(34,358,984)	(19,799,453)
Depreciation in excess of capital allowances	-	(3,096)
Foreign tax rate differences	(963,844)	(89,539)
Foreign tax credits	(144,405)	45,911
Effects of changes in tax rates	-	3,908
Total tax charge for the year	5,074,669	1,502,187

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

12. Information in relation to members

	2024 Number	2023 Number
The average number of members during the year was	<u>180</u>	<u>139</u>

Profits are shared among the members after the end of the year in accordance with profit sharing arrangements agreed subsequent to the reporting date. Members are required to make their own provision for taxation from their profit shares.

The share of profits that has been allocated to the member with the largest entitlement to profit in the year ending 31 March 2024 amounted to 7% of the profit of the financial year (2023 – 7%). In addition, the highest paid member is entitled to 8% of cash received in the period in relation to the profits arising on the disposal of a business stream which included internally developed software (refer to note 5).

Key management comprises the members, all of whom take distributions from the partnership and are not paid any salary or other benefits.

13. Intangible assets

Group and LLP

	Software development £	Goodwill £	Total £
Cost			
At 1 April 2023	796,938	1,822,825	2,619,763
Additions	3,219,772	-	3,219,772
At 31 March 2024	<u>4,016,710</u>	<u>1,822,825</u>	<u>5,839,535</u>
Amortisation			
At 1 April 2023	-	1,822,825	1,822,825
Charge for the year	118,780	-	118,780
At 31 March 2024	<u>118,780</u>	<u>1,822,825</u>	<u>1,941,605</u>
Net book value			
At 31 March 2024	<u>3,897,930</u>	<u>-</u>	<u>3,897,930</u>
At 31 March 2023	<u>796,938</u>	<u>-</u>	<u>796,938</u>

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

14. Tangible assets

Group

	Leasehold improvements £	Equipment and computers £	Fixtures and fittings £	Total £
Cost				
At 1 April 2023	2,457,546	8,034,670	237,874	10,730,090
Additions	-	1,481,435	356,573	1,838,008
At 31 March 2024	<u>2,457,546</u>	<u>9,516,105</u>	<u>594,447</u>	<u>12,568,098</u>
Depreciation				
At 1 April 2023	811,796	5,369,259	6,215	6,187,270
Charge for the year	307,788	1,704,527	95,938	2,108,253
At 31 March 2024	<u>1,119,584</u>	<u>7,073,786</u>	<u>102,153</u>	<u>8,295,523</u>
Net book value				
At 31 March 2024	<u><u>1,337,962</u></u>	<u><u>2,442,319</u></u>	<u><u>492,294</u></u>	<u><u>4,272,575</u></u>
At 31 March 2023	<u><u>1,645,750</u></u>	<u><u>2,665,411</u></u>	<u><u>231,659</u></u>	<u><u>4,542,820</u></u>

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

14. Tangible assets (continued)

LLP

	Leasehold improvements £	Equipment and computers £	Fixtures and fittings £	Total £
Cost				
At 1 April 2023	2,457,546	7,415,701	156,096	10,029,343
Additions	-	1,200,705	344,987	1,545,692
At 31 March 2024	<u>2,457,546</u>	<u>8,616,406</u>	<u>501,083</u>	<u>11,575,035</u>
Depreciation				
At 1 April 2023	811,796	5,107,664	1,918	5,921,378
Charge for the year	307,788	1,458,197	78,879	1,844,864
At 31 March 2024	<u>1,119,584</u>	<u>6,565,861</u>	<u>80,797</u>	<u>7,766,242</u>
Net book value				
At 31 March 2024	<u>1,337,962</u>	<u>2,050,545</u>	<u>420,286</u>	<u>3,808,793</u>
At 31 March 2023	<u>1,645,750</u>	<u>2,308,037</u>	<u>154,178</u>	<u>4,107,965</u>

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

15. Investments

LLP

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2023 and at 31 March 2024	110,003

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
Baringa Consulting Limited	England and Wales	Business and technology consultancy services	Ordinary	100%
Baringa Services Limited	England and Wales	Business and technology consultancy services	Ordinary	100%
Baringa Partners LLC*	USA	Holding company	-	100%
Baringa Partners LP*	USA	Business and technology consultancy services	-	100%
Baringa Ireland Limited	Republic of Ireland	Business and technology consultancy services	Ordinary	100%
Baringa Bulgaria EOOD*	Bulgaria	Business and technology consultancy services	Ordinary	100%
Baringa Partners International LLP	England and Wales	Business and technology consultancy services	Ordinary	100%

* Indirectly held via Baringa Consulting Limited.

Baringa Consulting Limited, Baringa Services Limited and Baringa Partners International LLP share the same registered office as the LLP, which is shown on the information page.

Baringa Ireland Limited is registered in the Republic of Ireland and the address of the registered office is: Pavilion House, 31 Fitzwilliam Square, Dublin.

Baringa Partners LLC and Baringa Partners LP are registered in the United States of America and the registered office is:
Corporation Trust Centre, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, United States of America.

Baringa Bulgaria EOOD is registered in Bulgaria and the address of the registered office is: 4th Floor, 20 Aksakov St., Sofia, Bulgaria.

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Notes to the Financial Statements for the Year Ended 31 March 2024

16. Debtors

	Group 2024 £	Group 2023 £	LLP 2024 £	LLP 2023 £
Due after more than one year				
Trade debtors and contingent consideration*	6,051,436	16,231,397	6,051,436	16,231,397
Due within one year				
Trade debtors and contingent consideration*	67,099,460	59,470,258	51,766,076	38,708,196
Amounts owed by group undertakings	-	-	2,698,076	11,735,246
Other debtors	4,328,390	5,858,308	3,671,639	2,896,737
Prepayments and accrued income	52,579,700	48,222,974	41,139,245	37,608,303
Amounts due from members	61,721,803	42,697,383	70,079,523	49,013,323
	185,729,353	156,248,923	169,354,559	139,961,805

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

*Contingent consideration is following the Group's disposal of a business stream which included internally developed software. Contingent consideration has been reassessed by management as at 31 March 2023 and 2024 as recognised in note 5. At 31 March 2024, contingent consideration of £7,256,332 (2023 - £17,531,104) was included within debtors.

17. Creditors: amounts falling due within one year

	Group 2024 £	Group 2023 £	LLP 2024 £	LLP 2023 £
Trade creditors	2,219,144	2,054,840	2,022,393	1,859,080
Corporation tax	537,737	746,594	689,667	-
Other taxation and social security	13,898,249	12,711,300	12,201,692	4,192,910
Other creditors	3,729,666	3,500,025	2,932,434	3,338,043
Accruals and deferred income	39,593,548	42,446,610	31,962,114	34,134,087
	59,978,344	61,459,369	49,808,300	43,524,120

As at 31 March 2024, Baringa Partners LLP had a £20m overdraft facility (2023 - £15m), secured against all the assets of the partnership. At 31 March 2024, £Nil (2023 - £Nil) had been drawn down against this facility.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

18. Financial instruments

	Group 2024 £	Group 2023 £	LLP 2024 £	LLP 2023 £
Financial assets				
Financial assets measured at amortised cost	166,122,860	167,419,806	223,531,714	136,005,502
Financial liabilities				
Financial liabilities measured at amortised cost	39,286,062	33,792,819	34,657,328	37,292,199

Financial assets measured at amortised cost comprise cash at bank and in hand, trade and other debtors, amounts due by group undertakings and amounts due from members.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals.

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

19. Deferred taxation

Group

	2024 £	2023 £
At beginning of year	(2,958)	16,527
Charged to the consolidated statement of comprehensive income	(517,331)	(19,485)
At end of year	(520,289)	(2,958)
	Group 2024 £	Group 2023 £
Accelerated capital allowances	(520,289)	(2,958)

LLP has no deferred taxation liability or assets at 31 March 2024 or 31 March 2023.

20. Pension commitments

The Group contributes to defined contribution pension schemes. The assets of such schemes are held separately from those of the Group in independently administered funds. The pension charge amounted to £8,097,969 (2023 - £5,864,218). Contributions totalling £678,431 (2023 - £632,951) were payable to the fund by the Group at the reporting date.

21. Commitments under operating leases

At 31 March 2024 the Group and the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2024 £	Group 2023 £	LLP 2024 £	LLP 2023 £
Not later than 1 year	5,190,642	6,510,349	4,081,788	5,398,473
Later than 1 year and not later than 5 years	14,986,104	14,797,895	13,125,316	13,677,548
Later than 5 years	-	941,598	-	941,598
	20,176,746	22,249,842	17,207,104	20,017,619

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

22. Related party transactions

The LLP has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

Management are satisfied that intercompany debtor and creditor balances meet the conditions to be shown as net in the financial statements. As such intercompany debtor and creditor balances within the Group are shown net as the Group allows these to be settled net across group companies.

23. Post balance sheet events

There has been no significant events affecting the LLP and the Group since the year end.

24. Ultimate controlling party

The LLP does not have one significant controlling party.

25. Reconciliation of members' interests (Group)

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Other reserves £	£	Total £
Amounts due from members		(42,697,383)	
Balance at 31 March 2023	160,626,516	(42,697,383)	117,929,133
Profit for the year available for discretionary division among members	153,622,612	-	153,622,612
Members' interests after profit for the year	314,249,128	(42,697,383)	271,551,745
Other division of profits	(110,972,629)	110,972,629	-
Adjustment related to 2023 disposal of a business stream	(36,902,067)	36,902,067	-
Drawings	-	(166,899,116)	(166,899,116)
Amounts due from members		(61,721,803)	
Balance at 31 March 2024	166,374,432	(61,721,803)	104,652,629

Baringa Partners LLP

Notes to the Financial Statements for the Year Ended 31 March 2024

25. Reconciliation of members' interests (LLP)

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Other reserves £	£	Total £
Amounts due from members		(49,013,323)	
Balance at 31 March 2023	150,738,042	(49,013,323)	101,724,719
Profit for the year available for discretionary division among members	138,356,487	-	138,356,487
Members' interests after profit for the year	289,094,529	(49,013,323)	240,081,206
Other division of profits	(101,996,481)	101,996,481	-
Adjustment related to 2023 disposal of a business stream	(36,902,067)	36,902,067	-
Drawings	-	(159,964,748)	(159,964,748)
Amounts due from members		(70,079,523)	
Balance at 31 March 2024	150,195,981	(70,079,523)	80,116,458

The LLP agreement stipulates that the amounts due to members shall stand as an unsecured sum due to the members upon winding-up. These amounts rank pari passu with ordinary creditors.

26. Analysis of net debt (Group)

	At 1 April 2023 £	Arising from cash flows £	Other non-cash changes £	At 31 March 2024 £
Cash at bank and in hand	44,268,765	(16,981,200)	(365,794)	26,921,771
Net debt (before members' debt)	44,268,765	(16,981,200)	(365,794)	26,921,771
Net debt	44,268,765	(16,981,200)	(365,794)	26,921,771