# Lewis Silkin LLP
# Consolidated Financial Statements

Year ended 31 March 2024

Registered number OC317120

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**LLP registration number**

OC317120

**Registered office**

Arbor, 255 Blackfriars Road, London, SE1 9AX.

**Auditor**

RSM UK Audit LLP, Second Floor, 1 The Square, Temple Quay, Bristol, BS1 6DG

**Bankers**

Barclays Bank Plc, 2 Churchill Place, Canary Wharf, London E14 5RB.

## Report of the members

The members present their report and the financial statements for the year ended 31 March 2024.

Lewis Silkin LLP is a Limited Liability Partnership registered in the UK. Its principal activity is the provision of legal services. Lewis Silkin LLP's consolidated financial statements include the results of 5CL Limited (a UK registered company which provides professional services and is a wholly owned subsidiary of Lewis Silkin LLP), Lewis Silkin Hong Kong (a partnership in Hong Kong), Lewis Silkin Ireland (a partnership in Ireland) and Lewis Silkin (N.I.) LLP (a UK registered LLP) all of which provide legal services and are subsidiaries of Lewis Silkin LLP.

## Trading review

The results for the year ended 31 March 2024 were positive, with both revenue and operating profit continuing to grow. This was due to a combination of organic growth in the existing business, growth from new lateral hire partners into core strategic areas of the firm and through the opening of a new office in Leeds.

The members have confidence in the future success of the firm and are looking forward to implementing their objectives which are underpinned by the overarching strategic approach of Ideas. People. Possibilities.

## Going concern

These financial statements have been prepared on a going concern basis on the grounds that the members consider that the Group holds sufficient cash reserves to offset any cashflow uncertainties and that the Group will be able to continue to meet its debts as they fall due. In order to assess the going concern assumptions, the members have considered detailed trading and cashflow projections for a period of at least 12 months from the date of approval of these financial statements.

As of December 2024, the Group was funded from a combination of available cash reserves and access to financing options including an overdraft of £3m and revolving credit facility of £5m. The credit facility was not utilised as at the date of approval of these financial statements and the level of facilities required remains under review.

The members have therefore concluded that there is no material uncertainty about the ability of the Group to continue as a going concern and that it remains appropriate to prepare the financial statements on a going concern basis.

## Designated members

The designated members during the financial year and up to the date of approval of the financial statements were:

Richard Miskella
Joanne Evans
Jo-Anne Farmer

### Members drawings and capital policy

The LLP's drawing policy allows each member to draw a proportion of their budgeted post-tax profit during the accounting year in twelve instalments, with the balance paid subsequently. All payments are made subject to the cash requirements of the business.

Profit sharing allocations are determined annually by the LLP's Partnership Remuneration Committee elected by the members.

An individual member's capital requirement is linked to his or her share of profit and the financing requirement of the LLP.

### Streamlined Energy and Carbon Reporting

The related information is contained within the body of the financial statements on page 32.

### Statement of members' responsibilities

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

The Companies Act 2006, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 ("partnership law"), requires the members of the Limited Partnership to prepare financial statements for each financial year. Under that law the members of the Limited Partnership have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under partnership law the members of the Limited Partnership 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 partnership and of the profit or loss of the limited partnership for that period.

In preparing those 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 partnership will continue in business.

The members of the Limited Partnership are responsible for keeping adequate accounting records that are sufficient to show and explain the limited partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied to qualifying partnerships. They are also responsible for safeguarding the assets of the limited partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**

The auditors are deemed reappointed, unless:

- Members representing at least 5% of total voting rights in the LLP give notice that the *auditor should not be reappointed; or*
- The members have determined the auditor should not be reappointed; or
- The designated members have determined that no auditor should be appointed for the year in question.

RSM UK Audit LLP has indicated its willingness to continue in office.

These responsibilities are exercised by the designated members on behalf of the members.

R. Miskella

Richard Miskella – Designated member

Date: 17 December 2024

## Independent auditor's report to the members of Lewis Silkin LLP

### Opinion

We have audited the financial statements of Lewis Silkin LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of comprehensive income, the consolidated and LLP statements of financial position, the consolidated and LLP statement of changes in equity, the consolidated statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent limited liability partnership's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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's and parent 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.

## Independent auditor's report to the members of Lewis Silkin LLP (continued)

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 for the financial statements

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and parent 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 parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

**Independent auditor's report to the members of Lewis Silkin 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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent limited liability partnership operate in and how the group and parent limited liability partnership is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and the LLP SORP. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

**Independent auditor's report to the members of Lewis Silkin LLP (continued)**

The most significant laws and regulations that have an indirect impact on the financial statements are compliance with the Solicitors Regulation Authority Code of Conduct, including the Solicitors Accounts Rules as regulated by the Solicitors Regulation Authority in the UK and with the Solicitors Accounts Regulations 2014 and the Solicitors (Northern Ireland) order 1976 (as amended) as regulated by the Law Society of Northern Ireland. We performed audit procedures to inquire of management and those charged with governance whether the group and limited liability partnership is in compliance with these law and regulations. We inspected compliance documentation, enquired over any risk and breaches in the year and reviewed regulatory returns.

The group audit engagement team identified the risk of management override of controls, revenue recognition and valuation of amounts recoverable on contracts as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and testing the valuation of revenue and amounts recoverable on contracts through substantive testing.

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

**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 to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Pedder

SAMANTHA PEDDER (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Second Floor
1 The Square
Temple Quay
Bristol
BS1 6DG

Date: 17 December 2024

| | Note | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| Turnover | 5 | 100,306 | 85,818 |
| Other operating income | 4 | 5 | 2 |
| **Total income** | | **100,311** | **85,820** |
| | | | |
| Operating costs: | | | |
| Staff costs | 7 | (42,661) | (34,403) |
| Depreciation and amortisation | | (1,563) | (1,040) |
| Other operating expenses | | (23,389) | (20,202) |
| Fair value impairment on trade investments | 11 | - | (72) |
| **Operating profit** | 6 | **32,698** | **30,103** |
| | | | |
| Interest receivable and similar income | | 59 | 70 |
| Interest payable and similar charges | | (816) | (139) |
| Tax on profit or loss on ordinary activities | 8 | - | 14 |
| **Profit for the financial year before members' remuneration and profit shares** | | **31,941** | **30,048** |
| | | | |
| Members' remuneration charged as an expense | 7 | (31,941) | (30,106) |
| **(Loss)/profit after members' remuneration and profit shares** | | - | **(58)** |

All recognised gains and losses are included in the Consolidated Statement of Comprehensive Income.

All amounts relate to continuing activities.

The accompanying accounting policies and notes on pages 14 to 31 form part of these financial statements.

| | Note | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 11 | 1,585 | 1,585 |
| Intangible fixed assets | 9 | 1,619 | 1,235 |
| Tangible fixed assets | 10 | 9,238 | 8,520 |
| | | **12,442** | **11,340** |
| **Current assets** | | | |
| Debtors | 12 | 45,205 | 37,215 |
| Cash at bank and in hand | | 3,957 | 3,177 |
| | | **49,162** | **40,392** |
| Creditors: amounts falling due within one year | 13 | (21,571) | (14,260) |
| **Net current assets** | | **27,591** | **26,132** |
| **Total assets less current liabilities** | | **40,033** | **37,472** |
| Creditors: amounts due after more than one year | 14 | (5,500) | (7,500) |
| Provisions for liabilities | 15 | (1,429) | (1,158) |
| **Net assets attributable to members** | | **33,104** | **28,814** |
| **Represented by:** | | | |
| **Loans and other debts due to members within one year** | 16 | | |
| Members' capital classified as a liability | | 13,895 | 10,044 |
| Other amounts | | 18,908 | 18,469 |
| | | **32,803** | **28,513** |
| **Members' other interests** | 16 | | |
| Members' other interests – other reserves classified as equity | | 301 | 301 |
| | | **33,104** | **28,814** |
| **Total members' interests** | 16 | | |
| Loans and other debts due to members | | 32,803 | 28,513 |
| Members' other interests | | 301 | 301 |
| | | **33,104** | **28,814** |

The financial statements were approved and authorised for issue on behalf of the members on 17 December 2024

Richard Miskella – Designated member

Joanne Evans – Designated member

LLP registration number: OC317120

The accompanying accounting policies and notes on pages 14 to 31 form part of these financial statements.

| | Note | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 11 | - | - |
| Intangible fixed assets | 9 | 1,564 | 1,113 |
| Tangible fixed assets | 10 | 9,065 | 8,289 |
| | | **10,629** | **9,402** |
| **Current assets** | | | |
| Debtors | 12 | 43,165 | 35,406 |
| Cash at bank and in hand | | 986 | 1,282 |
| | | **44,151** | **36,688** |
| *Creditors: amounts falling due within one year* | 13 | (19,250) | (12,765) |
| **Net current assets** | | **24,901** | **23,923** |
| **Total assets less current liabilities** | | **35,530** | **33,325** |
| Creditors: amounts due after more than one year | 14 | (5,500) | (7,500) |
| Provisions for liabilities | 15 | (1,031) | (819) |
| **Net assets attributable to members** | | **28,999** | **25,006** |
| **Represented by:** | | | |
| **Loans and other debts due to members within one year** | 16 | | |
| Members' capital classified as a liability | | 13,510 | 9,687 |
| Other amounts | | 16,473 | 16,303 |
| | | **29,983** | **25,990** |
| **Members' other interests** | 16 | | |
| Members' other interests – other reserves classified as equity | | (984) | (984) |
| | | **28,999** | **25,006** |
| **Total members' interests** | 16 | | |
| Loans and other debts due to members | | 29,983 | 25,990 |
| Members' other interests | | (984) | (984) |
| | | **28,999** | **25,006** |

The financial statements were approved and authorised for issue on behalf of the members on 17 December 2024

R. Miskella

Richard Miskella – Designated member

JoEvans

Joanne Evans – Designated member

LLP registration no: OC317120

The accompanying accounting policies and notes on pages 14 to 31 form part of these financial statements.

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| (Loss) after members' remuneration and profit shares | - | (58) |
| **Adjustments for:** | | |
| Members' remuneration charged as an expense | 31,941 | 30,106 |
| Amortisation of intangible assets | 438 | 290 |
| Depreciation of tangible assets | 1,125 | 751 |
| Fair value loss on trade investments | - | 72 |
| Interest paid | 816 | 139 |
| Interest received | 59 | 70 |
| (Increase) in debtors | (7,990) | (4,357) |
| Increase in creditors | 2,960 | 2,742 |
| Increase/(decrease) in provisions | 271 | (37) |
| **Cash from operations** | **29,620** | **29,718** |
| Interest received | (59) | (70) |
| **Net cash generated from operating activities before transactions with members** | **29,561** | **29,648** |
| Drawings and distributions | (31,502) | (29,007) |
| **Net cash generated from operating activities** | **(1,941)** | **641** |
| **Cash flows from investing activities** | | |
| Purchases of tangible assets | (1,843) | (7,757) |
| Purchases of intangible assets | (822) | (783) |
| **Net cash outflow from investing activities** | **(2,665)** | **(8,540)** |
| **Cash flows from financing activities** | | |
| Increase in bank loans | - | 10,000 |
| Repayment of bank loans | (2,000) | (538) |
| Interest paid | (816) | (139) |
| Capital introduced by members | 4,215 | 1,341 |
| Repayment of capital or debt to members | (364) | (495) |
| **Net cash from financing activities** | **1,035** | **10,169** |
| **Net (decrease)/increase in cash and cash equivalents** | **(3,571)** | **2,270** |
| **Cash and cash equivalents at the beginning of year** | **3,177** | **907** |
| **Cash and cash equivalents at end of year** | **(394)** | **3,177** |
| **Components of cash and cash equivalents:** | | |
| Cash at bank and in hand | 3,957 | 3,177 |
| Bank overdrafts | (4,351) | - |
| | **(394)** | **3,177** |

The accompanying accounting policies and notes on pages 14 to 31 form part of these financial statements.

Consolidated

| | Members' other interests £'000 |
|---|---|
| **At 1 April 2022** | **109** |
| Other movements - transfer from other reserves | 250 |
| Loss after members' remuneration and profit shares – investments at fair value | (58) |
| **At 1 April 2023 and 31 March 2024** | **301** |

The LLP

| | Members' other interests £'000 |
|---|---|
| **At 1 April 2022** | **(1,234)** |
| Other movements - transfer from other reserves | 250 |
| **At 1 April 2023 and 31 March 2024** | **(984)** |

The accompanying accounting policies and notes on pages 14 to 31 form part of these financial statements.

## 1 Entity information

Lewis Silkin LLP is a Limited Liability Partnership registered in the UK. Its registered office and principal place of business is Arbor, 255 Blackfriars Road, London, SE1 9AX. The principal activity of Lewis Silkin is the provision of legal services. The details and activities of Lewis Silkin's subsidiary companies are referred to in the Report of the members and in notes 11 and 18.

## 2 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, published in December 2021. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The Group financial statements consolidate the financial statements of Lewis Silkin LLP and all its subsidiary undertakings drawn up to 31 March each year.

Where the firm participates in a structure with the form but not the substance of a joint venture it accounts for its own assets, liabilities and cash flows, measured according to the terms of the agreement governing the arrangement. The LLP has an agreement with a serviced office provider in respect of part of its leased office premises and this arrangement has been accounted for in this manner. This agreement was finalised during the year ended 31 March 2024.

The LLP has taken advantage of section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and has not included its own Profit and Loss Account in these financial statements. The LLP's profit for the year was £27,860,000 (2023: £26,315,000).

The individual accounts of Lewis Silkin LLP have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
  - categories of financial instruments,
  - items of income, expenses, gains or losses relating to financial instruments, and
  - exposure to and management of financial risks.

### Going concern

These financial statements have been prepared on a going concern basis on the grounds that the members consider that the Group holds sufficient cash reserves to offset any cashflow uncertainties and that the Group will be able to continue to meet its debts as they fall due. In order to assess the going concern assumptions, the members have considered detailed trading and cashflow projections for a period of at least 12 months from the date of approval of these financial statements.

As of December 2024, the Group was funded from a combination of available cash reserves and access to financing options including an overdraft of £3m and revolving credit facility of £5m. The credit facility was not utilised as at the date of approval of these financial statements and the level of facilities required remains under review.

The members have therefore concluded that there is no material uncertainty about the ability of the Group to continue as a going concern and that it remains appropriate to prepare the financial statements on a going concern basis.

## 3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

### Revenue recognition and valuation of work in progress

Revenue from services provided by the Group is recognised by reference to management's assessment of the extent to which the Group has performed its obligations and in exchange obtained the right to consideration. Management review year-end WIP balances to assess their likely future realisation. Year-end work in progress balances are typically valued using historic recovery rates, as the best estimation of the likely sum which will be recovered for this work, unless there are specific known reasons for a different recovery rate, in which case those are used.

### Financial instruments at fair value

Trade investments

Trade investments are equity investments over which the company has no significant influence, joint control or control and are initially measured at transaction price.

Trade investments were historically measured at fair value through profit or loss, but under the provisions of FRS 102 a reliable measure is no longer available for these equity instruments and therefore the fair value at the last date the instrument was reliably measurable (being the 31 March 2022) is now treated as the cost of the instrument. Going forward trade investments will be held at cost less impairment until a reliable measure of fair value becomes available.

### Valuation of accounts receivable

The Group's accounts receivable balance is reviewed and estimates made as to the extent of the recoverability of sums due to the Group from clients. Provision is made on a specific basis as required, based on the age of balances outstanding and where there is evidence of impairment.

### Provisions for liabilities and charges

Provision for claims

Provision is made for claims where there is evidence that some or all of the Group's excess may be called upon under the Group's professional indemnity insurance policy.

The Group has in place a professional indemnity insurance policy which limits its exposure in the event of a claim, to the payment of a predetermined excess. In conjunction with insurers management review any potential claim against the Group, reviewing the status of the specific matter, and where necessary, make a provision representing the extent that this excess sum is likely to be called upon.

Provision for annual leave

The Group recognises a provision for annual leave accrued by staff at the year-end but not yet taken. The provision is measured as the employment cost relating to the period of leave accrued.

### Depreciation

The Group reviews the estimated useful lives of tangible fixed assets and sets depreciation rates in order to match the costs to the periods which will derive benefit from the assets. Given the disparate nature of such assets, broad categories are used, in order to reflect the type and function of such assets, with the depreciation rate set for each category intended to best estimate the lifespan of the portfolio of assets within that category (refer to note 4).

**Key management personnel**

The Group considers that the key management personnel comprise the LLP's Operations and Strategy Boards (refer to note 18).

## 4 Principal accounting policies

**Investment in subsidiaries**

The consolidated financial statements incorporate the financial statements of the LLP and entities (including special purpose entities) controlled by the LLP (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Trade investments are measured at fair value through profit or loss or cost less impairment if the fair value cannot be measured reliably.

**Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

| | |
|---|---|
| Software | 20% per annum |
| Goodwill | 20% per annum |

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Capitalised development costs

Costs directly attributable to the development of software which are considered to be able to generate future economic inflows, are capitalised on the Statement of Financial Position and depreciated over the asset's useful economic life commencing from the point at which the company starts to use the asset.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

| | |
|---|---|
| Leasehold improvements | 20% per annum or to first break period as appropriate |
| Fixtures, fittings & equipment | 20% - 33% per annum |

Assets in the course of construction are not depreciated.

**Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Comprehensive Income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Creditors**

Short term trade 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 method.

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, or until such time as rentals increase under the terms of the rental agreement.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

**Provisions for liabilities and charges (refer to note 15)**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**Members' drawings and capital policy**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits). Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102.

A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities as the LLP does not have an unconditional right to refuse payment to members. Profit sharing allocations are determined annually by the LLP's Partnership Remuneration Committee elected by the members.

A prudent estimate of profits are paid out to members as drawings each month, which are treated as payments on account of profit allocation and are only repayable to the LLP in so far as there are insufficient profits to allocate against such drawings. Any drawings in excess of total profits allocated are included within 'amounts due from members' within members other interests.

The LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

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

The capital requirements of the LLP are determined by the Operations Board and are reviewed regularly. Each member is required to subscribe a proportion of this capital. The amount of capital subscribed by each member is linked to the profit allocated to that member. No interest is paid on capital. On retiring from the LLP, a member's capital is typically repaid within 6-24 months.

**Classification of members interest in cash flow statement**

Cashflows arising from drawings on account and distributions of profits are classified in accordance with the nature of the transactions consistently from one period to the next as follows;

- classification as operating cash flows where they relate to the services provided by members that lead to revenue generating activities and / or are paid out of operating cash flows.

- classification as financing cash flows where they represent costs of obtaining financial resources or claims on cash flows by the providers of capital to the LLP.

### Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the LLP and the Group operate and generate income. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, 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.

### Turnover

Unless otherwise stated, turnover derives from the provision of legal services and is recognised as activity progresses to reflect the Group's extent of the performance of its contractual obligations. It is stated at the fair value of the consideration receivable, net of value added tax, rebates, disbursements and discounts.

Revenue from services provided by the Group is recognised when the Group has performed its obligations and in exchange obtained the right to consideration. Work undertaken in excess of invoices raised is included within accrued income.

If the right to consideration is conditional or contingent on a specified future event or outcome, the occurrence of which is outside the control of the LLP, revenue is not recognised until that critical event occurs.

### Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

### Foreign currency translation

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in Statement of Comprehensive Income in the period in which they arise.

Translation of Group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the exchange rates at the dates of the transactions. Exchange differences arising on the translation of Group companies are recognised in other comprehensive income.

## 5 Turnover

Turnover is attributable to the following classes of business:

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Provision of legal & professional services | 100,306 | 85,818 |

## 6 Operating profit

The operating profit is stated after:

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Auditor's remuneration: | | |
| Fees payable to the LLP's auditor for the audit of the LLP's annual accounts | 53 | 50 |
| Fees payable to the LLP's auditor for other services: | | |
| Audit of the accounts of subsidiaries | 20 | 19 |
| Tax compliance and other services | 86 | 62 |
| Depreciation | 1,125 | 751 |
| Amortisation | 438 | 290 |
| Foreign exchange (gains) | (142) | (195) |
| Other operating lease rentals | 2,925 | 4,219 |
| Impairment charge | - | (72) |

## 7 Members and employees

Staff costs during the year were as follows:

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Wages and salaries | 36,985 | 29,961 |
| Social security costs | 3,854 | 2,988 |
| Other pension costs | 1,822 | 1,454 |
| | **42,661** | **34,403** |

The Group operates a stakeholder defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pensions' provider.

| | The Group | | The LLP | |
|---|---|---|---|---|
| Average number of employees during the year | 2024<br>Number | 2023<br>Number | 2024<br>Number | 2023<br>Number |
| Fee earning staff | 279 | 242 | 246 | 217 |
| Administrative staff | 226 | 189 | 204 | 174 |
| **Total** | **505** | **431** | **450** | **391** |

| Information in relation to members | 2024<br>Number | 2023<br>Number |
|---|---|---|
| Average number of members during the year: | 79 | 73 |

| Information in relation to members | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Paid under the terms of the LLP agreement. | 31,941 | 30,106 |

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| The amount of profit attributable to the member with the largest entitlement was: | 811 | 843 |

## 8 Taxation

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| **Deferred tax** | | |
| Origination of timing differences | - | (14) |
| **Total deferred tax** | **-** | **(14)** |
| **Tax on profit or loss on ordinary activities** | **-** | **(14)** |

## 9 Intangible fixed assets

The Group

| | Goodwill £'000 | Software £'000 | Total £'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2023 | 347 | 1,703 | **2,050** |
| Additions | 5 | 817 | **822** |
| **At 31 March 2024** | **352** | **2,520** | **2,872** |
| **Amortisation** | | | |
| At 1 April 2023 | 225 | 590 | **815** |
| Charge for the year | 67 | 371 | **438** |
| **At 31 March 2024** | **292** | **961** | **1,253** |
| **Net book amount at 31 March 2024** | **60** | **1,559** | **1,619** |
| Net book amount at 31 March 2023 | 122 | 1,113 | **1,235** |

The LLP

| | Goodwill £'000 | Software £'000 | Total £'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2023 | 147 | 1,703 | **1,850** |
| Additions | 5 | 817 | **822** |
| **At 31 March 2024** | **152** | **2,520** | **2,672** |
| **Amortisation** | | | |
| At 1 April 2023 | 147 | 590 | **737** |
| Charge for the year | - | 371 | **371** |
| **At 31 March 2024** | **147** | **961** | **1,108** |
| **Net book amount at 31 March 2024** | **5** | **1,559** | **1,564** |
| Net book amount at 31 March 2023 | - | 1,113 | **1,113** |

## 10 Tangible fixed assets

The Group

| | Leasehold improvements £'000 | Assets in the course of construction £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2023 | 1,722 | 8,019 | 2,013 | **11,754** |
| Additions | 1,643 | - | 200 | **1,843** |
| Transfer of class | 8,019 | (8,019) | - | **-** |
| **At 31 March 2024** | **11,384** | **-** | **2,213** | **13,597** |
| **Depreciation** | | | | |
| At 1 April 2023 | 1,684 | - | 1,550 | **3,234** |
| Charge for the year | 812 | - | 313 | **1,125** |
| **At 31 March 2024** | **2,496** | **-** | **1,863** | **4,359** |
| **Net book amount at 31 March 2024** | **8,888** | **-** | **350** | **9,238** |
| Net book amount at 31 March 2023 | 38 | 8,019 | 463 | **8,520** |

The LLP

| | Leasehold improvements £'000 | Assets in the course of construction £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 April 2023 | 1,722 | 8,019 | 1,579 | **11,320** |
| Additions | 1,643 | - | 197 | **1,840** |
| Transfer of class | 8,019 | (8,019) | - | **-** |
| **At 31 March 2024** | **11,384** | **-** | **1,776** | **13,160** |
| **Depreciation** | | | | |
| At 1 April 2023 | 1,684 | - | 1,347 | **3,031** |
| Charge for the year | 812 | - | 252 | **1,064** |
| **At 31 March 2024** | **2,496** | **-** | **1,599** | **4,095** |
| **Net book amount at 31 March 2024** | **8,888** | **-** | **177** | **9,065** |
| Net book amount at 31 March 2023 | 38 | 8,019 | 232 | **8,289** |

## 11 Investments

Interests in subsidiaries

At 31 March 2024 the Group and the LLP had interests in the following subsidiaries (see note 18):

| Subsidiaries | Type of shares held | Proportion held (%) | Country of incorporation | Nature of business |
|---|---|---|---|---|
| 5CL Limited | Ordinary | 100% | United Kingdom | Professional services |

5CL Limited has taken exemption from audit by virtue of S479A of the Companies Act 2006. In order for 5CL Limited to take exemption from audit by virtue of S479A of the Companies Act 2006, the partnership has guaranteed all outstanding liabilities of the subsidiary until those liabilities are satisfied in full.

| Subsidiaries | Structure | Country of registration | Registered office | Nature of business |
|---|---|---|---|---|
| Lewis Silkin Hong Kong | Partnership | Hong Kong | Suite 1302, Dina House, Ruttonjee Centre,11 Duddell Street, Central, Hong Kong | Legal services |
| Lewis Silkin Ireland | Partnership | Ireland | Fitzwilliam Court, Suite 505 – 506, 2 Leeson Close, Dublin. D02YW24 | Legal services |
| Lewis Silkin (N.I.) LLP | LLP | United Kingdom | Eighth Floor, The Linenhall, 32-38 Linenhall Street, Belfast. BT28BG | Legal services |

The LLP

| | Investment in subsidiaries £ |
|---|---|
| **Cost** | |
| At 1 April 2023 | 2 |
| **At 31 March 2024** | **2** |
| **Accumulated impairment** | |
| At 1 April 2023 | (1) |
| **At 31 March 2024** | **(1)** |
| **Net book amount at 31 March 2024** | **1** |
| Net book amount at 31 March 2023 | 1 |

## 12 Debtors

| | The Group | | The LLP | |
|---|---|---|---|---|
| | 2024<br>£'000 | 2023<br>£'000 | 2024<br>£'000 | 2023<br>£'000 |
| Trade debtors | 39,321 | 31,465 | 36,188 | 28,331 |
| Amounts recoverable on contracts | 1,956 | 1,868 | 1,782 | 1,450 |
| Amounts owed by subsidiary undertakings | - | - | 1,628 | 2,015 |
| Corporation Tax | 17 | 17 | - | - |
| Prepayments and accrued income | 3,340 | 3,772 | 3,122 | 3,582 |
| Other debtors | 571 | 93 | 445 | 28 |
| | **45,205** | **37,215** | **43,165** | **35,406** |

Trade debtors are stated net of an impairment loss of £4,057,000 (2023: £2,809,000) for the Group and £3,889,000 (2023: £2,448,000) for the LLP.

## 13 Creditors: amounts falling due within one year

| | The Group | | The LLP | |
|---|---|---|---|---|
| | 2024<br>£'000 | 2023<br>£'000 | 2024<br>£'000 | 2023<br>£'000 |
| Bank overdrafts | 4,351 | - | 4,351 | - |
| Bank loans | 2,000 | 2,000 | 2,000 | 2,000 |
| Trade creditors | 4,483 | 5,284 | 3,698 | 4,462 |
| Amounts owed to subsidiary undertakings | - | - | - | 232 |
| Taxation and social security | 1,441 | 928 | 1,373 | 860 |
| VAT Creditor | 1,846 | 544 | 822 | 26 |
| Accruals and other creditors | 7,450 | 5,505 | 7,006 | 5,185 |
| | **21,571** | **14,260** | **19,250** | **12,765** |

## 14 Creditors: amounts falling due after more than one year

| | The Group | | The LLP | |
|---|---|---|---|---|
| | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| Bank loans | 5,500 | 7,500 | 5,500 | 7,500 |
| | **5,500** | **7,500** | **5,500** | **7,500** |

Bank loans are repayable as follows:

| | The Group | | The LLP | |
|---|---|---|---|---|
| | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| Within one year | 2,000 | 2,000 | 2,000 | 2,000 |
| Between one to two years | 5,500 | 2,000 | 5,500 | 2,000 |
| Between two to five years | - | 5,500 | - | 5,500 |
| | **7,500** | **9,500** | **7,500** | **9,500** |

There is no security on the bank loan. The loan principle is repayable at £2,000,000 per annum and will be fully repaid by December 2025. The interest rate on the loan is 2% over SONIA (Sterling Overnight Index Average).

## 15 Provisions for liabilities

The Group

| | Deferred tax £'000 | Provision for annual leave £'000 | Provision for claims £'000 | Total £'000 |
|---|---|---|---|---|
| At 1 April 2023 | 301 | 277 | 580 | 1,158 |
| Additions | - | 419 | - | 419 |
| Utilised | - | - | (148) | (148) |
| **At 31 March 2024** | **301** | **696** | **432** | **1,429** |

The LLP

| | Provision for annual leave £'000 | Provision for claims £'000 | Total £'000 |
|---|---|---|---|
| At 1 April 2023 | 239 | 580 | 819 |
| Additions | 360 | - | 360 |
| Utilised | - | (148) | (148) |
| **At 31 March 2024** | **599** | **432** | **1,031** |

## 16 Members' interests

The Group

| | Equity | Debt | | | |
|---|---|---|---|---|---|
| | Members' other interests | Loans and other debts due to members less any amounts due from members in debtors | | | |
| | Other reserves | Members' capital (classified as debt) | Other amounts | Total | Total members' interests |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Amounts due to members | 109 | 9,198 | 17,537 | 26,735 | 26,844 |
| Amounts due from members | - | - | - | - | - |
| **Balance at 1 April 2022** | **109** | **9,198** | **17,537** | **26,735** | **26,844** |
| Members' remuneration charged as an expense | - | - | 30,106 | 30,106 | 30,106 |
| Members' interests after profit for the year | 109 | 9,198 | 47,643 | 56,841 | 56,950 |
| Introduced by members | - | 1,341 | - | 1,341 | 1,341 |
| Repayments of capital | - | (495) | - | (495) | (495) |
| Drawings and distributions | - | - | (28,924) | (28,924) | (28,924) |
| Other movements – transfer from other reserves | 250 | - | (250) | (250) | - |
| Loss after members' remuneration and profit shares – investments at fair value | (58) | - | - | - | (58) |
| Amounts due to members | 301 | 10,044 | 18,469 | 28,513 | 28,814 |
| Amounts due from members | - | - | - | - | - |
| **Balance at 1 April 2023** | **301** | **10,044** | **18,469** | **28,513** | **28,814** |
| Members' remuneration charged as an expense | - | - | 31,941 | 31,941 | 31,941 |
| Members' interests after profit for the year | 301 | 10,044 | 50,410 | 60,454 | 60,756 |
| Introduced by members | - | 4,215 | - | 4,215 | 4,215 |
| Repayments of capital | - | (364) | - | (364) | (364) |
| Drawings and distributions | - | - | (31,502) | (31,502) | (31,502) |
| Amounts due to members | 301 | 13,895 | 18,908 | 32,803 | 33,104 |
| Amounts due from members | - | - | - | - | - |
| **Balance at 31 March 2024** | **301** | **13,895** | **18,908** | **32,803** | **33,104** |

Members' capital ranks after unsecured creditors. Other amounts due to members and other reserves classified as equity rank pari passu with unsecured creditors in the event of a winding up.

## The LLP

| | Equity | Debt | | | |
|---|---|---|---|---|---|
| | Members' other interests | Loans and other debts due to members less any amounts due from members in debtors | | | |
| | Other reserves | Members' capital (classified as debt) | Other amounts | Total | Total members' interests |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Amounts due to members | - | 9,197 | 16,900 | 26,097 | 26,097 |
| Amounts due from members | (1,234) | - | - | - | (1,234) |
| **Balance at 1 April 2022** | **(1,234)** | **9,197** | **16,900** | **26,097** | **24,863** |
| Members' remuneration charged as an expense | - | - | 26,314 | 26,314 | 26,314 |
| Members' interests after profit for the year | (1,234) | 9,197 | 43,214 | 52,411 | 51,177 |
| Introduced by members | - | 985 | - | 985 | 985 |
| Repayments of capital | - | (495) | - | (495) | (495) |
| Drawings and distributions | - | - | (26,661) | (26,661) | (26,661) |
| Other movements – transfer from other reserves | 250 | - | (250) | (250) | - |
| Amounts due to members | - | 9,687 | 16,303 | 25,990 | 25,990 |
| Amounts due from members | (984) | - | - | - | (984) |
| **Balance at 1 April 2023** | **(984)** | **9,687** | **16,303** | **25,990** | **25,006** |
| Members' remuneration charged as an expense | - | - | 27,860 | 27,860 | 27,860 |
| Members' interests after profit for the year | (984) | 9,687 | 44,163 | 53,850 | 52,866 |
| Introduced by members | - | 4,154 | - | 4,154 | 4,154 |
| Repayments of capital | - | (331) | - | (331) | (331) |
| Drawings and distributions | - | - | (27,690) | (27,690) | (27,690) |
| Amounts due to members | - | 13,510 | 16,473 | 29,983 | 29,983 |
| Amounts due from members | (984) | - | - | - | (984) |
| **Balance at 31 March 2024** | (984) | 13,510 | 16,473 | 29,983 | 28,999 |

Members' capital ranks after unsecured creditors. Other amounts due to members and other reserves classified as equity rank pari passu with unsecured creditors in the event of a winding up.

## 17 Leasing commitments

The Group's future minimum operating lease payments are as follows:

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Within one year | 610 | 1,358 |
| Between one and five years | 7,561 | 7,330 |
| After five years | 18,996 | 21,280 |

## 18 Transactions with related parties

The members consider that the Operations Board plus the Strategy Board meet the definition under FRS 102 of 'key management personnel' and the aggregate remuneration of those 15 people is shown below. For the year ended 31 March 2023 this group comprised 18 people.

The Group has taken advantage of exemptions under Financial Reporting Standard 102 not to disclose transactions between itself and its wholly owned subsidiary undertakings.

The LLP does not have a parent undertaking. The ultimate controlling party of the Group is considered to be the members in aggregate.

| | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|
| Key management personnel compensation | 5,854 | 6,679 |

**Consolidation of Lewis Silkin Hong Kong**

Lewis Silkin LLP incorporated its Hong Kong operations on 15 January 2019, previously being accounted for as a branch of the UK LLP. Lewis Silkin Hong Kong is set up as a partnership. One of the Lewis Silkin Hong Kong partners is a member of the UK LLP and the UK board of members maintains the power to direct the major activities and operations of the Hong Kong partnership and appoint and remove local partners.

When determining control, management considered whether the UK LLP has the practical ability to direct the relevant activities of the Hong Kong partnership. Management concluded it has the power to appoint and remove local partners at any time, without restrictions. The UK LLP therefore accounts for the Hong Kong partnership as a subsidiary, consolidating its financial results for the year ended 31 March 2024.

**Consolidation of Lewis Silkin Ireland**

Lewis Silkin LLP incorporated Lewis Silkin Ireland on 2 April 2018. Lewis Silkin Ireland is set up as a partnership. The Lewis Silkin Ireland partners are all members of the UK LLP and the UK board of members maintains the power to direct the major activities and operations of the Ireland partnership and appoint and remove local partners.

When determining control, management considered whether the UK LLP has the practical ability to direct the relevant activities of the Ireland partnership. Management concluded it has the power to appoint and remove local partners at any time, without restrictions. The UK LLP therefore accounts for the Ireland partnership as a subsidiary, consolidating its financial results for the year ended 31 March 2024.

**Consolidation of Lewis Silkin (N.I.) LLP**

Lewis Silkin LLP incorporated Lewis Silkin (N.I.) LLP on 26 November 2020. Lewis Silkin (N.I.) LLP is set up as a LLP. The Lewis Silkin (N.I.) LLP partners are all members of the UK LLP, and the UK board of members maintains the power to direct the major activities and operations of the Northern Ireland partnership and appoint and remove local partners.

When determining control, management considered whether the UK LLP has the practical ability to direct the relevant activities of the Northern Ireland partnership. Management concluded it has the power to appoint and remove local partners at any time, without restrictions. The UK LLP therefore accounts for Lewis Silkin (N.I.) LLP as a subsidiary, consolidating its financial results for the year ended 31 March 2024.

## 19 Financial risk management

The Group has exposures to the following areas of risk.

**Liquidity risk**

The Group expects to meet its financial obligations as they fall due, through operating cash flows and use of the Group's credit facilities when necessary.

**Client credit exposure**

The Group's standard invoicing policy is that invoices are payable on demand and the Group is at risk to the extent that a client may be unable to pay the debt. This risk is mitigated by maintaining strong on-going client relationships supplemented by regular management review of client exposures and the appropriateness of credit limits in place with specific clients.

**Interest rate risk**

The interest on each of the Group's banking facilities is linked to the UK base rate and SONIA (Sterling Overnight Index Average).

**Foreign exchange transactional currency exposure**

The Group is exposed to limited currency exchange rate risk due to a small proportion of its receivables and operating expenses being denominated in non-sterling currencies.

## 20 Financial instruments

The investments assets of £1,585,000 (2023: £1,585,000) represent a variety of trade investments held and were held at amortised cost at 31 March 2024 and 31 March 2023.

## 21 Analysis of change in net debt

| The Group | At 1 April 2023<br>£'000 | Cashflow<br>£'000 | Non-cash movements<br>£'000 | At 31 March 2024<br>£'000 |
|---|---|---|---|---|
| Cash at bank and in hand | 3,177 | 780 | - | 3,957 |
| Bank overdrafts | - | (4,351) | - | (4,351) |
| Borrowings - repayable within one year | (2,000) | - | - | (2,000) |
| Borrowings - repayable in more than one year | (7,500) | 2,000 | - | (5,500) |
| **Total net debt** | **(6,323)** | **(1,571)** | **-** | **(7,894)** |

## Streamlined Energy and Carbon Report

Lewis Silkin LLP has appointed Planet First Limited trading as Planet Mark, a leading sustainability consultancy, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2020 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

The table below summarises the GHG emissions for reporting year 1 April 2023 to 31 March 2024. This is the fifth year Lewis Silkin has assessed its emissions, with the baseline year being 2019/20.

| Element | 2023/24 (tCO2e) | 2022/23 (tCO2e) |
|---|---|---|
| Direct emissions (Scope 1) | 74.2 | 232.2 |
| Indirect emissions (Scope 2) | 109.4 | 372.2 |
| **Total tCO2e (Scope 1 & 2)** | **183.6** | **604.4** |
| Other indirect emissions (Scope 3) – Grey fleet travel | 14.7 | 38.3 |
| **Total tCO2e (Scope 3)** | **14.7** | **38.3** |
| **Gross Total[1]** | **198.3** | **642.7** |
| **Intensity metric: Tonnes of CO2e per employee** | **0.4** | **1.40** |
| **Intensity metric: Tonnes of CO2e per £1m turnover** | **2.1** | **7.50** |
| **Total energy consumption (kWh)[1]** | **955,535.0** | **3,214,120.3** |

## Energy Efficiency Actions

Lewis Silkin LLP has certified to The Planet Mark for reducing measured Scope 1 and 2 emissions (market-based) by a 63.4% absolute reduction and a 70.3% per employee reduction in market based compared to the previous year for the reporting period 1 April 2023 - 31 March 2024, this is Lewis Silkin LLP's third year of certification. The Planet Mark is a sustainability certification that recognizes continuous improvements, encourages action, and builds an empowered community of like-minded individuals. Lewis Silkin LLP also makes a commitment upon certification of the Planet Mark to achieve a minimum 5% reduction in its Scope 1 and Scope 2 measured carbon footprint year on year.

During the reporting period, Lewis Silkin LLP enacted several energy efficiency actions. The London office relocated from Chancery Lane to The Arbor which has resulted in an overall consumption decrease due to higher building efficiency. The Building Management System (BMS) implemented optimizes the operation of the heating, ventilation, and air conditioning (HVAC) systems. The BMS integrates control and monitoring functions, providing real-time data on temperature, energy usage, and system performance. The mechanical and electrical (M&E) system utilizes a 4-pipe heating and chilled fan coil unit configuration eliminating the need for gas and is more energy-efficient compared to traditional gas boilers or electric heaters. Additionally, by using $CO_2$ sensors to regulate fresh air delivery, the system minimizes unnecessary ventilation, which can be a significant source of energy consumption.

Another measure implemented is that each space is now equipped with a set point adjuster and a temperature sensor, allowing occupants to control the temperature within their environment. This localized control helps to avoid overheating or overcooling, further enhancing energy efficiency by ensuring that only the required amount of heating or cooling is provided.