

# 5CL Limited Financial Statements

Year ended 31 March 2022

Registered number 07089812

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**Company registration number**

07089812

**Registered office**

5 Chancery Lane, Clifford's Inn, London, EC4A 1BL.

**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 directors

The directors present their report and the financial statements of the company for the year ended 31 March 2022.

### Principal activities

The principal activity of the company is the provision of professional services.

### Business review

During the year the company continued provision of professional consultancy services, which is the company's principal activity. During the year the company made a profit of £442,000 (2021: £1,118,000).

5CL Limited also receives equity interests and contingent fees in respect of several of its clients in lieu of upfront fees. Management have reviewed the portfolio of assets during the year and recognised a fair value gain.

### Going concern

Lewis Silkin LLP as the ultimate parent undertaking has confirmed that it will provide financial and other support to the company for a period of at least twelve months from the date of signing of these financial statements such that the company will be able to meet its liabilities as they fall due.

### Directors

The following directors have served throughout the year:

Clifford Fluet

Fay Copeland (appointed 1 July 2021)

### Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102. The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the directors 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 company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

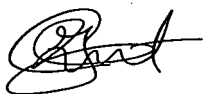
In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and the company has taken advantage of these provisions in relation to exemption from the preparation of a strategic report.

On behalf of the board



Clifford Fluet

Director

Date: 1 December 2022

## **Independent auditor's report to the members of 5CL Limited**

### **Opinion**

We have audited the financial statements of 5CL Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 company's affairs as at 31 March 2022 and of its 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.

### **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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

## **Independent auditor's report to the members of 5CL Limited (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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the members of 5CL Limited (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 audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company 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 tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

## **Independent auditor's report to the members of 5CL Limited (Continued)**

The audit engagement team identified the risk of management override of controls and income recognition 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 performing substantive test of details over revenue transactions.

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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



HYWEL PEGLER (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: 7 December 2022

	Note	2022 £'000	2021 £'000
<b>Turnover</b>	<b>5</b>	<b>432</b>	<b>268</b>
Other operating expenses	6	(238)	(244)
Fair value gain on trade investments		307	1,350
<b>Operating profit on ordinary activities before taxation</b>		<b>501</b>	<b>1,374</b>
Tax on profit on ordinary activities	10	(59)	(256)
<b>Profit for the financial year</b>		<b>442</b>	<b>1,118</b>

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

All amounts relate to continuing activities.

The accompanying accounting policies and notes on pages 11 to 13 form part of these financial statements.

	Note	2022 £'000	2021 £'000
<b>Non current assets</b>			
Investments	14	1,657	1,350
<b>Current assets</b>			
Debtors	8	52	40
Cash at bank and in hand		96	162
		<b>148</b>	<b>202</b>
Creditors: amounts falling due within one year	9	(361)	(599)
Provisions for liabilities	10	(315)	(266)
<b>Net current liabilities</b>		<b>(528)</b>	<b>(663)</b>
<b>Total assets less current liabilities</b>		<b>1,129</b>	<b>687</b>
<b>Capital and reserves</b>			
Fair value reserve		1,342	1,094
Retained loss		(213)	(407)
		<b>1,129</b>	<b>687</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the directors and authorised for issue on 1 December 2022 and are signed on their behalf by:



Clifford Fluet

Director

Company registration number: 07089812

The accompanying accounting policies and notes on pages 11 to 13 form part of these financial statements.

**5CL Limited – Statement of Changes in Equity | For the year ended 31 March 2022**

	Fair value reserve £'000	Retained loss £'000	Total £'000
<b>At 31 March 2020</b>	-	(431)	(431)
Profit and total comprehensive income for the year	-	1,118	1,118
Transfer to fair value reserve	1,094	(1,094)	-
<b>At 31 March 2021</b>	<b>1,094</b>	<b>(407)</b>	<b>687</b>
Profit and total comprehensive income for the year		442	442
Transfer to fair value reserve	248	(248)	-
<b>At 31 March 2022</b>	<b>1,342</b>	<b>(213)</b>	<b>1,129</b>

The accompanying accounting policies and notes on pages 11 to 13 form part of these financial statements.

## **1 Company information**

5CL Limited is a Company registered in England & Wales. Its registered office and principal place of business is 5 Chancery Lane, Clifford's Inn, London, EC4A 1BL. The principal activity of 5CL Limited is the provision of professional services.

## **2 Basis of preparation**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention, modified to include certain financial instruments at fair value. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are presented in Sterling (£'000).

The financial statements of 5CL Limited have also adopted the following disclosure exemptions as the company's results are included within the consolidated financial statements of its parent, Lewis Silkin LLP which are publicly available:

- the requirement to present a statement of cash flows; and
- the requirement to present analysis of the company's financial instruments.

### **Going concern**

Lewis Silkin LLP as the ultimate parent undertaking has confirmed that it will provide financial and other support to the company for a period of at least twelve months from the date of signing of these financial statements such that the company will be able to meet its liabilities as they fall due.

## **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**

Revenue from services provided by the company is recognised by reference to management's assessment of the extent to which the company has performed its obligations and in exchange obtained the right to consideration.

### **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. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

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

### **Key management personnel**

The directors consider that the key management personnel for the company comprise the company's Board members (Refer to note 7).

#### 4 Principal accounting policies

##### Debtors

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

##### Creditors

Short term trade creditors are measured at the transaction price.

#### 5 Turnover

The directors consider the activities of the business to constitute a single class of business, originating wholly in the United Kingdom.

#### 6 Operating profit

The operating profit is stated after:

	2022 £'000	2021 £'000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual accounts	9	5
Fair value gain on trade investments	307	1,350

#### 7 Directors and employees

The company had no employees during the year to 31 March 2022 or the prior year. The directors, who also constitute key management personnel, did not receive any emoluments from the company.

#### 8 Debtors

	2022 £'000	2021 £'000
Trade debtors	52	40
	<b>52</b>	<b>40</b>

#### 9 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Accruals and other creditors	23	17
Trade creditors	10	6
Amounts due to parent undertaking	290	562
VAT creditor	38	14
	<b>361</b>	<b>599</b>

**10 Provisions for liabilities**

	Deferred tax £'000	Provision for claims £'000	Total £'000
<b>At 1 April 2021</b>	<b>256</b>	<b>10</b>	<b>266</b>
Additions	59	-	59
Utilised	-	(10)	(10)
<b>At 31 March 2022</b>	<b>315</b>	<b>-</b>	<b>315</b>

Deferred tax has been provided at 19% on trade investment fair value gains.

The provision for claims is for potential professional indemnity claims relating to the year ended 31 March 2022. The provision is held at the value of the insurance policy excess where there are open claims. There were no open claims at the year end.

**11 Called up share capital**

	At 31 March 2022 No	2021 No
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Authorised, allotted and fully paid:

Ordinary shares of £1 each	1	1
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**12 Reserves**

Called-up share capital represents the nominal value of shares that have been issued.

The retained profit/(loss) includes all current and prior period retained profits and losses.

The fair value reserve reflects gains on trade investments.

**13 Transactions with related parties**

The company has taken advantage of the exemption in Financial Reporting Standard 102 and has not disclosed transactions with other entities in the same group on the grounds that it is a wholly owned subsidiary undertaking of Lewis Silkin LLP, whose consolidated financial statements are publicly available at 5 Chancery Lane, Clifford's Inn, London, EC4A 1BL, UK.

Details of remuneration to the company's key management personnel are set out in note 7.

**14 Investments**

	2022 £'000	2021 £'000
<b>At 1 April</b>	<b>1,350</b>	<b>-</b>
Valuation changes	307	1,350
<b>At 31 March</b>	<b>1,657</b>	<b>1,350</b>

The investments represent a variety of trade investments held and were valued at fair value by the directors as at 31 March 2022.