

## CONSEQUENCES OF LIMITED LIABILITY

It really is not that exciting

(August 05)



This popular feature continues this month with the first of the major UK firms who chose to change their operating status to that of LLP (Limited Liability Partnership) reaching year end and, as a consequence, having to publish their results. This was not 'big news' in England as all leading firms already disclosed 'indicative' figures. It is however interesting to note just how transparent the commercial regime is in England especially when all limited companies (public and private) have to submit annual returns to Companies House and the data is there for anyone to see at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) It is a subscription service but cheap, with many items available free and most others for only One Pound!

The first large firm to publish their full accounts was Allen & Overy whose annual report revealed such innocuous details as:

- Fee income increased by 2%
- Staff bonus pool was up to £19.1 M (equating to £4,600 per staff member)
- 1 'point' of equity = £20,085. 20 points is the minimum, rising to 50 over 15 years
- Debtors represented 67 days of fee income
- £59M was held in a cash reserve

Etc etc and all pretty boring stuff!

About the only real point of interest is that partners unusually obtained exemption from having to file their home addresses – apparently as a direct consequence from threats and other aberrant behavior from Manchester United fans. An unexpected consequence of recent M&A activity!

The above should be read in stark contrast to the 'performance' that most local firms go to in preventing hard data reaching an increasingly sophisticated marketplace for professional services. It begs the question why?