

Legal Sector Briefing

Exploring best practice
and current issues

Skipton – Thursday 6 December 2012



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Legal Sector Briefing

Exploring best practice and current issues

Andy Poole, Legal Sector Director

4.00pm

Welcome

4.05pm

Briefing and Q&A

5.00pm

Buffet

6.00pm

Close



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Legal Sector Briefing

Exploring best practice and current issues

- Developments in the legal profession
 - The Legal Services Act
 - Legal Aid Reform
 - Personal Injury Reform
 - Difficult trading conditions
 - Regulatory reform
- How we help lawyers



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Developments in the Legal Profession

- The Legal Services Act
 - New entrants
 - Alliances
 - Responses
 - ABS applications



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

New Entrants

- “Tesco Law”?
- “Google Law”? – Rocket Lawyer
- “Google Law”? – Law Pivot
- “Co-op Law”?
- “Right Move Law”?
- “Freeserve Law”? - LCF
- “National Accident Helpline Law”?
- “LawVest Law”? – Riverview Law
- “BT Law”?
- “AA Law”?
- “Saga Law”?
- “Stobart Law”?
- “Dragon’s Law”? – James Caan/Knights



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Alliances

- Quality Solicitors
- Contact Law
- Simplify the Law
- Face2Face Solicitors
- Lawyers2you
- High Street Lawyer
- Connect2Law



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

The Legal Services Act

- External investors
 - Smedvig Capital
 - Duke Street
 - Quindell Portfolio – Silverbeck Rymer and Pinto Potts
- Flotation
 - Slater & Gordon – Russell Jones & Walker
 - Irwin Mitchell?
- Consolidators
 - Sovereign Capital



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

The Legal Services Act

- Other developments
 - Qlegal - online instant legal questions
 - Concordance - 8 corporate partner accident service
 - Kings Court Trust – probate
 - Questus - white label PI service to law firms
 - Legal Care – fixed fee subscription based legal advice



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Responses

- Alliances
- Mergers
- Virtual law firms
- Outsourcing
- Niche focus
- Change performance/delivery
- Epoq
- Legal Zoom
- Technology/access
- Websites/iphone
- Opening hours



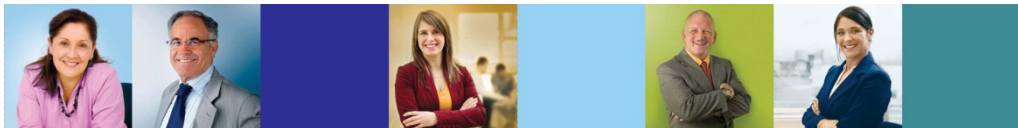
Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

ABS Applications

- Reasons/benefits
 - Tax savings – spouses
 - Promote non-lawyers
 - Joint ventures
 - Banning of referral fees
- Process
- Register of approvals



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Legal Aid Reform

- Removing work from scope
- Reducing rates
- Reducing number of suppliers
- Best value tendering
- Previous tenders



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Personal Injury Reform

- Banning referral fees - consultation paper
- Reduced Fixed Recoverable Costs in Portal - £500
- Jackson review
- Lawyers fees to be paid out of damages
- Capping success fees charged by lawyers
- Increasing damages paid
- Not permitting recovery of costs/disbursements from losing party
- Not permitting recovery of ATE insurance premiums



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Difficult Trading Conditions

- Recession
- Loss of finance
- Loss of transactional work
- Pressure on profitability
- Redundancies
- Pressure on lock up
- Pressure on cash
- Attitude of banks
- Impact on funding, succession, retirements



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Regulatory Reform

- Outcomes Focused Regulation
- New SRA Accounts Rules 2011
- New roles of COLP and COFA



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

How we help the Legal Profession

- Accounts, Audit, SAR, tax compliance
- Strategic consultancy
- Benchmarking
- Forecasts
- Lock-up reviews
- Trading structure reviews and changes
- ABS applications
- COLP/COFA compliance support
- Mergers and acquisitions
- Disputes/valuations



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Benchmarking

- NP% 31.0%
- Fee income/fee earner £97,766
- Staff costs/fee income 36.9%
- Debtor days 64.5 days
- WIP days 99.9 days



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Legal sector websites:

www.armstrongwatson.co.uk/legalsector

www.armstrongwatson.co.uk/awlegal



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession

Andy Poole Legal Sector Director

Skipton Office:

34-36 Otley Street

Skipton

BD23 1EW

T: 01756 620000

F: 01756 620001

M: 07828 857830

E: andy.poole@armstrongwatson.co.uk

www.armstrongwatson.co.uk/awlegal

www.armstrongwatson.co.uk/legalsector

Leeds Office:

Central House

47 St Paul's Street

Leeds LS1 2TE

T:0113 221 1300

F:0113 221 1301

Twitter: @AW_AndyPoole



Armstrong Watson[®]

Accountants & Financial Advisers

A track record of providing solutions to the legal profession