

HANGING IN THERE



DESPITE TOUGH TRADING CONDITIONS, THE TOP 60 FIRMS ARE STILL GROWING, BUT ONLY JUST, WRITES **LIZ FISHER**

IN THIS TOP 60 REPORT ...

The Top 60 league table	23
Firms: case studies	24
Fees per partner/personnel table	25
Profitability and LLPs	26
Fee income breakdown	27

Fears that the accountancy profession would be hit hard by the financial crisis and subsequent recession have been confirmed by the results of this year's survey of the Top 60 firms in the UK. According to figures provided by the firms, fee income grew by just under 1% during the last financial year.

We have conducted the survey six months later than we have in previous years and for that reason some of the firms were able to provide more recent fee income figures as their comparatives. If we directly compare the fee income reported in *Accountancy's* last Top 60 survey, published in July 2008 (see p24), the rise in fee income is a slightly more respectable 6% over 18 months.

Even so, the figures suggest that many firms are finding the economic conditions tough. The 2008 survey gave an indication of the turning tide, with a growth rate reported among the Top 60 of 6.4%, compared with 13.8% the previous year in the height of the boom. This year, 19 firms in the survey reported negative or stagnant growth, while many more reported fee income growth of less than 3%. It is hardly surprising that one of the best results of the year was reported by Begbies Traynor, the insolvency specialist, which saw its fee income surge by almost 25% – and in October it warned that the worst for the UK economy in terms of insolvencies was still ahead of us. Bad news for UK business, excellent news for the insolvency specialists.

HOLDING THEIR NERVE

Insolvency specialists aside, the firms are almost unanimous in saying that trading conditions continue to be challenging, to say the least. Most, though, are optimistic about the future and have seen their revenues from insolvency and restructuring work shore up the fall in fees earned in other areas, particularly

audit and assurance. There is much talk by senior partners of 'holding their nerve' and preparing for the upturn, whenever it arrives.

NO IMMUNITY

Even the mighty PricewaterhouseCoopers has not been immune from the downturn. The UK firm reported a rise in revenues of just 0.2%, with its assurance and tax businesses reporting a fall in revenues of 1% and 4% respectively. On a global level, PwC's gain from the recession has been its work for the collapsed Lehman Brothers, for which it has so far charged some £154m in fees. Deloitte reported negative growth for the year, while KPMG's revenues also dropped – by 1.6%. The only Big Four firm to buck the trend was Ernst & Young, which reported a rise in fee income of 7.9%.

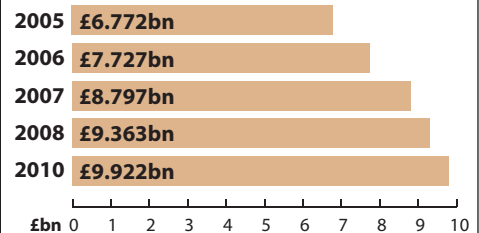
FEELING THE SQUEEZE

Firms of all sizes, though, have seen revenue squeezed during the year. Grant Thornton saw its revenue fall by 4% after recording a growth rate of 25% for the year ended 30 June 2008 in the wake of its merger with Robson Rhodes. The firm warned last year that the credit crunch was beginning to bite as its pre-tax profits fell by 5%. The firm has set itself a target of reaching £500m in fee income in 2010, an aim that is looking particularly tough in the current climate.

Simon Michaels, managing partner of BDO, spoke for many when he said that this financial year 'has had its moments'. BDO recorded a 5% fall in revenues, which it attributed to lower levels of transactions and other one-off assignments. Its restructuring business, however, saw its revenues rise by 50% during the year. 'As the economy starts to recover, the year ahead will almost certainly continue to present us and our clients with challenges and opportunities,' said Michaels. 'We are entering the new financial year realistic about the challenges and excited for the future.'

Note: As *Accountancy* went to press, Tenon announced a proposed merger with RSM Bentley Jennison.

FEE INCOME OF TOP 60 ACCOUNTANCY FIRMS



Note: Total income of all Top 60 firms. Year is year of survey

NOTES TO TABLE

1. Partner numbers are as at 01.07.09
2. Partners are fee-earning directors
3. Merger with RSM Bentley Jennison proposed as *Accountancy* went to press
4. Partners are directors
5. Merger with Tenon proposed as *Accountancy* went to press
6. Most firms in the group are partnerships but some are LLPs or limited companies. Others are considering conversion
7. Some firms within the group are LLPs
8. Merging with Morley and Scott
9. Staff and partner figures are as at 03.11.09
10. Statutory year end is 30 June
11. Limited company with a sole managing director
12. Campbell Dallas Financial Services (income £2m) not included as it is no longer a subsidiary of Campbell Dallas
13. Merging with Menzies

ACCOUNTANCY TOP 60 LEAGUE TABLE OF UK ACCOUNTANCY FIRMS 2010

Position (prior year in brackets)	Firm	Fee income £m	Previous year £m	% change	UK offices	Number of partners	Staff	Status	Annual accounts published?	Auditor	Year end
1 (1)	PricewaterhouseCoopers LLP	2,248	2,244	0.2	41	885	13,765	LLP	Yes	HCW	30.06.09
2 (2)	Deloitte LLP	1,969	2,010	-2.0	22	758	10,225	LLP	Yes	Grant Thornton	31.05.09
3 (3)	KPMG LLP	1,626	1,652	-1.6	22	569	10,055	LLP	Yes	Grant Thornton	30.09.09
4 (4)	Ernst & Young LLP	1,383	1,282	7.9	21	515	9,097	LLP	Yes	BDO Stoy Hayward	03.07.09
5 (5)	Grant Thornton UK LLP ¹	378.2	394.1	-4.0	35	235	3,940	LLP	Yes	PKF	30.06.09
6 (6)	BDO LLP	335.1	353.1	-5.1	14	232	2,697	LLP	Yes	PwC	03.07.09
7 (7)	Baker Tilly LLP	204	204	0.0	25	116	1,824	LLP	Yes	Kingston Smith	31.03.09
8 (8)	Smith & Williamson ²	178.7	170.3	4.9	11	218	1,300	Ltd	Yes	Grant Thornton	30.04.09
9 (10)	Tenon ³	150.8	160.3	-5.9	43	180	1,701	AIM listed	Yes	PwC	30.06.09
10 (9)	PKF (UK) LLP	141.3	143.2	-1.3	23	98	1,680	LLP	Yes	Kingston Smith	31.03.09
11 (11)	Moore Stephens UK	138.9	126	10.2	37	160	1,389	Network	No		31.12.09
12 (13)	Mazars	102	101	1.0	18	110	1,002	LLP	Yes	HCW	31.08.08
13 (12)	Vantis plc ⁴	89.6	92.2	-2.8	20	140	885	AIM listed	Yes	E&Y	30.04.09
14 (14)	RSM Bentley Jennison ⁵	80.3	72.4	10.9	15	72	982	Part'ship	No		31.05.09
15 (18)	Begbies Traynor Group plc	62.1	49.7	24.9	42	80	673	plc	Yes	Deloitte	30.04.09
16 (15)	Haines Watts Group ⁶	58.2	60	-3.0	45	96	798	Group	No		31.03.09
17 (16)	Saffery Champness	51.4	49	4.9	10	58	447	Part'ship	No		31.03.09
18 (17)	Horwath Clark Whitehill LLP	46.4	46.6	-0.4	8	69	523	LLP	Yes	Grant Thornton	31.03.09
19 (19)	UHY Hacker Young Group ⁷	45	43.4	3.7	18	88	652	Network	Yes	Various	30.04.09
20 (20)	Kingston Smith LLP	41.6	40.4	3.0	6	56	434	LLP	Yes	Price Bailey	30.04.09
21 (22)	MacIntyre Hudson	30.9	27.1	14.0	9	48	384	LLP	Yes	Hillier Hopkins	31.03.09
22 (24)	Wilkins Kennedy	27.4	23.7	15.6	11	45	360	Part'ship	No		30.04.09
23 (23)	Chantrey Vellacott DFK	26.5	24.5	8.2	9	52	295	LLP	Yes	Grant Thornton	30.06.09
24 (21)	Menzies LLP ⁸	26.2	25.2	4.0	6	31	256	LLP	No		28.02.09
25 (25)	Johnston Carmichael	24.5	22.6	8.4	10	45	406	Part'ship	No		31.05.09
26 (28)	Buzzacott LLP	20.8	19.1	8.9	1	20	208	LLP	No	Hillier Hopkins	30.09.09
27 (26)	Armstrong Watson	18.9	19.1	-1.0	15	34	343	Part'ship	No		31.03.09
28 (27)	Littlejohn	18.5	18.1	2.2	1	28	160	LLP	No		31.05.09
29 (29)	DTE Group	18	16.8	7.1	7	21	141	Ltd	Yes	Harold Sharp	30.04.09
30 (31)	Francis Clark	16.5	16.1	2.5	8	33	230	Part'ship	No		31.03.09
31 (33)	Streets	16.4	15.1	8.6	8	19	133	LLP	No		30.06.09
32 (32)	Haysmacintyre	16.2	15.8	2.5	1	24	148	Part'ship	No		31.03.09
33 (30)	Cooper Parry LLP	15.6	16.6	-6.0	4	23	190	LLP	Yes	Buzzacott	30.04.09
34 (43)	Reeves + Neylan LLP	14.75	12.3	19.9	4	25	206	LLP	Yes	Clive Owen & Co	31.03.09
35 (35)	Duncan & Toplis	14.73	15.1	-2.5	11	27	333	Part'ship	No		31.03.09
36 (40)	Price Bailey LLP	14.7	13.5	8.9	6	23	204	LLP	Yes	HCW	31.03.09
37 (38)	Haslers ⁹	14.55	14	3.9	1	13	96	Part'ship	No		31.12.08
38 (37)	Shipleys LLP	14.3	14.3	0.0	4	19	132	LLP	Yes	Steele Robertson Goddard	30.04.09
39 (39)	Lovewell Blake	14.1	14	0.7	5	21	208	Part'ship	No		30.09.08
40 (33)	Target Chartered Accountants	13.7	15.1	-9.3	4	11	180	Ltd	Yes	Berkeley Hall Marshall	31.03.09
41 (36)	Hazlewoods LLP	13.5	14.1	-4.3	3	16	186	LLP	Yes	Princecroft Willis	30.04.09
42 (42)	Larking Gowen	13.3	12.5	6.4	9	22	245	Part'ship	No		31.03.09
43 (41)	Scott-Moncrieff	13.1	13.1	0.0	2	18	188	Part'ship	No		30.04.09
44 (45)	Mercer & Hole	12.1	11.2	8.0	4	20	149	Part'ship	No		31.03.09
45 (-)	Anderson Anderson & Brown LLP & Group	11.7	10.9	7.3	1	12	153	LLP	Yes	Gregor Clark & Co	31.03.09
46 (48)	Barnes Roffe LLP ¹⁰	11.5	10.4	10.6	4	15	120	LLP	Yes	SB Jones & Co	31.12.08
47 (46)	Simmons Gainsford LLP	10.9	10.8	0.9	2	16	94	LLP	Yes	Ivan Sopher & Co	31.03.09
48 (51)	Beever and Struthers	10.8	9.6	12.5	4	26	150	Part'ship	No		30.09.09
49 (58)	SJD Accountancy ¹¹	10.8	9	20.0	7	1	130	Ltd	Yes	No auditor	31.10.08
50 (47)	Bishop Fleming	10.6	10.8	-1.9	6	18	171	Part'ship	No		30.05.09
51 (54)	Hillier Hopkins LLP	10.5	9	16.7	4	20	121	LLP	Yes	Price Bailey	31.03.09
52 (50)	Rothman Pantall LLP	10.3	10.2	1.0	12	25	159	LLP	No		31.03.09
53 (-)	Moore and Smalley LLP	10.1	7.9	27.8	4	17	198	LLP	Yes	Hayes & Co	31.03.09
54 (44)	Campbell Dallas LLP ¹²	10	8.7	14.9	5	17	146	LLP	Yes	TB Dunn	31.05.09
55 (53)	James Cowper LLP	9.9	9.3	6.5	4	13	131	LLP	Yes	Clive Owen & Co	30.04.09
56	French Duncan LLP	9.5	6.7	41.8	6	23	137	LLP	Yes	Cook & Co	30.04.09
57 (56)	Silver Levene	9.3	9.1	2.2	1	17	85	Part'ship	No		31.05.09
58 (-)	Thomas Westcott	9.1	7.6	19.7	13	17	176	Part'ship	No		30.04.09
59 (55)	Barber Harrison & Platt	9.06	9.1	-0.4	2	15	154	Part'ship	No		31.12.08
60 (52)	Morley and Scott ¹³	9	9.5	-5.3	4	18	102	Part'ship	No		31.03.09
Totals		9,922	9,851		698	5,643	71,677				

The merger was part of an ongoing strategy to provide specialist accountancy and tax advice to SMEs

E&Y DEFIES THE GLOOM

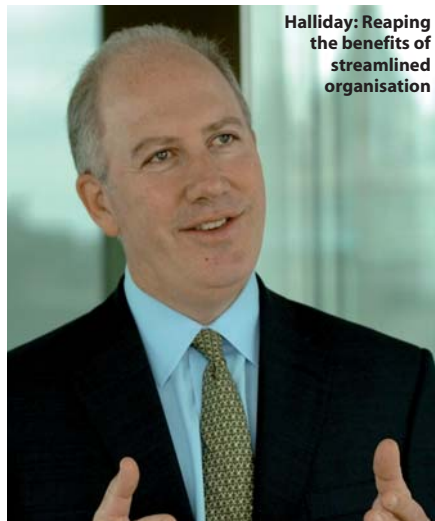
Ernst & Young, the smallest of the Big Four, was the firm on everyone's lips last autumn after it revealed that its UK practice had grown an impressive 7.9% in probably the worst year for the economy in living memory.

E&Y's revenues leapt to £1.383bn, up from £1.282bn the previous year, on the back of strong performances by its advisory (including internal audit) and transaction advisory (including restructuring) service lines, which grew by 16.3% and 15.1% respectively.

While the firms still provide fee income information for the UK, direct comparison among the Big Four firms is becoming much more difficult thanks to the way the firms organise their service areas, and the habit of the very large firms of merging practices from different countries or organising themselves into broad geographical regions.

E&Y, which itself no longer reports on a country-by-country basis, revealed its UK turnover figures in a transparency report on the same day that its global network announced a modest decline in revenues of 0.2% in local currency.

E&Y's UK managing partner Scott Halliday told *Accountancy* that growth was aided by the firm's structure after the EMEIA region was formed in July 2008, bringing together 87 practices in Europe, Africa and Asia. The structure allowed partners and teams to work collaboratively and cross-border, he added. There were also the benefits of streamlining the internal organisation to take cost out of the system instead of 'trying to run 87 partnerships with all the infrastructure and back office' behind them.



Halliday: Reaping the benefits of streamlined organisation

MENZIES MERGES WITH MORLEY AND SCOTT

Menzies LLP, ranked 24th in the Top 60 survey with a fee income of £26.2m and 31 partners, announced in November 2009 that it would merge with Morley and Scott, ranked 60th in the survey with a fee income of £9m. The merged firm, which will be known as Menzies LLP, will create one of the largest regional accountancy practices in the South East.

Menzies said that the merger was part of an ongoing strategy to provide specialist accountancy and tax advice to SMEs and smaller corporate enterprises. Mike Sands, Menzies' senior partner, said the intention was 'to create a firm that is big enough to give business owners the specialist accounting, audit and tax advice they need, while still delivering the strong partner-led relationship that they expect from their local accountant.' He added that smaller companies were struggling with red tape and a complex tax regime and 'should not be forced to switch to a Top 10 firm just because regulations have become more complicated.'

Dick Watson, managing partner of Morley and Scott, who joins Menzies' management committee, said that while the firm had always guarded its independence carefully, the merger was an important strategic move for clients, staff and partners. Menzies, he said, 'shares the same ambition, culture, values and approach to client service as Morley and Scott'. Menzies saw its fee income rise by 4% over the past year, while fee income at Morley and Scott fell by over 5%.



Sands: Helping SMEs to negotiate a complex tax regime

NOTES TO TABLE

Information is gathered from a questionnaire sent out by *Accountancy* and completed by the firms. Wherever possible, we adhere to the firms' description of their service areas and structure. This sometimes makes comparisons within the Top 60 difficult because of the different structure of firms in terms of their business divisions. The emergence of consolidators, specialist firms and business advisory companies over recent years has added to this problem and has produced results that some people may disagree with.

Our aim, however, is to produce consistent information as far as possible and for this reason we have not excluded firms or groups with an unusual structure, such as jointly-branded networks. Our only criterion is to include any organisation that could reasonably be described as an accountancy firm, in the sense that it competes with more traditionally-structured accountancy firms and its payroll includes a large proportion of qualified accountants.

Additional reporting by Sally Percy

TOO MANY CHIEFS

JUNIOR STAFF ARE BEARING THE BRUNT OF CUTBACKS IN PERSONNEL, FINDS LIZ FISHER

The strongest indication of how the UK's largest accountancy firms have reacted to the economic conditions is undoubtedly in overall staff numbers. This year's survey shows that staff employed by the Top 60 fell by 4% from the 2008 survey. Previous years have shown a steady rise in staff numbers, with numbers increasing by 6% in the 2008 survey.

The figures suggest that firms have cut back on staff during the recession. The profession as a whole, though, learned a tough lesson during the previous recession in the early 1990s, when many were caught short at the recovery and found themselves lacking the necessary skilled staff to compete effectively. The results of our survey of the student trainees employed by the Top 60 (see p54), though, suggests strongly that the firms have also cut back on the number of trainees they are recruiting during the recession. Perhaps the lessons have not been learned after all.

It is also interesting to note that while the number of staff below partner level fell during the year, the number of partners (or partner equivalents) in the Top 60 rose by 4.6% over the same period. Last year's survey showed that partner numbers in the Top 60 had remained largely stagnant over the previous 12 months, which we took to be a warning that the firms were beginning to tighten their belts as the credit crunch began to bite.

This year's rise in partner numbers perhaps indicates that the firms are wary of losing their most valuable employees during the recession and have continued to promote to partner level despite the squeeze on fees. E&Y announced the appointment of 48 new partners in the UK and Ireland last summer, 18 of whom will work in its financial services division.

The figures also show that 13% of the Top 60 partners are female, compared with 12.1% in the 2008 survey. Four firms in the survey that previously had no female partners – DTE Group, Hazlewoods, Simmons Gainsford and Barber Harrison & Platt – have now appointed at least one. Two firms did not provide information on partner gender.

NOTES TO TABLE

1. Partner numbers are as at 01.07.09
2. Partners are fee-earning directors
3. Merger with RSM Bentley Jennison proposed as *Accountancy* went to press
4. Partners are directors
5. Merger with Tenon proposed as *Accountancy* went to press
6. Merging with Morley and Scott
7. Staff and partner figures are as at 03.11.09
8. Company has a single managing director
9. Merging with Menzies

ACCOUNTANCY TOP 60 – PERSONNEL PROFILE

Position (prior year in brackets)	Firm	Fee income £m	Partners	Female partners	Staff	Fee/partner ratio £000s
1 (1)	PricewaterhouseCoopers LLP	2,248	885	114	13,765	2,540
2 (2)	Deloitte LLP	1,969	758	109	10,225	2,598
3 (3)	KPMG LLP	1,626	569	80	10,055	2,858
4 (4)	Ernst & Young LLP	1,383	515	77	9,097	2,685
5 (5)	Grant Thornton UK LLP ¹	378.2	235	40	3,940	1,609
6 (6)	BDO LLP	335.1	232	23	2,697	1,444
7 (7)	Baker Tilly LLP	204	116	15	1,824	1,759
8 (8)	Smith & Williamson ²	178.7	218	39	1,300	820
9 (10)	Tenon ³	150.8	180	18	1,701	838
10 (9)	PKF (UK) LLP	141.3	98	7	1,680	1,442
11 (11)	Moore Stephens UK	138.9	160	17	1,389	868
12 (13)	Mazars	102	110	12	1,002	927
13 (12)	Vantis plc ⁴	89.6	140	16	885	640
14 (14)	RSM Bentley Jennison ⁵	80.3	72	7	982	1,115
15 (18)	Begbies Traynor Group plc	62.1	80	7	673	776
16 (15)	Haines Watts Group	58.2	96	9	798	606
17 (16)	Saffery Champness	51.4	58	11	447	886
18 (17)	Horwath Clark Whitehill LLP	46.4	69	12	523	672
19 (19)	UHY Hacker Young Group	45	88	7	652	511
20 (20)	Kingston Smith LLP	41.6	56	8	434	743
21 (22)	MacIntyre Hudson	30.9	48	6	384	644
22 (24)	Wilkins Kennedy	27.4	45	5	360	609
23 (23)	Chantrey Vellacott DFK	26.5	52	5	295	510
24 (21)	Menzies LLP ⁶	26.2	31	1	256	845
25 (25)	Johnston Carmichael	24.5	45	2	406	544
26 (28)	Buzzacott LLP	20.8	20	2	208	1,040
27 (26)	Armstrong Watson	18.9	34	6	343	556
28 (27)	Littlejohn	18.5	28	5	160	661
29 (29)	DTE Group	18	21	2	141	857
30 (31)	Francis Clark	16.5	33	3	230	500
31 (33)	Streets	16.4	19	3	133	863
32 (32)	Haysmacintyre	16.2	24	5	148	675
33 (30)	Cooper Parry LLP	15.6	23	1	190	678
34 (43)	Reeves + Neylan LLP	14.75	25	2	206	590
35 (35)	Duncan & Toplis	14.73	27	1	333	546
36 (40)	Price Bailey LLP	14.7	23	1	204	639
37 (38)	Haslars ⁷	14.55	13	4	96	1,119
38 (37)	Shipleys LLP	14.3	19	n/a	132	753
39 (39)	Lovell Blake	14.1	21	1	208	671
40 (33)	Target Chartered Accountants	13.7	11	n/a	180	1,245
41 (36)	Hazlewoods LLP	13.5	16	1	186	844
42 (42)	Larking Gowen	13.3	22	2	245	605
43 (41)	Scott-Moncrieff	13.1	18	2	188	728
44 (45)	Mercer & Hole	12.1	20	6	149	605
45 (-)	Anderson Anderson & Brown LLP & Group	11.7	12	3	153	975
46 (48)	Barnes Roffe LLP	11.5	15	1	120	767
47 (46)	Simmons Gainsford LLP	10.9	16	1	94	681
48 (51)	Beever and Struthers	10.8	26	5	150	415
49 (58)	SJD Accountancy ⁸	10.8	see note	see note	130	see note
50 (47)	Bishop Fleming	10.6	18	3	171	589
51 (54)	Hillier Hopkins LLP	10.51	20	2	121	526
52 (50)	Rothman Pantall LLP	10.3	25	5	159	412
53 (-)	Moore and Smalley LLP	10.1	17	4	198	594
54 (44)	Campbell Dallas LLP	10	17	2	146	588
55 (53)	James Cowper LLP	9.9	13	3	131	762
56 (-)	French Duncan LLP	9.5	23	6	137	413
57 (56)	Silver Levene	9.3	17	2	85	547
58 (-)	Thomas Westcott	9.1	17	2	176	535
59 (55)	Barber Harrison & Platt	9.06	15	2	154	604
60 (52)	Morley and Scott ⁹	9	18	1	102	500
Totals		9,922	5,642	736	71,677	

FIRMS MORE OPEN ABOUT PROFIT

THE PROFESSION IS BECOMING INCREASINGLY TRANSPARENT, FINDS **LIZ FISHER**

This year 18 firms disclosed details of their pre-tax profits, compared with 12 firms last survey. This is perhaps an indication of a greater desire for transparency within the profession, as more firms produce annual reports and accounts following their conversion to limited liability partnerships. The figures



that have been provided confirm what a tough year it has been for firms. PricewaterhouseCoopers reported an 8% rise in distributable profits to £682m, but its figures were one of the few positive highlights. Deloitte's profits remained static at £564m, while KPMG reported a 13% fall in profits to £389m. Ernst & Young did not provide its profit figures this year.

PARTNERSHIP PROFITABILITY (COMPANIES EXCLUDED)

Rank	Firm	Fee income £m	Profit before tax £m	Partners
1	PricewaterhouseCoopers LLP	2,248	682	885
2	Deloitte LLP	1,969	564	758
3	KPMG LLP	1,626	389	569
5	Grant Thornton UK LLP	378.2	55.6	235
8	Smith & Williamson	178.7	26.3	218
17	Horwarth Clark Whitehill LLP	46.4	10.7	69
22	MacIntyre Hudson	30.9	8.2	48
38	Shipleys LLP	14.3	5	19
46	Barnes Roffe LLP	11.5	4.5	15
34	Reeves + Neylan LLP	14.8	4	25
45	Anderson Anderson & Brown LLP & Group	11.7	3.5	12
36	Price Bailey LLP	14.7	3.4	23
47	Simmons Gainsford LLP	10.9	3.2	16
33	Cooper Parry LLP	15.6	2.8	23
56	French Duncan LLP	9.5	2.6	23
51	Hillier Hopkins LLP	10.5	2.4	20
57	Silver Levene	9.3	2.3	17
55	James Cowper LLP	9.9	1.7	13

ANOTHER FOUR FIRMS CONVERT TO LLP

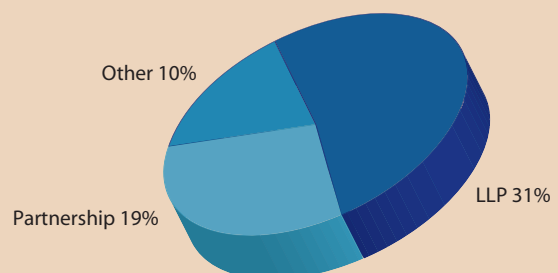
OVER HALF OF THE FIRMS IN THE TOP 60 ARE NOW LIMITED LIABILITY PARTNERSHIPS, SAYS **LIZ FISHER**

Four firms have converted to LLP status since *Accountancy's* last Top 60 survey of firms, bringing the total number of firms within the Top 60 that have limited their liability to 31. James Cowper, Littlejohn and Menzies all converted since the last survey, with Rothman Pantall the most recent firm to convert on 1 July 2009.

Other firms are still considering the move. Francis Clark says it will 'probably convert' to LLP status from next April. Five other firms – Johnston Carmichael, Wilkins Kennedy, Duncan & Toplis, Silver Levene and Morley and Scott (which has announced its merger with Menzies since the survey was completed) – have also said they are considering conversion at some point.

There are now 10 firms that operate within a structure other than a partnership or LLP. Aside from the publicly listed companies, a few firms are choosing more imaginative structures. Moore Stephens and UHY Hacker Young both operate as a network of firms, while Haines Watts describes itself as a group of firms, some of which are partnerships and some of which are LLPs.

BREAKDOWN OF TOP 60 FIRMS BY ORGANISATIONAL STRUCTURE



INSOLVENCY BOOMS, TAX STANDS STILL

CORPORATE RECOVERY IS, UNSURPRISINGLY, THE PROFESSION'S BEST-PERFORMING SERVICE LINE, SAYS LIZ FISHER

We have pointed out in previous years that comparison between firms in terms of fee income split, particularly among the largest firms, is becoming more difficult every year as the distinction between service lines becomes more blurred. To add to the confusion, the Big Four now organise themselves into service areas that do not exactly match with each other, or with smaller firms.

It is no secret that business insolvency work is the lifeblood of accountancy firms during a recession and the figures collected from the Top 60 firms this year confirm this. According to our previous survey (see *Accountancy*, July 2008, p29), the top 10 firms in terms of fee income from insolvency work reported a total of £323.2m; this year the income from the 10 highest earning firms in this business line totals £433.1m, a rise of 50%.

Over the same period, the income earned by the 20 firms reporting the highest level of fee income from audit and assurance work (or its nearest equivalent), rose by just 4.5% to £3.5bn, up from £3.3bn in the previous survey. The income earned from tax work seems to have remained largely static at £2.4bn reported by the 20 highest-earning firms in this service area.

The definition of consultancy work is one of the most fluid service lines in the profession, which is why it would be risky to draw too many conclusions from the 8% rise in fee income earned by the 10 largest firms in this service area since the last survey. The firms reported a total fee income from consultancy work of £1.6bn, compared with £1.5bn in our July 2008 survey.

The results do not highlight the move that some firms are making into new service lines. BDO, for instance, earned £38m from forensic accounting services during the year and £20m from investment management services. Wealth management services is another important service line for some key firms, not least Smith & Williamson, which earned just over £100m from its speciality services over the year.

AUDIT AND ACCOUNTING INCOME

Rank	Firm	£m
1 (1)	PricewaterhouseCoopers LLP	861
2 (2)	Ernst & Young LLP ¹	702
3 (3)	Deloitte & Touche LLP	647
4 (4)	KPMG LLP	486
5 (5)	Grant Thornton UK LLP	140.7
6 (7)	Baker Tilly LLP	102
7 (6)	BDO LLP	99
8 (11)	Vantis plc ²	65.4
9 (8)	Mazars ³	64.6
10 (10)	Moore Stephens UK	61.6
11 (9)	PKF (UK) LLP	59.5
12 (13)	RSM Bentley Jennison	27.1
13 (12)	Haines Watts Group	26.7
13 (15)	Smith & Williamson	26.7
15 (14)	Horwath Clark Whitehill LLP	26.5
16 (17)	Kingston Smith LLP	23.3
17 (16)	UHY Hacker Young Group	20.7
18 (18)	Tenon	18.1
19 (19)	Saffery Champness	16.7
20 (20)	Wilkins Kennedy	15.6

Notes

1. Assurance and advisory
2. Includes tax compliance
3. Includes corporate finance and consultancy

CONSULTANCY

Rank	Firm	£m
1 (2)	PricewaterhouseCoopers LLP ¹	737
2 (3)	Deloitte & Touche LLP	478
3 (1)	KPMG LLP	352
4 (5)	PKF (UK) LLP	22.9
5 (7)	Moore Stephens UK	12.3
6 (8)	Menzies	5.7
7 (-)	RSM Bentley Jennison	5
8 (9)	Kingston Smith	4.9
9 (10)	Haines Watts Group	4.1
10 (-)	Wilkins Kennedy	3.4

Note

1. Advisory

TAX INCOME

Rank	Firm	£m
1 (1)	PricewaterhouseCoopers LLP	650
2 (2)	Deloitte LLP	523
3 (4)	Ernst & Young LLP	392
4 (3)	KPMG LLP	375
5 (6)	Grant Thornton UK LLP	97.7
6 (5)	BDO LLP	90
7 (7)	Baker Tilly LLP	55
8 (8)	Tenon	34.7
9 (9)	Smith & Williamson	33.7
10 (10)	PKF (UK) LLP	32
11 (13)	Mazars	25.2
12 (11)	Moore Stephens UK	24.6
13 (12)	Haines Watts Group	21.7
14 (14)	RSM Bentley Jennison	16
15 (15)	Saffery Champness	13.2
16 (16)	Horwath Clark Whitehill LLP	12.9
17 (17)	UHY Hacker Young Group	11.2
18 (19)	Buzzacott LLP	9.8
19 (18)	Haslers	8.5
20 (20)	Chantrey Vellacott DFK	7.3

CORPORATE RECOVERY

Rank	Firm	£m
1 (1)	KPMG LLP	160
2 (2)	Grant Thornton UK LLP	75.4
3 (3)	BDO Stoy Hayward LLP	57
4 (-)	Begbies Traynor Group plc	49.7
5 (6)	Tenon	43.7
6 (4)	Baker Tilly LLP	31
7 (5)	Vantis plc	27.8
8 (7)	PKF (UK) LLP	15.7
9 (8)	Moore Stephens UK	13.6
10 (10)	Mazars	12.2

CORPORATE FINANCE

Rank	Firm	£m
1 (1)	Deloitte LLP	321
2 (2)	Ernst & Young LLP	289
3 (3)	KPMG LLP ¹	253
4 (4)	Grant Thornton UK LLP	44
5 (5)	BDO LLP	31
6 (6)	Baker Tilly LLP	16
7 (9)	Tenon	6.1
8 (7)	PKF (UK) LLP	11.2
9 (10)	Moore Stephens UK	3.8
10 (8)	Smith & Williamson	6.1

Note

1. Includes transaction services