

Press Release 1 May 2006

New Status and Name

As from Monday 1 May 2006 the medium sized accountancy practice AGN Shipleys will become a Limited Liability Partnership (LLP) and will be known as Shipleys LLP. This press release explains what this means for the firm and its clients.

John McCuin, Managing Principal commented "When Limited Liability Partnerships were introduced in 2001, we said in our publication *Shipshape* that we would wait to see how they worked in practice before considering LLP status for ourselves. The traditional form of partnership did provide us with some tax and regulatory advantages. But each partner had unlimited liability for all the firm's liabilities, including those arising from the action of any other partner, and this liability extended to our personal assets.

"We have now decided, in common with an increasing number of other professional firms, that the time is right for us to become an LLP.

"The partners in an LLP do not have individual unlimited liability for any debts of the business, and in this respect an LLP is the partnership equivalent of a limited company. In an increasingly litigious world our legal advisers and insurers have urged us to take advantage of this protection, and it is certainly true that it will become increasingly difficult to expand our business by creating or attracting new partners if we do not make this change."

Business as usual

The new structure will allow Shipleys LLP greater internal flexibility, and will assist in planning and delivering the future of the business, to the long-term benefit of the firm and clients. Apart from receiving engagement letters in the name of the new firm and the change to the logo, clients and contacts will notice little change in the short term.

New Name

The firm has dropped the 'AGN' prefix from its name. This was adopted in 2000 to demonstrate support for, and commitment to, the international organisation, AGN International Ltd.

Although AGN International is a worldwide association of separate and independent accounting and consulting firms, the firm has bowed to professional advice that the continuing use of 'AGN' in its name could leave it open to claims from clients of other member firms with whom it has had no involvement. It's a mad situation, but the change reflects recognition of the litigation risks involved.

However, Shipleys LLP's commitment to cooperation among the member firms of AGN International remains unaltered, because the firm believes that it is important to be able to give our clients access to professional advice whenever and wherever in the world they may need it.