

# EY UK revenue and remuneration

## Financial information

Revenue, which excludes VAT, represents the combined, not consolidated, fair value of revenues provided to clients based on the stage of completion of each engagement. Revenue includes expenses billed to clients and also includes revenues related to billings to other EYG member firms. Revenue amounts disclosed in this report include revenues from entities we audit and non-audit clients.

Revenue is presented in accordance with Article 13, The Transparency Report, Statutory Audit Regulation (Regulation (EU) No 537/2014).

Financial information for the period ended on 3 July 2020 expressed in £million.

Service	FY20 <sup>1</sup>		FY19 <sup>1</sup>	
	Revenue	Percent	Revenue	Percent
Statutory audits and directly related services for PIEs	152	6%	119	5%
Statutory audits and directly related services for entities whose parent is a PIE	64	2%	61	2%
Other audit services and directly related services for non-PIEs	328	13%	273	11%
Total audit revenues	544	21%	453	18%
Non-audit services provided to entities we audit	119	5%	118	5%
Total revenues from entities we audit	663	26%	571	23%
Non-audit services provided to other entities	1,883	73%	1,855	76%
Total revenue from the Channel Islands excluded from the categories above	21	1%	21	1%
<b>Total revenue</b>	<b>2,567</b>	<b>100%</b>	<b>2,447</b>	<b>100%</b>
<b>UK Audit Profit<sup>2</sup></b>	<b>62</b>		<b>68</b>	

<sup>1</sup> FY20 revenues represent a 53-week accounting period and FY19 a 52-week accounting period.

<sup>2</sup> Profit is calculated based on the revenue and direct costs associated with audit engagements, together with specific overheads for the audit practice and an allocation of total firm overheads, such as property and technology costs. These costs are allocated on a pro rata basis, based primarily on the headcount or revenues of the relevant business segment. No cost is included for the remuneration of members of EY UK LLP, consistent with the treatment of their remuneration in the firm's financial statements.

The Local Auditors Transparency Regulations require disclosure of the turnover in the financial period of the local auditor in relation to performing local audit work as defined by the Regulations. For EY UK LLP, this revenue totals £13mn (PY: £15mn).

Our Audit practice will transition to an operationally separated business during FY21. In implementing the FRC's principles of operational separation, we expect changes will need to be made to transfer pricing arrangements between the audit business and the wider firm. This could have an impact on reported revenues and profits generated from audit activities in future years.