

Question: Prices and revenue

1. Over the past five years, what has been the growth in the average hourly charge-out rate for:
 - a. Auditing services?
 - b. Other assurance services?
 - c. Non-assurance services?
2. What are the most up-to-date figures on the percentage of revenue EY received from:
 - a. Auditing services?
 - b. Other assurance services?
 - c. Non-assurance services?
3. What are the profit margins that EY earned from:
 - a. Auditing services?
 - b. Other assurance services?
 - c. Non-assurance services?

Answer:

1. The compound annual growth rate of average hourly rate card for the last five years for the three service lines requested range between 4-5%. This average rate card increase does not mean that fees paid by clients for comparable services have increased by this amount, as engagement fee levels are negotiated annually or per project with clients.
2. EY's latest 2019 Transparency report discloses that 21 per cent of EY's revenue is from audits and directly related services for audit clients, and 79 per cent of revenue is from all other services to audit and non-audit clients.
3. EY's margins are highly sensitive, commercially valuable information which is not in the public domain. If it were to become publicly known, this information could be used by EY's competitors to advantage themselves or disadvantage EY in the market for audit services. Comparability across competitors is also difficult as margins may not be calculated using the same methodology.