

## Auditing

# THE ANNUAL AUDIT FEES SURVEY FTSE-100

Thanks to Enron, Sarbanes-Oxley and a raft of UK initiatives, audit committees' concerns over auditor independence – coupled with structural changes in the profession – are cutting clients' non-audit fee expenditure. But as the corporate governance agenda pushes for greater transparency, there is an increasing amount of disclosure in annual accounts about what companies are buying from their auditors. And, for the first time, our survey is expanded to include the FTSE-250 this year with data provided by ICC Information.

Company	Year end	Sign-off time	Auditor	Audit fee	Other fees	acc	aud	cons	corp	int	IT	m&a	reg	restr	tax	other
3i Group	31 Mar 03	44 days	E&Y	£0.700m	£0.700m		£0.20m					£0.10m			£0.20m	£0.20m
Abbey	31 Dec 02	56 days	Deloitte	£4.200m	£5.700m			£4.50m					£1.10m		£0.10m	
Alliance & Leicester	31 Dec 02	51 days	Deloitte	£0.500m	£2.800m							£1.70m	£0.30m			£0.80m
Alliance Unichem	31 Dec 02	69 days	Deloitte	£1.100m	£0.900m							£0.30m			£0.40m	£0.20m
Allied Domecq	31 Aug 03	50 days	KPMG	£3.000m	£1.000m										£1.00m	
Amersham	31 Dec 02	57 days	PwC	£1.600m	£0.500m										£0.40m	£0.10m
Amvescap	31 Dec 02	59 days	E&Y	£1.833m	£0.639m											£0.64m
Anglo American	31 Dec 02	58 days	Deloitte	£5.714m	£4.800m		£1.89m								£1.31m	£1.60m
Assd Br Foods	13 Sep 03	52 days	KPMG	£2.500m	£3.600m			£0.30m				£1.80m			£1.30m	£0.20m
AstraZeneca	31 Dec 02	30 days	KPMG	£2.057m	£2.000m											£2.00m
Aviva	31 Dec 02	56 days	E&Y	£4.600m	£10.800m		£7.60m					£1.60m			£0.60m	£1.00m
BAA	31 Mar 03	63 days	Deloitte	£0.486m	£0.873m	£0.36m				£0.06m			£0.07m		£0.40m	
BAE Systems	31 Dec 02	50 days	KPMG	£3.572m	£6.914m		£3.15m								£3.76m	
Barclays	31 Dec 02	43 days	PwC	£5.000m	£23.000m		£5.00m	£6.00m				£3.00m	£4.00m		£5.00m	
BG Group	31 Dec 02	52 days	PwC	£1.400m	£4.900m		£0.20m				£3.90m				£0.70m	£0.10m
BHP Billiton	30 Jun 03	71 days	KPMG/PwC	£1.257m	£2.686m						£0.40m				£1.89m	£0.40m
BOC Group	30 Sep 03	52 days	PwC	£2.000m	£3.500m		£0.50m								£1.60m	£1.40m
Boots	31 Mar 03	65 days	KPMG	£1.000m	£1.300m		£0.70m								£0.30m	£0.30m
BP	31 Dec 02	42 days	E&Y	£8.000m	£37.143m		£20.00m								£16.00m	£1.14m
Bradford & Bingley	31 Dec 02	48 days	KPMG	£0.600m	£1.300m		£0.10m						£0.40m		£0.40m	£0.40m
BAT	31 Dec 02	56 days	PwC	£6.500m	£7.200m			£2.40m								£4.80m
British Land	31 Mar 03	57 days	Deloitte	£0.800m	£2.500m		£0.20m								£1.00m	£1.30m
BSkyB	30 Jun 03	42 days	Deloitte	£0.800m	£7.000m		£0.60m				£5.10m				£0.60m	£0.70m
BT	31 Mar 03	51 days	PwC	£2.943m	£8.980m				£0.27m		£3.77m	£0.51m	£1.69m		£1.82m	£0.94m
Bunzl	31 Dec 02	55 days	KPMG	£1.600m	£1.900m											
Cable & Wireless	31 Mar 03	64 days	KPMG	£4.900m	£5.000m							£0.20m			£2.50m	£2.30m
Cadbury Schweppes	29 Dec 02	64 days	Deloitte	£3.000m	£3.200m							£1.50m			£0.70m	£1.00m
Carnival	31 Dec 02	37 days	KPMG	£0.514m	£3.371m								£1.49m		£1.77m	£0.11m
Centrica	31 Dec 02	51 days	PwC	£1.700m	£7.500m		£1.20m	£5.20m				£0.50m			£0.60m	
Compass Group	30 Sep 02	64 days	Deloitte	£2.000m	£3.000m							£2.00m			£1.00m	
Daily Mail & Gen Tst	29 Sep 02	59 days	Deloitte	£1.800m	£1.000m											
Diageo	30 Jun 02	66 days	KPMG	£3.300m	£18.900m		£1.50m				£1.70m	£9.50m			£6.20m	
Dixons	3 May 03	53 days	Deloitte	£0.700m	£1.100m							£0.30m			£0.80m	
Emap	31 Mar 03	58 days	PwC	£0.700m	£2.200m			£1.10m				£0.30m			£0.80m	
Exel	31 Dec 02	66 days	E&Y	£1.900m	£1.500m							£0.10m			£1.30m	£0.10m
Friends Provident	31 Dec 02	63 days	PwC	£0.900m	£1.300m		£0.30m					£0.30m		£0.10m	£0.40m	£0.20m
Gallaher	31 Dec 02	63 days	PwC	£0.900m	£4.700m		£0.90m				£2.50m				£1.30m	
GKN	31 Dec 02	59 days	PwC	£2.900m	£1.400m										£0.90m	£0.50m
GlaxoSmithKline	31 Dec 02	69 days	PwC	£6.100m	£14.800m		£1.80m					£6.00m			£4.20m	£2.80m
Granada	30 Sep 02	58 days	KPMG	£0.400m	£0.900m							£0.90m				
GUS	31 Mar 03	57 days	PwC	£2.000m	£11.000m											
Hanson	31 Dec 02	51 days	E&Y	£1.900m	£2.600m		£0.20m					£0.60m	£1.20m		£0.60m	
HBOS	31 Dec 02	55 days	KPMG	£3.700m	£8.000m	£2.90m	£3.60m					£0.50m			£1.00m	
Hilton Group	31 Dec 02	58 days	E&Y	£1.600m	£1.300m								£0.50m		£0.70m	£0.10m
HSBC	31 Dec 02	62 days	KPMG	£14.171m	£7.886m		£0.17m	£1.14m	£0.06m		£0.06m	£0.46m	£2.97m	£0.29m	£1.89m	£0.86m
ICI	31 Dec 02	43 days	KPMG	£2.800m	£3.300m		£2.10m								£1.10m	£0.10m
Imperial Tobacco	28 Sep 02	58 days	PwC	£2.300m	£4.800m							£4.00m			£0.30m	£0.50m
Intercon Hotels			E&Y													
Johnson Matthey	31 Mar 03	65 days	KPMG	£1.100m	£0.800m						£0.30m	£0.10m	£0.10m		£0.30m	
Kingfisher	1 Feb 03	74 days	PwC	£1.900m	£8.000m		£0.30m	£0.40m					£7.00m		£0.30m	

Non-audit fees code: **acc**: accounting services **aud**: other audit **cons**: other consultancy **corp**: corporate transactions, listings, securitisations, etc **int**: internal audit **IT**: IT systems consultancy, implementation **m&a**: mergers, acquisitions, disposals, due diligence **reg**: regulatory, compliance **restr**: restructuring, business advisory **tax**: tax advice & compliance

● = expenditure item, but no fee details provided  
Excludes investment trusts apart from 3i **BAA**: Deloitte dropped in favour of PwC. **BHP Billiton**: company separately identifies audit and non-audit fees paid to each joint auditor: PwC: audit £0.914m, non-audit £0.800m; KPMG audit £0.343m, non-audit £1.886m **Intercontinental Hotels and Mitchells & Butler**: recently demerged from Six Continents:

no annual reports available yet. **Legal & General**: excludes £0.3m of audit fees and £2.7m of non-audit fees for unconsolidated subsidiaries. **Rexam**: E&Y dropped in favour of PwC. **United Utilities**: Deloitte replaced KPMG; figures exclude £0.5m of non-audit fees paid to outgoing auditors. Several companies disclose consultancy payments made to PwC Consulting up until its sale to IBM in October 2002: **Barclays** (£6.0m), **BAT** (£2.4m), **BG Group** (£3.3m), **Emap** (£1.1m), **Kingfisher** (£0.4m), **National Grid Transco** (£2m), **Royal & SunAlliance** (£2.0m), **Scottish Power** (£3.0m)

Data: company annual reports, ICC Information (www.icc.co.uk); analysis: Financial Director

Company	Year end	Sign-off time	Auditor	Audit fee	Other fees	acc	aud	cons	corp	int	IT	m&a	reg	restr	tax	other
Land Securities	31 Mar 03	51 days	PwC	£0.500m	£1.700m	£0.20m									£1.00m	£0.50m
Legal & General	31 Dec 02	57 days	PwC	£1.000m	£1.600m		£0.40m					£0.30m	£0.10m		£0.30m	£0.50m
Liberty Intl	31 Dec 02	43 days	PwC	£0.400m	£0.400m											
Lloyds TSB	31 Dec 02	44 days	PwC	£4.800m	£5.700m		£0.30m	£0.10m				£0.80m	£2.60m		£0.70m	£1.20m
Man Group	31 Mar 03	52 days	PwC	£1.200m	£1.600m		£0.30m					£1.00m	£0.20m			£0.10m
Marks & Spencer	29 Mar 03	51 days	PwC	£0.900m	£1.400m			£0.60m	£0.40m						£0.40m	
Mitchells & Butlers	30 Sep 03	64 days	E&Y													
mmo2	31 Mar 03	50 days	PwC	£1.000m	£1.176m	£0.61m					£0.18m	£0.09m			£0.30m	
Morrison (Wm)	2 Feb 03	53 days	KPMG	£0.138m	£1.031m										£0.09m	£0.94m
Nat Grid Transco	31 Mar 03	50 days	PwC	£3.000m	£10.000m		£1.00m	£2.00m				£2.00m	£1.00m		£3.00m	£1.00m
Next	1 Feb 03	54 days	E&Y	£0.300m	£0.610m				£0.35m			£0.22m				£0.04m
Northern Rock	31 Dec 02	56 days	PwC	£0.600m	£0.600m								£0.60m			
Old Mutual	31 Dec 02	55 days	KPMG	£4.000m	£6.000m		£1.00m									£5.00m
Pearson	31 Dec 02	62 days	PwC	£3.000m	£3.000m		£1.00m								£2.00m	
Provident Financial	31 Dec 02	64 days	PwC	£0.381m	£1.870m							£0.78m			£0.69m	£0.40m
Prudential	31 Dec 02	80 days	KPMG	£3.300m	£5.900m		£1.40m					£0.40m	£1.30m		£0.20m	£2.60m
Reckitt Benckiser	31 Dec 02	66 days	PwC	£1.800m	£1.200m		£0.40m								£0.60m	£0.20m
Reed Elsevier	31 Dec 02	50 days	Deloitte	£2.300m	£3.600m		£0.70m					£1.40m			£0.70m	£0.80m
Rentokil Initial	31 Dec 02	85 days	PwC	£2.300m	£1.200m											
Reuters	31 Dec 02	55 days	PwC	£2.300m	£6.800m		£1.50m	£3.40m							£1.70m	£0.20m
Rexam	31 Dec 02	65 days	E&Y	£1.900m	£2.800m							£0.70m		£1.30m		£0.80m
Rio Tinto	31 Dec 02	51 days	PwC	£2.900m	£3.000m		£0.30m			£0.20m		£0.20m			£1.50m	£0.80m
Rolls-Royce	31 Dec 02	62 days	KPMG	£3.200m	£1.600m											
Royal & SunAll	31 Dec 02	64 days	PwC	£3.696m	£8.726m		£1.48m						£1.19m		£1.75m	£4.31m
Royal Bk of Scot	31 Dec 02	57 days	Deloitte	£5.800m	£6.300m		•	£0.80m					•		•	•
SABMiller	31 Mar 03	70 days	PwC	£2.857m	£4.000m						£0.57m	£2.86m			£0.57m	
Safeway	29 Mar 03	53 days	KPMG	£0.300m	£0.540m							£0.54m				
Sage Group	30 Sep 02	64 days	PwC	£0.518m	£1.115m											
Sainsbury (J)	29 Mar 03	52 days	PwC	£0.600m	£1.400m			£0.60m					£0.10m		£0.70m	
Schroders	31 Dec 02	71 days	PwC	£1.100m	£1.700m		£0.10m	£0.90m							£0.70m	
Scot & Newcastle	27 Apr 03	65 days	E&Y	£1.200m	£3.600m							£3.60m				
Scot & Southern	31 Mar 03	51 days	KPMG	£0.300m	£0.060m		£0.05m								£0.01m	
Scottish Power	31 Mar 03	37 days	PwC	£1.500m	£6.400m		£1.30m				£0.30m				£4.80m	
Severn Trent	31 Mar 03	71 days	PwC	£0.800m	£0.800m							£0.10m			£0.60m	£0.10m
Shell T&T	31 Dec 02	65 days	KPMG/PwC	£14.286m	£20.000m											
Shire Pharm	31 Dec 02	121 days	Deloitte	£0.600m	£0.933m											
Smith & Nephew	31 Dec 02	38 days	E&Y	£0.900m	£3.100m								£1.30m		£1.80m	
Smiths Group	31 Jul 03	55 days	PwC	£3.900m	£1.600m		£0.10m					£1.10m			£0.40m	
Std Chartered	31 Dec 02	50 days	KPMG	£2.971m	£5.314m				£2.40m			£0.29m	£1.31m			£1.31m
Tesco	22 Feb 03	44 days	PwC	£0.900m	£1.800m							£1.10m			£0.70m	
Tomkins	31 Dec 02	63 days	Deloitte	£2.200m	£1.100m		•								•	
Unilever	31 Dec 02	63 days	PwC	£10.500m	£24.500m		£9.10m	£11.20m							£4.20m	
United Utilities	31 Mar 03	51 days	Deloitte	£0.505m	£0.517m		£0.17m								£0.20m	£0.15m
Vodafone	31 Mar 03	57 days	Deloitte	£5.000m	£15.000m						£10.00m				£3.00m	£2.00m
Whitbread	1 Mar 03	59 days	E&Y	£0.600m	£0.300m				£0.30m							
Wolseley	31 Jul 03	53 days	PwC	£1.700m	£2.700m							£0.70m			£1.70m	£0.30m
WPP Group	31 Dec 02	136 days	Deloitte	£5.400m	£5.800m			£0.90m				£2.20m			£2.70m	
Xstrata	31 Dec 02	78 days	E&Y	£0.743m	£8.514m				£7.83m						£0.51m	£0.17m
Yell	31 Mar 03	92 days	PwC	£0.600m	£5.600m	£0.10m		£4.30m			£0.60m			£0.30m	£0.30m	

## Auditing

# THE ANNUAL AUDIT FEES SURVEY FTSE-250

Name	Year end	Auditors	Audit Fees	Name	Year end	Auditors	Audit Fees	Name	Year end	Auditors	Audit Fees
Abbot Group	Dec 02	PwC	£340k	Eurotunnel	Dec 02	KPMG	£185k	Paragon Gp	Sep 02	Deloitte	£300k
Acambis	Dec 02	PwC	£77k	First Choice	Oct 02	KPMG	£800k	Pennon Group	Mar 03	PwC	£271k
Aegis	Dec 02	PwC	£1,200k	First Group	Mar 03	Deloitte	£400k	Persimmon	Dec 02	KPMG	£192k
AGA Foodserv	Dec 02	PwC	£200k	FKI	Mar 03	E&Y	£1,600k	Photo-Me Intl	Apr 03	E&Y	£442k
Aggregate Inds	Dec 02	KPMG	£600k	Forth Ports	Dec 02	PwC	£199k	PHS Group	Mar 03	PwC	£93k
Aggreko	Dec 02	PwC	£300k	French Connection	Jan 03	KPMG	£100k	Pilkington	Mar 03	PwC	£1,000k
Alba	Mar 03	Hacker Young	£200k	Galen Hldgs	Sep 02	PwC	£170k	Pillar Pr	Mar 03	KPMG	£89k
AMEC	Dec 02	KPMG	£1,700k	Geest	Dec 02	KPMG	£200k	Premier Farnell	Feb 03	PwC	£500k
Amlin	Dec 02	Deloitte	£400k	Go-Ahead	Jun 02	E&Y	£216k	Premier Oil	Dec 02	E&Y	£300k
Antofagasta	Dec 02	Deloitte	£114k	Grainger Trust	Sep 02	PwC	£79k	Psion	Dec 02	Deloitte	£293k
ARM Hldgs	Dec 02	PwC	£152k	Greene King	May 03	E&Y	£100k	Punch Taverns	Aug 02	E&Y	£200k
Arriva	Dec 02	PwC	£500k	Greggs	Dec 02	KPMG	£94k	PZ Cussons	May 03	Deloitte	£381k
Assd Br Ports	Dec 02	PwC	£300k	Gt Portland Est	Mar 03	E&Y	£100k	Quintain Estates	Mar 03	KPMG	£200k
Atkins (WS)	Mar 03	PwC	£1,003k	GWR Group	Mar 03	KPMG	£119k	RAC	Dec 02	KPMG	£700k
Autonomy	Dec 02	E&Y	£301k	Halma	Mar 03	Deloitte	£430k	Rank Group	Dec 02	PwC	£1,200k
Avis Europe	Dec 02	PwC	£738k	Hammerston	Dec 02	Deloitte	£682k	Redrow	Jun 03	PwC	£100k
AWG	Mar 03	PwC	£700k	Hays	Jun 02	Deloitte	£1,200k	Renishaw	Jun 03	KPMG	£128k
Balfour Beatty	Dec 02	Deloitte	£1,400k	Headlam Group	Dec 02	KPMG	£208k	RIT Capital Partners	Mar 03	PwC	£80k
Barratt Devs	Jun 03	PwC	£200k	Hiscox	Dec 02	KPMG	£230k	RMC Group	Dec 02	PwC	£3,800k
BBA Group	Dec 02	Deloitte	£1,300k	Hit Ent	Jul 02	PwC	£248k	Rotork	Dec 02	KPMG	£247k
Bellway	Jul 02	KPMG	£120k	HMV Group	Apr 03	E&Y	£367k	RPS Group	Dec 02	BDO Stoy Hayward	£107k
Berkeley Group	Apr 03	PwC	£195k	Holidaybreak	Sep 02	Deloitte	£122k	Scot Radio	Sep 02	KPMG	£100k
Big Food Group	Mar 03	PwC	£500k	ICAP	Mar 03	PwC	£1,200k	Securicor	Sep 02	Baker Tilly	£600k
Boycote Intl	Dec 02	Deloitte	£300k	IMI	Dec 02	KPMG	£2,100k	Serco Group	Dec 02	Deloitte	£689k
Bovis Homes	Dec 02	KPMG	£93k	Inchcape	Dec 02	PwC	£1,400k	Shaftesbury	Sep 02	PwC	£58k
BPB	Mar 03	E&Y	£1,200k	Informa Group	Dec 02	KPMG	£551k	SIG	Dec 02	Deloitte	£517k
Brambles Inds	Jun 03	PwC	£2,300k	International Power	Dec 02	KPMG	£700k	Signet Group	Feb 03	KPMG	£400k
Brit Ins Hldgs	Dec 02	Mazars	£374k	Interserve	Dec 02	Deloitte	£600k	Singer & Fried	Dec 02	KPMG	£496k
Britannic	Dec 02	KPMG	£600k	Intertek Group	Dec 02	KPMG	£700k	Skypharma	Dec 02	PwC	£354k
British Airways	Mar 03	E&Y	£1,561k	Intm Capital Group	Jan 03	Deloitte	£100k	Slough Estates	Dec 02	PwC	£700k
British Vita	Dec 02	PwC	£600k	Invensys	Mar 03	E&Y	£6,000k	SMG	Dec 02	Deloitte	£100k
Brixton	Dec 02	E&Y	£100k	Investec	Sep 02	E&Y	£3,627k	Smith (DS)	Apr 03	KPMG	£700k
Brown (N)	Mar 03	Deloitte	£53k	Isis Asset Mgt	Dec 02	E&Y	£216k	Smith (WH)	Aug 02	Deloitte	£500k
BTG	Mar 03	KPMG	£160k	Issoft Group	Apr 02	RSM Robs Rhodes	£71k	Somerfield	Apr 03	E&Y	£300k
Burberry Group	Mar 02	PwC	£800k	Jardine Lloyd Th	Dec 02	PwC	£709k	South Staff	Mar 03	Deloitte	£159k
Cairn Energy	Dec 02	E&Y	£159k	Jarvis	Mar 03	E&Y	£1,200k	Spectris	Dec 02	KPMG	£500k
Canary Wharf	Jun 03	Deloitte	£342k	JJB Sports	Jan 03	Deloitte	£110k	Spirax-Sarco	Dec 02	KPMG	£635k
Capita	Dec 02	E&Y	£546k	Johnston Press	Dec 02	Deloitte	£260k	Spirent	Dec 02	E&Y	£1,000k
Capital Radio	Sep 02	KPMG	£99k	Kelda Group	Mar 03	E&Y	£500k	SSL International	Mar 03	KPMG	£700k
Carillion	Dec 02	KPMG	£900k	Kesa Elec	Feb 03	PwC	£1,000k	St Ives	Aug 03	Deloitte	£421k
Carlton Comms	Sep 02	PwC	£600k	Kidde	Dec 02	PwC	£600k	St James's Place	Dec 02	KPMG	£200k
Carpetright	May 03	KPMG	£159k	Laing (John)	Dec 02	KPMG	£600k	Stagecoach	Apr 03	PwC	£700k
Carphone Whse	Mar 03	Deloitte	£500k	Laird Group	Dec 02	E&Y	£600k	Stanley Leisure	Apr 03	PwC	£152k
Catties	Dec 02	PwC	£276k	Lastminute.com	Sep 02	E&Y	£200k	Tate & Lyle	Mar 03	PwC	£2,000k
Celltech	Dec 02	KPMG	£300k	Ldn Mer Secs	Mar 03	KPMG	£140k	Taylor & Francis	Dec 02	Deloitte	£285k
Chelsfield	Dec 02	KPMG	£278k	LogicaCMG	Dec 02	Deloitte	£1,600k	Taylor Nelson Sofres	Dec 02	PwC	£900k
Chrysalis	Aug 02	KPMG	£430k	London Stock Exch	Mar 03	PwC	£200k	Taylor Woodrow	Dec 02	Deloitte	£600k
Close Bros	Jul 03	Deloitte	£947k	Lonmin	Sep 02	KPMG	£286k	TBI	Mar 03	PwC	£207k
Cobham	Dec 02	PwC	£700k	Luminar	Mar 03	PwC	£100k	Thus	Mar 03	KPMG	£160k
Collins Stew Tult	Dec 02	Deloitte	£186k	Manchester Utd	Jul 02	PwC	£55k	Torex Group	Dec 02	Grant Thornton	£212k
Colt Telecom	Dec 02	PwC	£878k	Marconi	Mar 03	Deloitte	£1,000k	Travis Perkins	Dec 02	Deloitte	£200k
Computacenter	Dec 02	E&Y	£212k	Marshall's	Dec 02	KPMG	£115k	Trinity Mirror	Dec 02	Deloitte	£600k
Cookson Group	Dec 02	KPMG	£1,900k	Matalan	Mar 03	PwC	£300k	Tullow Oil	Dec 02	Robt J Kidney	£195k
Corus Group	Dec 02	PwC	£2,757k	McAlpine (Alfred)	Dec 02	PwC	£405k	Ultra Electronics	Dec 02	Deloitte	£195k
Countrywide	Dec 02	KPMG	£348k	McCarthy & Stone	Aug 02	E&Y	£100k	Ultraframe	Sep 02	KPMG	£135k
Crest Nicholson	Oct 02	KPMG	£300k	Meggitt	Dec 02	Deloitte	£456k	Utd Business Media	Dec 02	E&Y	£600k
Croda Intl	Dec 02	PwC	£300k	Mersey Docks	Dec 02	PwC	£300k	Vardy (Reg)	Apr 03	PwC	£150k
Dairy Crest	Mar 03	E&Y	£300k	MFI Furniture	Dec 02	Deloitte	£300k	Victrex	Sep 02	KPMG	£60k
Davis Serv	Dec 02	PwC	£837k	Michael Page	Dec 02	Deloitte	£287k	Viridian	Mar 03	E&Y	£200k
De La Rue	Mar 03	PwC	£800k	Mill'm & Copthorne	Dec 02	KPMG	£900k	VT Group	Mar 03	KPMG	£304k
De Vere	Sep 02	E&Y	£84k	Minerva	Jun 02	PwC	£79k	Weir Group	Dec 02	E&Y	£695k
Debenhams	Aug 02	PwC	£300k	Misys	May 03	PwC	£700k	Wellington U/W	Dec 02	KPMG	£216k
Derwent Valley	Dec 02	BDO Stoy Hayward	£100k	Mitie Group	Mar 03	Deloitte	£170k	Westbury	Feb 03	PwC	£167k
DFS Furniture	Aug 02	KPMG	£56k	Morgan Crucible	Jan 03	KPMG	£900k	Wetherspoon (JD)	Jul 02	PwC	£72k
Dimension Data	Sep 02	Deloitte	£1,426k	National Express	Dec 02	E&Y	£700k	William Hill	Dec 02	Deloitte	£200k
Easyjet	Sep 02	KPMG	£190k	New Look	Mar 03	PwC	£200k	Wilson Bowden	Dec 02	Deloitte	£100k
Ebookers	Dec 02	Deloitte	£238k	NHP	Sep 02	Deloitte	£159k	Wimpey (George)	Dec 02	PwC	£500k
Egg	Dec 02	KPMG	£295k	Northern Foods	Mar 03	Deloitte	£300k	Wolv & Dudley	Sep 02	PwC	£200k
Electrocomp	Mar 03	KPMG	£500k	Northgate	Apr 03	Deloitte	£173k	Wood Group (John)	Dec 02	PwC	£514k
EMI Group	Mar 03	E&Y	£2,300k	Novar	Dec 02	Deloitte	£600k	Woolworths Group	Feb 03	PwC	£300k
Enterprise Inns	Sep 02	E&Y	£200k	P&O	Dec 02	KPMG	£2,200k	Xansa	Apr 03	E&Y	£500k
Euromoney In Inv	Sep 02	Deloitte	£387k	Paladin Resources	Dec 02	E&Y	£116k	Yule Catto	Dec 02	Deloitte	£385k

FTSE-250 excludes investment trusts source: ICC Information, www.icc.co.uk

Auditing

**Our seventh annual audit fees survey** has three significant developments since last year's. First, the survey is expanded to include the audit fees of the FTSE-250, thanks to information provided by ICC Information ([www.icc.co.uk](http://www.icc.co.uk)).

Second, there has been a decline in the amount of money spent on non-audit services with group audit firms. This is not surprising, given the post-Enron obsession with auditor independence, as measured by how much money is made by auditors for doing something other than auditing. Of course, part of the decline reflects the structural changes in the profession, with several companies making a point of saying that some of the consultancy fees were paid to the part of PwC that has been sold off to IBM.

Third, there is a much greater degree of disclosure and transparency in the notes on audit and non-audit fees. Last year – the first time we tried to analyse what the non-audit fees were being spent on – we found about a third of the FTSE-100 either gave no information about their non-audit fees or listed a few category headings without splitting out how much money was spent on each service. This year, barely a dozen companies are shy about detailing their non-audit fee expenditure.

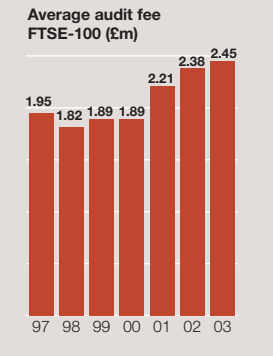
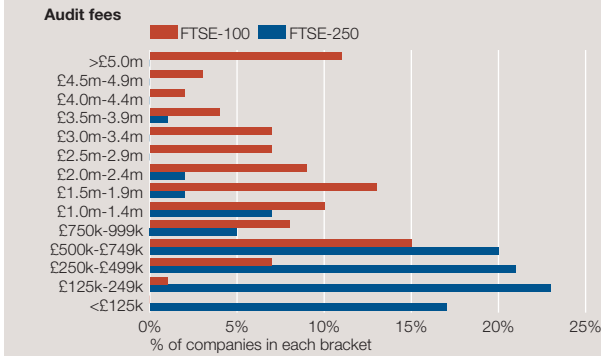
FTSE-100 companies spend more than £100m reducing their tax bills – almost a quarter of the total non-audit fee bill. Audit-related expenditure and regulatory compliance (such as reviews of interims, SEC filings or regulated industry matters) consume the same again, while fees for due diligence and advice on mergers and divestments amounts to some £57m.

With audit committees now putting greater emphasis on auditor independence – and, we hope, audit quality – it's interesting to see that the downward spiral in audit sign-off times has been arrested (at least temporarily). As last year, it takes 59 days to sign off a set of FTSE-100 accounts – still more than a week faster than when we first conducted this survey in 1996.

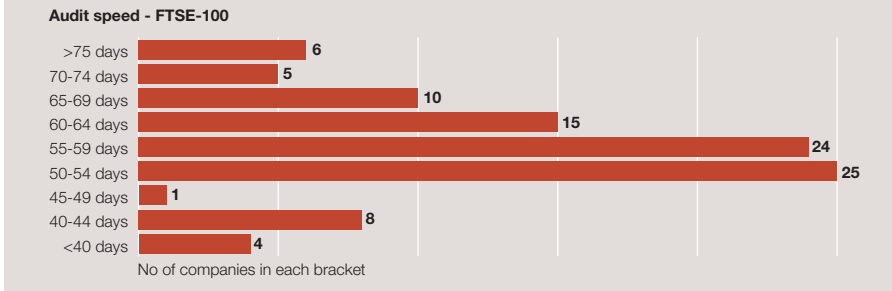
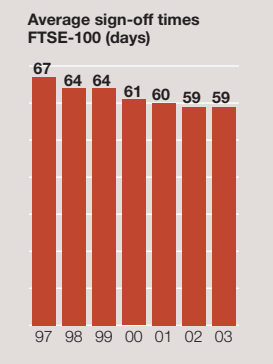
Our FTSE-250 data from ICC Information reveals an extraordinary fact: the Big Four audit firms have about 96% of the clients (excluding investment trusts), and about 98% of the audit fee income. Only seven firms outside the Big Four have made any inroads into the FTSE-250, sharing less than £2m in fee income between them.

Our value-for-money scale shows a remarkable correlation according to sector: supermarkets have virtually identical audit fees, while M&S and Woolworths both pay about £110 per £1m of till receipts.

FTSE-100				FTSE-250		
Company	Auditor	Audit fee	Other fees	Company	Auditor	Audit fee
<b>Shell Trans &amp; Trdg</b>	KPMG/PwC	£14.286m	£20.000m	<b>Invensys</b>	E&Y	£6,000k
<b>HSBC</b>	KPMG	£14.171m	£7.886m	<b>RMC Group</b>	PwC	£3,800k
<b>Unilever</b>	PwC	£10.500m	£24.500m	<b>Investec</b>	E&Y	£3,627k
<b>BP</b>	E&Y	£8.000m	£37.143m	<b>Corus Group</b>	PwC	£2,757k
<b>BAT</b>	PwC	£6.500m	£7.200m	<b>Brambles Inds</b>	PwC	£2,300k
<b>GlaxoSmithKline</b>	PwC	£6.100m	£14.800m	<b>EMI Group</b>	E&Y	£2,300k
<b>Royal Bank of Scotland</b>	Deloitte	£5.800m	£6.300m	<b>P&amp;O</b>	KPMG	£2,200k
<b>Anglo American</b>	Deloitte	£5.714m	£4.800m	<b>IMI</b>	KPMG	£2,100k
<b>WPP Group</b>	Deloitte	£5.400m	£5.800m	<b>Tate &amp; Lyle</b>	PwC	£2,000k
<b>Barclays</b>	PwC	£5.000m	£23.000m	<b>Cookson Group</b>	KPMG	£1,900k
<b>average</b>		<b>£2.450m</b>	<b>£4.680m</b>	<b>average</b>		<b>£542k</b>
<b>Alliance &amp; Leicester</b>	Deloitte	£0.500m	£2.800m	<b>Grainger Trust</b>	PwC	£79k
<b>Land Securities</b>	PwC	£0.500m	£1.700m	<b>Minerva</b>	PwC	£79k
<b>BAA</b>	Deloitte	£0.486m	£0.873m	<b>Acambis</b>	PwC	£77k
<b>Granada</b>	KPMG	£0.400m	£0.900m	<b>Wetherspoon (JD)</b>	PwC	£72k
<b>Liberty Intl</b>	PwC	£0.400m	£0.400m	<b>Isoft Group</b>	RSM Robs Rhodes	£71k
<b>Provident Finl</b>	PwC	£0.381m	£1.870m	<b>Victrex</b>	KPMG	£60k
<b>Next</b>	E&Y	£0.300m	£0.610m	<b>Shaftesbury</b>	PwC	£58k
<b>Safeway</b>	KPMG	£0.300m	£0.540m	<b>DFS Furniture</b>	KPMG	£56k
<b>Scot &amp; Southern Energy</b>	KPMG	£0.300m	£0.060m	<b>Manchester Utd</b>	PwC	£55k
<b>Morrison (Wm)</b>	KPMG	£0.138m	£1.031m	<b>Brown (N)</b>	Deloitte	£53k



Audit speed - FTSE-100		
Company	Sign-off time	Auditor
<b>AstraZeneca</b>	30 days	KPMG
<b>Carnival</b>	37 days	KPMG
<b>Scottish Power</b>	37 days	PwC
<b>Smith &amp; Nephew</b>	38 days	E&Y
<b>BP</b>	42 days	E&Y
<b>BSkyB</b>	42 days	Deloitte
<b>Barclays</b>	43 days	PwC
<b>ICI</b>	43 days	KPMG
<b>Liberty Intl</b>	43 days	PwC
<b>3i Group</b>	44 days	E&Y
<b>Lloyds TSB</b>	44 days	PwC
<b>Tesco</b>	44 days	PwC
<b>average</b>	<b>59 days</b>	
<b>BHP Billiton</b>	71 days	KPMG/PwC
<b>Schroders</b>	71 days	PwC
<b>Severn Trent</b>	71 days	PwC
<b>Kingfisher</b>	74 days	PwC
<b>Xstrata</b>	78 days	E&Y
<b>Prudential</b>	80 days	KPMG
<b>Rentokil Initial</b>	85 days	PwC
<b>Yell</b>	92 days	PwC
<b>Shire Pharmaceuticals</b>	121 days	Deloitte
<b>WPP Group</b>	136 days	Deloitte



**Big Four fees - FTSE-100**

Auditor	Clients (owned + shared)	Audit fees	Δ%	Other fees	Δ%	Total fees	Δ%
Deloitte	18	£42.305m	-1.3%	£66.123m	-17.2%	£108.428m	-11.7%
E&Y	15	£25.919m	-12.4%	£73.606m	-22.9%	£99.525m	-20.4%
KPMG	22+2	£66.910m	+3.0%	£98.500m	-25.0%	£165.410m	-15.7%
PwC	42+2	£99.365m	+5.8%	£216.167m	-34.5%	£315.532m	-25.6%
<b>Total</b>		<b>£237.643m</b>	<b>+2.7%</b>	<b>£454.396m</b>	<b>-28.6%</b>	<b>£688.895m</b>	<b>-20.6%</b>

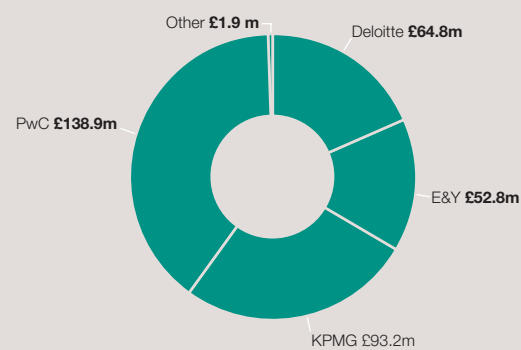
Year-on-year comparisons affected by (a) exclusion of Foreign & Colonial Investment Trust and (b) lack of audit fee information on two E&Y clients, Intercontinental Hotels and Mitchells and Butlers. Total audit fees includes fees paid to unnamed auditors

**Audit fees - FTSE-250**

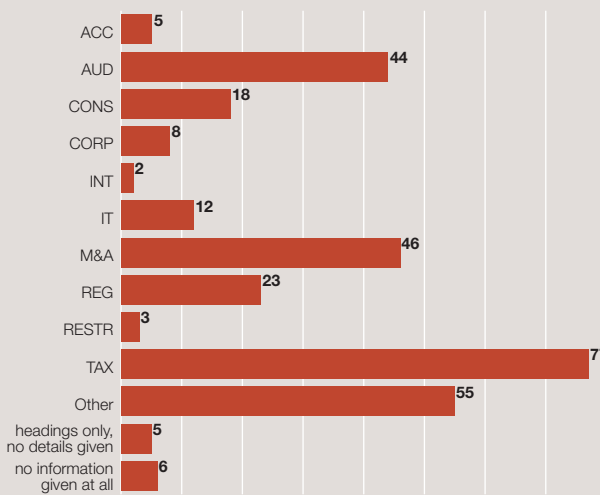
Auditor	No of clients	Audit fees
Baker Tilly	1	£600k
BDO Stoy Hayward	2	£207k
Deloitte	49	£22,468k
E&Y	35	£26,842k
Grant Thornton	1	£212k
Hacker Young	1	£200k
KPMG	57	£26,318k
Mazars	1	£374k
PwC	67	£39,515k
Robt J Kidney	1	£195k
RSM Robson Rhodes	1	£71k
<b>Total</b>	<b>216</b>	<b>£117,002k</b>

Excludes investment trusts

**Total audit fees - FTSE-350**

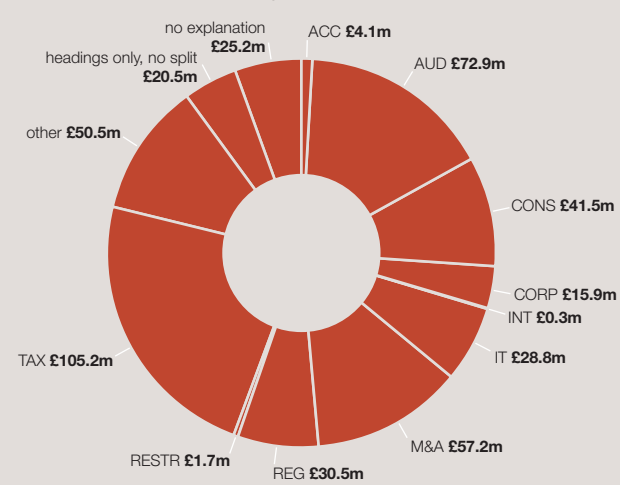


**Type of non-audit fee expenditure - FTSE-100**



Number of companies declaring each type of expenditure; see codes on page 36

**Non-audit fee expenditure by category (£m) - FTSE-100**



See codes on page 36

**Value-for-money - FTSE-100**

Company	Audit fee per £1m turnover
Morrison (Wm)	£32
Tesco	£34
Sainsbury (J)	£34
Safeway	£35
Legal & General	£51
Scot & Southern Energy	£74
BP	£78
Marks & Spencer	£111
Centrica	£119
Gallaher	£121
<b>average</b>	<b>£478</b>
Amersham	£1,041
Tomkins	£1,049
Cable & Wireless	£1,116
Liberty Intl	£1,161
Man Group	£1,196
Smiths Group	£1,210
Amvescap	£1,363
British Land	£1,772
Schroders	£2,328
3i Group	£2,341

**Value-for-money - FTSE-250**

Company	Audit fee per £1m turnover
William Hill	£59
Somerfield	£64
Barratt Devs	£92
The Big Food Group	£99
Wilson Bowden	£102
Computacenter	£110
Woolworths	£110
Persimmon	£112
Reg Vardy	£113
Brown (N)	£116
<b>average</b>	<b>£959</b>
Pillar Property	£2,412
Isis Asset Mgt	£2,418
Singer & Friedlander	£2,793
Hammerson	£3,317
Quintain Estates	£3,472
BTG	£5,075
RIT Capital	£5,075
Skyepharm	£5,088
Lastminute.com	£5,732
Autonomy	£8,852

Data: Company annual reports, ICC Information (www.icc.co.uk); analysis and prior year data: Financial Director