

BDO UK announces annual results 2015/16

Revenues exceed £400m mark: Profits jump 22% as investment pays off

- BDO UK reports growth in underlying revenues to £405m (up 3.8%)
- Focus on targeted investment sees profits increase 22% to £80.3m
- Revenue growth in audit and tax continues

Accountancy and business advisory firm BDO UK, which saw new managing partner Paul Eagland take position on Monday, has announced double digit growth in profits as investment in talent and technology pays off, according to its annual results published today.

The firm, which has exceeded the £400m revenue mark for the first time, reports underlying revenues of £405m for 2015/16 - an increase of 3.8% compared to £390m last year.

The firm continues to make significant progress in profitability too. BDO UK's profits grew 22% to £80.3m compared to £65.6m last year. As a result, average profits per equity partner (PEP) increased by 29% to £360k.

Across the business, BDO UK has made more than 500 promotions in the last year and saw 700 trainees move up the ranks through its graduate and school leaver programmes.

Paul Eagland, managing partner at BDO UK, says: "The results are testament to our partners and people who have worked diligently and passionately over the course of the year helping our clients succeed. The increase in profits reflects a return on the firm's investment and ongoing focus on sustainable, profitable growth."

Growth across the business

BDO UK's audit arm increased revenues with a changing regulatory market creating new opportunities among its high growth, entrepreneurial client base. Revenues increased by 8.3% to £143m compared to £132m last year.

The firm's tax business continued to expand, following 20% growth the previous year. The team, which now has revenues of £126m (compared to £119m last year), continues to invest in talent to meet client demand with seven new tax partners joining the firm during the summer.

BDO's advisory revenues held steady at £136m. Its business recovery, forensic, valuations, tax investigations and global outsourcing business areas have all performed well. For the fifth year running, BDO is the leading reporting accountant for AIM IPOs.

Eagland adds: “The ambitious and high-growth businesses we work with - many of which are in the mid-market, AIM-listed or PE-backed - have continued to succeed despite uncertainty in global markets, the EU referendum and government changes at home. This, in addition, to significant regulatory changes has created opportunities for both BDO UK and our entrepreneurially-spirited clients.”

Changes at the top

Last week, Simon Michaels stepped down from his role as managing partner after completing the maximum two four-year terms in position.

Under Simon’s leadership, the firm completed the first proactive strategic merger in the accountancy market for more than a decade when BDO UK merged with PKF in 2013.

BDO UK’s gross revenues have increased by 50% in his second four-year term, surpassing the £400m target he had set for the firm. BDO UK has also been successfully ranked as number one for client satisfaction for the last four years, outperforming all its major competitors.

Paul Eagland stepped up to the managing partner position on 1 October after almost 30 years at BDO. A key member of BDO’s leadership team for the last eight years, Paul has held a number of senior roles in the business.

Commenting, Paul Eagland said: “Simon has not only steered the firm through a turbulent eight years of domestic and global uncertainty, but he steps down as managing partner having grown a values-led, sustainably profitable business with a strong balance sheet. This will support continued targeted investment and a focus on attracting and retaining the very best talent. BDO UK is in a strong and exciting position for my first term as managing partner. Our focus will be on helping people and businesses succeed.”

Investment in people and technology

BDO UK has promoted 538 people from within the business and welcomed 334 new trainees, including 66 on its award-winning school leaver programme. It is also set to recruit 25 new partners to the business in the next 12 months.

Driving profitable growth is at the centre of its investment in technology and innovation. The development of global web-based audit tool, BDO Advantage - a data analytics tool - and its UK cloud accounting service BDO InTouch, which launched last year and has already expanded into Australia, New Zealand, South Africa, has seen the firm reap the rewards. The firm has recently also announced a [worldwide strategic alliance](#) with Microsoft to accelerate its ongoing digital transformation.

Eagland adds: “The people we attract and the technology we deploy is changing the face of accountancy at rapid speed. We are investing heavily in these advances to add even more value to our clients, but importantly we’re doing them in areas and market segments we understand and believe in.”

Supporting the economic engine

BDO UK works for a third of FTSE 350 companies in an advisory capacity but remains committed to its mid-market, private equity, AIM-listed, high-growth heartland.

Paul Eagland concludes: “Our clients represent the UK’s economic engine. They are ambitious, entrepreneurial, high-growth businesses that fuel the UK economy.

“Developments in technology and regulation, an uncertain relationship with the EU and the increasing pace of globalisation means that many of the boundaries that once governed the way organisations do business are changing or disappearing altogether. There are exciting times ahead and we look forward to helping our clients navigate new and unfamiliar territory.”

Global network

Globally, BDO’s international network continues to go from strength to strength. In its last financial year, the network grew by nearly 13% through both organic and acquisitive growth, reporting revenues of \$7.3bn and employing 64,500 people across 154 countries.



£400m

Focus on
**TARGETED
INVESTMENT**
sees profits
INCREASE **22%**
TO **80m**

AUDIT
GROWTH OF
8.6 PERCENT

Tax growth of
FOLLOWING
6%20%
INCREASE
last year

**Number
ONE**
reporting accountant for
AIM IPOS

500
PROMOTIONS
internally

No.1
FOR EXCEPTIONAL
CLIENT SERVICE
4th year
running



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