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Hazel O'Sullivan
Project Director
The Auditing Practices Board Limited
5th Floor
Aldwych House
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London WC2B 4HN

Dear Ms O'Sullivan,

Response to consultation on provision of non audit services

I am responding to you in my capacity as Chairman of the Audit Committee of Ashtead Group PLC.

The issue that the consultation paper addresses is one that is primarily about the perception of independence rather than a response to any specific incidence. It is therefore important to retain a sense of perspective in formulating any changes in order to ensure that unintended consequences are not created.

The current practice of charging the Audit Committee with having a policy, combined with the disclosure requirements, has led to a reduction in the proportion of non-audit fees over the last few years. This proportion is at a level where there is unlikely to be any impairment to the independence of judgement of the audit firm. In short, the current practices are working.

Whilst self regulation has been abused by parts of the business world, it does not mean that it never works. Therefore it is important to judge this matter based on the particular point rather than a wider politically driven agenda.

The consequences of any further restriction on the use of audit firms for non-audit services will inevitably lead to increased costs and decreased shareholder value. A company will always choose the right firm at the right price for the particular job. Any restriction on this will lead to a dilution of effectiveness or an increased cost.

Therefore, I would urge the Board to resist any significant changes to the current guidelines.

Yours sincerely,



Hugh Etheridge FCA MCT