

18 January 2010

Hazel O'Sullivan
Project Director
The Auditing Practices Board
5th Floor, Aldwych House
71-91 Aldwych
London WC2B 4HN

Dear Ms O'Sullivan

We strongly disagree with the Treasury Select Committee's view, expressed in its report on the banking crisis, that a prohibition on audit firms conducting non-audit work would be a positive development. It is not sensible, cost effective or even necessary.

The reasons for our views are both clear and demonstrable. We trust the Financial Reporting Council and other respondents will be equally clear in their appreciation and conclusion that such a move would not be positive, nor neutral, but in fact retrograde.

Amongst many other negatives, such a move would:

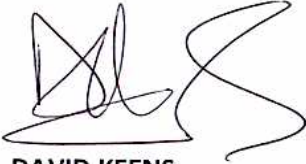
1. Be inefficient for those matters that the auditors are best placed to conduct, for no discernable benefit
2. Increase the internal time, and therefore cost, spent by companies on briefing and educating separate advisors
3. Increase the total fees paid to advisors, due to the consequential reduction in competition and the additional time required for (2) above
4. Increase audit fees, due to the inevitable reduction in competition for audit work

Furthermore, such a move is a major insult to the work of Audit Committees and the accounting professional bodies. There are perfectly adequate systems, controls and regulations already in place to govern the provision of financial and related services. Indeed, it may be considered that over-regulation, but ineffective implementation, is part of the perceived problem. Put simply, let companies manage their costs and services, disclose the relevant facts and let shareholders decide what is right for their companies.

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Most shareholders in Next plc that we talk to, and we speak with many, do NOT require a prohibition on non-audit services being carried out by our auditors. Furthermore, they are positively against such a move if it involves their investment in Next plc incurring such additional and unnecessary costs.

Yours sincerely



DAVID KEENS
Group Finance Director



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STEVE BARBER
Non Executive Director & Audit Committee Chairman

Cc The Hundred Group