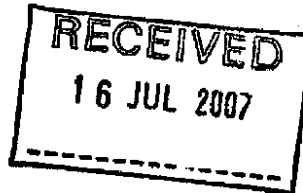


10 July 2007

Julian Rose
Market Participants Group
Financial Reporting Council
5th Floor, 71-91 Aldwych,
London
WC2B 4HN



Dear Mr Rose

Choice in the UK Audit Market

I am sorry to be a few days late in responding to your request for comments on the Interim Report of the Market Participants Group.

I am Chairman of the Audit Committee of Helical Bar Plc, one of the very few FTSE 350 companies to have a non-Big Four auditor (a situation I inherited but am comfortable with). The following views are my own – I have not had an opportunity to discuss them with any Helical Bar colleague.

In principle I support the objective of increasing competition for audit services. However I am unconvinced that the provisional recommendations will achieve a great deal.

None of the recommendations will in my view involve significant cost, except A.2.4 (explain decision) and 2.6 (shareholder vote), or risk to audit quality. However in my view only A.2.5 (promote services to advisers) offers much effectiveness and I think A.2.4 and A.2.6 could have negative effects.

In my view the following are amongst the steps that are needed:-

1. Potential auditors should work hard to win the confidence of would-be clients by ad hoc non-audit work. Forensic work, acquisition services and advice on pensions sponsor covenant are examples of this. I believe several non-Big Four firms are doing this.
2. Institutional shareholders should encourage investee Boards to diversify their choice. The ABI statement is helpful but needs to be repeated by other investor groupings and on an individual basis.
3. Increasing concern about directors' personal liability, particularly as a result of the easier class action procedures emanating from the 2006 Companies Act,

10 July 2007

will discourage Boards from making "unsafe" choices, but I see little that in practice that can be done about that.

Thank you for the opportunity to comment.

Yours sincerely

Antony Beever

Antony Beever

Cc Giles Weaver, Chairman Helical Bar Plc