

NEXT Near East Limited

Report and Financial Statements

30 January 2016

Registered No: 123434

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Report and Financial Statements

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Registered in England & Wales

Desford Road
Enderby
Leicester
LE19 4AT

Directors' Report

The Directors present their annual report and audited accounts for the 53 week period ended 30 January 2016.

Results and dividends

The loss for the year, after taxation, amounted to £178,000 (2015: £178,000 loss). An equity dividend of £60m was paid in the year (2015: £nil). The directors do not propose payment of a final dividend.

Principal activities and review of the business

The Company disposed of all its business operations and assets to NEXT Retail Limited on 1 February 2003, and ceased trading from that date. During the current year the Company paid dividends (including preference share dividends), but has not engaged in any other trading activities during the year.

Directors

The directors who served the Company during the period were as follows:

Lord Wolfson of Aspley Guise
David Keens (retired 1 April 2015)
Amanda James (appointed 1 April 2015)

No director had any interest in the share capital of the Company or of any subsidiary company of NEXT plc. The directors are also directors of NEXT plc, and their own and their families' interests in the ordinary shares of NEXT plc are shown in the accounts of that company.

Going concern

The Company participates in the NEXT group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiary companies. The directors, having assessed the responses of the directors of the Company's ultimate parent, NEXT plc, to their enquiries have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the NEXT group to continue as a going concern or its ability to continue with the current banking arrangements. On the basis of these enquiries, the support assured by NEXT plc, and their assessment of the Company's financial position the directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

Auditor

Ernst & Young LLP expressed their willingness to continue in office and a resolution proposing their reappointment was passed at the AGM.

Directors' Report

Disclosure of information to the auditor

In accordance with the provisions of section 418 of the Companies Act 2006, each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

The company has taken the exemption for small companies in relation to the Strategic Report provided by Section 414B of the Companies Act 2006.

By order of the Board



Seonna Anderson
Secretary
1 July 2016

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

to the members of NEXT Near East Limited

We have audited the financial statements of NEXT Near East Limited for the year ended 30 January 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related Notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 January 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101, 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Andy Williams (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

1 July 2016

Profit and Loss Account

for the period ended 30 January 2016

	Notes	2016 £000	2015 £000
Interest payable and similar charges	3	(178)	(178)
Loss on ordinary activities before taxation		(178)	(178)
Taxation	4	-	-
Loss on ordinary activities after taxation		(178)	(178)

All amounts relate to continuing operations.

Statement of Comprehensive Income

for the period ended 30 January 2016

There was no other comprehensive income and expense other than the loss of £178,000 attributable to the shareholders for the 53 week period ended 30 January 2016 (2015: £178,000 loss).

Balance Sheet

at 30 January 2016

	Notes	2016 £000	2015 £000
Current assets			
Debtors	6	130,967	190,967
Creditors: amounts falling due within one year	7	(482)	(304)
Net current assets		<u>130,485</u>	<u>190,663</u>
Creditors: amounts falling due after more than one year	8	(3,417)	(3,417)
Net assets		<u>127,068</u>	<u>187,246</u>
Capital and reserves			
Share capital	10	40,487	40,487
Share premium account		6,353	6,353
Other reserves		75,486	75,486
Profit and loss account		4,742	64,920
Total equity		<u>127,068</u>	<u>187,246</u>

These financial statements were approved and authorised for issue by the Board of Directors on 1 July 2016.



Amanda James
Director

Statement of Changes in Equity

for the year ended 30 January 2016

	<i>Share capital £000</i>	<i>Share premium account £000</i>	<i>Other reserves £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At January 2014	40,487	6,353	75,486	65,098	187,424
Total comprehensive income for the year	-	-	-	(178)	(178)
At January 2015	40,487	6,353	75,486	64,920	187,246
Total comprehensive income for the year	-	-	-	(178)	(178)
Dividends paid: Equity	-	-	-	(60,000)	(60,000)
At January 2016	40,487	6,353	75,486	4,742	127,068

Notes to the Financial Statements

at 30 January 2016

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS101").

The financial statements have been prepared on the historical cost basis. The financial statements are for the 53 weeks to 30 January 2016 (last year 52 weeks to 24 January 2015) and the principal accounting policies adopted are set out below.

The Company's financial statements are presented in pounds Sterling and all values are rounded to the nearest thousand pounds except where otherwise indicated.

The Company has taken advantage of the exemption under paragraph 8(h) of FRS101 not to include a cash flow statement.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Trade and other debtors

Trade debtors are stated at invoice value less any allowance for impairment which is based on objective evidence.

Taxation

Taxation, comprised of current and deferred tax, is charged or credited to the profit and loss account unless it relates to items in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity.

Current tax liabilities are measured at the amount expected to be paid, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method and is calculated using rates of taxation enacted or substantively enacted at the balance sheet date which are expected to apply when the asset or liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Cash at bank and in hand

This comprises cash at bank and in hand and short term deposits with an original maturity of three months or less.

Bank borrowings

Bank borrowings are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

New accounting standards

Various new or revised accounting standards have been issued which are not yet effective, including IFRS 15 'Revenue from Contracts with Customers', IFRS 9 'Financial Instruments' and IFRS 16 'Leases'. None of these have yet been endorsed by the European Union. Our initial assessment is that they are unlikely to have a significant impact on the Company.

Notes to the Financial Statements

at 30 January 2016

2. Loss on ordinary activities before taxation

Auditor's remuneration was borne by other group companies.

Neither of the two (2015: two) directors, who are the only employees of the Company, received any remuneration from the Company for the year ended 30 January 2016 (2015: £nil). All of the directors were also directors of the ultimate parent company, NEXT plc, and their emoluments for services to the group are disclosed in the report and accounts of that company. The directors believe that it is not practicable to apportion their remuneration between qualifying services for this company and other group companies in which they hold office.

3. Interest receivable/(payable) and similar income/(charges)

	2016 £000	2015 £000
Preference share dividends		
Fixed rate preference shares	(133)	(133)
Irredeemable preference shares	(45)	(45)
Total interest payable	<u>(178)</u>	<u>(178)</u>

4. Taxation

	2016 £000	2015 £000
<i>Current tax:</i>		
UK corporation tax on loss of the year	<u>-</u>	<u>-</u>

The tax rate for the current year varied from the standard rate of corporation tax in the UK due to the following factors:

	2016 %	2015 %
UK corporation tax rate	20.2	21.3
Expenses not deductible for tax purposes	(20.2)	(21.3)
Effective total tax rate on loss before taxation	<u>-</u>	<u>-</u>

5. Dividends

	2016 £000	2015 £000
Equity dividend of £1.48 (2015: £nil) per share	<u>60,000</u>	<u>-</u>

Notes to the Financial Statements

at 30 January 2016

6. Debtors

	2016 £000	2015 £000
Amounts owed by parent undertaking	<u>130,967</u>	<u>190,967</u>

Amounts owed by the parent undertaking are repayable on demand and do not bear interest. There are no impaired balances. The maximum exposure to credit risk at the reporting date is the carrying value, and the Company does not hold any collateral over these balances.

7. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Bank loans and overdrafts	<u>482</u>	<u>304</u>
	<u>482</u>	<u>304</u>

8. Creditors: amounts falling due after more than one year

	2016 £000	Authorised 2015 £000
Fixed rate preference shares of £1 each	3,300	3,300
Irredeemable preference shares of £0.01 each	5,000	5,000
	<u>8,300</u>	<u>8,300</u>

		Allotted, called up and fully paid			
		2016 £000			2015 £000
	No.		No.		
Fixed rate preference shares of £1 each	2,667,002	2,667	2,667,002		2,667
Irredeemable preference shares of £0.01 each					
Nominal value	75,000,000	750	75,000,000		750
Total carrying value of preference shares		<u>3,417</u>			<u>3,417</u>

Holders of the fixed rate preference shares are entitled to voting rights, an annual dividend of 5% of the nominal value of shares in issue, but no other economic interest in the profit or assets of the Company.

Holders of the irredeemable preference shares are entitled to a non-cumulative dividend of 6% per annum on the nominal amount paid up on each share, which accrues daily and is payable twice a year.

Notes to the Financial Statements

at 30 January 2016

9. Contingent liability

The Company has entered into a cross guarantee arrangement with HSBC Bank plc in respect of bank set-off arrangements with its parent undertaking NEXT plc, and certain fellow subsidiary undertakings. The guarantee is limited to the positive cash balance held on the Company's bank account (2016: nil).

10. Share capital

	<i>Authorised</i>	
	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

<i>Allotted, called up and fully paid</i>			
	<i>No.</i>	<i>2016</i>	<i>2015</i>
		<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	40,486,500	<u>40,487</u>	<u>40,487</u>

Ordinary shares carry no voting rights, but are entitled to the remainder of the Company's profits and assets after satisfaction of any rights held by the holders of fixed rate preference shares and irredeemable preference shares.

11. Ultimate parent company and controlling party

The Company's immediate parent is NEXT Holdings Limited. The Company's ultimate parent company and controlling party is NEXT plc, a company registered in England & Wales. NEXT plc is the only group preparing accounts which include NEXT Near East Limited. Copies of its group accounts are available from its Company Secretary at its registered office, Desford Road, Enderby, Leicester, LE19 4AT.