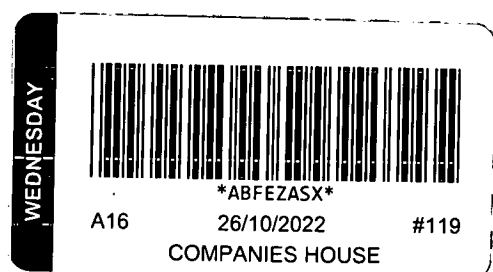


NEXT Near East Limited

Report and Financial Statements

For the 52 week period ended 29 January 2022

Registered No: 00123434



Report and Financial Statements

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Registered in England & Wales

Next Plc
Desford Road
Enderby
Leicester
LE19 4AT

Directors' Report

The Directors present their report and audited financial statements for the 52 week period ended 29 January 2022 (2021: 53 week period ended 30 January 2021).

Results and dividends

The loss for the period, after taxation, amounted to £178,000 (period ended 30 January 2021: £178,000 loss). No equity dividend was paid in the period (2021: £nil). The directors do not propose payment of a final dividend. Net assets at the period end were £122,500,000 (2021: £122,678,000).

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 period the Company has not engaged in any other trading activities. Next Near East Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom.

Directors

Directors of the company who were in office during the period and up to the date of signing the financial statements were:

Lord Wolfson of Aspley Guise
Amanda James

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 interests in the ordinary shares of NEXT plc are shown in the financial statements of that company.

References to Group refer to the wider NEXT plc Group structure (hereafter the "Group" or "NEXT").

Going concern

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiary companies. Accordingly, the assessment of going concern considered both the financial position and forecasts of the Company and those of the Group.

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities including the Group's principal risks and uncertainties. The Board also considered the Group's current cash position, intercompany balances within the Group, the repayment profile of its obligations and the resilience of its 12 month cash flow forecasts to a series of severe but plausible downside scenarios such as further enforced store closures. Having considered these factors the Board is satisfied that the Company has adequate resources to continue in operational existence and therefore it is appropriate to adopt the going concern basis in preparing the financial statements for the 52 weeks ended 29 January 2022.

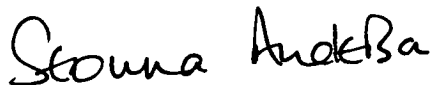
Directors' Report (continued)

Outlook

No change to the company's current activities is planned going forward.

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

25 October 2022

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

The directors 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.

Profit and Loss Account

for the 52 week period ended 29 January 2022

		52 Weeks to 29 January 2022 £000	53 Weeks to 30 January 2021 £000
	Note		
Interest payable and similar expenses	4	(178)	(178)
Loss before taxation		<u>(178)</u>	<u>(178)</u>
Tax on loss	5	-	-
Loss for the financial period		<u><u>(178)</u></u>	<u><u>(178)</u></u>

All amounts relate to continuing operations.

Statement of Comprehensive Income

for the 52 week period ended 29 January 2022

There was no other comprehensive income and expense other than the loss for the period of £178,000 attributable to the shareholders for the period ended 29 January 2022 (period ended 30 January 2021: £178,000 loss).

Balance Sheet

at 29 January 2022

	Note	29 January 2022 £000	30 January 2021 £000
Current assets			
Debtors	6	125,839	127,468
Cash and bank and in hand		78	-
		<u>125,917</u>	<u>127,468</u>
Creditors: amounts falling due within one year	7	-	(1,373)
Net current assets		<u>125,917</u>	<u>126,095</u>
Creditors: amounts falling due after more than one year	8	(3,417)	(3,417)
Net assets		<u>122,500</u>	<u>122,678</u>
Capital and reserves			
Share capital	9	40,487	40,487
Share premium account		6,353	6,353
Other reserves		75,486	75,486
Profit and loss account		174	352
Total equity		<u>122,500</u>	<u>122,678</u>

For the 52 week period ending 29 January 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 12 were approved and authorised for issue by the Board of directors on 25 October 2022.



Amanda James
Director

Statement of Changes in Equity

for the 52 week period ended 29 January 2022

	<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 26 January 2020	40,487	6,353	75,486	530	122,856
Loss and total comprehensive expense for the period	-	-	-	(178)	(178)
At 30 January 2021	40,487	6,353	75,486	352	122,678
Loss and total comprehensive expense for the period	-	-	-	(178)	(178)
At 29 January 2022	40,487	6,353	75,486	174	122,500

Notes to the Financial Statements

for the 52 week period ended 29 January 2022

1. Accounting policies

General information

The Company was incorporated and is domiciled in the United Kingdom.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 "*Reduced disclosure framework*" ("FRS101") and in accordance with The Companies Act 2006 as applicable to companies using FRS 101.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. The financial statements are for the 52 weeks to 29 January 2022 and the principal accounting policies adopted are set out below. The accounting policies have been applied consistently, other than where new policies have been adopted.

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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - i. Paragraph 79(a)(iv) of IAS 1;
 - ii. Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - iii. Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

Notes to the Financial Statements (continued)

for the 52 week period ended 29 January 2022

1. Accounting policies (continued)

Going Concern

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiary companies. Accordingly, the assessment of going concern considered both the financial position and forecasts of the Company and those of the Group.

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities including the Group's principal risks and uncertainties. The Board also considered the Group's current cash position, intercompany balances within the Group, the repayment profile of its obligations and the resilience of its 12 month cash flow forecasts to a series of severe but plausible downside scenarios such as further enforced store closures. Having considered these factors the Board is satisfied that the Company has adequate resources to continue in operational existence and therefore it is appropriate to adopt the going concern basis in preparing the financial statements for the 52 weeks ended 29 January 2022.

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.

The company's tax liabilities have been computed based on the corporate tax rate and tax laws prevailing at balance sheet date. On 3rd March 2021 the Chancellor confirmed an increase in the main CT rate from 19 to 25 percent with effect from 1st April 2023. The Company's tax expense for the financial year ended 29th January 2022 has taken into consideration the effect of this increase as the increase was substantively enacted pre the balance sheet date.

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. Deferred tax is not recognised in respect of subsidiaries and associates where the reversal of any taxable temporary differences can be controlled and are unlikely to reverse in the foreseeable future.

Cash at bank

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

Trade and other debtors

Trade and other debtors are amounts due from other Group companies.

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Notes to the Financial Statements (continued)

for the 52 week period ended 29 January 2022

1. Accounting policies (continued)

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL). The classification is based on two criteria:

- the Company's business model for managing the assets; and
- whether the instruments' contractual cash flows represent "Solely Payments of Principal and Interest" on the principal amount outstanding (the "SPPI criterion").

A summary of the Company's financial assets is as follows:

Financial assets	Classification under IFRS 9
Debtors/receivables	Amortised cost – hold to collect business model and SPPI met

Under IFRS 9 the Company initially measures a financial asset at its fair value plus directly attributable transaction costs, unless the asset is classified as FVPL. Transactional costs of financial assets carried at FVPL are expensed in the Profit and Loss.

Subsequent measurement

A summary of the subsequent measurement of financial assets is set out below.

Financial assets at amortised cost	Subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses. Interest income, impairment or gain or loss on derecognition are recognised in profit or loss.
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Derecognition

A financial asset is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a "pass-through" arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment – financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. The most significant financial assets of the Company are its intercompany receivables, which are referred to as "Amounts owed by parent undertaking". ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

Notes to the Financial Statements (continued)

for the 52 week period ended 29 January 2022

1. Accounting policies (continued)

Financial liabilities

Initial recognition and measurement

The Company has classified its financial liabilities as follows:

Financial liabilities	Classification under IFRS 9
Bank loans and overdrafts	Amortised cost

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

A summary of the subsequent measurement of financial liabilities is set out below.

Bank loans and overdrafts	Subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. The EIR amortisation is included in finance costs in the Profit and Loss Account.
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Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Profit and Loss Account.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention and ability to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Bank borrowings

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

Major sources of uncertainty and judgement

The directors have not identified any areas of critical accounting estimates or judgements.

New standards, amendments and IFRIC interpretations

There are no new standards and amendments applied in these financial statements. Certain new accounting standards and interpretations have been published that are not yet effective and have not been adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Average number of employees

The average number of persons employed by the company in the financial year is nil (2021: nil).

3. Directors' emoluments

Neither of the two (2021: two) directors received any remuneration from the Company for the period ended 29 January 2022 (2021: £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.

Notes to the Financial Statements (continued)

for the 52 week period ended 29 January 2022

4. Interest payable and similar expenses

	2022 £000	2021 £000
Preference share dividends		
Fixed rate preference shares	(133)	(133)
Irredeemable preference shares	(45)	(45)
Total interest payable	<u>(178)</u>	<u>(178)</u>

5. Tax on loss

The tax rate for the current period varied from the standard rate of corporation tax in the UK as shown below:

	2022 %	2021 %
UK corporation tax rate	19.0	19.0
Non-deductible expenses	(19.0)	(19.0)
Effective total tax rate on loss before taxation	<u>-</u>	<u>-</u>

6. Debtors

	2022 £000	2021 £000
Amounts owed by parent undertaking	<u>125,839</u>	<u>127,468</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

	2022 £000	2021 £000
Bank loans and overdrafts	<u>-</u>	<u>(1,373)</u>

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

	2022 No.	2022 £000	2021 No.	2021 £000
Fixed rate preference shares of £1 each	3,300,000	3,300	3,300,000	3,300
Irredeemable preference shares of £0.01 each				
Nominal value	500,000,000	5,000	500,000,000	5,000
Total carrying value of preference shares		<u>8,300</u>		<u>8,300</u>

Notes to the Financial Statements (continued)

for the 52 week period ended 29 January 2022

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

	<i>Allotted, called up and fully paid</i>			
	2022 <i>No.</i>	2022 <i>£000</i>	2021 <i>No.</i>	2021 <i>£000</i>
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.

9. Share capital

	<i>Authorised</i>			
	2022 <i>No.</i>	2022 <i>£000</i>	2021 <i>No.</i>	2021 <i>£000</i>
Ordinary shares of £1 each	50,000,000	<u>50,000</u>	50,000,000	<u>50,000</u>

	<i>Allotted, called up and fully paid</i>			
	2022 <i>No.</i>	2022 <i>£000</i>	2021 <i>No.</i>	2021 <i>£000</i>
Ordinary shares of £1 each	40,486,500	<u>40,487</u>	40,486,500	<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.

10. 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 financial statements which includes NEXT Near East Limited. Copies of its Group financial statements are available from its Company Secretary at its registered office, Next Plc, Desford Road, Enderby, Leicester, LE19 4AT.