

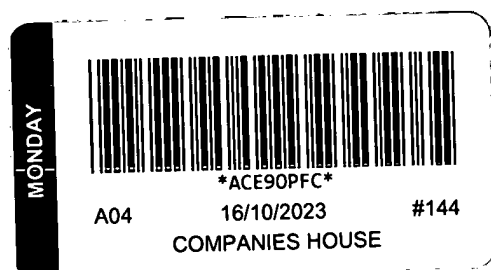
The Next Directory Limited

Report and Financial Statements

For the 52 weeks ended 28 January 2023

Registered No. 02570808

Registered in England & Wales
NEXT Plc
Desford Road
Enderby
Leicester
LE19 4AT



Report and Financial Statements

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Directors' Report

The directors submit their Directors' Report and unaudited financial statements for The Next Directory Limited (the "Company") for the 52 weeks ended 28 January 2023 (prior period refers to 52 week period ended 29 January 2022).

Principal activities

The principal activity of the Company is to act as an investment company. The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom.

Business review

The Company earned interest of £1 during the year (2022: £1).

Directors and their interests

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Lord Wolfson of Aspley Guise

Amanda James

The directors are also directors of NEXT plc, and their own and their connected persons' interests in the ordinary shares of NEXT plc are shown in that company's financial statements.

No director had any interest in the share capital of the Company or of any subsidiary company of NEXT plc.

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

References to the Board refer to the wider NEXT plc Group and individually to NEXT Directory Limited.

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 Group has adequate resources to continue in operational existence. In addition, as part of this review, a letter of support for the Company for at least 12 months from the date of signing has been agreed by the directors of NEXT plc. Therefore it is appropriate to adopt the going concern basis in preparing the financial statements for the 52 weeks ended 28 January 2023.

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



Ian Blackwell

Company Secretary

12 October 2023

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 period. 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 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 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 28 January 2023

	Notes	2023 £	2022 £
Interest receivable	4	1	1
Profit before taxation		1	1
Taxation	5	-	-
Profit for the financial year		1	1

All amounts relate to continuing operations.

Statement Of Comprehensive Income

for the 52 week period ended 28 January 2023

There was no comprehensive income or expense other than the profit of £1 attributable to the shareholders for the period ended 28 January 2023 (2022: £1).

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Balance Sheet

at 28 January 2023

	Notes	2023 £	2022 £
<i>Current assets</i>			
Debtors	6	249,084	249,084
Cash at bank and in hand		1,270	1,269
		250,354	250,353
<i>Current creditors</i>			
Corporation tax	5	-	-
<i>Net Assets</i>		250,354	250,353
<i>Capital and Reserves</i>			
Share capital	7	250,100	250,100
Profit and loss account		254	253
<i>Total Equity</i>		250,354	250,353

For the period ended 28 January 2023, 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;
- 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 12 October 2023 and signed on its behalf by:


Amanda James
 Director

Registered in England & Wales, no. 02570808

Statement of Changes in Equity

for the 52 week period ended 28 January 2023

	Share capital £	Profit and loss account £	Total equity £
At 30 January 2021	250,100	252	250,352
Profit for the period	-	1	1
Total comprehensive income for the period	-	1	1
At 29 January 2022	250,100	253	250,353
Profit for the period	-	1	1
Total comprehensive income for the period	-	1	1
At 28 January 2023	250,100	254	250,354

Notes to the Financial Statements

for the 52 week period ended 28 January 2023

1. Accounting policies

General Information

The principal activity of the Company is to act as an investment company. The Company is registered and 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 The Companies Act 2006 as applicable to companies using FRS 101.

The financial statements have been prepared on the historical cost basis. The financial statements are for the 52 weeks to 28 January 2023 (last period 52 weeks to 29 January 2022) and the principal accounting policies adopted, which have been applied consistently, are set out below.

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

The Company's financial statements are presented in Pounds Sterling and all values are rounded to the nearest million 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:

- 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).
- 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.

Notes to the Financial Statements (continued)

for the 52 week period ended 28 January 2023

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 Group has adequate resources to continue in operational existence. In addition, as part of this review, a letter of support for the Company for at least 12 months from the date of signing has been agreed by the directors of NEXT plc. Therefore it is appropriate to adopt the going concern basis in preparing the financial statements for the 52 weeks ended 28 January 2023.

Cash at bank

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

Taxation

Taxation, comprised of current and deferred tax, is charged or credited to the Profit and Loss Account unless it relates to items recognised 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 on temporary differences between the tax bases of assets and liabilities and their carrying amounts. It 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. Deferred tax is not recognised in respect of investments in subsidiaries and associates where the reversal of any taxable temporary differences can be controlled and are unlikely to reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and there is an intention to settle the balances on a net basis.

Tax provisions are recognised when there is a potential exposure to an uncertain tax position.

Notes to the Financial Statements (continued)

for the 52 week period ended 28 January 2023

1. Accounting policies (continued)

Taxation (continued)

The Company's tax liabilities have been computed based on the corporate tax rate and tax laws prevailing at balance sheet date. On 3 March 2021 the Chancellor confirmed an increase in the main corporation tax rate from 19 to 25 percent with effect from 1 April 2023. The Company's tax expense for the financial year ended 28 January 2023 has taken into consideration the effect of this increase as the increase was substantively enacted pre the balance sheet date.

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.

Other financial assets

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
Amounts owed by parent undertaking	Amortised cost – hold to collect business model and SPPI met
Cash and short term deposits	Amortised cost

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 Account.

Notes to the Financial Statements (continued)

for the 52 week period ended 28 January 2023

1. Accounting policies (continued)

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 and 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 impairment methodology applied depends on whether there has been a significant increase in credit risk. The most significant financial assets of the Company are the 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.

New standards, amendments and IFRIC interpretations

The Company has applied the following interpretations and amendments for the first time in these financial statements:

- Reference to Conceptual Framework – amendments to IFRS 3
- Property, Plant and Equipment – Proceeds before Intended Use – amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020

The application of these new interpretations and amendments did not have a material impact on the financial statements.

Certain new accounting standards and interpretations have been published that are not yet effective and have not been early adopted by the Company. 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.

Major sources of uncertainty and judgement

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

Notes to the Financial Statements (continued)

for the 52 week period ended 28 January 2023

2. Average number of employees

The average number of persons employed by the Company in the financial year is nil (2022: nil).

3. Directors' emoluments

None of the directors received any remuneration from the Company for the year ended 28 January 2023 (2022: £nil). The directors of the Company were also directors of the ultimate parent company, NEXT plc, and their emoluments for services to the Group are disclosed in the report and financial statements 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.

4. Interest receivable

	2023 £	2022 £
Bank interest receivable	1	1

5. Taxation

	2023 £	2022 £
UK corporation tax on profits for the period	-	-
Tax expense reported in the Profit and Loss Account	-	-

No recognition has been made of deferred tax assets of £6,386k (2022: £8,779k) relating to capital losses of £25m (2022: £35m) as no suitable taxable profits are yet available nor expected against which the losses may be utilised.

The Company's tax liabilities have been computed based on the corporate tax rate and tax laws prevailing at balance sheet date. On 3 March 2021 the Chancellor confirmed an increase in the main corporation tax rate from 19 to 25 percent with effect from 1 April 2023. The Company's tax expense for the financial year ended 28 January 2023 has taken into consideration the effect of this increase as the increase was substantively enacted pre the balance sheet date.

Notes to the Financial Statements (continued)

for the 52 week period ended 28 January 2023

6. Debtors

	2023 £	2022 £
Amounts owed by parent undertakings	<u>249,084</u>	<u>249,084</u>

Amounts owed by parent undertakings are repayable on demand and non-interest bearing.

7. Share capital

	2023 £	2022 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>
	2023 £	2022 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>250,100</u>	<u>250,100</u>

8. Contingent liabilities

The Company has entered into cross guarantee arrangements with Barclays Bank plc in respect of bank set-off arrangements with its ultimate parent undertaking NEXT plc, and certain fellow subsidiary undertakings. The guarantees are limited to the credit balances held on the Company's bank accounts.

9. Ultimate parent undertaking

The Company's immediate parent company is NEXT Holdings Limited. The ultimate parent undertaking and controlling party is NEXT plc, a company registered in England & Wales. NEXT plc has included the Company in its Group financial statements, copies of which may be obtained from its Company Secretary at its registered office: NEXT Plc, Desford Road, Enderby, Leicester, LE19 4AT.