

THE NEXT DIRECTORY LIMITED

COMPANY NO. 2570808

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2001



## THE NEXT DIRECTORY LIMITED

### REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 31 January 2001.

1. Activities

The principal activity of the company is to act as an investment company.

2. Business review

The company earned interest on its bank deposit in the year.

The directors have proposed no dividend payment. The balance of the profit for the year of £16 has been transferred to reserves.

3. Directors and their interests

The directors during the period were as follows:

D C Jones

D W Keens

The interests of the directors and their families in the ordinary shares of Next plc are shown in that company's financial statements.

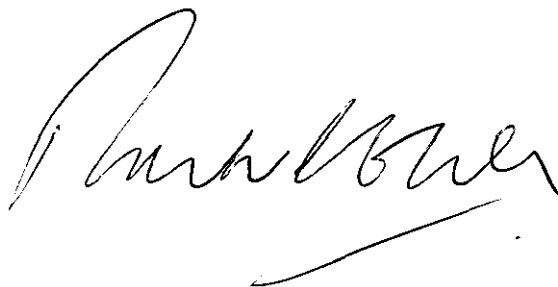
None of the directors has a beneficial interest in any contract to which the company was a party during the period.

4. Auditors

Ernst & Young offer themselves for reappointment as auditors in accordance with Section 384 of the Companies Act 1985. Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

BY ORDER OF THE BOARD

P Webber  
Secretary



22 March 2001

## **THE NEXT DIRECTORY LIMITED**

### **STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial year which 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 these accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act. 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.

**THE NEXT DIRECTORY LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS OF THE NEXT DIRECTORY LIMITED**

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

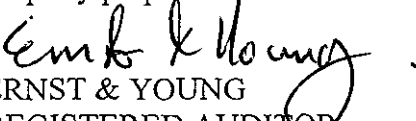
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 January 2001 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
ERNST & YOUNG  
REGISTERED AUDITOR  
BIRMINGHAM

22 March 2001

**THE NEXT DIRECTORY LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2001**

	Notes	2001 £	2000 £
Interest receivable	3	23	16
		<hr/>	<hr/>
Profit on ordinary activities before taxation		23	16
Taxation charge	4	(7)	(5)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		16	11
Retained profit brought forward		2,350,163	2,350,152
		<hr/>	<hr/>
Retained profit carried forward		2,350,179	2,350,163
		<hr/> <hr/>	<hr/> <hr/>

There were no other gains or losses arising in the year.

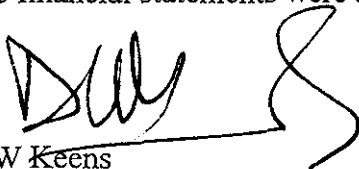
The notes on pages 6 and 7 form part of these financial statements.

**THE NEXT DIRECTORY LIMITED**

**BALANCE SHEET AT 31 JANUARY 2001**

	Notes	2001 £	2000 £
<b><u>CURRENT ASSETS</u></b>			
Debtors	5	2,599,104	2,599,104
Cash at bank		1,227	1,204
		<hr/>	<hr/>
Total Current Assets		2,600,331	2,600,308
		<hr/>	<hr/>
<b><u>CURRENT LIABILITIES</u></b>			
CREDITORS DUE WITHIN ONE YEAR		(52)	(45)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,600,279	2,600,263
		<hr/> <hr/>	<hr/> <hr/>
<b><u>CAPITAL AND RESERVES</u></b>			
Share capital	6	250,100	250,100
Profit and loss account (page 4)		2,350,179	2,350,163
		<hr/>	<hr/>
TOTAL CAPITAL EMPLOYED		2,600,279	2,600,263
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Directors on 22 March 2001.

  
D W Keens  
Director

The notes on pages 6 and 7 form part of these financial statements.

## THE NEXT DIRECTORY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS AT 31 JANUARY 2001

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Profit on ordinary activities before and after taxation

Auditors' remuneration was borne by the ultimate holding company.

None of the directors received any remuneration from the company during the period.

3. Interest receivable

	2001 £	2000 £
On bank deposit	23	16

4. Taxation charge

	2001 £	2000 £
Taxation charge for the year at 30% (2000: 30%)	7	5

The company has capital losses in excess of £38 million which are to be carried forward to future years.

# **THE NEXT DIRECTORY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS AT 31 JANUARY 2001 CONTINUED**

### 5. Debtors

	2001 £	2000 £
Amounts due from group companies	2,599,104	2,599,104
	<u>                    </u>	<u>                    </u>

### 6. Share capital

	2001 No.	2000 No.
Authorised		
Ordinary shares of £1 each	50,000,000	50,000,000
	<u>                    </u>	<u>                    </u>
	2001 £	2000 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	250,100	250,100.
	<u>                    </u>	<u>                    </u>

### 7. Reconciliation of shareholders' funds

	2001 £	2000 £
Total recognised gains and losses (page 4)	16	11
Shareholders' funds at January 2000 (page 5)	2,600,263	2,600,252
	<u>                    </u>	<u>                    </u>
Shareholders' funds at January 2001 (page 5)	2,600,279	2,600,263
	<u>                    </u>	<u>                    </u>

### 8. Ultimate parent undertaking

The ultimate parent undertaking is Next plc, a company registered in England. A copy of that company's accounts may be obtained from its Company Secretary at its registered office: Desford Road, Enderby, Leicester, LE9 5AT.