NEXT Beauty Limited (formerly Marie Claire Beauty Limited)

Reports and Financial Statements

For the 60 week period ended 25 January 2020

Registered No: 09252560

Reports and Financial Statements

Contents **Page**

Registered in England & Wales

Next Plc
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Strategic Report

The directors present their Annual Report and audited financial statements for NEXT Beauty Limited (formerly Marie Claire Beauty Limited), ("the Company") a company limited by shares, for the 60 week period ended 25 January 2020.

Results

On 8 July 2019 NEXT Beauty Limited (formerly Marie Claire Beauty Limited) was acquired by Lipsy Limited from Ocado Group for an upfront payment of £1 and an earn-out based on sales for each of the four years ending January 2021 to January 2024, with a minimum guaranteed payment of £3.3m.

The principal activity of the Company is the retailing beauty products. The Company sells through a retail outlet in the UK and online via the next.co.uk and fabled.com websites.

The loss for the period after taxation amounted to £6.4m (52 weeks ended 2 December 2018: £3.8m).

Turnover for the 60 week period ended 25 January 2020 was £24.3m (52 weeks ended 2 December 2018: £9.2m) and pre-tax loss was £6.4m (2018: £3.8m).

Key Performance Indicators

The directors use a number of key performance indicators to assess the business performance. Principal amongst these are turnover and net assets which are reported in the audited financial statements.

	2020	*2018*	*Variance*
	£m	*£m*	*%*
Turnover	*24.3*	*9.2*	*164.1*
Net Assets / (Liabilities)	*1.4*	*(16.0)*	*108.8*

The increase in turnover in the current period represents additional sales afforded from the Company's products now being sold through the next.co.uk website. The increase in net assets is primarily driven by a capital contribution from the waiver in the period of an intercompany balance owed by the Company to its prior parent company. The Company is a private company limited by shares.

Risks and Uncertainties

The Board has a policy of continuous identification and review of principal business risks and oversees the development of processes to ensure that these risks are managed appropriately. Directors and operational management are delegated with the task of implementing these processes and reporting to the Board on their outcomes. The key risks identified by the Board are summarised below.

Description of risk or uncertainty	How the risk or uncertainty is managed or mitigated
Business strategy development and implementation If the Board adopts the wrong business strategy or does not implement its strategies effectively, the business may suffer. The Board therefore needs to understand and properly manage strategic risk, taking into account specific retail sector risk, in order to deliver long term growth for the benefit of the Company's stakeholders.	The Board reviews business strategy on a regular basis to determine how sales and profit budgets can be achieved or bettered, and business operations made more efficient. Seasonal and annual budgets together with longer term financial objectives and cash flow forecasts are produced. The Board and senior management consider strategic risk factors, wider economic and industry specific trends that affect the Company's business, the competitive position of its product offer and the financial structure of the Company.

Strategic Report (continued)

Description of risk or uncertainty	How the risk or uncertainty is managed or mitigated
Management team The success of the Company relies on the continued service of its senior management and technical personnel, and on its ability to continue to attract, motivate and retain highly qualified employees. The retail sector is very competitive and the Company's staff may be targeted by other companies.	Remuneration packages are reviewed at least annually and are formulated to retain and motivate these employees, including long term incentive schemes. The Board considers the development of senior managers to ensure adequate career development opportunities for key personnel, with orderly succession and promotion to important management positions.
Product selection The Company's success depends on selecting products that customers want to buy, at appropriate price points and in the right quantities. In the short term, a failure to properly manage this area may mean that the Company is faced with surplus stocks that cannot be sold at full price and may have to be disposed of at a loss. In the longer term, the reputation of the brand may suffer. Product selection is therefore at the heart of the business.	Senior management continually review the selection and performance of the Company's product ranges and those of other brands sold by the Company. In addition, directors and senior management regularly review product range trends to assess and correct any key selection issues.
Key suppliers and supply chain management The Company relies on its supplier base to deliver products on time and to the quality standards it specifies. Failure to do so may result in an inability to service customer demand or adversely affect the Company's reputation. Changes in global manufacturing capacity and costs may impact on profit margins. Non-compliance by suppliers with the NEXT Group's (ultimate parent company) Code of Practice principles may increase reputational risk.	The Company continually seeks ways to develop its supplier base so as to reduce over-reliance on individual suppliers of products and services, and maintain the quality and competitiveness of its product offer. The Company's risk assessment procedures for key suppliers identify alternatives and develop contingency plans in the event of key supplier failure. The Company also monitors and reviews stock availability on an ongoing basis to ensure that issues are identified and appropriate action is taken where any issues are impacting service delivery to customers.
Financial, treasury, liquidity and credit risks The main financial risks are the availability of funds to meet business needs, default by counterparties to financial transactions, the effect of fluctuations in foreign exchange rates and interest rates, and compliance with regulation. Adequate financing facilities are required to support the operational needs of the business.	NEXT operates a centralised treasury function which is responsible for managing liquidity, interest and foreign currency risks. It operates under a Board approved Treasury policy. Approved counterparty and other limits are in place to mitigate NEXT's exposure to counterparty failure.
Reliance on the NEXT Group The operations of the Company rely on various operations within the NEXT Group. These include warehousing and distribution, customer experience, retail store network and information security, business continuity and cyber risk.	The Group's debt position, available funding and cash flow projections are regularly monitored and reported to the Board. The Board will agree funding for the Group in advance of its requirement to mitigate exposure to illiquid market conditions.

Strategic Report (continued)

Description of risk or uncertainty

Covid 19

Since 25 January 2020, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time.

Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The performance of the Company is based on the NEXT group's ability to trade safely and in line with government guidance.

How the risk or uncertainty is managed or mitigated

On Thursday 26 March 2020, the Group temporarily closed its UK warehouses and distribution networks in order to adapt its operations to working safely in a coronavirus world. During the 18 days of closure the group re-organised all aspects of its warehousing to ensure social distancing and improved sanitation. We re-organised the flow of pedestrians, adapted exits, entrances, congregation areas, rest areas and workstations. In addition, we changed our picking routines and delivery promise to smooth workflow during the day and eliminated the peaks in activity most likely to result in close contact between operatives.

We re-opened our warehouse picking operation on Tuesday 14 April 2020, the ramp-up of operations was necessarily slow; staff inductions need to be conducted in small numbers to ensure that colleagues are completely familiar with new ways of working. This approach has, to date, been successful.

The retail operations of the Group commenced in June 2020, the launch again built around ensuring the safety of staff and customers. The reopening of stores was staggered to ensure that the business was able to monitor performance and ensure safety measures are effective. While a second lockdown commenced on 5 November 2020, and a third at the start of 2021, the actions taken to revamp operations in the warehouse have enabled the Group to continue to sell to customers through its Online and click and collect operations.

In addition to re-establishing the online and retail operations the Group engaged with its banks and received agreement to waive the covenant compliance tests until January 2021 and was successful in its application to draw on the Bank of England's Covid Corporate Financing Facility (CCFF). Funding was approved on 3 April 2020. While the Company has not utilised this facility, and does not currently expect to draw upon it, it has nevertheless helped provide additional financial headroom during the current economic climate.

Strategic Report (continued)

Employees

The Company's employees are key to achieving its business objectives and the Company actively takes steps to attract and retain the right people to work at every level throughout the business. The Company has established policies for recruitment, training and development of personnel and is committed to achieving excellence in the areas of health, safety, welfare and protection of employees and their working environment.

The Company is an equal opportunities employer and will continue to ensure it offers career opportunities without discrimination. Full consideration is given to applications for employment from disabled persons, having regard to their particular aptitudes and abilities and in accordance with relevant legislation. The Company has continued the employment wherever possible of any person who becomes disabled during their employment, providing assistance and modifications where possible. Opportunities for training, career development and promotion do not operate to the detriment of disabled employees.

The Company aims to realise the potential of its employees by supporting their career progression and promotion wherever possible. It makes significant investment in the training and development of staff and in training and education programmes which contribute to the promotion prospects of employees.

The Company has a policy of providing employees with financial and other information about the business and ensures that the suggestions and views of employees are taken into account. Employees of the Company may participate in Sharesave schemes offered by NEXT plc. The Company has established a pension scheme which employees may contribute to.

By order of the Board

Seonna Anderson

Seonna Anderson
Secretary
25 January 2021

Directors' Report

Directors

The directors who served the Company during the period and up to the date of signing the financial statements were as follows:

Lord Wolfson of Aspley Guise (appointed 8 July 2019)
Amanda James (appointed 8 July 2019)
Andrea Davies (resigned 8 July 2019)
Richard Exact (resigned 8 July 2019)
Richard Locke (resigned 8 July 2019)
Justine Southall (resigned 8 July 2019)
Neill Abrams (resigned 8 July 2019)
Amanda Scott (resigned 24 July 2019)

No director had any interest in the share capital of the Company or of any subsidiary company of NEXT plc. Lord Wolfson and Amanda James are also directors of NEXT plc, and their own and their connected persons' interests in the ordinary shares of NEXT plc are shown in the financial statements of that company.

Dividends

There were no dividends paid in the period (2018: £nil) and the directors do not recommend the payment of a final dividend.

Going Concern

The Company's business activities, the factors likely to affect its future development, performance and position and the management of financial risks are set out in the Strategic Report.

The Company participates in the NEXT 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 NEXT Group. The directors, report that, having reviewed current performance and forecasts, they have reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. As part of this review, a letter of support for the Company for at least 12 months from the date of signing has been signed by the directors of NEXT Plc. For this reason, the directors have continued to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

The impact of the Covid 19 pandemic that has severely impacted on the global economy is discussed in the Strategic Report.

Directors' Report (continued)

Disclosure of Information to the Auditors

In accordance with the provisions of Section 418 of the Companies Act 2006 (the "2006 Act"), 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 auditors' are unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

No donations were made for political purposes.

By order of the Board

Seonna Anderson

Seonna Anderson
Secretary

25January 2021

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 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 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.

Seonna Anderson

Seonna Anderson
Secretary

25 January 2021

Independent Auditors' Report
to the members of NEXT Beauty Limited (formerly Marie Claire Beauty Limited)

Report on the audit of the financial statements

Opinion

In our opinion, NEXT Beauty Limited (Formerly Marie Claire Beauty Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 25 January 2020 and of its loss for the 60 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Reports and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 25 January 2020; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the 60 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent Auditors' Report
to the members of NEXT Beauty Limited (formerly Marie Claire Beauty Limited)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 25 January 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

L Gartside

Lucy Gartside (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
25 January 2021

Profit and Loss Account

for the 60 week period ended 25 January 2020

	Note	*60 weeks to 25 January 2020* £m	*52 weeks to 2 December 2018 Restated* £m
Turnover	2	24.3	9.2
Cost of sales		(26.5)	(8.1)
Gross (Loss) / profit		(2.2)	1.1
Distribution costs		(1.6)	(1.3)
Administrative expenses		(2.4)	(3.3)
Operating loss	3	(6.2)	(3.5)
Interest payable and similar expenses	6	(0.2)	(0.3)
Loss before taxation		(6.4)	(3.8)
Tax on loss	7	0.2	-
Loss for the financial period		(6.2)	(3.8)

All amounts relate to continuing operations.

The Profit and Loss Account for the 52 weeks to 2 December 2018 has been restated to reflect the impact of IFRS 16 "Leases" (refer to Notes 1 and 18).

Statement of Comprehensive Income

for the 60 week period ended 25 January 2020

There was no comprehensive income or expense other than the loss for the financial period of £6.2m attributable to the shareholders for the period ended 25 January 2020 (2018: £3.8m).

Registered in England, no. 09252560

Balance Sheet
at 25 January 2020

	Notes	25 January 2020 £m	2 December 2018 Restated £m
Fixed assets			
Tangible assets	8	0.1	1.4
		0.1	1.4
Current assets			
Stock	9	6.0	6.0
Debtors: amounts falling due after more than one year	10	0.5	0.4
Debtors: amounts falling due within one year	11	1.2	5.8
Cash at bank and in hand		0.2	-
		7.9	12.2
Creditors: amounts falling due within one year	12	(4.6)	(27.3)
Lease liabilities	13	(0.3)	(0.4)
Net current assets / (liabilities)		3.0	(15.5)
Total assets less current liabilities		3.1	(14.1)
Creditors: amounts falling due after more than one year			
Lease liabilities	13	(1.6)	(1.9)
Provision for liabilities		(0.1)	-
Net assets / (liabilities)		1.4	(16.0)
Capital and reserves			
Share capital	14	-	-
Profit and loss account		1.4	(16.0)
Total equity		1.4	(16.0)

These financial statements on pages 11 to 30 were approved and authorised for issue by the Board of directors on 25 January 2021.

A James

Amanda James
Director

Registered in England, no. 09252560

Statement of Changes in Equity
for the 60 week period ended 25 January 2020

	Called up share capital £m	*Profit and loss account Restated* £m	*Total equity Restated* £m
At 4 December 2017	-	(12.2)	(12.2)
Loss for the period and total comprehensive expense	-	(3.8)	(3.8)
At 2 December 2018	-	(16.0)	(16.0)
Capital Contribution	-	23.6	23.6
Loss for the period and total comprehensive expense	-	(6.2)	(6.2)
At 25 January 2020	-	1.4	1.4

The Capital Contribution arises from the waiver in the period of an intercompany balance owed by NEXT Beauty Limited (formerly Marie Claire Beauty Limited) to its prior parent company.

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

1. Accounting policies

General information
The Company was registered 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 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 60 weeks to 25 January 2020 (last period 52 weeks to 3 December 2018) 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 hundred 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:

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:

iii. Paragraph 79(a)(iv) of IAS 1;

iv. Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and

v. 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.

The Company participates in the NEXT 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 NEXT Group. The directors, report that, having reviewed current performance and forecasts, they have reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. As part of this review, a letter of support for the Company for at least 12 months from the date

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

1. Accounting policies (continued)

of signing has been signed by the directors of NEXT Plc. For this reason, the directors have continued to adopt the going concern basis in preparing the financial statements.

Tangible assets
Plant and equipment are stated at cost less accumulated depreciation and impairment.

Depreciation is charged so as to write down the cost of assets to their estimated residual values over their remaining useful lives on a straight line basis. Estimated useful lives and residual values are reviewed at least annually and are summarised as follows:

Plant and machinery	5 to 10 years
Office equipment	3 years

Impairment
The carrying values of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any impairment loss arises, the asset value is adjusted to its estimated recoverable amount and the difference is recognised in the Profit and Loss Account.

Stock
Stock is valued at the lower of standard cost or net realisable value. Net realisable value is based on estimated selling prices less further costs to be incurred to disposal.

Trade and other debtors
Trade debtors are stated at invoice value less any allowance for impairment; see below for our policy over the impairment of financial assets.

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

Turnover
Turnover represents the consideration to which the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue from the sale of product is recognised at the point in time when control of the asset is transferred to the customer ie on the delivery of the product. The Company uses the expected value method to estimate the value of goods that will be returned because this method best predicts the amounts of variable consideration to which it will be entitled.

Foreign currencies
Transactions in foreign currencies other than an entity's functional currency are recorded at the exchange rate on the transaction date, while assets and liabilities are translated at exchange rates at the balance sheet date. Exchange differences are recognised in the Profit and Loss Account.

Notes to the Financial Statements

for the 60 week period ended 25 January 2020

1. Accounting policies (continued)

Other financial assets and liabilities

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
Trade and customer debtors, Other debtors, Amounts owed by parent undertaking and Amounts owed by other Group undertakings	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.

Subsequent measurement

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

Financial assets at FVPL	Subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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.

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.

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

1. Accounting policies (continued)

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 its third party receivables, which are referred to as Trade and customer debtors and Other taxation and social security. 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. For trade and customer debtors the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

The Company has classified its financial liabilities as follows:

Financial liabilities	Classification under IFRS 9
Trade creditors, Amounts owed to parent undertaking, Amounts owed to other Group companies	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.

Financial liabilities at FVPL	Subsequently measured at fair value. Gains and losses are recognised in the Income Statement.
Financial liabilities at amortised cost	Subsequently measured at amortised cost using the EIR method. The EIR amortisation is included in finance costs in the Income Statement.

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.

Employee benefits

The Company operates a defined contribution pension scheme which employees may contribute to. The Company does not operate a defined benefit pension scheme.

Provisions

A provision is recognised where the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Notes to the Financial Statements

for the 60 week period ended 25 January 2020

1. Accounting policies (continued)

Lease Accounting

Company as lessee

At inception of a contract the Company assesses whether the contract is or contains a lease. A lease is present where the contract conveys, over a period of time, the right to control the use of an identified asset in exchange for consideration.
Where a lease is identified the Company recognises a right-of-use asset and a corresponding lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Lease liability – initial recognition

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted at the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments such as those that depend on an index or rate (such as RPI), initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options where the Company is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet, split between current and non-current liabilities.

Lease liability – subsequent measurement

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability – re-measurement

The lease liability is re-measured where:

- there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate or;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used) or;
- the lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

When the lease liability is re-measured, an equivalent adjustment is made to the right-of-use asset unless its carrying amount is reduced to zero, in which case any remaining amount is recognised in profit or loss.
Where the lease liability is denominated in a foreign currency it is retranslated at the Balance Sheet date with foreign exchange gains and losses recognised in profit or loss.

Right-of-use asset – initial recognition

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the Company has an obligation for costs to dismantle and remove a leased asset, restore the site on which it is

Notes to the Financial Statements

for the 60 week period ended 25 January 2020

1. Accounting policies (continued)

located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. The right-of-use asset is presented as a separate line in the Balance Sheet.

Right-of-use asset – subsequent measurement

Right-of-use assets are depreciated over the shorter of the lease term and useful life of the underlying asset.

Impairment

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment – non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

Short term leases and low value assets

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

New standards, amendments and IFRIC interpretations

For the financial period ended 25 January 2020 the Company has adopted IFRS 9 "Financial instruments" and IFRS 16 "Leases" for the first time and early adopted the "Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform" issued in September 2019. Disclosure on the transitional impact on adoption of IFRS 16 is shown at Note 18. Restating the 2018 financial statements upon transition, a lease liability of £2.3m was recognised. Including adjustments for working capital which existed under IAS17 the retained earnings of the Company reduced by £1.9m. No right-of-use asset was recognised on the balance sheet as this was deemed to be fully impaired upon transition. The adoption of IFRS 9 had no material impact on the Company.

Significant areas of estimation and judgment

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. Significant areas of estimation uncertainty and judgement for the Company include:

a) Recoverable amount of trade debtors

The provision for potentially irrecoverable debtors (refer to Note 11) is calculated using a combination of internally and externally sourced information. The basis for identifying when debtors are potentially impaired has been applied consistently year on year.

b) Net realisable value of inventories

The selling prices of inventory are estimated to determine the net realisable value of inventory. Historical sales patterns and post year end trading performance are used to determine these. A 2% change in the volume of inventories going to clearance would impact the net realisable value by c£32k.

c) Discount rate used to calculate lease liability

As stated above, the discount rate used to calculate the lease liability is based on the incremental borrowing rate. Incremental borrowing rates are determined monthly and depend on the lease term, currency and start date of the lease. The incremental borrowing rate is determined based on a series of inputs including: the risk free rate based on government bond rates; country specific risk and NEXT bond yields.

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

1. Accounting policies (continued)

The impact of an increase of 0.5% on the discount rate applied to the 2020 lease liability and finance cost is as follows:

- Lease liability £27k decrease
- Finance cost £9k increase

Change in accounting policy

Following acquisition by Lipsy Limited during the period, the classification of cost of sales, administration expenses and distribution costs has been brought in line with NEXT Group policy. Consequently the prior year classification of costs in this category has changed and the Profit and Loss account has been restated accordingly. There has been no impact on Retained Earnings or Net Equity as a result of this change. The reclassification has resulted in a cost of sales increase of £1.5m, administration expenses reduction of £1.2m and distribution costs reduction of £0.3m.

2. Turnover

Geographical market	*60 weeks to 25 January 2020 £m*	*52 weeks to 2 December 2018 £m*
United Kingdom	24.3	9.2
	24.3	9.2

All turnover is derived from the sale of goods and is categorised by destination.

3. Operating loss

	60 weeks to 25 January 2020 £m	*52 weeks to 2 December 2018 £m*
Operating loss is stated after charging/(crediting):		
Depreciation of tangible assets	0.2	0.3
Loss on disposal of tangible assets	-	-
Impairment of tangible assets	1.2	-
Cost of stock recognised as an expense	16.4	7.0
Write down of stock to net realisable value	3.0	(0.3)

	60 weeks to 25 January 2020 £	*52 weeks to 2 December 2018 £*
Auditors' remuneration:		
Audit services	10,000	10,400

Notes to the Financial Statements

for the 60 week period ended 25 January 2020

4. Staff costs

	60 weeks to 25 January 2020 £m	*52 weeks to 2 December 2018 £m*
Wages and salaries	1.4	0.7
Social security costs	0.2	0.1
Other pension costs	-	-
	1.6	0.8

	60 weeks to 25 January 2020 No.	*52 weeks to 2 December 2018 No.*
Average monthly number of employees	27	17

Employee Shareholder Scheme

During 2016, the Company introduced the Marie Claire Beauty Limited Employee Shareholder Status ("ESS") arrangement. The ESS was an HMRC-approved arrangement between the Company and its former Director and employee Amanda Scott. Under the scheme, a one-off award of restricted A ordinary shares in the Company was issued to Amanda Scott. As part of the purchase of the Company during the period, this ESS was cancelled and the 2 issued shares were designated as Ordinary shares.

Details of the movement in the former Director's interests in A ordinary shares pursuant to the Marie Claire Beauty Limited Employee Shareholder Scheme (the "Employee Shareholder Scheme") outstanding during each period are as follows:

	60 weeks to 25 January 2020 Number of awards	*52 weeks to 2 December 2018 Number of awards*
Outstanding at the beginning of the period	2	2
Cancelled during the period	(2)	-
Outstanding at the end of the period	-	2

5. Directors' emoluments

None of the current directors received any remuneration from the Company for the 60 week period ended 25 January 2020. Lord Wolfson and Amanda James are 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. All of the directors work across the NEXT Group of companies and 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.
The former directors of the Company received £209,161 in the 60 week period ended 25 January 2020 (2018: £264,000).

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

6. Interest payable and similar expenses

	60 weeks to 25 January 2020	*52 weeks to 2 December 2018 Restated*
	£m	*£m*
Finance cost on lease liability	0.1	0.1
Interest payable to former parent	0.1	0.2
	0.2	0.3

7. Tax on loss

	60 weeks to 25 January 2020	*52 weeks to 2 December 2018*
	£m	*£m*
Current tax:		
UK corporation tax credit on loss for the period	(0.1)	-
Relief for overseas tax	-	-
	(0.1)	-
Overseas tax	-	-
Total current tax	(0.1)	-
Deferred tax:		
Origination and reversal of temporary differences	(0.2)	-
Adjustments in respect of prior years	-	-
IFRS 16 transition adjustment	0.1	-
Tax credit reported in the Profit and Loss Account	(0.2)	-

The following table shows how the effective tax rate for the period relates to the standard rate of UK corporation tax.

	2020	*2018*
	%	*%*
UK corporation tax rate	19.0	19.0
Expenses not deductible	2.5	-
Deferred tax rate change	(1.4)	-
Deferred tax not booked	(8.1)	(1.5)
Loss group relieved	(9.4)	(17.5)
Effective total tax rate on loss before taxation	2.6	-

Notes to the Financial Statements

for the 60 week period ended 25 January 2020

7. Tax on loss (continued)

Deferred tax asset

	2020 *£m*	*2018* *£m*
Accelerated capital allowances	0.2	-
IFRS 16 transition adjustment	0.3	0.4
	0.5	0.4

The movement in the period is as follows:

	2020 *£m*	*2018* *£m*
Opening position	0.4	0.4
Credited/(charged) to the Profit and Loss Account		
Accelerated capital allowances	0.2	-
IFRS 16 transition adjustment	(0.1)	-
Closing position	0.5	0.4

8. Tangible assets

	Plant and machinery *£m*	*Office equipment* *£m*	*Total* *£m*
Cost			
At 3 December 2018	2.0	-	2.0
Additions	0.1	-	0.1
Transfers	-	0.1	0.1
At 25 January 2020	2.1	0.1	2.2
Accumulated depreciation			
At 3 December 2018	0.7	-	0.7
Charged during the period	0.2	-	0.2
Impairments	1.2	-	1.2
At 25 January 2020	2.1	-	2.1
Net book value			
At 25 January 2020	-	0.1	0.1
At 2 December 2018	1.4	-	1.4

Office equipment was transferred from another Group company in the period.

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

9. Stock

	25 January 2020 £m	*2 December 2018 £m*
Finished goods and goods for resale	6.0	6.0

10. Debtors: amounts falling due after more than one year

	25 January 2020 £m	*2 December 2018 £m*
Deferred tax	0.5	0.4
	0.5	0.4

11. Debtors: amounts falling due within one year

	25 January 2020 £m	*2 December 2018 £m*
Trade and customer debtors	0.3	0.4
Other taxation and social security	0.7	-
Corporation tax	0.2	-
Amounts owed by former parent	-	5.4
	1.2	5.8

Amounts owed by parent and other Group undertakings are repayable on demand and do not bear interest.

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

12. Creditors: amounts falling due within one year

	25 January 2020 £m	*2 December 2018 £m*
Trade creditors	2.5	-
Refund liabilities	0.1	-
Amounts owed to parent undertaking	0.2	-
Amounts owed to other Group companies	1.4	-
Accruals	0.4	3.5
Amounts owed to former parent	-	23.4
Other taxation and social security	-	0.4
	4.6	27.3

Amounts owed to parent and other Group undertakings are repayable on demand and do not bear interest.

13. Lease liability

	25 January 2020 £m	*2 December 2018 £m*
Current	0.3	0.4
Non-current	1.6	1.9
	1.9	2.3

14. Share capital

	Allotted, called up and fully paid			
	2020		*2018*	
	No.	*£m*	*No.*	*£m*
Ordinary shares of £0.01 each	102	-	100	-

	Allotted, called up and fully paid			
	2020		*2018*	
	No.	*£m*	*No.*	*£m*
A Ordinary shares	-	-	2	-

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

14. Share capital (continued)

On 8 July 2019, the two allotted, called up and fully paid A Ordinary shares were re-designated as two Ordinary shares of £0.01 each.

The £0.01 Ordinary shares have full voting, dividend and capital distribution rights.

The A Ordinary shares did not have any voting rights save in relation to any change proposed to be made to the class rights of A Ordinary shares. The A Ordinary shares did not have any entitlement to dividends unless a dividend was paid pursuant to a business sale. The A Ordinary shares had full capital distribution rights.

15. Related party transactions

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

16. Ultimate parent company and controlling party

The Company's immediate parent is Lipsy 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 include NEXT Beauty Limited (formerly Marie Claire Beauty Limited). Copies of its Group financial statements are available from its Company Secretary at its registered office, Desford Road, Enderby, Leicester, LE19 4AT.

17. Post balance sheet event

Covid-19

Subsequent to the balance sheet date the spread of Covid 19 has adversely impacted on the operations of the wider Group. In particular the Retail and Online operations temporarily ceased to trade at the end of March 2020. These operations subsequently reopened; Retail has not yet reached the levels of pre-Covid 19 trade and has been subject to further temporary cessations of trade during Autumn 2020 and at the start of 2021. As a result of the closure, and our updated forecast, we have assessed assets within the Group for potential impairment – none were identified within the Company.

Company name

On 13 August 2020 the Company changed its name to NEXT Beauty Limited.

Notes to the Financial Statements
for the 60 week period ended 25 January 2020

18. IFRS 16 Transition Note

	60 weeks to 25 January 2020 IAS 17 £m	*IFRS 16 £m*	*60 weeks to 25 January 2020 As presented £m*
Turnover	24.3	-	24.3
Cost of sales	(27.4)	0.9	(26.5)
Gross loss	(3.1)	0.9	(2.2)
Distribution costs	(1.6)	-	(1.6)
Administrative expenses	(2.4)	-	(2.4)
Operating loss	(7.1)	0.9	(6.2)
Interest payable and similar expenses	(0.1)	(0.1)	(0.2)
Loss on ordinary activities before taxation	(7.2)	0.8	(6.4)
Tax on loss	0.2	-	0.2
Loss for the financial period	(7.0)	0.8	(6.2)

	52 weeks to 2 December 2018 Restated £m*	*IFRS 16 £m*	*52 weeks to 2 December 2018 Restated £m*
Turnover	9.2	-	9.2
Cost of sales	(8.5)	0.4	(8.1)
Gross profit	0.7	0.4	1.1
Distribution costs	(1.3)	-	(1.3)
Administrative expenses	(3.3)	-	(3.3)
Operating loss	(3.9)	0.4	(3.5)
Interest payable and similar expenses	(0.2)	(0.1)	(0.3)
Loss on ordinary activities before taxation	(4.1)	0.3	(3.8)
Tax on loss	-	-	-
Loss for the financial period	(4.1)	0.3	(3.8)

*Restated for the reclassification of costs between Cost of sales, Distribution costs and Administration costs as described in Note 1 Accounting Policies

Notes to the Financial Statements

for the 60 week period ended 25 January 2020

18. IFRS 16 Transition Note (continued)

	25 January 2020 IAS 17	*IFRS 16*	*25 January 2020 As presented*
	£m	*£m*	*£m*
Fixed assets			
Tangible assets	0.1	-	0.1
	0.1	-	0.1
Current assets			
Stock	6.0	-	6.0
Debtors: amounts falling due after more than one year	0.2	0.3	0.5
Debtors: amounts falling due within one year	1.3	(0.1)	1.2
Cash at bank and in hand	0.2	-	0.2
	7.7	0.2	7.9
Creditors: amounts falling due within one year	(4.7)	0.1	(4.6)
Lease liabilities	-	(0.3)	(0.3)
Net current assets	3.0	-	3.0
Total assets less current liabilities	3.1	-	3.1
Creditors: amounts falling due after more than one year			
Provisions	(0.5)	0.5	-
Other liabilities	(0.1)	-	(0.1)
Lease liabilities	-	(1.6)	(1.6)
Net assets	2.5	(1.1)	1.4
Capital and reserves			
Share capital	-	-	-
Profit and loss account	2.5	(1.1)	1.4
Total equity	2.5	(1.1)	1.4

Notes to the Financial Statements

for the 60 week period ended 25 January 2020

18. IFRS 16 Transition Note (continued)

	2 December 2018	*IFRS 16*	*2 December 2018 Restated*
	£m	*£m*	*£m*
Fixed assets			
Tangible assets	1.4	-	1.4
	1.4	-	1.4
Current assets			
Stock	6.0	-	6.0
Debtors: amounts falling due after more than one year	-	0.4	0.4
Debtors: amounts falling due within one year	5.8	-	5.8
Cash at bank and in hand	-	-	-
	11.8	0.4	12.2
Creditors: amounts falling due within one year	(27.3)	-	(27.3)
Lease liabilities	-	(0.4)	(0.4)
Net current liabilities	(15.5)	-	(15.5)
Total assets less current liabilities	(14.1)	-	(14.1)
Creditors: amounts falling due after more than one year			
Lease liabilities	-	(1.9)	(1.9)
Net liabilities	(14.1)	(1.9)	(16.0)
Capital and reserves			
Share capital	-	-	-
Profit and loss account	(14.1)	(1.9)	(16.0)
Total equity	(14.1)	(1.9)	(16.0)

Notes to the Financial Statements

for the 60 week period ended 25 January 2020

18. IFRS 16 Transition Note (continued)

	3 December 2017	*IFRS 16*	*3 December 2017 Restated*
	£m	*£m*	*£m*
Fixed assets			
Tangible assets	1.7	-	1.7
	1.7	-	1.7
Current assets			
Stock	2.3	-	2.3
Debtors: amounts falling due after more than one year	-	0.4	0.4
Debtors: amounts falling due within one year	4.9	-	4.9
Cash at bank and in hand	0.8	-	0.8
	8.0	0.4	8.4
Creditors: amounts falling due within one year	(19.7)	-	(19.7)
Lease liabilities	-	(0.3)	(0.3)
Net current liabilities	(11.7)	0.1	(11.6)
Total assets less current liabilities	(10.0)	0.1	(9.9)
Creditors: amounts falling due after more than one year			
Lease liabilities	-	(2.3)	(2.3)
Net liabilities	(10.0)	(2.2)	(12.2)
Capital and reserves			
Share capital	-	-	-
Profit and loss account	(10.0)	(2.2)	(12.2)
Total equity	(10.0)	(2.2)	(12.2)

Note that the Right-of-use asset was fully impaired upon adoption of IFRS 16