

Next Group Plc (formerly Next Group Limited)

Reports and Financial Statements

26 January 2019

Registered No: 11118708



Reports and Financial Statements

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Registered in England & Wales

Desford Road
Enderby
Leicester
LE19 4AT

Strategic Report

The directors present their reports and audited financial statements for the 58 week period ended 26 January 2019.

Results

Next Group plc (formerly Next Group Limited) was incorporated on 19 December 2017 as a direct, wholly-owned subsidiary of NEXT plc and as an intermediate holding company between NEXT plc and its other subsidiaries (together, the "Group"), as part of a capital reorganisation of the Group. This capital reorganisation was to enable the Group to maintain flexibility to use its long established policy of returning free cash flow to shareholders through share buybacks and special dividends (the "Share Buyback Policy") by creating additional headroom in the Group's distributable reserves.

The profit for the 58 week period, after taxation, amounted to £600m.

	2019 £m
Revenue	-
Operating result	-

The directors consider the results to have been satisfactory and envisage continuing profitability of the Company's operations in the following year. Overall profit after tax was £600m which consisted entirely of dividend income from shares in Group undertakings. Next Group Plc is a public company limited by shares.

Risks and uncertainties

The Board has a policy of continuous identification and review of principal business risks for the Group as a whole, and oversees risk management. This is detailed in the Next Plc annual report and accounts.

Brexit

In June 2016, the United Kingdom voted to leave the European Union, leading to uncertainty in the financial markets and the wider economy. The full impact remains unclear until the outcome of political and trade negotiations is finalised. The Company's risks from this have been assessed alongside their potential impact and we will continue to closely monitor the on-going situation.

By order of the Board



Seonna Anderson
Secretary

/6 May 2019

Directors' Report

Dividends

Dividends of £600m were declared in the year; the directors do not recommend the payment of a final dividend.

Directors

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

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 own and their connected persons' interests in the ordinary shares of NEXT plc are shown in the accounts of that company.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, 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. The directors, having assessed the responses of the directors of the Company's ultimate parent, NEXT plc, to their enquiries have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the NEXT Group to continue as a going concern or its ability to continue with the current banking arrangements. On the basis of these enquiries, the support assured by NEXT plc, and their assessment of the Company's financial position the directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

In order for the Group not to be constrained in the use of its Share Buyback Policy, NEXT plc obtained the requisite consent from each of the bond trustees and each of its lending banks to substitute Next Group plc for itself as the primary obligor under all of its existing debt obligations, including each of the Bonds and its bank facilities (the "Substitution"). This Substitution was with effect on and from 31 January 2019 at which time, the Bonds became the liability of Next Group plc and they were unconditionally and irrevocably guaranteed by NEXT plc.

Independent auditors

PricewaterhouseCoopers LLP expressed their willingness to continue in office and a resolution proposing their reappointment was passed at the NEXT plc 2019 AGM.

Directors' Report (continued)

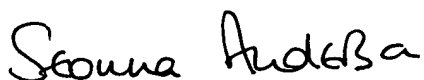
Statement of disclosure of information to the auditors

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
Secretary

16 May 2019

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.

Independent Auditors' Report

to the Members of Next Group Plc (formerly Next Group Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Next Group Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 26 January 2019 and of its profit for the 58 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 Annual Report, which comprise: balance sheet at 26 January 2019; the profit and loss account for the 58 week period ended 26 January 2019, the statement of comprehensive income for the 58 week period ended 26 January 2019, the statement of changes in equity for the 58 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to those charged with governance

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

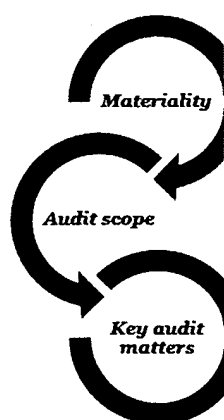
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We have provided no non-audit services to the company in the period from 19 December 2017 to 26 January 2019.

Our audit approach

Overview



Overall materiality: £80 million (2018: n/a), based on 1% of total assets.

We have conducted a full scope audit of the entity to materiality disclosed above.

We have no key audit matters to report.

Independent Auditors' Report

to the Members of Next Group Plc (formerly Next Group Limited)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions to increase the share price of the overall group that would result in overstating profits, therefore raising shareholder expectations and director incentives (bonuses) payments. Audit procedures performed by the engagement team included:

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the carrying value of their investment in Next Holdings Limited.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We determined that there were no key audit matters applicable to the company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£80 million (2018: n/a).
How we determined it	1% of total assets.
Rationale for benchmark applied	We believe that given the nature of the company that total assets is the most appropriate benchmark in assessing the performance of the entity.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £4.0 million (2018: n/a) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent Auditors' Report

to the Members of Next Group Plc (formerly Next Group Limited)

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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, Directors' Report and Corporate Governance Statement, 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.

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 26 January 2019 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

Independent Auditors' Report

to the Members of Next Group Plc (formerly Next Group Limited)

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

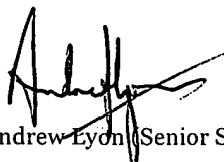
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

Appointment

We were appointed by the directors on 18 December 2018 to audit the financial statements for the year ended 26 January 2019 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.



Andrew Lyon (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
16 May 2019

Profit and Loss Account

for the 58 week period ended 26 January 2019

		58 weeks to 26 January 2019
	Notes	£m
Revenue		-
Cost of sales		-
Gross result		-
Other gains		-
Operating result		-
Income from shares in Group undertakings	4	600.0
Interest receivable and similar income		-
Interest payable and similar expenses		-
Profit before taxation		600.0
Tax on profit	5	-
Profit for the financial period		<u>600.0</u>

All amounts relate to continuing operations.

Statement of Comprehensive Income

for the 58 week period ended 26 January 2019

There was no other comprehensive income for the period other than the profit for the financial period of £600m.

Balance sheet

at 26 January 2019

	Notes	26 January 2019 £m
Fixed assets		
Investments	7	8,008.4
		<u>8,008.4</u>
Current assets		
Debtors:		
Amounts falling due within one year	8	400.0
Cash at bank and in hand	9	0.1
		<u>400.1</u>
Creditors: amounts falling due within one year	10	(400.0)
Net current assets		<u>0.1</u>
Total assets less current liabilities		8,008.5
Net assets		<u>8,008.5</u>
Capital and reserves		
Called up share capital	12	0.1
Profit and loss account		8,008.4
Total equity		<u>8,008.5</u>

The notes on pages 12 to 18 are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of directors on 16 May 2019.



Amanda James
Director

Registered in England & Wales, no. 11118708

Statement of Changes in Equity

for the 58 week period ended 26 January 2019

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>
At 19 December 2017	-	-	-
Profit and total other comprehensive income for the period	-	600.0	600.0
Total comprehensive income for the period	-	600.0	600.0
Proceeds from shares issued	8,008.5	-	8,008.5
Share capital reduction	(8,008.4)	8,008.4	-
Equity dividends paid	-	(600.0)	(600.0)
At 26 January 2019	0.1	8,008.4	8,008.5

Notes to the Financial Statements

for the 58 week period ended 26 January 2019

1. General information

Next Group plc was incorporated on 19 December 2017 as a direct, wholly-owned subsidiary of NEXT plc and as an intermediate holding company between NEXT plc and its other subsidiaries.

The company is a public limited company and is wholly incorporated and domiciled in the UK. The address of its registered office is Desford Road, Enderby, Leicester, LE19 4AT.

2. Accounting policies

Basis of preparation

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

The financial statements have been prepared on the historical cost basis. The financial statements are for the 58 weeks to 26 January 2019 and the principal accounting policies adopted are set out below.

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

The financial statements contain information about Next Group Plc as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, NEXT plc, a company registered in England and Wales.

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

- 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 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- 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 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).

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

Investments

Investments in subsidiary companies and equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost, subject to review for impairment.

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.

Notes to the Financial Statements

for the 58 week period ended 26 January 2019

2. Accounting policies (continued)

Trade and other debtors

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

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

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

Trade and other payables

Trade and other debtors are amounts owed to other Group companies. The classification under IFRS 9 is amortised cost and they are recognised initially at fair value.

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 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 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 under changes to international tax legislation. Management uses professional advisers and in-house tax experts to determine the amounts to be provided.

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.

Dividend income

Dividend income is recognised with the Company's right to receive payment is established.

Notes to the Financial Statements

for the 58 week period ended 26 January 2019

3. Directors' emoluments and auditor fee

None of the directors, who are the only employees of the Company, received any remuneration for their services as directors of the Company for the period ended 26 January 2019. The directors are 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.

The audit fee for the Company is borne by Next Plc and not recharged to the Company.

4. Income from shares in Group undertakings

2019
£m

Dividends from subsidiary undertakings	600.0
	<u>600.0</u>

5. Tax on profit

2019
£m

Current tax:

UK corporation and overseas tax on profits of the period	-
Total current tax	<u>-</u>

Deferred tax:

Origination and reversal of temporary differences	-
Tax charge reported in the Profit and Loss Account	<u>-</u>

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

2019
%

UK corporation tax rate	19.0
Non-taxable income	(19.0)
Effective total tax rate on profit before taxation	<u>0%</u>

Deferred taxation

2019
£m

Other temporary differences	-
	<u>-</u>

6. Dividends

2019
£m

Equity dividends received from Next Holdings Limited	600.0
	<u>600.0</u>

Notes to the Financial Statements

for the 58 week period ended 26 January 2019

7. Investments

	<i>Subsidiary undertakings £m</i>	<i>Total £m</i>
<i>Cost:</i>		
At 19 December 2017	-	-
Additions	8,008.4	8,008.4
At 26 January 2019	<u>8,008.4</u>	<u>8,008.4</u>
<i>Accumulated amortisation and impairment:</i>		
At 19 December 2017 and 26 January 2019	<u>-</u>	<u>-</u>
<i>Carrying amount:</i>		
At 26 January 2019	<u>8,008.4</u>	<u>8,008.4</u>

A full list of the Company's related undertakings is contained in the table below. Direct holdings are suffixed with an asterisk.

Company name	Registered office address	% held
AgraTech Limited	Glen House, 200-208 Tottenham Court Road, London, W1T 7PL	100
Belvoir Insurance Company Limited	Maison Trinity, Trinity Square, St Peter Port, GY1 4AT, Guernsey	100
Brecon Debt Recovery Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Cairns Limited	14/F Cityplaza 1, 1111 King's Road, Taikoo Shing, Quarry Bay, Hong Kong	100
Callscan, Inc.	McSwiney, Semple, Hankin-Birke & Wood PC, PO Box 2450, 280 Main Street, New London, NH 03257, USA	100
Choice Discount Stores Limited	14-14A Rectory Road, Hadleigh Benfleet, Essex, SS7 2ND, UK	49
Custom Gateway Limited	c/o Sedulo, 62-66 Deansgate, Manchester M3 2EN	30
Lipsy Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
LLC Next	7 Dolgorukovskaya Street, 127006, Moscow, Russian Federation	100
Next (Asia) Limited	14/F Cityplaza 1, 1111 King's Road, Taikoo Shing, Quarry Bay, Hong Kong	100
Next Sourcing Limited Shanghai Office	9F, Building 1, Highstreet loft, No.508 Jiashan Road, Shanghai	100
Next AV s.r.o.	Pribinova 8, 811 09, Bratislava, Slovakia	100
Next Brand Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Distribution Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Financial Services Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Germany GmbH	Landsberger Stra. 155, 80687 München	100
Next Holdings Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100*
Next Holding Wholesale Private Limited	2 nd Floor, Unit No 201, Alpha Hiranandani Gardens, Powai, Mumbai, 400076 India	100
Next Manufacturing (Pvt) Limited	Phase 1, Ring Road, 2,E.P.Z, Katunayake, Sri Lanka	100

Notes to the Financial Statements

for the 58 week period ended 26 January 2019

7. Investments (continued)

Company name	Registered office address	% held
Next Manufacturing Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Near East Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Pension Trustees Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next PK s.r.o.	Rohanské nábřeží 671/15, Karlín, Prague 8, 186 00, Czech Republic	100
Next Procurement (Private) Limited	House No.680, Safari Villas, Sector B Bahria Town, Lahore, Pakistan	100
Next Properties Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Retail Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Retail (Ireland) Limited	13-18 City Quay, Dublin 2, D02 ED70, Ireland	100
Next Sourcing Company Limited	2nd Floor S.I. Building, No. 93 Preash Sihanouk Blvd, Sangkat Chaktomuk, Khan Daun Penh, Phnom Penh, Cambodia	100
Next Sourcing (UK) Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Sourcing Limited	14/F Cityplaza 1, 1111 King's Road, Taikoo Shing, Quarry Bay, Hong Kong	100
Next Sourcing Limited Domestic and/or Foreign Trade Limited Liability Company	Kemankes Karamustafapasa Mahallesi Tophane iskele Cad. No: 12/5 Beyoglu, Istanbul, Turkey	100
Next Sourcing Services Limited	Giant Business Tower, Level 4 & 5, Plot #3, Sector-3, Dhaka Mymensingh Road, Uttara Commercial Area, Dhaka, 1230 Bangladesh	100
Next Sourcing Services (India) Private Limited	207 Jaina Tower, 1 District Centre, Janakpuri, New Delhi, 110058, India	100
Next Sourcing VM Limited	14/F Cityplaza 1, 1111 King's Road, Taikoo Shing, Quarry Bay, Hong Kong	100
Next Sweden AB	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Next Commercial Trading (Shanghai) Co Limited	Room 301, Building No.4, No.58 Ruixing Lu, Shanghai FTC, PRC, 201306	100
NSL Limited	14/F Cityplaza 1, 1111 King's Road, Taikoo Shing, Quarry Bay, Hong Kong	100
Project Norwich Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Perimeter Technology Inc.	McSwiney, Semple, Hankin-Birke & Wood PC, PO Box 2450, 280 Main Street, New London, NH 03257, USA	100
Retail Restaurants Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	50
The Next Directory Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
The Paige Group Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Ventura Group Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100
Ventura Network Distribution Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100

Notes to the Financial Statements

for the 58 week period ended 26 January 2019

8. Debtors: amounts falling due within one year

	2019 £m
Amounts owed by other Group undertakings	400.0
	<u>400.0</u>

Amounts owed by Group undertakings are repayable on demand and no interest is charged on outstanding amounts.

9. Cash at bank and in hand

	2019 £m
Cash at bank and in hand	<u>0.1</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

10. Creditors: amounts falling due within one year

	2019 £m
Amounts owed to parent undertaking	400.0
	<u>400.0</u>

Amounts owed to parent and other Group undertakings are repayable on demand and no interest is charged on outstanding amounts.

11. Contingent liability

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

12. Called up share capital

	No. '000	Authorised 2019 £m
Ordinary shares of £1 each	50	<u>0.1</u>

Allotted, called up and fully paid

	No. '000	2019 £m
Ordinary shares of £1 each	50	<u>0.1</u>

On 19 December 2017 upon incorporation of Next Group Plc one ordinary share was issued for £1.

Notes to the Financial Statements

for the 58 week period ended 26 January 2019

12. Called up share capital (continued)

On 22 January 2018 8,008,413,154 ordinary shares were issued in consideration for the transfer of NEXT plc's investment in Next Holdings Limited to Next Group Plc.

On 24 January 2018 8,008,413,154 ordinary shares were cancelled and the reserve thereby created was treated as realisable profit.

On 20 December 2018 49,999 ordinary shares were issued for £49,999

All shares rank pari passu in all respects.

13. Ultimate parent company and controlling party

The Company's immediate and ultimate parent company is NEXT plc, which is registered in England & Wales. NEXT plc is the only group preparing financial statements which include Next Group Plc. Copies of its Group financial statements are available from its Company Secretary at its registered office, Desford Road, Enderby, Leicester, LE19 4AT.

14. Events after the end of the reporting period

In order for the Group not to be constrained in the use of its Share Buyback Policy, NEXT plc obtained the requisite consent from each of the bond trustees and each of its lending banks to substitute Next Group plc for itself as the primary obligor under all of its existing debt obligations, including each of the Bonds and its bank facilities (the "Substitution"). This Substitution was with effect on and from 31 January 2019 at which time, the Bonds became the liability of Next Group plc and they were unconditionally and irrevocably guaranteed by NEXT plc. The nominal value of these bonds was £875m.

On 26 April 2019 the Company issued a £250m bond (of which £50m was retained) with a coupon rate of 3.00% and a maturity date of 26 August 2025.