

Company registration number 11118708 (England and Wales)

NEXT GROUP PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2026

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NEXT GROUP PLC

COMPANY INFORMATION

Directors Lord Wolfson of Aspley Guise
Jonathan Blanchard

Secretary Hannah Woodall-Pagan

Company number 11118708

Registered office NEXT plc
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Enderby
Leicester
LE19 4AT

NEXT GROUP PLC

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NEXT GROUP PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JANUARY 2026

The directors present their reports and audited financial statements for the 53 week period ended 31 January 2026 (2025: 52 weeks to 25 January 2025).

Review of the business

NEXT Group plc (the "Company") 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, ordinary and special dividends (the "Share Buyback Policy") by creating additional headroom in the Group's distributable reserves.

The Company has continued with no change in its purpose going forward.

The profit for the 53 week period, after taxation, amounted to £870.7m (2025: £580.3m).

Net assets as at 31 January 2026 is £6,481.6m (2025: £6,460.9m). Within the balance sheet, debtors amounted to £607.0m (2025: £465.6m) and creditors falling due within one year excluding amounted to £1,439.1m (2025: £1,442.6m). During the year the Company has recognised intercompany interest receivable of £50.6m (2025: £Nil) in respect of recharged cost for external debt held on its books which fund the working capital requirements within the wider Group.

Principal risks and uncertainties

The Board has a policy of continuous identification and review of principal business risks, and oversees risk management. Directors and operational management are delegated with the task of implementing processes to ensure that risks are managed appropriately. The Group's principal risks and uncertainties relating to the Company are described below along with explanations of how they are managed or mitigated:

Business strategy development and implementation

Risk

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.

Mitigation

The Board reviews business strategy on a regular basis to determine how sales and profit can be maximised, and business operations made more efficient.

The Board and senior management consider strategic risk factors, wider economic and industry specific trends that affect the Group's businesses, the competitive position of its product and the financial structure of the Group.

A detailed plan to manage the Group going forward and its longer term direction of travel exists and is clearly articulated to the Group's stakeholders in the Group's annual and half yearly reports.

Financial, treasury, liquidity and credit risks

Risk

The Company's ability to meet its financial obligations and to support the operations of the business is dependent on having sufficient liquidity over the short, medium and long term.

The Company and the wider Group is reliant on the availability of adequate financing from banks and capital markets to meet its liquidity needs.

The Company and the Group is exposed to foreign exchange risk and profits may be adversely affected by unforeseen moves in foreign exchange rates.

The Company might suffer financial loss if a counterparty with which it has transacted fails and is unable to fulfil its contract.

NEXT GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

Mitigation

The Group operate 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 the Group's exposure to counterparty failure.

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.

The Group has a Treasury Committee which includes the Chief Financial Officer of NEXT plc. The Treasury Committee usually meets weekly to review the Group's treasury and liquidity risks including foreign exchange exposures.

Management of long term liabilities and capital expenditure

Risk

Poor management of the Group's longer term liabilities and capital expenditure could jeopardise the long term sustainability of the Group and hence NEXT Group plc. It is important to ensure that the business continues to be responsive and flexible to meet the challenges of a rapidly changing Retail sector.

Mitigation

The Board and senior management teams regularly review the alignment of forecast cash inflows and outflows across the Group alongside the Group's ability to repay its existing bond, lease debt obligations and any other long term liabilities and planned capital expenditure.

Information security, data protection, business continuity and cyber risk

Risk

The threat of unauthorised or malicious attack is an ongoing risk, the nature of which is constantly evolving and becoming increasingly sophisticated. The brand's reputation and profitability could be negatively impacted by cyber security breaches.

Mitigation

A CyberSecurity and Data Privacy Steering Committee is in operation. Its main activities include agreeing and monitoring security and governance, data protection projects and related key risks, activities and incidents. The Committee comprises two Group executive directors and relevant senior management.

Systems vulnerability and penetration is carried out regularly by both internal and external resources to ensure that our systems and critical data are secure and protected from corruption or unauthorised access or use.

Critical systems backup facilities and business continuity plans are reviewed and updated regularly.

Major incident simulations and business continuity tests are carried out periodically.

The Group's security posture has been increased through a dedicated programme of work with third-party support.

IT risks are managed through the application of internal policies and change management procedures, imposing contractual security requirements, service level agreements on third-party suppliers, and IT capacity management.

Key performance indicators

	2026	2025
	£m	£m
Profit before tax	877.7	563.8
Net assets	6,481.6	6,460.9

The directors consider the results to have been satisfactory – the profit before tax in the year is primarily driven by dividends received from a subsidiary. NEXT Group plc is a public company limited by shares.

NEXT GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

Section 172 Statement

This section describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its member, NEXT plc.

The Company is a wholly-owned subsidiary of NEXT plc. Its purpose is to provide financing and treasury services to NEXT plc and the wider NEXT Group in order contribute to the objectives of NEXT plc for consistent and profitable returns to shareholders. Therefore the Company considers that, indirectly, its key stakeholders reflect those of NEXT Group. As the Company itself has no employees, external customers or suppliers, the relationships of direct relevance and importance to the long term success of the Company are those with the Group's providers of debt funding (such as bondholders and banks) and regulators (in particular the tax authorities).

Relationship and engagement with stakeholders

Debt capital/credit facility providers

The Company relies on its providers of debt funding as an essential source of capital to further the wider Group's business objectives and they rely on us to protect and manage their investment in a responsible and sustainable way that generates value for them.

The Chief Financial Officer of NEXT plc and the Group Treasury team are responsible for managing the relationships with our bank syndicates, bond trustees and credit rating agencies, and for the Company's cash/debt management and financing activities.

The Chief Financial Officer provides regular reports to the NEXT plc Board ("the Board") on these activities including the Company's access to liquidity, monitoring the headroom and maturity schedules of our primary credit facilities and future financing plans. The Board approves the Group's Treasury Policy annually.

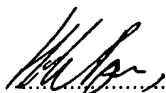
Tax authorities

The Company seeks to maintain a constructive and cooperative relationship with the tax authorities and they expect the Company to comply with all applicable laws.

The Company manages its tax affairs responsibly and proactively to comply with tax legislation. The Company's approach is to seek to build solid and constructive working relationships with all tax authorities. The Company's tax policy is aligned to that of the Group which can be found at nextplc.co.uk, and was reviewed and approved by the Board during the year.

This policy includes that the Company engages with HMRC constructively, honestly and in a timely and professional manner, and seeks to resolve disputed matters through active and transparent engagement. Engagement with HMRC is led by the Group's in-house tax team of qualified tax professionals. The Chief Financial Officer provides regular updates to the NEXT plc Board on tax matters.

By order of the Board



Hannah Woodall-Pagan

Secretary

Date: 26 March 2026

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DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 JANUARY 2026

Results and dividends

Dividends of £850m were declared in the period (2025: £700m); the directors do not recommend the payment of a final dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Lord Wolfson of Aspley Guise
Jonathan Blanchard

The ultimate parent company is NEXT plc and it provided qualifying third party indemnity provisions to the directors during the financial period and at the date of this report.

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 consolidated financial statements of the Group.

Going concern

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

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

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities including the Group's principal risks and uncertainties. The Board also considered the Group's current cash position, the repayment profile of its obligations, its financial covenants and the resilience of its 12 month cash flow forecasts to a series of severe but plausible downside scenarios such as further enforced store closures or a cyber attack. These included how Company liquidity requirements can be met by cash being provided via intercompany dividends from trading subsidiaries. As at the balance sheet date, the Company is in a net current liabilities position. A letter of support for the Company for at least 12 months from the date of signing of the financial statements has been signed by the directors of NEXT plc. Having considered these factors the Board is satisfied that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements and therefore it is appropriate to adopt the going concern basis in preparing the financial statements for the 53 weeks ended 31 January 2026.

Climate change

The directors have considered climate risk relevant to the Group but do not believe this risk is material. This includes having considered the impact of climate on the companies within the Group, which the directors also believe is not material.

Outlook

The Company will continue to focus on managing its overall financial position, cash flows and liquidity as an intermediate holding company of the wider NEXT plc group.

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DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

Corporate Governance

The Company has established internal control and risk management systems in relation to the process for preparing financial statements. The key features of these internal control and risk management systems are:

- Senior management conducts various checks on internal financial controls periodically;
- Senior management regularly monitors and considers developments in accounting regulations and best practice in financial reporting and where appropriate reflects this development in the financial statements. Appropriate briefings and training are provided to key finance personnel on relevant developments in accounting and financial reporting;
- These financial statements are subject to review by the Finance function;
- The Finance function reconciles the financial statements to the management accounts prepared during the year and explains any differences;
- The draft financial statements are prepared by a qualified accountant; and
- Senior management reviews the draft financial statements. Directors receive reports from management on significant judgements, changes in accounting policies, changes in accounting estimates and other pertinent matters relating to the financial statements.

Further details on specific risks and uncertainties and how they are managed are set out in the Strategic Report.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and are deemed reappointed.

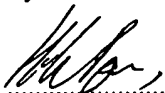
Statement of disclosure of information to the auditors

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 directors are 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



Hannah Woodall-Pagan

Secretary

Date: 26 March 2026

NEXT GROUP PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 JANUARY 2026

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK 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 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 also 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.

Directors' confirmations

Each of the directors, whose names are listed in the Directors' report confirm that to the best of their knowledge:

- The Company's financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS101, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Independent auditors' report to the members of NEXT Group Plc

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 31 January 2026 and of its profit for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Report and Financial Statements (the "Annual Report"), which comprise:

- the Balance Sheet as at 31 January 2026;
- the Profit and loss account for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee of NEXT plc.

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.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We have conducted a full scope audit of the entity.

Key audit matters

- Recoverability of investments

Materiality

- Overall materiality: £86,600,000 (2025: £86,000,000) based on 1% of total assets.
- Performance materiality: £64,900,000 (2025: £64,500,000).

NEXT GROUP PLC

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.

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. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Recoverability of investments Refer to Note 1 Accounting Policies and Note 9 Investments. In accordance with IAS 36 (Impairment of assets), the investments balance should be carried at no more than its recoverable amount, being the higher of fair value less costs to sell and its value in use. Management have assessed that there are no indicators of impairment present in relation to the Company's investments.	We evaluated management's assessment as to whether any indicators of impairment were present in relation to the Company's investments balance with specific consideration given to the following: - the market capitalisation of the NEXT plc group is in excess of the investments balance held by NEXT Group plc at the balance sheet date, noting that substantially all of the market capitalisation is considered to be in relation to one indirect subsidiary (NEXT Retail Limited) of the Company; - the trading results of NEXT Retail Limited are in line with forecast and in the future is not expected to deteriorate; and - any significant changes with an adverse impact in relation to the technological, market, economic or legal environment in which NEXT Retail Limited operates, noting that there were no such changes. We consider management's conclusion that there are no indicators of impairment to be appropriate.

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.

The Company is a standalone entity with all processes and controls being based in one location in the UK and audited by a single audit team.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process adopted to assess the extent of the potential impact of climate risk on the financial statements;

Our risk assessment was based on this enquiry as well as review of NEXT plc's most recent corporate responsibility reporting and climate related commitments;

As detailed in the Directors' Report, management considers that the impact of climate risk does not give rise to a material financial statements impact;

We evaluated management's disclosures based on our knowledge of the business, which were considered to be the assets at most risk of the effects of climate change; and

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matter for the year ended 31 January 2026.

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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 company materiality	£86,600,000 (2025: £86,000,000).
How we determined it	1% of total assets
Rationale for benchmark applied	As the Company is an intermediate holding company and is not profit-orientated, we believe total assets is the most appropriate benchmark in assessing the performance of the entity.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2025: 75%) of overall materiality, amounting to £64,900,000 (2025: £64,500,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee of NEXT plc that we would report to them misstatements identified during our audit above £4,330,000 (2025: £4,300,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We have reviewed the letter of support provided by the directors of NEXT plc, as the company is in a net current liability position due to the amounts owed to group undertakings, and have assessed the extent to which other group undertakings require repayment during the period;
- We reviewed management's going concern assessment and considered the assumptions within this assessment. Management used the going concern assessment for NEXT plc as at March 2026 and supplement this with company specific considerations; and
- We assessed the sufficiency of disclosures provided in the financial statements in respect of the directors' going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 31 January 2026 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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

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were related to posting inappropriate journal entries to manipulate profit. Audit procedures performed by the engagement team included:

- Discussions with management in respect of instances of non-compliance with laws and regulation or fraud;
- Identifying and testing journal entries, in particular certain journal entries posted with unusual account combinations that impact revenue and/or profits; and
- Review of board minutes which may highlight any potential non-compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

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 obtained 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 first appointed by the company for the financial year ended 26 January 2019. Our uninterrupted engagement covers eight financial years. The company was a public interest entity for seven of those financial years, having been auditors for a predecessor entity for one financial year before.

Mark Skedgel (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
26 March 2026

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PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 JANUARY 2026

		Period ended 31 January 2026 £'000	Period ended 25 January 2025 £'000
	Notes		
Turnover	4	12,305	12,021
Cost of sales		(2,167)	(2,121)
Gross profit		10,138	9,900
Administrative expenses		(755)	(2,781)
Operating profit	5	9,383	7,119
Interest receivable and similar income	6	919,154	608,667
Interest payable and similar expenses	7	(50,796)	(51,985)
Profit before taxation		877,741	563,801
Tax on profit	8	(7,007)	16,491
Profit and total comprehensive income for the period		870,734	580,292

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for the period other than the profit for the financial period.

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BALANCE SHEET

AS AT 31 JANUARY 2026

	Notes	31 January 2026 £'000	£'000	25 January 2025 £'000	£'000
Fixed assets					
Right-of-use assets	16		44,900		41,877
Investments	10		8,008,413		8,008,413
Deferred tax asset	18		7,105		7,461
			<u>8,060,418</u>		<u>8,057,751</u>
Current assets					
Debtors	13	606,950		465,596	
Cash at bank and in hand		280		76,784	
		<u>607,230</u>		<u>542,380</u>	
Creditors: amounts falling due within one year	14	<u>(1,439,089)</u>		<u>(1,442,590)</u>	
Net current liabilities			<u>(831,859)</u>		<u>(900,210)</u>
Total assets less current liabilities			7,228,559		7,157,541
Creditors: amounts falling due after more than one year	14		(743,302)		(693,255)
Provisions for liabilities					
Other provisions	19		(3,669)		(3,432)
Net assets			<u>6,481,588</u>		<u>6,460,854</u>
Capital and reserves					
Called up share capital	20		50		50
Profit and loss reserves			<u>6,481,538</u>		<u>6,460,804</u>
Total equity			<u>6,481,588</u>		<u>6,460,854</u>

The notes on pages 15 to 31 form part of these financial statements.

The financial statements were approved by the Board of directors and authorised for issue on 26 March 2026 and are signed on its behalf by:



Jonathan Blanchard
Director

Company registration number 11118708 (England and Wales)

NEXT GROUP PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 JANUARY 2026

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 28 January 2024		50	6,580,512	6,580,562
Period ended 25 January 2025:				
Profit and total comprehensive income		-	580,292	580,292
Transactions with owners:				
Dividends	9	-	(700,000)	(700,000)
Balance at 25 January 2025		50	6,460,804	6,460,854
Period ended 31 January 2026:				
Profit and total comprehensive income		-	870,734	870,734
Transactions with owners:				
Dividends	9	-	(850,000)	(850,000)
Balance at 31 January 2026		50	6,481,538	6,481,588

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 2026

1 Accounting policies

Company information

Next Group plc is a wholly-owned subsidiary of NEXT plc and 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 NEXT Plc, Desford Road, Enderby, Leicester, LE19 4AT.

1.1 Basis of preparation

These financial statements were prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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 have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. The financial statements are for the 53 weeks to 31 January 2026 (2025: 52 weeks to 25 January 2025) and the principal accounting policies adopted are set out below. The accounting policies have been applied consistently, other than where new policies have been adopted.

The 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).
- Disclosure requirements of IFRS 7
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs for fair value measurement of assets and liabilities)

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.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

1 Accounting policies

(Continued)

1.2 Going concern

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

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

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities including the Group's principal risks and uncertainties. The Board also considered the Group's current cash position, intercompany balances within the Group, the repayment profile of its obligations and the resilience of its 12 month cash flow forecasts to a series of severe but plausible downside scenarios such as further enforced store closures. These included how Company liquidity requirements can be met by cash being provided via intercompany dividends from trading subsidiaries. As at the balance sheet date, the Company is in a net current liabilities position. A letter of support for the Company for at least 12 months from the date of signing of the financial statements has been signed by the directors of NEXT plc. Having considered these factors the Board is satisfied that the Company has adequate resources to continue in operational existence and therefore it is appropriate to adopt the going concern basis in preparing the financial statements for the 53 weeks ended 31 January 2026.

1.3 Turnover

Rental income arising from operating leases on property subleases is recognised on a straight-line basis over the lease term and is included in revenue in the Income Statement.

1.4 Fixed asset 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.

1.5 Impairment of tangible assets

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 Income Statement.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 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. Amounts held in money market funds are held at fair value through the Income Statement.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

1 Accounting policies

(Continued)

1.7 Financial assets

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 and their classification under IFRS 9

Derivatives not designated as hedging instruments - Fair value through profit or loss

Derivatives designated as hedging instruments - Fair value – hedging instrument

Amounts owed by parent and group undertakings - Amortised cost – hold to collect business model and SPPI met

Amounts owed associates and joint ventures - Amortised cost – hold to collect business model and SPPI met

Other debtors - 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 Income Statement.

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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. The most significant financial assets of the Company are its intercompany receivables, which are referred to as "Amounts owed by group undertakings". 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.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

1 Accounting policies

(Continued)

Derecognition of financial assets

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.

1.8 Financial liabilities

Initial recognition and measurement

The Company has classified its financial liabilities as follows:

Financial liabilities	Classification under IFRS 9
Derivatives not designated as hedging instruments	Fair value through profit or loss
Derivatives designated as hedging instruments	Fair value – hedging instrument
Amounts owed to group undertakings	Amortised cost
Interest-bearing loans and borrowings:	
Corporate bonds	Amortised cost – designated in hedge relationships
Bank loans and overdrafts	Amortised cost
Other creditors and accruals	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.

Bank loans and overdrafts

Subsequently measured at amortised cost using the EIR method. The EIR amortisation is included in finance costs in the Income Statement.

Corporate bonds

Subsequently measured at amortised cost and adjusted where hedge accounting applies (see interest rate derivatives). Accrued interest is included within other creditors and accruals.

Other financial liabilities

Other Financial Assets and Liabilities: Derivative Financial Instruments

Derivative financial instruments ("derivatives") are used to manage risks arising from changes in foreign exchange rates impacting the transactions of the wider Group. In accordance with its treasury policy, the Company does not enter into derivatives for speculative purposes.

Foreign exchange derivatives are stated at their fair value, being the estimated amount that the Company would receive or pay to terminate them at the balance sheet date based on prevailing foreign exchange and interest rates.

The Company does not designate derivative financial instruments held to manage foreign exchange risk within hedge relationships.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

1 Accounting policies

(Continued)

Interest rate derivatives – fair value hedges

The Company uses interest rate derivatives to hedge part of the interest rate risk associated with the Company's corporate bonds. The carrying values of the relevant bonds are adjusted only for changes in fair value attributable to the interest rate risk being hedged. The adjustment is recognised in the Income Statement and is offset by movements in the fair value of the derivatives.

For fair value hedges relating to items carried at amortised cost, any adjustment to the carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Derecognition of financial liabilities

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 Income Statement.

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.

1.9 Taxation

Taxation, comprised of current and deferred tax, is charged or credited to the Income Statement 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

Current tax assets and 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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

1 Accounting policies

(Continued)

1.10 Provisions

A provision is recognised where the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.11 Leases

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 term ends and the Company remains within the site on holdover terms, the rental costs associated with this arrangement are recognised in the Income Statement as incurred.

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.

Right-of-use asset – initial recognition

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease incentives received, 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 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 Company has not used this practical expedient.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

1 Accounting policies

(Continued)

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.

The lease liability is remeasured where:

- there is a change in the assessment of exercise of an option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- 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 remeasured by discounting the revised lease payments using a revised discount rate.

When the lease liability is remeasured, 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.

Short term leases and low value assets

For these leases, the Company 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.

Sale and leaseback

A sale and leaseback transaction is where the Company sells an asset and immediately reacquires the use of the asset by entering into a lease with the counterparty. A sale is recognised when control of the underlying asset passes to the counterparty. The asset sold is derecognised and a lease liability and right-of-use asset recognised in relation to the lease. Any gain or loss arising on the transaction is recognised in the Income Statement and relates to the rights transferred to the counterparty.

1.12 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders and paid.

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

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

2 Adoption of new and revised standards and changes in accounting policies

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

- Lack of Exchangeability (Amendments to IAS 21)
- Classification and measurement of financial instruments (Amendments to IFRS 9)

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

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in response to investors' concerns about comparability and transparency of entities' performance reporting. The new presentation requirements introduced in IFRS 18 will increase comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosure requirements for 'management-defined performance measures' will enhance transparency. IFRS 18 is effective from 1 January 2027 and has not yet been adopted by the group.

NEXT plc is in the process of determining the impact on the Company and the Group of applying IFRS 18. The Group is preparing a transition plan to report our first IFRS 18-compliant annual financial statements for the period ending January 2028. The standard is anticipated to have a significant impact on the presentation of the Income Statement.

Certain new accounting standards and interpretations have been published that are not yet effective and have not been adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Critical accounting estimates and judgements

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

4 Turnover

	2026	2025
	£'000	£'000
Turnover analysed by class of business		
Rental income	12,305	12,021

All of the above income has been generated in the United Kingdom.

5 Operating profit

In the current period the audit fee for the Company of £26,906 (2025: £26,250) is borne by NEXT Plc and not recharged to the Company. There are no non-audit services in both the current and prior period.

Depreciation charged on right-of-use assets was £2.2m in the period (2025: £2.1m).

None of the directors received any remuneration for their services as directors of the Company for the period ended 31 January 2026 and for the prior period ended 25 January 2025. 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 financial statements of that company. The directors believe that it is not practicable to apportion their remuneration between qualifying services for this company and other Group companies in which they hold office.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

6 Interest receivable and similar income

	2026	2025
	£'000	£'000
Interest receivable	62,599	8,667
Exchange differences	6,555	-
Dividends from subsidiary undertakings	850,000	600,000
	<u> </u>	<u> </u>
Total income	919,154	608,667
	<u> </u>	<u> </u>

The dividend income in the period was received as a dividend in specie.

7 Interest payable and similar expenses

	2026	2025
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Finance cost on leases	8,247	8,097
Other interest payable	42,549	43,888
	<u> </u>	<u> </u>
	50,796	51,985
	<u> </u>	<u> </u>

8 Tax on profit

	2026	2025
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	6,644	(9,365)
Adjustments in respect of prior periods	7	335
	<u> </u>	<u> </u>
Total UK current tax	6,651	(9,030)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of temporary differences	356	355
Adjustment in respect of prior periods	-	(7,816)
	<u> </u>	<u> </u>
	356	(7,461)
	<u> </u>	<u> </u>
Total tax charge/(credit)	7,007	(16,491)
	<u> </u>	<u> </u>

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

8 Tax on profit

(Continued)

The charge/(credit) for the period can be reconciled to the profit per the profit and loss account as follows:

	2026 £'000	2025 £'000
Profit before taxation	877,741	563,801
Expected tax charge based on a corporation tax rate of 25.00% (2025: 25.00%)	219,435	140,950
Effect of expenses not deductible in determining taxable profit	64	40
Income not taxable	(212,499)	(150,000)
Adjustment in respect of prior years	7	(7,481)
Taxation charge/(credit) for the period	7,007	(16,491)

Factors affecting tax charges in future years

Deferred taxes reflected in these financial statements have been measured using the enacted tax rates at the Balance Sheet date. Deferred tax balances have been measured at the headline rate of 25%, the rate at which they are expected to unwind in the future.

The Company manages its tax affairs responsibly and proactively to comply with tax legislation. We seek to build solid and constructive working relationships with all tax authorities.

9 Dividends

	2026 per share £	2025 per share £	2026 Total £'000	2025 Total £'000
Amounts recognised as distributions:				
Ordinary shares				
Final dividend paid	17,000.00	14,000.00	850,000	700,000

The final dividend in 2026 was distributed as a dividend in specie.

10 Investments

	Non-current 2026 £'000	2025 £'000
Investment in subsidiaries	8,008,413	8,008,413

The value of this investment is reviewed at each balance sheet date to determine whether there are any potential impairment triggers. None have been identified in the current or prior year.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

11 Subsidiaries

A full list of the Company's subsidiary undertakings is shown below. Direct holdings are suffixed with an asterisk.

Name of undertaking	Registered office	% Held
Agratech Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Belvoir Insurance Company Limited	Suite 1 North, 1st Floor, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 1AJ, Guernsey	100.00
Brecon Debt Recovery Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Bridgetown Holdco Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	97.00
FatFace Group Borrowings Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	97.00
Fat Face Holdings Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	97.00
Fat Face Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	97.00
FatFace Corporation	Corporation Service Company, 2711 Centerville Rd, Suite 400, Wilmington, County of New Castle 19808,	97.00
FatFace Canada Corporation	PwC Tower, 2600-18 York Street, Toronto, ON M5J 0B2	97.00
Fulham Parent Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	97.00
Lipsy Limited	Desford Road, Enderby, Leicester, LE19 4AT, UK	100.00
LLC Next	7 Dolgorukovskaya Street, 127006, Moscow, Russian Federation	100.00
Next Sourcing ENA Limited (previously Next (Asia) Limited)	Suites 1404 to 1413 & Pt14, 1111 King's Road, Taikoo Shing, Hong Kong	100.00
NEXT (US), LLC	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100.00
Next Beauty Limited	Desford Road, Enderby, Leicester, Leicestershire, LE19 4AT, UK	100.00
Next Brand Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Distribution Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Europe & North Africa Morocco SARL	Jean Jaures SARL, 49 rue Jean Jaurès, Quartier Gauthier, 6ème étage, Apt N° 12, Casablanca, Morocco	100.00
Next Europe & North Africa Tunisia SARL	14, rue Imam Abu Hanifa B5, 2 floor, 2078, La Marsa, Tunisia	100.00
Next Financial Services Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Germany GmbH	c/o BDO AG Wirtschaftsprüfungsgesellschaft, Zielstattstr. 40, 81379, Munich, Germany	100.00
Next Holding Wholesale Private Limited	915, Unit No. 9, Corporate Park II, 9th floor, VN Purav Marg, Near Swastik, Chambers, Chembur, Mumbai	100.00
NEXT General Trading LLC	2nd Floor, Dubai Supreme Court Complex, Umm Hurair 2, Dubai, United Arab Emirates	100.00
NEXT General Trading FZE	JAFZA View 18-19, 1st Floor, PO BOX 262746, Jebel Ali Free Zone, Dubai, United Arab Emirates	100.00
Next Holdings Limited*	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Manufacturing (Private) Limited	Phase 1, Ring Road 2, Export Processing Zone, Katunayake, Sri Lanka	100.00
Next Manufacturing Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Near East Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Pension Trustees Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Properties Ltd	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Retail (Ireland) Limited	13-18 City Quay, Dublin 2, D02 ED70, Ireland	100.00
Next Retail Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Sourcing (UK) Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Next Sourcing Company Limited	House No. 14, St. No. 106, Phoum 8, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia	100.00
Next Sourcing Limited	Suites 1404 to 1413 & Pt14, 1111 King's Road, Taikoo Shing, Hong Kong	100.00
Next Sourcing Limited Shanghai Office	Room 901-902, 908-921, 9th Floor, Bldg. 3, No. 283 West Jianguo Road, Xuhui District, Shanghai	100.00
Next Sourcing Services (India) Private Limited	207 Jaina Tower, 1 District Centre, Janakpuri, New Delhi, 110058, India	100.00

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

11 Subsidiaries

(Continued)

Name of undertaking	Registered office	% Held
Next Sourcing Services Limited	Giant Business Tower, Level 4 & 5, Plot #3, Sector-3, Dhaka Mymensingh Road, Uttara Commercial, Dhaka	100.00
Next Sourcing İç Ve Dis Ticaret Limited Sirketi	Esentepe Mah. Büyükdere Cad. Ferko Signature Blok No: 175 İç Kapi No: 69 Sisli / Istanbul	100.00
Next-E-NA Portugal, Unipessoal LDA	R. dos Transitários 182 RCH, 4455-565 Matosinhos, Portugal	100.00
Nothing Ordinary Limited	Desford Road, Enderby, Leicester, LE19 4AT	100.00
NSL Limited	Suites 1404 to 1413 & Pt14, 1111 King's Road, Taikoo Shing, Hong Kong	100.00
Paige Group Limited (The)	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Pink Holdco Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	74.30
Pink Topco Limited	22 Grenville Street, St. Helier, Jersey JE4 8PX	74.30
Project Norwich Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Reiss (Holdings) Limited	Reiss Building, 12 Picton Place, London, England, W1U 1BW	74.30
Reiss Limited	Reiss Building, 12 Picton Place, London, England, W1U 1BW	74.30
Reiss (U.S.A) Limited	Reiss Building, 12 Picton Place, London, England, W1U 1BW	74.30
Reiss (Canada) Limited	Reiss Building, 12 Picton Place, London, England, W1U 1BW	74.30
Reiss (International) Limited	Reiss Building, 12 Picton Place, London, England, W1U 1BW	74.30
Reiss (Holland) B.V.	Hoogoorddreef 15 1101 BA, Amsterdam, Noord-Holland Netherlands	74.30
Reiss (Australia) PTY Limited	Level 11 1 Margaret Street, 2000, Sydney, NSW, Australia	74.30
Reiss Russia LLC	Poslannikov Pereulok 9, Building 3, 105005, Moscow, Russian Federation	74.30
The Harborough Hare Holdings Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	73.70
The Harborough Hare Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	73.70
Tom Joule Europe Limited	13-18 City Quay, Dublin 2, D02 ED70, Ireland	73.70
The Next Directory Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Ventura Group Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Ventura Network Distribution Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
WP R Holdco Limited	Reiss Building, 12 Picton Place, London, England, W1U 1BW	74.30
WP R Midco 1 Limited	Reiss Building, 12 Picton Place, London, England, W1U 1BW	74.30
WP R Midco 2 Limited	Reiss Building, 12 Picton Place, London, England, W1U 1BW	74.30
WP R Topco Limited	22 Grenville Street, St Helier, JE4 8PX, Jersey	74.30
Cerene London Limited	Desford Road, Enderby, Leicester LE19 4AT, UK	100.00
Ginkgo Kalone Investments, S.L	Calle Canton Pequeño 13-14, 8A 15003 A Coruña	98.00

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

12 Associates

A full list of the Company's holdings in undertakings other than subsidiary undertakings as at 31 January 2026 is contained in the table below. All of these are indirect holdings.

Name of undertaking	Registered office	% Held Direct
Aubin & Wills Holdings Limited	1110 Elliott Court, Coventry Business Park, Herald Avenue, Coventry, CV5 6UB	30.30
Choice Discount Stores Limited	14-14A Rectory Road, Hadleigh Benfleet, Essex, SS7 2ND, UK	49.30
Regent Bidco 1 Limited	Ingate Place, London, England, SW8 3NS	44.00
Rockett St George Limited	Simpson Wreford & Partners, Suffolk House, George Street, Croydon, CR0 0YN	16.00
Swoon Editions Limited	7 Bell Yard, London, WC2A 2JR, UK	25.00
VS Brands Holdings UK Limited	Desford Road, Enderby, Leicester, Leicestershire, United Kingdom, LE19 4AT	51.00
West Apparel UK Holdings Limited	Desford Road, Enderby, Leicester, Leicestershire, United Kingdom, LE19 4AT	51.00
That Newco Limited	32 Hampstead High Street, London, England, NW3 1JQ	19.90

13 Debtors

	2026 £'000	2025 £'000
Corporation tax recoverable	-	9,349
Amount owed by parent undertaking	310,553	321,050
Amounts owed by fellow group undertakings	244,364	92,808
Amounts owed by Group joint ventures	4,245	50
Derivative financial instruments	41,247	37,187
Other debtors	2,353	2,151
Prepayments	4,188	3,001
	<u>606,950</u>	<u>465,596</u>

Expected credit losses in respect of the above are not material.

Amounts owed by parent and group undertakings are repayable on demand and include interest-bearing loans.

Derivative financial instruments comprise forward contracts, primarily denominated in US Dollars and Euros, which are used to hedge exchange risk arising from the Group's overseas purchases.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

14 Creditors

	Notes	Due within one year		Due after one year	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
Corporate bonds	15	112,887	250,000	600,000	543,770
Corporation tax		6,644	-	-	-
Derivative financial instruments		42,400	37,187	-	8,013
Lease liabilities	17	4,360	3,817	143,302	141,472
Bank loans and overdrafts		73,210	514	-	-
Other creditors		14,546	17,907	-	-
Amounts owed to fellow group undertakings		1,185,042	1,133,165	-	-
		<u>1,439,089</u>	<u>1,442,590</u>	<u>743,302</u>	<u>693,255</u>

Amounts owed to fellow group undertakings are repayable on demand and include interest-bearing loans which attract interest at both fixed and floating rates.

Bank loans and overdrafts are repayable on demand and bear interest at a margin over bank base rates.

15 Corporate bonds

During the year, the 2025 corporate bond was repaid in full. In addition, £136.4m of the nominal value of the 2026 corporate bond was also repaid. The remainder of the 2026 corporate bond will be repaid in 2026. A loss of £2.4m was recognised within Other interest payable upon early settlement.

	Balance sheet value		Nominal Value	
	2026 £m	2025 £m	2026 £m	2025 £m
Corporate bond 3.000% repayable 2025	-	250.0	-	250.0
Corporate bond 4.375% repayable 2026	112.9	243.8	113.6	250.0
Corporate bond 3.625% repayable 2028	300.0	300.0	300.0	300.0
Corporate bond 5.000% repayable 2031	300.0	-	300.0	-
	<u>712.9</u>	<u>793.8</u>	<u>713.6</u>	<u>800.0</u>

Corporate bonds are held at amortised cost, and where hedged, adjusted for the fair value changes attributable to the interest rate risk being hedged.

The Group uses interest rate derivatives to manage the interest rate risk associated with its bonds, the profile of the post hedged interest rate which is shown below:

	Nominal value 2026 £m	Aggregate interest rate 2026	Nominal value 2025 £m	Aggregate interest rate 2025
Corporate bond 3.000% repayable 2025 Fixed	-	3.000%	250.0	3.000%
Corporate bond 4.375% repayable 2026 Floating	113.6	SONIA+1.7%	250.0	SONIA+1.7
Corporate bond 3.625% repayable 2028 Fixed	300.0	3.625%	300.0	3.625%
Corporate bond 5.000% repayable 2031 Fixed	300.0	5.000%	-	-
	<u>713.6</u>		<u>800.0</u>	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

16 Right-of-use assets

Details of the right-of-use assets held on the balance sheet are as follows:

	2026 £'000	2025 £'000
Net values at the period end		
Right of use assets	44,900	41,877
Depreciation charge for the period		
Right of use assets	2,215	2,057

Lease modifications of £5.2m have been recognised in the current period (2025: £3.9m). There have been no impairments or additions to right-of-use assets in either the current or prior periods.

17 Lease liabilities

	2026 £'000	2025 £'000
Net amounts due		
Within one year	4,360	3,817
After more than one year	143,302	141,472
	147,662	145,289

During the period lease modifications of £5.2m (2025: £3.9m) and lease payments of £11.1m (2025: £11.2) were made.

18 Deferred taxation

	Assets	
	2026 £'000	2025 £'000
Deferred tax balances	7,105	7,461

Deferred tax assets are expected to be recovered after more than one year.

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

18 Deferred taxation

(Continued)

	Other temporary differences £'000	Total £'000
Balance at 27 January 2024	-	-
Deferred tax movements in prior year		
Credit/(charge) to profit or loss	7,461	7,461
Asset at 25 January 2025	7,461	7,461
Deferred tax movements in current year		
Credit/(charge) to profit or loss	(356)	(356)
Asset at 31 January 2026	7,105	7,105

19 Provisions for liabilities

Provision is made for the committed cost or estimated exit costs of properties occupied by the Company and the balance is payable in more than one year.

20 Called up share capital

	2026 Number	2025 Number	2026 £'000	2025 £'000
Ordinary share capital				
Authorised				
Ordinary shares of £1 each	50,000	50,000	50	50
Issued and fully paid				
Ordinary shares of £1 each	50,000	50,000	50	50

21 Contingent liabilities

The Company has entered into cross guarantee arrangements with Barclays 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. Overdrawn bank accounts held with Barclays Bank plc across the Group at 31 January 2026 totalled £16.6m (25 January 2025: £29.0m). At the same date, total positive cash balances with Barclays Bank plc across the Group covered by this cross guarantee, including balances in this Company, totalled £14.6m (25 January 2025: £13.0m).

The Company has entered into cross guarantee arrangements with BNP Paribas in respect of bank set-off arrangements with certain fellow subsidiary undertakings. The guarantees are limited to the credit balances held on the Company's bank accounts. Total positive cash balances held with BNP Paribas across the Group at 31 January 2026, including balances in this Company, totalled £0.9m (25 January 2025: £3.1m). At the same date total overdrawn balances were £9.2m (25 January 2025: Nil).

NEXT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2026

22 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 consolidated financial statements which include the Company. Copies of its Group financial statements are available from its Company Secretary at its registered office, Desford Road, Enderby, Leicester, LE19 4AT.