Next Properties Ltd

Reports and Financial Statements

25 January 2020

Registered No: 02570546

Reports and Financial Statements

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

Strategic Report

The directors present their reports and audited financial statements for the 52 week period ended 25 January 2020.

Results

The loss for the 52 week period, after taxation, amounted to £38,003 (period ended 26 January 2019: £54,399). The Company provides rental services to NEXT Group employees.

Key Performance Indicators

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

	2020	*2019*
	£	*£*
Turnover	87,998	97,449
Gross results	-	-
Net assets	32,968	70,971

The directors consider the results to have been satisfactory. Overall loss before tax was £46,838 (2019: £67,159). Future performance of the Company is expected to be broadly in line with the current period. Next Properties Ltd is a private company limited by shares.

Risks and uncertainties

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

Description of risk or uncertainty	How the risk or uncertainty is managed or mitigated
Business strategy development and implementation If the NEXT 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 NEXT Properties Ltd's stakeholders.	The Board reviews business strategy on a regular basis to determine how sales and profit budgets can be achieved or bettered, and business operations made more efficient. Seasonal and annual budgets together with longer term financial objectives and cash flow forecasts are produced. The Board and senior management consider strategic risk factors, wider economic and industry specific trends that affect the Company's business, the competitive position of its product offer and the financial structure of the Company.
Financial, treasury and liquidity risks The main financial risks are the availability of funds to meet business needs and compliance with regulation. Adequate financing facilities are required to support the operational needs of the business.	The Company is part of a centralised treasury function which is responsible for managing liquidity, interest and foreign currency risks across the Group. It operates under a Board approved Treasury policy. Approved counterparty and other limits are in place to mitigate NEXT'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

Strategic Report (continued)

Description of risk or uncertainty

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

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

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

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

How the risk or uncertainty is managed or mitigated

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

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

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

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

By order of the Board

Seonna Anderson

Seonna Anderson
Secretary

25January 2021

Directors' Report

Dividends

No dividends were paid in the period (2019: £nil) and the directors do not recommend the payment of a final dividend.

Directors

The directors of the company who were in office during the period and up to the date of signing the financial statements were:

Dominic O'Rourke
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, including Covid 19, are set out in the Strategic Report.

The Company participates in the NEXT Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiary companies. Accordingly, the assessment of going concern considered both the financial position and forecasts of the NEXT Group. The directors, report that, having reviewed current performance and forecasts, they have reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. As part of this review, a letter of support for the Company for at least 12 months from the date of signing has been signed by the directors of NEXT Plc. For this reason, the directors have continued to adopt the going concern basis in preparing the financial statements.

Outlook

The challenges faced by the Group, and in turn the Company, are complex particularly given the impact of Covid 19. The Company will continue to focus on managing its overall financial position, cash flows and liquidity while providing rental services to NEXT Group employees.

Post balance sheet events

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

Independent auditors

PricewaterhouseCoopers LLP expressed their willingness to continue in office and a resolution proposing their reappointment was passed at the NEXT plc 2020 AGM.

Directors' Report (continued)

Disclosure of information to the auditors

In accordance with the provisions of Section 418 of the Companies Act 2006 (the "2006 Act"), each of the persons who is a director at the date of approval of this report confirms that;

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

No donations were made for political purposes (2019: nil).

By order of the Board

Seonna Anderson

Seonna Anderson
Secretary
25 January 2021

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

By order of the Board

Seonna Anderson

Seonna Anderson
Secretary
25 January 2021

Independent Auditors' Report
to the Members of NEXT Properties Ltd

Report on the audit of the financial statements

Opinion

In our opinion, NEXT Properties Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 25 January 2020 and of its loss for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Reports and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 25 January 2020; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs

(UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

L Gartside

Lucy Gartside (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
25 January 2021

Profit and Loss Account

for the 52 week period ended 25 January 2020

	Note	*52 weeks to 25 January 2020* £	*51 weeks to 26 January 2019* £
Turnover	2	87,998	97,449
Cost of sales		(87,998)	(97,449)
Gross result		-	-
Administrative expenses		(46,838)	(67,159)
Loss before tax	3	(46,838)	(67,159)
Tax on loss	4	8,835	12,760
Loss for the financial period		(38,003)	(54,399)

All amounts relate to continuing operations.

Statement of Comprehensive Income

for the 52 week period ended 25 January 2020

There was no other comprehensive income and expense other than the loss for the financial period of £38,003 attributable to the shareholders for the 52 week period ended 25 January 2020 (51 weeks to 26 January 2019: £54,399 loss).

Balance Sheet
at 25 January 2020

	Note	25 January 2020 £	26 January 2019 £
Current assets			
Debtors			
Amounts falling due after more than one year	5	705	-
Amounts falling due within one year	6	24,371	73,964
Cash at bank and in hand	7	118,427	19,532
		143,503	93,496
Creditors: amounts falling due within one year	8	(110,535)	(22,525)
Net current assets		32,968	70,971
Total assets less current liabilities		32,968	70,971
Net assets		32,968	70,971
Capital and reserves			
Share capital	9	125,100	125,100
Profit and loss account		(92,132)	(54,129)
Total equity		32,968	70,971

The financial statements on pages 9 to 19 were approved by the Board of Directors on 25 January 2021 and signed on its behalf by.

AJames

Amanda James
Director

Registered in England & Wales, no. 02570546

Statement of Changes in Equity
for the 52 week period ended 25 January 2020

	Share capital	*Profit and loss account*	*Total*
	£	£	£
At 1 February 2018	125,100	270	125,370
Loss and total other comprehensive expense for the period	-	(54,399)	(54,399)
At 26 January 2019	125,100	(54,129)	70,971
Loss and total other comprehensive expense for the period	-	(38,003)	(38,003)
At 25 January 2020	125,100	(92,132)	32,968

Notes to the Financial Statements
for the 52 week period ended 25 January 2020

1. Accounting policies

General information
In the period ended 26 January 2019, Next Properties Ltd was granted an interest in a property owned by Next Holdings Limited. The Company charges rental income to employees of the NEXT Group whilst they stay at this property and incurs administrative expenses associated with maintaining the property. The Company was incorporated and is domiciled in the United Kingdom.

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 ("FRS101").

The financial statements have been prepared on the historical cost basis. The financial statements are for the 52 weeks to 25 January 2020 (previous period: 51 weeks to 26 January 2019) and the principal accounting policies adopted are set out below. These accounting policies have been applied consistently, other than where new policies have been adopted.

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

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

Paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).

IFRS 7, 'Financial instruments: Disclosures'.

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

Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:

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

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

v. Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).

The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10(d) (statement of cash flows);
- 16 (statement of compliance with all IFRS);
- 38A (requirement for minimum of two primary statements including cash flow statements);
- 38B-D (additional comparative information);
- 111 (statement of cash flows information); and
- 134-136 (capital management disclosures).

IAS 7, 'Statement of cash flows'.

Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).

The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

Notes to the Financial Statements

for the 52 week period ended 25 January 2020

1. Accounting policies (continued)

The Company's business activities, together with the factors likely to affect its future development, performance and position, including Covid 19, are set out in the Strategic Report.

The Company participates in the NEXT Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiary companies. Accordingly, the assessment of going concern considered both the financial position and forecasts of the NEXT Group. The directors, report that, having reviewed current performance and forecasts, they have reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. As part of this review, a letter of support for the Company for at least 12 months from the date of signing has been signed by the directors of NEXT Plc. For this reason, the directors have continued to adopt the going concern basis in preparing the financial statements.

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

Other financial assets and liabilities

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL). The classification is based on two criteria:

- the Company's business model for managing the assets; and
- whether the instruments' contractual cash flows represent "Solely Payments of Principal and Interest" on the principal amount outstanding (the "SPPI criterion").

A summary of the Company's financial assets is as follows:

Financial assets	Classification under IFRS 9
Amounts owed by parent company, trade and customer debtors and amounts owed by other Group undertakings	Amortised cost – hold to collect business model and SPPI met
Cash and short term deposits	Amortised cost

Under IFRS 9 the Company initially measures a financial asset at its fair value plus directly attributable transaction costs, unless the asset is classified as FVPL. Transactional costs of financial assets carried at FVPL are expensed in the Income Statement.

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

Financial assets at amortised cost	Subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses. Interest income, impairment or gain or loss on derecognition are recognised in profit or loss.

Notes to the Financial Statements
for the 52 week period ended 25 January 2020

1. Accounting policies (continued)

Derecognition
A financial asset is primarily derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a "pass-through" arrangement; and either a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment – financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The most significant financial assets of the Company are its trade and customer debtors. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. For trade and customer debtors the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement
The Company has classified its financial liabilities as follows:

Financial liabilities	Classification under IFRS 9
Accruals and deferred income	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 amortised cost	Subsequently measured at amortised cost using the EIR method. The EIR amortisation is included in finance costs in the Income Statement.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the 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.

Notes to the Financial Statements

for the 52 week period ended 25 January 2020

1. Accounting policies (continued)

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 either in the Company or wider Group 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.

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As the substantive enactment is after the balance sheet date, deferred tax balances as at 25th January 2020 continue to be measured at a rate of 17%. If the amended tax rate had been used, the deferred tax asset would have been £83 higher.

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.

Turnover

Rental income arising from tenants of the property in which the Company has been granted an interest is recognised on a straight-line basis over the life of the tenancy agreement and is included in turnover in the Profit and Loss Account.

New standards, amendments and IFRIC interpretations

For the financial period ended 25 January 2020 the Company has adopted IFRS 16 "Leases" for the first time and early adopted the "Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform" issued in September 2019. None of these have a material impact on the Company.

Major sources of uncertainty and judgement

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

Notes to the Financial Statements
for the 52 week period ended 25 January 2020

2. Turnover

	52 weeks to 25 January 2020	*51 weeks to 26 January 2019*
	£	*£*
Rental income	87,998	97,449

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

3. Directors' emoluments and auditors' 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 25 January 2020 (2019: £nil). 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 current year audit fee for the Company was £3,000. In the prior year the fee of £3,000 was borne by Next Holdings Limited and not recharged to the Company.

Notes to the Financial Statements
for the 52 week period ended 25 January 2020

4. Tax on Loss

	52 weeks to 25 January 2020 £	*51 weeks to 26 January 2019* £
Current tax:		
UK corporation and overseas tax on losses of the period	9,091	12,760
UK corporation tax in respect of previous periods	(961)	-
Total current tax	8,130	12,760
Deferred tax:		
Origination and reversal of temporary differences	(155)	-
Adjustments in respect of prior periods	860	-
Tax credit reported in the Profit and Loss Account	8,835	12,760

The tax rate for the current period varied from the standard rate of corporation tax in the UK as shown below:

	52 weeks to 25 January 2020 %	*51 weeks to 26 January 2019* %
UK corporation tax rate	19.0	19.0
Adjustments in respect of prior periods	(0.1)	-
Effective total tax rate on loss before taxation	18.9	19.0

No tax movements were recognised in other comprehensive income or directly in equity.

Deferred tax asset

	25 January 2020 £	*26 January 2019* £
Accelerated capital allowances	705	-
	705	-

This asset has been recognised on the basis that it will be utilised against future taxable profits in the wider Group.

The movement in the period is as follows:

	25 January 2020 £	*26 January 2019* £
Opening position	-	-
Credited to the Profit and Loss Account		
Accelerated capital allowances	705	-
Closing position	705	-

Notes to the Financial Statements
for the 52 week period ended 25 January 2020

5. Debtors due after one year
Included within current assets is a deferred tax asset of £705 (2019: £nil) which is due after more than one year, details of which can be found at Note 4.

6. Debtors due within one year

	25 January 2020	*26 January 2019*
	£	*£*
Trade and customer debtors	15,280	15,182
Corporation tax receivable	9,091	12,760
Amounts owed by parent company	-	40,458
Amounts owed by other Group undertakings	-	5,564
	24,371	73,964

Amounts owed by Group undertakings are repayable on demand.

7. Cash at bank and in hand

	25 January 2020	*26 January 2019*
	£	*£*
Cash at bank and in hand	118,427	19,532

8. Creditors: amounts falling due within one year

	25 January 2020	*26 January 2019*
	£	*£*
Amounts owed to parent company	84,639	-
Accruals and deferred income	17,232	22,347
Amounts owed to other Group undertakings	8,664	-
Other taxation and social security	-	178
	110,535	22,525

Amounts owed to Group undertakings are repayable on demand.

Notes to the Financial Statements
for the 52 week period ended 25 January 2020

9. Share capital

	Authorised			
		25 January		*26 January*
	No.	*2020*	*No.*	*2019*
		£		*£*
Ordinary shares of £1 each	50,000,000	50,000,000	50,000,000	50,000,000

	Allotted, called up and fully paid			
		25 January		*26 January*
	No.	*2020*	*No.*	*2019*
		£		*£*
Ordinary shares of £1 each	125,100	125,100	125,100	125,100

10. Contingent liabilities

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

11. Ultimate parent company and controlling party

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

12. Post balance sheet event – Covid-19

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