

Next Group Pension Plan annual report  
and financial statements

**Registered number 10093869**  
Year ended 31 March 2025

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

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# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

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## Trustee Directors and advisers

### Principal company

Next Holdings Limited  
Desford Road  
Enderby  
Leicester  
LE19 4AT

### Participating subsidiaries

Next plc  
Next Retail Ltd  
Next Distribution Ltd  
Lipsy Ltd

All the above are registered at:

Desford Road  
Enderby  
Leicester  
LE19 4AT

### Trustee

Next Pension Trustees Limited

### Directors:

The Law Debenture Pension Trust Corporation plc  
A C Jones (resigned 12 June 2024)  
A Wilson (appointed 12 June 2024)  
M Hemsworth (MND)  
J Stevenson  
B Kilbane (MND – appointed 12 June 2024)  
L House

### Secretary to the Trustee

S Anderson (resigned 26 September 2025)  
H Woodall-Pagan (appointed 26 September 2025)

### Pensions Manager

C Hughes

### Actuary

P Butfield (Gallagher Limited) (formerly Buck Consultants Ltd until 31 July 2024)

### Auditor

KPMG LLP

### Investment managers

Legal & General Investment Management Limited

### Annuity providers

Aviva Annuity UK Limited

### Investment advisor

Lane Clark and Peacock LLP

### Bankers

Barclays Bank plc

### Solicitors

Gowling WLG LLP

### Administration office

Next Pension Trustees Limited  
Desford Road  
Enderby  
Leicester  
LE19 4AT

### Enquiries

Enquiries about the Next Plan generally, or about an individual's entitlement to benefit, should be addressed to the Pensions Operations Manager at the administration office (Next Pension Trustees Limited, Desford Road, Enderby, Leicester LE19 4AT), where a copy of the Trust Deed and Rules can be obtained upon request. Alternatively, enquiries may be made to: [pensions@next.co.uk](mailto:pensions@next.co.uk)

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

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## Annual report of the Trustee

The Trustee presents its annual report on the Next Group Pension Plan ('the Next Plan'), together with the financial statements of the Next Plan for the year ended 31 March 2025. An abridged version of the report and financial statements will be prepared for circulation to all categories of membership.

### *Introduction*

#### Constitution of the Next Plan

The Next Plan is constituted as a Trust. The Trustee of the Next Plan is Next Pension Trustees Limited.

The Trustee holds the Next Plan funds on Trust to apply them for the purpose of paying pensions and other benefits in accordance with the Trust Deed and Rules.

The only remaining members in the Next Plan are in the Defined Benefit Section which provides benefits based on a member's salary and length of service.

#### Transfers

The Trustee adopts a Scheme specific cash equivalent transfer value routine in accordance with the Occupational Pensions Schemes (Transfer Values) Regulations 1996. Transfer values reflect the returns which might be expected from the assets held by the Plan. For the majority of members, discretionary increases are allowed for in the routine on pension accrued before 6 April 1997 in excess of the Guaranteed Minimum pension, at the same level as for guaranteed increases on pension accrued after 5 April 2005. Where members belong to historic sections of the Next Plan with guaranteed increases to this element of pension, the guaranteed level is allowed for. No other discretionary practices are allowed for. Transfer values are paid in full.

#### Recent developments

There were no significant developments in the financial year.

#### Virgin Media case

In June 2023, the High Court handed down a decision in the Virgin Media Ltd versus NTL Pension Trustees II Ltd, which considered the implications of section 37 of the Pension Schemes Act 1993, which required that the rules of a salary-related contracted-out pension scheme cannot be altered, in relation to post April 1997 service, unless the actuary confirmed that the scheme would continue to satisfy the statutory standards. The High Court found that, where the required actuarial confirmation was not supplied, the effect of section 37 was to render the relevant amendment to any contracted-out right automatically void. It also held that references in the legislation included both past and future service rights and that the requirement for actuarial confirmation applied to all amendments to the rules of a contracted-out scheme. This decision was appealed to the Court of Appeal and, in July 2024, the Court of Appeal upheld the decision of the High Court. The case has the potential to cause significant issues in the pensions industry.

On 2 September 2025, the Government published amendments to the Pension Schemes Bill to allow the retrospective validation of amendments which may have otherwise been invalid, following the Court of Appeal's decision in relation to the Virgin Media case.

The Trustee has reviewed the potential impact of the Courts' decisions on the New Plan. Having taken appropriate professional advice the Trustee is taking no immediate action but will continue to monitor relevant legal and regulatory developments in this area

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## GMP equalisation

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes.

In addition, on 20 November 2020, the High Court handed down a second judgement involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgement confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgement arise in relation to many other defined benefit pension schemes. The Trustee has appointed Gallagher (previously known as Buck Consultants Limited) to assist it with considering its next steps as the Next Plan has experienced significant historical transfers out which will be subject to adjustment as a result of this second ruling. The Trustee, in consultation with the Company, has chosen to adopt Method B in order to achieve GMP equalisation. Both insurers have confirmed that they are supportive of this method of GMP equalisation. No provision has been made in the financial statements for any liabilities.

## Management of the Next Plan

The directors of the Trustee comprise of Employer Nominated Directors and Member Nominated Directors (MNDs). M Hemsworth and B Kilbane are MNDs. B Kilbane was appointed 12 June 2024. A Jones resigned 12 June 2024 and was replaced by A Wilson who was appointed 12 June 2024. A MND can be an active, deferred or pensioner member of the Next Plan or a current employee of Next. A MND can only be removed from office by the other directors but will automatically be removed if the MND becomes employed by a company which is deemed a competitor of the Next Principal Employer group of companies unless all trustee directors and the Principal employer agree to them remaining. Next Holdings Limited can remove its appointees or the Chair at any time.

During the year the Trustee held eight meetings. All decisions are taken by simple majority.

The Trustee has delegated the day-to-day management and operation of the Next Plan's affairs to professional organisations as set out on page 1.

Next Pension Trustees Limited is the Trustee for both the Next Group Pension Plan and the 2013 Next Group Pension Plan.

## Financial development of the Next Plan

The Financial Statements of the Next Plan for the year ended 31 March 2025, as set out on pages 13 to 20 have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995. A summary of the Next Plan's Financial Statements is set out in the table below.

	Total	Total
	2025	2024
	£'000	£'000
Member related income	7,020	7,114
Member related payments	(7,115)	(7,208)
<b>Net withdrawals from dealings with members</b>	<b>(95)</b>	<b>(94)</b>
Net returns on investments	(10,664)	(3,665)
<b>Net decrease in fund</b>	<b>(10,759)</b>	<b>(3,759)</b>
Net assets at start of year	91,385	95,144
Transfer of assets out of the Next Plan	-	-
<b>Net assets at end of year</b>	<b>80,626</b>	<b>91,385</b>

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## Defined Benefit Section

During the year member related income into the Next Plan was £7.0m (2024: £7.1m). Member related payments were £7.1m (2024:£7.2m).

The net returns on investments comprised change in market value decrease of £10.7m (2024: decrease of £3.7m).

The net assets of the Defined Benefit Section amounted to £80.6m at 31 March 2025 (2024: £91.4m).

## Actuarial review

The Financial Statements set out on pages 13 to 20 do not take into account the liabilities to provide pension benefits which fall due after the year end. In respect of the Defined Benefit Section, these liabilities are considered by the Next Plan Actuary who carries out an actuarial valuation of such liabilities every three years, if required. This valuation considers the funding position of the Defined Benefit Section and the level of contributions payable.

The most recent actuarial valuation was carried out as at 31 March 2013 and was performed under the Next Plan's specific funding requirements. The results of this valuation confirmed that there was a funding deficit in the assets of the Next Plan of £25m on a technical provisions basis (96% funding level). However, following a £10m contribution from the company in September 2013 (of which £3m was assumed to be used to meet the cost of future service) and a change in long term investment return to be in line with the discount rate used to value the liabilities, the Trustee asked the actuary to re-assess the Recovery Plan. This resulted in a past service surplus of £1.8m on a technical provisions basis, an overall funding level of 100% and the company contribution rate was maintained at 17.5% after recognising the £3m prepayment of future service cost. Those contributions ceased in October 2013 when all active members were transferred to the 2013 Next Group Pension Plan.

There is no requirement to carry out an update of the ongoing funding position where a Scheme has commenced wind-up, therefore no formal funding valuation has been undertaken since 31 March 2013. However, The Next Plan's Actuary has confirmed the solvency position of the Next Plan to the Trustee, as required where a Scheme is in wind-up. A s.179 valuation is to be completed for the year ended 31 March 2025.

The financial statements have been prepared on a non-going concern basis. The wind up of the Next Plan, which commenced on 4 June 2014, is pending the completion of GMP rectification and equalisation. Completion of the exercise and subsequent wind up is expected for mid-2027.

The Plan Actuary has estimated that the assets of the Next Plan will be broadly sufficient to meet the liabilities due on wind-up, including expenses and, therefore, no benefits will be reduced as part of the wind-up. This is on the basis that the conversion of the bulk annuity policies held with Aviva to individual policies will not involve any change in terms.

The Recovery Plan previously agreed with the Company has now been set aside and no additional Company contributions are required at this time, under the current schedule of contributions.

As required by FRS 102, the Trustee has included the Report on Actuarial Liabilities on page 23, which forms part of the annual report.

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## Membership

There are 6 remaining members in the Next Plan, who are not secured with Aviva policies, 4 deferred, 1 pensioner and 1 dependant pensioner.

The membership of the Next Plan at the beginning and end of the year and changes during the year are set out below.

Pensioner members	
	<i>Defined Benefit Section</i>
<i>In payment at start of year</i>	1,533
<i>Prior year adjustments – late notification of deaths</i>	(4)
<i>Cessation of benefits:</i>	
- <i>Deaths</i>	(106)
<i>In payment at end of year</i>	1,423

Deferred members (outside Aviva policy)	
	<i>Defined Benefit Section</i>
<i>At start of year</i>	4
<i>Prior year adjustments</i>	-
<i>At end of year</i>	4

## Pension increases

Pension increase in respect of pensionable services before 6 April 1997 are guaranteed to increase in line with RPI capped at 2.5% for pensioners covered by the Aviva policy (with some former Grattan Combined English Stores and Preedy pensioners having other guarantees) and are discretionary for other pensioners.

Pensions earned in respect of pensionable service since 6 April 1997 are subject to guaranteed increases once in payment. The Rules of the Next Plan were amended from 5 April 2005 so that, in accordance with the Pensions Act 2004, Defined Benefit pensions which relate to pensionable service after 5 April 1997 will be guaranteed to increase when in payment in line with the annual Retail Prices Index (RPI) to the September prior to the increase being awarded, up to a maximum in any year of:

- 5.0%, for pensionable service after 5 April 1997 and before 6 April 2005
- 2.5%, for pensionable service after 5 April 2005.

Guaranteed Minimum Pensions (GMPs) form part of a member's pension once the pensioner attains age 60 (for a woman) or 65 (for a man) and represent the equivalent of the pension foregone in the former State Earnings Related Pension Scheme (SERPS) as a result of the Next Plan being contracted-out of SERPS. Once in payment, GMPs in respect of pensionable service prior to 6 April 1988 are not subject to any increase via the Next Plan but are protected against increases in inflation by additional payments to the member's state pension. GMPs accrued between 6 April 1988 and 5 April 1997 have a limited guarantee within the Next Plan; the first 3.0% increase in inflation must be paid by the Next Plan with any increase in inflation above 3.0% being paid as an additional payment to the pensioner's state pension. The Trustee can award discretionary increases above any of these guarantees. In July 2010, the government announced that the inflationary measure for all state benefits and GMP revaluation within occupational pension Schemes would change from RPI to the Consumer Prices Index (CPI).

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The following increases apply to Defined Benefit pensions in payment with effect from 1 December 2024:

- 2.7%, for pensionable service after 5 April 1997 and before 6 April 2005
- 2.5%, for pensionable service after 5 April 2005
- 1.7%, for GMPs accrued from 6 April 1988
- 2.5% for pensionable service accrued before 6 April 1997 in excess of any GMP in respect of pensioners covered by the Aviva policy. Deferred pensions have been increased in line with statutory requirements (CPI) this year.

All increases were in accordance with the Aviva policy, Trust Deed and Rules of the Next Group Pension Plan and legislative requirements.

## Investment management

The Trustee delegates the day-to-day management to professional external investment managers. The Trustee sets the investment strategy for the Next Plan after taking advice from the Next Plan's Investment Adviser. The Trustee has put in place investment mandates with its investment manager which implements this strategy.

Most of the pensions in payment are secured with an Aviva Insurance policy, in preparation for individual policies being issued to pensioners. Those pensioners whose pensions are not secured via an Aviva policy (which are those pensioners who retired after the policies were secured) and current deferred pensioners' liabilities are all funded via gilt funds.

In accordance with s35 of the Pensions Act 1995, a Statement of Investment Principles dated September 2023 has been prepared by the Trustee which incorporates the investment strategy. No changes were required to the Statement of Investment Principles in 2024/25, as there have been no alterations to the investment strategy. A copy of the Statement may be obtained from the Pensions Manager at the address on page 1 or via [www.nextpensionscheme.co.uk](http://www.nextpensionscheme.co.uk)

The Investment manager is remunerated by fees based on a percentage of funds under management. There is no performance related fee arrangement.

The main investment objective of the Next Plan is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet the benefits of the Next Plan payable under the Trust Deed and Rules as they fall due.

The Trustee sets the investment strategy taking into account considerations such as the strength of the Employer covenant, the long-term liabilities and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP). The latest SIP was agreed by the Investment Committee in August 2023 and after Trustee Board ratification in September 2023.

The Next Plan's only investment manager is Legal & General Investment Management (L&G). The Next Plan's strategy is:

- 100% in investments that move in line with the long-term liabilities of the Next Plan and comprises the All Stocks Index-linked Gilts Index Fund and the Over 15 Year Gilts Index Fund, the objective of which is to track the performance of the FTSE A Index-Linked (All Stocks) Index and the FTSE A Government (over 15 Year) Index to within +/-0.25% respectively.
- The Trustee has limited influence over managers' investment practices because all the Next Plan's assets are held in pooled funds, but we encourage the managers to improve their practices within the parameter of the fund they are managing.
- The Trustee's view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high-quality service that meets the stated objectives, guidelines, and restrictions of their fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement, and portfolio turnover.
- It is the Trustee's responsibility to ensure that the managers' investment approaches are consistent with its policies before any new appointment, and to monitor and to consider terminating any arrangements that appear to be investing contrary to those policies. The Trustee expects investment

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managers to make decisions based on assessments of the longer-term performance of debt/equity issuers, and to engage with issuers to improve their performance (or where this is not appropriate to explain why). The Trustee assesses this when selecting and monitoring managers.

- The Trustee evaluates investment manager performance over both shorter- and longer-term periods as available. Except in closed-ended funds where the duration of the investment is determined by the fund's terms, the duration of a manager's appointment will depend on strategic considerations and the outlook for future performance.
- The Trustee's policy is to evaluate each of the investment managers by considering performance, the role it plays in helping to meet the overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.
- The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management. Since the impact of these costs is reflected in performance figures used in the assessment of the investment managers, we do not explicitly monitor portfolio turnover. The Trustee expects their investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Next Plan's investment mandates.

Actual allocations at the Next Plan's year end (excluding the Aviva insurance policy) are shown below:

	2025	2024
	%	%
L&G Investment portfolio	100	100
	100	100

The Trustee invests in pooled investment vehicles.

The nature and disposition of the investments are set out below, together with the actual allocation of investments at 31 March 2025, with pooled investment vehicles analysed by underlying economic exposure.

Asset Class	Pooled Investment Vehicles	%
	£'000	
L&G:		
Over 15 year Gilts Index	340	28
All Stocks Index-Linked Gilts	862	72
Total	1,202	100

Within the Next Plan investments represents the following % of total assets:

Investment fund	2025	2025	2024	2024
	£	%	£	%
Over 15 Year Gilts Index	340,212	0.4	385,225	0.4
All stocks Index-Linked Gilts	861,399	1.1	1,006,629	1.1
Annuities	79,453,000	98.5	90,007,000	98.5
Net Assets of Scheme	80,654,611	100.0	91,398,854	100.0

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The investments managed by L&G achieved the following returns:

	1 Year	3 - 5 Years
	%	%
Over 15 Year Gilts Index	(8.13)	(14.92)
All stocks Index-Linked Gilts	(7.96)	(13.78)

The performance figures above are compared with the total return of the relevant market index, composite index or comparator as detailed below:

	1 Year	3 - 5 Years
	%	%
Over 15 Year Gilts Index	(8.16)	(14.93)
All stocks Index-Linked Gilts	(7.96)	(13.78)

## Self-investment and Statement of Investment Principles

At the year end the Next Plan only holds Gilts and Index Linked Gilts in two composite funds. The Next Plan does not hold any investment in Next Plc.

During the year there were no breaches of the Statement of Investment Principles.

## Implementation Statement

The Implementation Statement has been included as Appendix 1 and forms part of this report.

The Trustee's report including the Implementation Statement in Appendix 1 is approved by the Trustee and signed for and on behalf of the Trustee of the Next Plan.

**J Stevenson**  
**14 October 2025**

**L House**  
**14 October 2025**

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## Statement of Trustee's responsibilities for the financial statements

The audited financial statements, which are required to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, are the responsibility of the Trustee. Pension Plan regulations require the Trustee to make available to Next Plan members, beneficiaries and certain other parties, audited financial statements for each Next Plan year which:

(i) show a true and fair view of the financial transactions of the Next Plan during the Next Plan year and of the amount and disposition at the end of the Next Plan year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Next Plan year; and

(ii) contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice Financial Reports of Pension Schemes.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. They are also responsible for:

- assessing the Next Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to wind up the Next Plan, or have no realistic alternative but to do so (as explained in note 1, the Trustee does not believe that it is appropriate to prepare these financial statements on a going concern basis); and
- making available each year, commonly in the form of a Trustee's annual report, information about the Next Plan prescribed by pension's legislation, which they should ensure is fair and impartial.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of Trustee's responsibilities accompanying the Trustee's summary of contributions.

The Trustee is 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, and have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Next Plan and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the Next Plan and financial information included on the Next Plan's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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## Independent auditor's report to the Trustee of the Next Group Pension Plan

### Opinion

We have audited the financial statements of the Next Group Pension Plan ("the Plan") for the year ended 31 March 2025 which comprise the Fund Account and the Statement of Net Assets (*available for benefits*) and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 March 2025 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Plan in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustee, as to the Plan's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Trustee's minutes.

We remained alert to any indications of fraud throughout the audit.

As required by auditing standards, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Trustee or Plan administrator may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue in a pension Plan relates to contributions receivable as paid under an agreed schedule or pre-determined by the Trustee; there are no subjective issues or judgements required.

We did not identify any additional fraud risks.

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We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted after the first draft of the financial statements have been prepared and unusual entries to cash.
- Assessing whether the judgements made in accounting estimated are indicative of potential bias.

## *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustee and Plan administrator (as required by auditing standards), and discussed with the Trustee and Plan administrator the policies and procedures regarding compliance with laws and regulations.

As the Plan is regulated by The Pensions Regulator, our assessment of risks involved gaining an understanding of the control environment including the Plan's procedures for complying with regulatory requirements and reading the minutes of Trustee's meetings.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Plan is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related pensions legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Plan is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or the loss of the Plan's registration. We identified the following areas as those most likely to have such an effect: pension's legislation data protection legislation, and, recognising the financial and regulated nature of the Plan's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and their delegates and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on contributions payable under the schedule of contributions in our statement about contributions on page 21 of the financial statements. The Trustee's report and summary of contributions explains the implications of late and underpaid contributions in the year on compliance with the relevant requirements of pensions regulations.

## *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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## Other information

The Trustee is responsible for the other information, which comprises the Trustee's report including the Report on actuarial liabilities. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

## Trustee's responsibilities

As explained more fully in their statement set out on page 9, the Plan Trustee is responsible for: supervising the preparation of financial statements which show a true and fair view; 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; assessing the Plan'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 they either intend to wind up the Plan, or have no realistic alternative but to do so.

## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Plan Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan Trustee, for our audit work, for this report, or for the opinions we have formed.

**Iryndeeep Kaur-Delay**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

One Snowhill

Snowhill Queensway

Birmingham

B4 6GH

14 October 2025

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

## Fund account

For the year ended 31 March 2025			
	Notes	Total	Total
		2025	2024
		£'000	£'000
<b>Contributions and benefits</b>			
Contributions receivable		-	-
Benefits payable	4	(7,021)	(7,115)
Administrative expenses		(94)	(93)
		(7,115)	(7,208)
<b>Net withdrawals from dealings with members</b>		(7,115)	(7,208)
<b>Returns on investments</b>			
Income from annuity policies	7	7,020	7,114
Change in market value of investments	8	(107)	(81)
Change in market value of annuity policies	8	(10,554)	(3,581)
Investment management expenses		(3)	(3)
<b>Net returns on investments</b>		(3,644)	3,449
<b>Net decrease in the fund during the year</b>		(10,759)	(3,759)
<b>Net assets of the Next Plan at 1 April 2024</b>		91,385	95,144
<b>Net assets of the Next Plan at 31 March 2025</b>		80,626	91,385

The notes on pages 15 to 20 form part of these Financial Statements.

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

## Statement of Net Assets (available for benefits)

At 31 March 2025			
	Notes	2025	2024
		£'000	£'000
<b>Defined Benefit Section</b>			
<b>Investment Assets:</b>			
Pooled Investment Vehicles		1,202	1,392
Insurance policies – annuities		79,453	90,007
Total investments	8	80,655	91,399
Current assets	11	11	7
Current liabilities	11	(40)	(21)
Total net assets of Defined Benefit Section		80,626	91,385

The notes on pages 15 to 20 form part of these Financial Statements.

The Financial Statements summarise the transactions of the Next Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Next Plan year. The actuarial position of the Next Plan, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities included on page 23 and these Financial Statements should be read in conjunction with that Report.

Signed for and on behalf of the Trustee of the Next Group Pension Plan

**J Stevenson**  
**14 October 2025**

**L House**  
**14 October 2025**

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

## Notes (forming part of the Financial Statements)

### 1. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the guidance set out in the Statement of Recommended Practice (Revised 2018).

The Financial Statements are not prepared on the going concern basis following the decision taken by the Trustee to wind up the Next Group Pension Plan. The wind up is now expected to be completed in mid 2027. To prepare these financial statements on a non-going concern basis, no adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

The wind up of the Next Group Pension Plan is pending the completion of GMP rectification and equalisation.

### 2. Identification of the Financial Statements

The Next Plan is established as a trust under English Law. The address for inquiries to the Next Plan is included in the Trustee's report.

### 3. Accounting policies

The principal accounting policies of the Next Plan are as follows:

#### a) Investments

- i. Investments are included at fair value.
- ii. Pooled investment vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads as provided by the investment manager.
- iii. Annuities purchased in the name of the Trustee which provide the pension benefits for certain members are included in these Financial Statements at the amount of the related obligation, if material, determined using the most recent Next Plan Funding valuation assumptions and methodology. Annuities are issued by Aviva Annuity Limited.

#### b) Investment income

- i. Interest is accrued on a daily basis.
- ii. Investment income arising from the underlying investments of the pooled investment vehicles is rolled up and reinvested within the pooled investment vehicles. This is reflected in the unit price and reported within 'Change in Market Value'.
- iii. Receipts from Aviva annuity policies held by the Trustee to fund benefits payable to Next Plan members are included within investment income on an accruals basis.

#### c) Contributions

- i. Employer additional contributions are accounted for in accordance with the agreement under which they are being paid.

#### d) Payments to members

- i. Benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for in the period in which the member notifies the Trustee of his decision on the type or amount of benefit to be taken or, if there is no member choice, they are accounted for on the date of retirement or leaving.

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

- ii. Individual transfers out are accounted for when paid which is normally when member liability is discharged.
- e) Expenses
- i. Expenses are accounted for on an accruals basis. The Next Plan bears all the costs of administration.

## 4. Benefits payable

	2025 Total	2024 Total
	£'000	£'000
Pensions	7,021	7,115
	7,021	7,115

## 5. Tax

The Next Group Pension Plan is a registered pension Plan for tax purposes under the Finance Act 2004. It is therefore exempt from taxation except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

## 6. Pooled Investment Vehicles (PIVs)

	2025	2024
	£'000	£'000
L&G Over 15 year Gilts Index	340	385
L&G All stock Index-Linked Gilts	862	1,007
	1,202	1,392

## 7. Insurance policies - annuities

The first Aviva buy-in was purchased in August 2010 with a second buy-in purchased in June 2012. A final adjustment in respect of the June 2012 buy-in of £325,000 was received in August 2013. The change in the valuation over the year reflects the reduction in Aviva's liability to the Next Plan as a result of the benefits paid out by Aviva of £7,020,000 (2024: £7,114,000) and the impact of inflation assumptions, basis changes, member deaths and financial conditions as at 31 March 2025. The valuation has been prepared in accordance with the Pensions Research Accountants Group (PRAG) guidelines for buy-in valuations. The market value at 31 March 2025 reflects the remaining liability for the pensions secured by the policies in August 2010 and June 2012. The change in the value of the policy does not affect the ability to pay future pensions to Next Plan pensioners.

The Actuary has estimated that the assets of the Next Plan will be sufficient to meet the liabilities due on wind-up. This is on the basis that the conversion of the bulk annuity policies held with Aviva to individual policies will not involve any change in terms, and it is intended that the members not covered by these policies will be transferred to the Next 2013 Plan on the wind up of the Next Plan.

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

## 8. Investment reconciliation

Reconciliation of investments held at the beginning and the end of the year.

	Value at 31 March 2024	Purchases at cost	Sales Proceeds	Change in market value	Value at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Pooled Investment Vehicles	1,392	-	(83)	(107)	<b>1,202</b>
Insurance policies	90,007	-	-	(10,554)	<b>79,453</b>
Net investment assets	91,399	-	(83)	(10,661)	<b>80,655</b>

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

## 9. Investment Fair Value Hierarchy

The fair value of financial instruments has been disclosed using the following hierarchy.

- Level 1: the unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 which are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;
- Level 3: inputs which are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

	Level (1)	Level (2)	Level (3)	Total
	£'000	£'000	£'000	£'000
<b>At 31 March 2025</b>				
Pooled investment vehicles	-	<b>1,202</b>	-	<b>1,202</b>
Insurance policies – annuities	-	-	<b>79,453</b>	<b>79,453</b>
	-	<b>1,202</b>	<b>79,453</b>	<b>80,655</b>

	Level (1)	Level (2)	Level (3)	Total
	£'000	£'000	£'000	£'000
<b>At 31 March 2024</b>				
Pooled investment vehicles	-	1,392	-	1,392
Insurance policies – annuities	-	-	90,007	90,007
	-	1,392	90,007	91,399

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

## 10. Investment risks

When deciding how to invest the Next Plan's assets, the Trustee considers a wide range of risks, including credit risk and market risk, as defined below.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk comprises currency risk, interest rate risk and other price risk, defined as follows:

Currency risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in real interest rates due to market interest rates or expected inflation rates.

Other price risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determined the Next Plan's investment strategy after obtaining written professional advice from its Investment Adviser, Lane Clark & Peacock LLP. The Next Plan has exposure to the aforementioned risks via the investments held to implement the investment strategy. The Trustee manages investment risks, including credit risk and market risk, considering the Next Plan's investment objectives and strategy, and the advice of its investment advisers.

Further information on these risks and the Trustees approach to risk management is set out below.

### Credit risk

The Next Plan invests in pooled funds and is therefore directly exposed to credit risk in relation to the solvency of the investment manager and custodian of those funds. The Next Plan is also exposed to the credit risk of the insurer, Aviva, in respect of the Next Plan's buy-in policy. The amount invested in each of these mandates is shown in the Statement of Net Assets.

The Next Plan's holdings in the Legal & General pooled investment funds are unrated. The Next Plan is invested in Legal & General pooled funds via an insurance policy and are held as unit linked insurance policies. The direct credit risk arising from the Legal & General pooled funds and the Aviva buy-in policy is mitigated by the regulatory environments for insurance companies in the UK, which the Trustee understands requires insurance companies to maintain prudent levels of capital. In the case of the Next Plan's investments, the value of the Legal & General insurance policy is linked to the underlying investments, and the Aviva buy-in policy value is based on the underlying liabilities to be met. Therefore, the credit risk of these arrangements is low.

The Next Plan is indirectly exposed to credit risks arising from the underlying investments held by the Legal & General pooled funds, as they invest in bonds. The Legal & General bond funds used by the Next Plan only invest in gilts (bonds issued by the UK government), and so the credit risk associated with these funds is very low.

### Currency risk

As the Next Plan's liabilities are denominated in Sterling, any non-Sterling currency exposure within the assets presents additional currency risk.

The Legal & General bond funds have Sterling as the base currency and only invest in Sterling denominated bonds. Therefore, there is no direct or indirect currency risk arising from these investments. There is also no currency risk associated with the Aviva buy-in policy since it pays the pensions covered by the policy in Sterling.

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

## Interest rate risk

The Next Plan's assets in the Legal & General bond funds are subject to interest rate risk, since bonds are sensitive to changes in interest rates. However, the interest rate exposure of the Next Plan's assets is a risk the Trustee has deliberately taken, as it hedges the corresponding risks associated with the Next Plan's liabilities. The net effect will be to reduce the volatility of the funding position, and therefore the Trustee believes that it is appropriate to have exposure to interest rate risk in this manner.

## Other price risk

The Next Plan's assets covered by the Bulk Purchase Annuity have exposure to other price risks; for example, RPI and CPI.

## 11. Current Assets and Liabilities

	2025 Total	2024 Total
	£'000	£'000
Cash deposits	11	7
Less sundry creditors	(40)	(21)
	(29)	(14)

## 12. Related party transactions

Next Pension Trustees Limited is the Trustee for both the Next Group Pension Plan and the 2013 Next Group Pension Plan.

The 2013 Next Group Pension Plan has the same principal employer as the Next Group Pension Plan.

Since October 2017, the emoluments of the Directors of the Trustee Company have been allocated on a 96% 2013 Next Group Pension Plan and 4% to the Next Group Pension Plan. Trustee fees paid in the year were £3,415 (2024: £1,869; 96:4 basis).

The Employer pays expenses on behalf of the Next Group Pension Plan which are recharged to the Next Group Pension Plan on a monthly basis. At 31 March 2025 the expense recharges due to Employer totalled £11,000 (2024: £2,000).

## 13. Self-investment

The Next Group Pension Plan does not hold any investments in Next Plc ordinary shares at the year end.

# Next Pension Trustees Limited - annual report and financial statements for the Next Group Pension Plan

Year ended 31 March 2025

## 14. GMP equalisation

As explained on page 3 of the Annual Report of the Trustee, on 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes. The Trustee is aware that the issue will affect the Next Plan and is actively considering the most suitable courses of action to address the requirements. The Trustee has appointed Gallagher (previously known as Buck) to assist with this project.

In addition, on 20 November 2020, the High Court handed down a second judgement involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgement confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgement arise in relation to many other defined benefit pension schemes. The Trustee has appointed Gallagher (previously known as Buck Consultants Limited) to assist it with considering its next steps as the Next Plan has experienced significant historical transfers out which will be subject to adjustment as a result of this second ruling. The Trustee, in consultation with the Company, has chosen to adopt Method B in order to achieve GMP equalisation. Both insurers have confirmed that they are supportive of this method of GMP equalisation. No provision has been made in the financial statements for any liabilities.

## Subsequent Events

### 15. Transfer of six members from the Plan

The majority of Next Plan members had their benefits secured with a buy-in from Aviva. There were six members who were intentionally not covered by these policies, whose benefits would be paid by the Next Plan. The Trustee has, having taken detailed actuarial and legal advice and having sought the consent of Next, decided to transfer these six members to the 2013 Next Group Pension Plan without member consent. The benefits secured in the 2013 Next Group Pension Plan will be at least as good as those provided from the Next Plan.

Impacted members were written to on 29 May 2025 and the transfer took place on 4 July 2025. Further detail will be provided in next year's financial statements.

# Independent Auditor's Statement about Contributions to the Trustee of the Next Group Pension Plan

## Statement about contributions

We have examined the summary of contributions payable under the Plan to the Next Group Pension Plan ('the Plan') in respect of the Plan year ended 31 March 2025 which is set out on page 22.

No contributions have been paid for the Plan year ended 31 March 2025, as reported in the summary of contributions. In our opinion this is in accordance with the Plan rules.

## Scope of work

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have been paid in accordance with the Plan rules. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Plan rules.

## Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 22, the Plan's Trustee is responsible for monitoring that contributions are made to the Plan, which is in wind-up, in accordance with the Plan rules. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the scheme by the employer in accordance with the Plan rules.

It is our responsibility to provide a statement about contributions paid under the Plan rules to the Plan and to report our opinion to you.

## The purpose of our work and to whom we owe our responsibilities

This statement is made solely to the Plan's Trustee, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee, for our work, for this statement, or for the opinions we have formed.

**Iryndeeep Kaur-Delay**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
14 October 2025

# Statement of Trustee Responsibilities in respect of Contributions

The Next Plan has been in wind-up throughout the year. The Next Plan's Trustee is responsible for keeping records of contributions received and for monitoring that contributions are made to the Next Plan in accordance with the Next Plan rules. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Next Plan and for monitoring whether contributions are made to the Next Plan by the employer in accordance with the Next Plan rules.

## Summary of Contributions payable under the Plan Rules in respect of the Next Plan for the year ended 31 March 2025

This Summary of Contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the Employer and member contributions payable to the Next Plan under the Trust Deed and Rules and actuarial advice in respect of the Next Plan year ended 31 March 2025. The Next Plan Auditor reports on contributions payable under the Next Plan Rules about Contributions.

Contributions payable under the Next Plan Rules in respect of the Next Plan year ended 31 March 2025	£'000s
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<b>Employer</b>	
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Contributions payable under the Next Plan rules (as reported on by the Next Plan Auditor and reported in the financial statements)	-
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Signed on behalf of the Trustee of the Next Group Pension Plan.

**J Stevenson**  
**14 October 2025**

**L House**  
**14 October 2025**

# Report on Actuarial Liabilities for inclusion within the Trustee Report and Financial Statements as at 31 March 2025

## Next Group Pension Plan ('the Next Plan')

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to covers its technical provisions. The technical provisions represent the present value of the benefit members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Next Plan members on request.

The most recent full actuarial valuation of the Next Plan was carried out as at 31 March 2013. This showed that on that date:

The value of the Technical Provisions was £656.9m.

The value of the assets was £631.5m.

### Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

### Significant actuarial assumptions

The principal assumptions that were used for the actuarial valuation as at 31 March 2013 are set out below. These were derived having regard to the agreed Statement of Funding Principles and market conditions at 31 March 2013.

## Assumption

Pre-retirement discount rate	5.20%
Post-retirement discount rate	3.40%
Pensionable earnings increases	Nil
Deferred pension revaluation:	
Pre 6 April 2009 pension	2.90%
Post 5 April 2009 pension	2.50%
Pension increases:	
Guaranteed RPI max 5%	3.70%
Guaranteed CPI max 3%	2.90%
Guaranteed RPI max 2.5%	2.50%
Discretionary	2.50%
Mortality base table	SAPS Series 1 All Pensioners
Mortality future improvements	2012 CMI projections with a 1. long term trend from 2009

# Implementation Statement (forming part of the Trustee's report)

## Appendix 1

The Trustee of the Next Group Pension Plan (the 'Next Plan') is required to produce a yearly statement as part of the Trustee Report and Financial Statements, to set out how and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles ("SIP") dated June 2023, during the 12 months to 31 March 2025 (the "Plan Year"). The Next Plan does not hold AVCs, therefore the Implementation Statement does not cover AVCs.

### 1. Introduction

The Trustee has, in its opinion, followed the Next Plan's voting and engagement policies during the Plan year, by continuing to delegate to its investment managers the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

The Trustee has considered the DWP guidance in relation to stewardship. The Trustee has previously discussed and agreed on the following stewardship priorities for the Next Plan: climate change, human rights and modern slavery, and corporate transparency. No changes have been made to these priorities during the Plan Year.

It is important to note that the Next Plan's only investments are buy-in policies with Aviva, and units of gilts pooled funds managed by Legal & General (L&G). Therefore, there is no voting data to report since the Next Plan's assets do not have voting rights and no engagement activities to report since there are no underlying companies to engage with.

### 2. Voting and engagement

As part of its advice on the selection and ongoing review of the investment managers, the Next Plan's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

Neither voting nor engagement are relevant to the Plan since the only assets it holds are units in gilts funds managed by L&G and a buy-in policy. Although there were no voting rights during the Next Plan year, the Trustee's general policy on voting and engagement, as stated in the SIP, is set out below:

The Trustee has delegated to the investment manager the exercise of rights attaching to investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG (Environmental, Social and Governance) factors.

The Trustee cannot usually directly influence the manager's policy on the exercise of investment rights where assets are held in pooled funds; this is due to the nature of these investments. The Trustee understands that investment rights will be exercised by the investment manager in line with the manager's general policy on corporate governance, which reflects the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, considering the financial interests of the beneficiaries.

The Trustee's investment adviser, LCP, confirmed that the Next Plan's investment manager, Legal & General, is rated highly in relation to their responsible investment credentials, including their voting and engagement policies

### **3. Description of voting behaviour during the year**

Apart from the annuity policies with Aviva, all the Next Plan's investments are units in L&G pooled funds. The pooled funds that the Next Plan is invested in are the L&G All Stocks Index-Linked Gilts Index Fund and L&G Over 15 Year Gilts Index Fund.

The Aviva policies and L&G funds did not hold any equities or assets that had voting opportunities during the Plan year. Therefore, there is no directly relevant voting information to include in this Statement and there are no relevant governance or stewardship examples to comment on.