

NEXT

Average stock = £7.4m

Cost of sales = £2,395.8m

$\text{£7.4m} / \text{£2,395.8} \times 365 = 1.12 \text{ days}$

This means that it takes Next just over a day to replenish their stock. This is positive for the company as it means that their stock isn't just sitting in a warehouse and they are actually selling it.

Return on Capital Employed (ROCE)

Net profit before interest and tax / capital employed (including shareholder funds) $\times 100 =$ ROCE %

NEXT

Net profit before interest and tax = £570.3m

Capital employed = ??

This cannot be calculated as Next PLC do not provide sufficient information to work this out. Therefore, this cannot be used to define their financial state.

Debtors Collection

Debtors / credit sales $\times 365 =$ total number of days it takes debtors to pay

This cannot be calculated for Next PLC as there is no information on their credit or how many debtors they have. Therefore, this cannot be used to define their financial state.

Sales Percentage of Total Assets

Sales / total assets = asset turnover

NEXT

Sales = £3,441.1m

Total assets = £2,543.8m

$\text{£3,441.1m} / \text{£2,543.8m} = 1.35\%$

Asset Turnover Ratio

This is the ratio of the value of Next's sales generated in relation to the value of their assets.

Sales / fixed assets

And

Sales / current assets

NEXT

Sales = £3,441.1m

Fixed Assets = £2520.3m

Current Assets = £23.5m