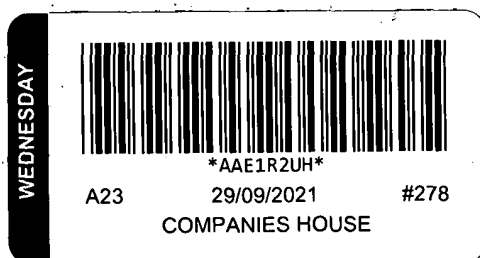


Registered number: 00103819

THE SCOTCH HOUSE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 27 MARCH 2021



THE SCOTCH HOUSE LIMITED

STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 MARCH 2021

The directors present their Strategic Report for the year ended 27 March 2021.

Business review

The Scotch House Limited (the "Company") is a wholly owned subsidiary of Burberry Group plc (the "Group"). Its principal activity is to trade the owned Scotch House brand through licence in Japan.

The Balance Sheet on page 8 of the financial statements shows that the Company is in a net asset position at the year end consistent with the prior year.

The Income Statement on page 7 reflects a £836,000 profit for the financial year (2020 - £866,000).

Future developments

At the date of this report the directors do not anticipate any major changes in the Company's activities in the next year.

Principal risks and uncertainties

The management of the business and the execution of the Company's growth strategies are subject to a number of risks. The principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 106 to 143 of the Group's 2020/21 Annual Report which does not form part of this report.


Financial risk management

From the perspective of the Company, financial risk management is integrated with the financial risk management of the Group and is not managed separately. Accordingly, financial risk management of the Group, which include those of the Company, is discussed on pages 271 to 276 of the Group's 2020/21 Annual Report, which does not form part of this report.

Key performance indicators

The Group's directors manage the Group's operations on a consolidated basis using key performance indicators. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate. The development, performance and position of the Group is discussed in the Group Financial review section of the Group's 2020/21 Annual Report which does not form part of this report.

On behalf of the board



I Brimicombe

Director

22 September 2021

THE SCOTCH HOUSE LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 MARCH 2021

The directors present their report and the audited financial statements for the year ended 27 March 2021.

Directors' responsibilities statement

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

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

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

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

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

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

Dividends paid

There were no dividends paid during the year (2020 - £nil).

Results and dividends

The profit for the after taxation, amounted to £836,000 (2020 - £866,000)

The directors do not recommend the payment of a final dividend (2020 - £nil).

Directors

The directors who served during the year were as follows:

I Brimicombe
N P Jones (resigned on 16 July 2021)
E C Rash

THE SCOTCH HOUSE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEKS ENDED 27 MARCH 2021**

Future developments

Please refer to the Strategic Report on page 1 for the future developments of the Company.

Financial risk management

Please refer to the Strategic Report on page 1 for the financial risk management of the Company.

Qualifying third-party indemnity provision

The Group purchased and maintained throughout the financial year and up to the date of signing of the financial statements Directors' and Officers' liability insurance in respect of itself and its Group directors, including the directors of its subsidiaries.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Independent auditors

During the year, PricewaterhouseCoopers LLP resigned as auditors of the Company. Pursuant to Section 485 of the Companies Act 2006, Ernst & Young LLP were appointed as auditors for the year ended 27 March 2021. Ernst & Young LLP have indicated their willingness to continue in office.

On behalf of the board



I Brimicombe
Director
22 September 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SCOTCH HOUSE LIMITED

Opinion

We have audited the financial statements of The Scotch House Limited for the 52 weeks ended 27 March 2021 which comprise the Income Statement, Balance Sheet and Statement of Changes in Equity and the related notes 1 to 8, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 27 March 2021 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SCOTCH HOUSE LIMITED

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SCOTCH HOUSE LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

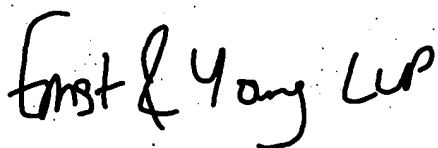
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant tax laws and regulations in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to those charged with governance, as well as considerations of the results of our audit procedures over the Company's financial statements.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual non-standard journals and journals indicating large or unusual transactions based on our understanding of the business; inquiries of those responsible for legal and compliance of the company and management; and focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ben Marles (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
24 September 2021

THE SCOTCH HOUSE LIMITED

INCOME STATEMENT
FOR THE 52 WEEKS ENDED 27 MARCH 2021

	Note	2021 £000	2020 £000
Revenue	3	863	857
Foreign exchange (losses)/gains		(27)	9
Operating profit		836	866
Profit before taxation	4	836	866
Tax on profit	5	-	-
Profit for the financial year		836	866

The Company had no other comprehensive income during the year other than that included in the Income Statement and therefore no separate Statement of Comprehensive Income has been prepared.

The above results are derived from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

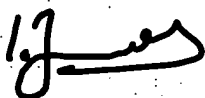
THE SCOTCH HOUSE LIMITED
REGISTERED NUMBER:00103819

BALANCE SHEET
AS AT 27 MARCH 2021

	Note	27 March 2021 £000	28 March 2020 £000
Current assets			
Trade and other receivables - amounts falling due within one year	6	20,217	19,381
Net current assets		<u>20,217</u>	<u>19,381</u>
Total assets less current liabilities		<u>20,217</u>	<u>19,381</u>
Net assets		<u>20,217</u>	<u>19,381</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		20,217	19,381
Total equity		<u>20,217</u>	<u>19,381</u>

The notes on pages 10 to 15 form part of these financial statements.

The financial statements on page 7 to 15 were approved by the board of directors on 22 September 2021 and signed on its behalf by:



I Brimicombe
Director

THE SCOTCH HOUSE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 27 MARCH 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 29 March 2020	-	19,381	19,381
Comprehensive income for the year			
Profit for the financial year	-	836	836
At 27 March 2021	-	20,217	20,217

STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 28 MARCH 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 31 March 2019	-	18,515	18,515
Comprehensive income for the year			
Profit for the financial year	-	866	866
At 28 March 2020	-	19,381	19,381

The notes on pages 10 to 15 form part of these financial statements.

THE SCOTCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 MARCH 2021

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation of financial statements

The Scotch House Limited is a trading company which trades the owned Scotch House brand through licence in Japan. The Company which is private and limited by shares is incorporated and domiciled in the UK. The Company is registered in England and Wales and the address of its registered office is Horseferry House, Horseferry Road, London, SW1P 2AW.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of the financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of some of the available disclosure exemptions permitted by FRS 101 in the financial statements, which are summarised below:

- the requirements of IFRS 7, 'Financial Instruments: Disclosures';
- the requirements of the following paragraphs of IAS 1 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with all IFRS);
 - 38 (present comparative information in respect of paragraph 79(a)(iv));
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of 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);
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation); and
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

THE SCOTCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 MARCH 2021

1. Accounting policies (continued)

1.2 New Standards adopted in the period

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 27 March 2021 that have had a material impact on the Company's financial statements.

1.3 Going concern

The directors have assessed the liquidity and future cash generation of the Company, the facilities available to it, and the principal risks and uncertainties the Company is subject to. On the basis of these assessments, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing the annual financial statements of the Company.

1.4 Revenue

The Company obtains revenue through licences issued to third parties to produce and sell goods carrying 'Burberry' trademarks. Revenue is stated excluding Value Added Tax and other sales related taxes.

The Company's licences entitle the licensee to access the Company's trademarks over the term of the licence. Hence revenue from licensing is recognised over the term of access to the licence. Royalties payable under licence agreements are usually based on production or sales volumes and are accrued in revenue as the subsequent production or sale occurs. Any amounts received which have not been recognised in revenue are classified as contract liabilities.

1.5 Taxation

Tax expense represents the sum of the tax currently payable and deferred tax charge.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense which are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The current tax liability is calculated using tax rates which have been enacted or substantively enacted by the balance sheet date.

1.6 Called up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

THE SCOTCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 MARCH 2021

1. Accounting policies (continued)

1.7 Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Sterling which is the Company's functional and presentation currency.

Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are held at the year end, are translated into the functional currency at the exchange rate ruling at the balance sheet date (closing rate). Exchange differences on monetary items are recognised in the Income Statement in the period in which they arise.

1.8 Financial instruments

A financial instrument is initially recognised at fair value on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flow expire or substantially all risks and rewards of the asset are transferred. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, all financial liabilities are stated at fair value. Subsequent to initial recognition, all financial liabilities are stated at amortised cost using the effective interest rate method. Financial assets are classified as either amortised cost or fair value through profit or loss depending on their cash flow characteristics. Assets with cash flows that represent solely payments of principal and interest are measured at amortised cost. The fair value of the financial assets and liabilities held at amortised cost approximate their carrying amount due to the use of market interest rates.

The Company's primary category of financial instruments is listed below:

Trade and other receivables

Trade and other receivables are included in current assets. Trade and other receivables with maturities greater than 12 months after the balance sheet date are classified as trade and other receivables falling due after more than one year. The receivables are held with the objective to collect the contractual cash flows and are therefore recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the expected loss on receivables is established at inception. This is modified when there is a change in the credit risk. The amount of the movement in the provision is recognised in the Income Statement.

THE SCOTCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 MARCH 2021

2. Key sources of estimation uncertainty and judgements

2.1 Key sources of estimation uncertainty

Preparation of the financial statements in conformity with FRS 101 requires that management make certain estimates and assumptions that affect the reported revenues, expenses, assets and liabilities and the disclosure of contingent liabilities.

If in the future such estimates and assumptions, which are based on management's best estimates at the date of the financial statements, deviate from actual circumstances, the original estimates and assumptions will be updated as appropriate in the period in which the circumstances change.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The COVID-19 pandemic (COVID-19) has had a major impact on the global economy throughout the current year. The impact of COVID-19 has been considered and management have concluded that this is not a source of estimation uncertainty.

The key areas where estimates and assumptions applied have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are discussed below. Further details of the Company's accounting policies in relation to these areas are provided in note 1:

There were no key sources of estimation uncertainty arising in the current period or prior period.

2.2 Key judgements in applying the Company's accounting policies

Judgements are those decisions made when applying accounting policies which have a significant impact on the amounts recognised in the Company's financial statements. Further details of the Company's accounting policies in relation to these areas are provided in note 1. Key judgements that have a significant impact on the amounts recognised in the Company's financial statements are discussed below:

There were no key judgements arising in the current period or prior period.

3. Revenue

Analysis of turnover by country of destination:

	2021 £000	2020 £000
Japan	863	857

All revenue is derived from contracts with customers. Licensing revenue is derived over the period the licence agreement gives the customer access to the Company's trademarks.

THE SCOTCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2021

4. Profit before taxation

The directors did not receive any emoluments in respect of their services to the Company (2020 - £nil).

The Company has no employees (2020 - nil) and therefore no employee costs are included in these financial statements (2020 - £nil). The Company has not incurred any fees for non-audit services (2020 - £nil) and has not been recharged audit fees of £1,900 (2020 - £1,300) for the current year as these were paid by Burberry Limited.

5. Tax on profit

Corporation tax is based on the profit for the year and comprises:

	2021 £000	2020 £000
Corporation tax		
Current tax at 19% (2020 - 19%)	-	-

Factors affecting tax charge for the year

UK Group companies do not charge/pay for group tax relief from other UK companies. As such, The Company does not recognise a tax (credit)/charge for any (losses)/profits to the extent that there are sufficient profits/(losses) within the UK Group companies to fully offset the Company's UK liability.

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit before taxation	836	866
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	159	165
Effects of:		
Group relief surrendered for nil consideration	(159)	(165)
Total tax charge for the year	-	-

Factors that may affect future tax charges

The main rate of corporation tax will remain at 19% from 1 April 2021, as legislated in the Finance Bill in 2020. The tax rate is expected to be raised to 25% from April 2023 as set out in the Finance Bill in 2021.

THE SCOTCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 MARCH 2021

6. Trade and other receivables - amounts falling due within one year

	27 March 2021 £000	28 March 2020 £000
Amounts owed by fellow subsidiaries	20,217	19,381

Amounts owed by fellow subsidiaries of £20,217,000 (2020 - £19,381,000) are unsecured, interest free and receivable on demand.

Credit Risk

The trade and other receivables balance comprises of intercompany trade receivables with companies within the Group. These Group companies are assessed at each reporting date as to their ability to repay outstanding balances.

The counterparty credit risk of trade and other receivables is reviewed on a regular basis and assessed for impairment as follows:

At inception the receivable is recorded net of expected 12 month credit losses. If a significant increase in the credit risk occurs during the lifetime, credit losses are recorded in the profit and loss account and the effective interest is calculated using the gross carrying amount of the asset. If a loss event occurs, the effective interest is calculated using the amortised cost of the asset net of any credit losses.

The Company's sole debtor is Burberry Limited. Burberry Limited is the holder of the Burberry brand and the main operating company of the Group. Based on its liquidity and expected cash generation, the expected 12 months credit loss for Burberry Limited trade and other receivables is not considered to be significant. As a result, no impairment has been recorded for amounts owed by fellow subsidiaries as at 27 March 2021.

7. Called up share capital

	27 March 2021 £	28 March 2020 £
Allotted, called up and fully paid		
100 (2020 - 100) ordinary shares of £1 (2020 - £1) each	100	100

8. Immediate and ultimate parent company

The immediate and ultimate parent undertaking and controlling party is Burberry Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Burberry Group plc is registered in England and Wales and copies of the consolidated financial statements can be obtained from the Company Secretary at Burberry Group plc, Horseferry House, Horseferry Road, London, SW1P 2AW.