
BURBERRYS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012



BURBERRYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and the audited financial statements for the year ended 31 March 2012

Principal activities and future developments

Burberrys Limited (the "Company") is a wholly owned subsidiary of Burberry Group plc (the "Group") Its principal activity is to act as a holding company At the date of this report the directors do not anticipate any major changes in the Company's activities in the next year

The balance sheet on page 6 of the financial statements shows that the Company is in a net liabilities position at the year end consistent with the prior year

Key performance indicators

The directors of Burberry Group plc 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 Burberry Group plc is discussed in the Financial review section of the Group's 2011/12 Annual report which does not form part of this report

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Burberry Group plc and are not managed separately Accordingly, the principal risks and uncertainties of Burberry Group plc, which include those of the Company, are discussed on pages 56 to 59 of the Group's 2011/12 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 Burberry Group plc and is not managed separately Accordingly, financial risk management of Burberry Group plc, which includes that of the Company, is discussed on pages 128 to 130 of the Group's 2011/12 Annual report which does not form part of this report

Results and dividends

The Company's result for the year is £nil (2011 £nil) The directors do not recommend the payment of a dividend (2011 £nil)

Disclosure of information to auditors

In accordance with the provisions of section 418 of the Companies Act 2006, each of the Company's directors in office as at the date of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the auditors are unaware, and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

BURBERRYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

Directors

The directors who held office during the year were as follows

S L Cartwright
C A Fairweather
A G Janowski (resigned 23 April 2012)
V L Rainsford (alternate director to C A Fairweather, resigned 12 March 2012)
N P Jones (alternate director to C A Fairweather, appointed 12 March 2012)

M N C Mahony was appointed a director of the Company on 23 April 2012

Statement of directors' responsibilities

The directors are responsible for preparing the directors' 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 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

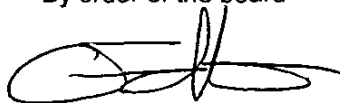
- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Independent auditors

In accordance with section 487 of the Companies Act 2006 the auditors are deemed reappointed as auditors for the coming year, the Company having passed an elective resolution under the Companies Act 1985 to dispense with the annual appointment of auditors, which remained in force immediately before 1 October 2007.

By order of the board



C A Fairweather
Director

16 July 2012

BURBERRYS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURBERRYS LIMITED

We have audited the financial statements of Burberrys Limited for the year ended 31 March 2012, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its results for the year 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BURBERRYS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURBERRYS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



Andrew Kemp (Senior statutory auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

16 July 2012

BURBERRYS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Profit on ordinary activities before taxation	2	-	-
Taxation on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation	8	-	-
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 11 form part of these financial statements

The above results derive from continuing operations

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

The Company had no recognised gains and losses during the years other than those reflected in the results above, and therefore no separate statement of total recognised gains and losses has been presented

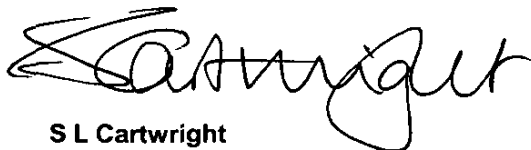
BURBERRYS LIMITED
REGISTERED NUMBER. 00230931

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	2012 £	2011 £
Fixed assets			
Investments	4	553,191,613	553,191,613
Current assets			
Debtors amounts falling due within one year	5	39,267,770	39,267,770
Total assets less current liabilities		<u>592,459,383</u>	<u>592,459,383</u>
Creditors amounts falling due after more than one year	6	<u>(649,512,132)</u>	<u>(649,512,132)</u>
Net liabilities		<u>(57,052,749)</u>	<u>(57,052,749)</u>
Capital and reserves			
Called up share capital	7	5,000	5,000
Profit and loss account		<u>(57,057,749)</u>	<u>(57,057,749)</u>
Equity shareholders' deficit	8	<u>(57,052,749)</u>	<u>(57,052,749)</u>

The notes on pages 7 to 11 form part of these financial statements

The financial statements of Burberrys Limited (registered number 00230931) were approved by the board of directors on 16 July 2012. They were signed on its behalf by



S L Cartwright
Director

16 July 2012

BURBERRYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. Accounting policies

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

1.1 Basis of preparation

These financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006.

1.2 Going concern

The balance sheet set out on page 6 shows the Company has total net liabilities as at the end of the financial year. The parent company has confirmed its continuing support. On this basis, the directors are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

1.3 Dividend distribution

Dividend distributions are recognised as a liability in the year in which the dividends are approved by the shareholders in the case of final dividends or when they are paid in respect of interim dividends.

1.4 Investments

Investments held by the Company are stated at cost, less any provisions to reflect impairment in value.

1.5 Impairment

Investments are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net realisable value and value in use.

1.6 Foreign currency transactions

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are held at year end, are translated into Sterling at the exchange rate ruling at the balance sheet date. Exchange differences on monetary items are recognised in the profit and loss account in the period in which they arise.

1.7 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.8 Related party transactions

Financial Reporting Standard ("FRS") 8, 'Related party disclosures' requires the disclosure of the details of material transactions and balances between the reporting entity and related parties. The Company has taken advantage of the exemption under the terms of FRS 8, not to disclose details of transactions with entities that are wholly owned subsidiaries.

BURBERRYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. Accounting policies (continued)

1 9 Cash flow statement

The Company is a wholly owned subsidiary of Burberry Group plc and is included in the consolidated financial statements of Burberry Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1, "Cash flow statements" (revised 1996)

2 Result for the year

The directors did not receive any emoluments in respect of their services to the Company (2011 £nil)

The Company has no employees and therefore no employee costs are included in these financial statements (2011 £nil). The Company has not been recharged audit fees of £1,300 (2011 £2,000) as these were all paid for by Burberry Limited

3 Taxation on profit on ordinary activities

Corporation tax is based on the results for the year and comprises

	2012 £	2011 £
Corporation tax at 26% (2011 28%)	-	-

BURBERRYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

3. Taxation on profit on ordinary activities (continued)**Factors affecting tax charge for the year**

UK Group companies do not charge/pay for group tax relief from other UK companies. As such, Burberrys Limited 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 Burberrys Limited's UK liability.

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26% (2011 - 28%)

The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	-	-
Adjusted for the impact of		
Group relief surrendered for nil consideration	-	5,262,747
Debt cap adjustment	4,886,837	-
Transfer pricing adjustment	(4,886,837)	(5,262,747)
Total current tax	-	-

There were a number of changes to the UK Corporation tax system announced in the March 2012 Budget Statement. In addition to the change in the main rate of Corporation tax to 24% with effect from 1 April 2012, which was substantively enacted on 26 March 2012, further reductions are proposed to reduce the rate by 1% per annum to 22% by 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

4. Investments

	2012 £	2011 £
Burberry (No. 1) Unlimited	48,768,968	48,768,968
Burberry (No. 4) Unlimited	163,527,429	163,527,429
Burberry (No. 5) Unlimited	98,777,993	98,777,993
Burberry (No. 6) Unlimited	242,117,223	242,117,223
Investments at cost	553,191,613	553,191,613

BURBERRYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Subsidiary undertaking	Place of registration and incorporation	Percentage of holding of ordinary share capital	Nature of business
Burberry (No 1) Unlimited	UK	42.4%	Finance company
Burberry (No 4) Unlimited	UK	99%	Finance company
Burberry (No 5) Unlimited	UK	99%	Finance company
Burberry (No 6) Unlimited	UK	99%	Finance company

As permitted under Section 400 of the Companies Act 2006 group financial statements have not been prepared as the Company is itself a wholly owned subsidiary of another company (see note 9)

5 Debtors' amounts falling due within one year

	2012 £	2011 £
Amounts due from Group undertakings	<u>39,267,770</u>	<u>39,267,770</u>

Amounts receivable from Group undertakings are unsecured, interest free and receivable on demand

6 Creditors' amounts falling due after more than one year

	2012 £	2011 £
Amounts due to Group undertakings	<u>649,512,132</u>	<u>649,512,132</u>

Amounts payable to Group undertakings are unsecured, interest free and repayable on 1 March 2016

7 Called up share capital

	2012 £	2011 £
Allotted, called up and fully paid		
5,000 (2011 5,000) ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

As permitted by the Companies Act 2006 the Company no longer has an authorised share capital having adopted new Articles of Association by written resolution in 2010

8 Reconciliation of shareholders' deficit

	2012 £	2011 £
Opening and closing shareholders' deficit	<u>(57,052,749)</u>	<u>(57,052,749)</u>

BURBERRYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

9. 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.