

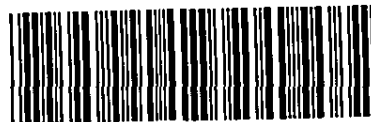
Burberrys Limited

Registered Number: 230931

Directors' Report and Accounts

For the year to 31 March 2009

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Burberrys Limited

Directors' report for the year to 31 March 2009

The directors submit their report and the audited financial statements for the year to 31 March 2009.

Principal activities and business review

Burberrys Limited ("the Company") is a wholly owned subsidiary of Burberry Group plc, its principal activity is to act as a holding Company. There have been no significant changes in the Company's principal activity in the year under review. The directors do not intend, at the date of this report, that there will be 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 has net liabilities consistent with the prior year.

The Burberry Group ("the Group") manages its operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the financing companies of Burberry Group plc, which includes the Company, is discussed in the Group's 2009 Annual Report which does not form part of this report.

Principal risk and uncertainties

The directors of Burberry Group plc manage the risks of the Group at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2009 Annual Report which does not form part of this report.

Results and dividends

The Company's profit for the year is £2,641,427 (2008: loss £25,201,522). The directors do not recommend the payment of a dividend (2008: £nil).

Policy in relation to payment of suppliers

The Company has no external suppliers and therefore there are no trade creditors at the year end from which to calculate creditor days.

Provision of information to auditors

In accordance with the provisions of the Companies (Audit, Investigations and Community Enterprise) Act 2004 amending the Companies Act 1985, 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 to 31 March 2009 (continued)

Directors

The directors who held office during the year were as follows:

S L Cartwright	
C A Fairweather	
M N C Mahony	(resigned 22 April 2008)
A G Janowski	(appointed 2 March 2009)
V L Rainsford (alternate director to C A Fairweather)	(appointed 2 March 2009)

Statement of directors' responsibilities

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

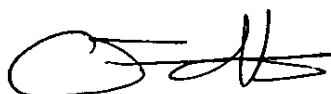
Burberrys Limited

Directors' report for the year to 31 March 2009 (continued)

Auditors

The Company has passed elective resolutions dispensing with the need to hold an Annual General Meeting and annually reappoint auditors. Accordingly, PricewaterhouseCoopers LLP are deemed to have been re-appointed as auditors for the forthcoming year.

By order of the board 15 December 2009

A handwritten signature in black ink, appearing to be 'C A Fairweather', written over a horizontal line.

C A Fairweather
Director

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 2009 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed. We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

15 December 2009

Burberrys Limited

Profit and loss account for the year to 31 March 2009

	<i>Note</i>	2009 £	2008 £
Administrative expenses	2	-	(1,300)
Gain on sale of investment	3	2,641,427	-
Operating profit/(loss)	2	2,641,427	(1,300)
Interest payable and similar charges	4	-	(36,000,875)
Profit/(loss) on ordinary activities before taxation		2,641,427	(36,002,175)
Taxation on profit/(loss) on ordinary activities	5	-	10,800,653
Profit/(loss) on ordinary activities after taxation and retained loss for the year	10,11	2,641,427	(25,201,522)

The notes on pages 7 to 10 form part of these financial statements.

The above activities relate to continuing operations.

The Company had no recognised gains or losses during the year other than those reflected in the above profit and loss account.

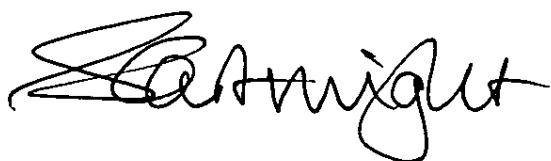
Burberrys Limited

Balance sheet as at 31 March 2009

	Note	2009 £	2008 £
Fixed asset			
Investments	6	553,191,613	602,554,722
Current assets			
Debtors – amounts falling due within one year	7	91,272,306	39,269,070
Current liabilities			
Creditors – amounts falling due within one year	8	(701,516,668)	(701,517,968)
Net current liabilities		(610,244,362)	(662,248,898)
Total assets less current liabilities		(57,052,749)	(59,694,176)
Capital and reserves			
Called up share capital	9	5,000	5,000
Profit and loss account	10	(57,057,749)	(59,699,176)
Equity shareholders' deficit	11	(57,052,749)	(59,694,176)

The notes on pages 7 to 10 form part of these financial statements.

Approved by the board on 15 December 2009



S L Cartwright
Director

Burberrys Limited

Notes to the financial statements for the year to 31 March 2009

1 Accounting policies

The principal accounting policies of the Company are:

(a) Basis of accounting

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, which have been applied on a consistent basis.

(b) Investments

Investments held by the Company are carried at cost less amounts written off in respect of impairment.

(c) Cash flow statement and related party disclosures

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 ("FRS 1") (revised 1996).

The Company is also exempt under the terms of Financial Reporting Standard 8 ("FRS 8") from disclosing related party transactions with entities that are part of the Burberry Group.

2 Result for the year

No directors received any remuneration from the Company during the year to 31 March 2009 (2008: £nil).

No employee costs are included in these financial statements. In contrast to prior years, the Company has not been recharged audit fees for the current year as these were all paid for by Burberry Limited (2008: £1,300).

3 Gain on sale of an investment

On 27 March 2009 the Company sold part of its investment in Burberry (No.1) Unlimited to Burberry Luxembourg Investments Sarl for £52,004,536 resulting in a gain of £2,641,427.

4 Interest payable and similar charges

Interest expense represents interest on loans from another group companies.

Burberrys Limited

Notes to the financial statements for the year to 31 March 2009 (continued)

5 Taxation on profit/(loss) on ordinary activities

The corporation tax credit is based on the taxable loss for the year and comprises:

	2009 £	2008 £
Corporation tax at 28% (2008: 30%)	-	10,800,653

Factors affecting tax charge for the year

As of 1 April 2008, UK Group companies no longer charge/pay for group tax relief from other UK companies. As such from 1 April 2008 onwards, Burberrys Limited will 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 (28%) (2008: 30%). The differences are explained below:

	2009 £	2008 £
Profit/(loss) on ordinary activities before tax	2,641,427	(36,002,175)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)	739,600	10,800,653
Non assessable income	(739,600)	-
Transfer pricing adjustment	(10,160,655)	-
Group relief	10,160,655	-
Total current tax	-	10,800,653

6 Investments

	2009 £	2008 £
Burberry (No. 1) Unlimited	48,768,968	98,132,077
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	602,554,722

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 228(2) of the Companies Act 1985 group financial statements have not been prepared as the Company is itself a wholly owned subsidiary of another Company (see note 12).

Burberrys Limited

Notes to the financial statements for the year to 31 March 2009 (continued)

7 Debtors – amounts falling due within one year

	2009 £	2008 £
Amounts receivable from fellow subsidiaries in respect of group tax relief	-	7,314,689
Amounts due from group undertakings	91,272,306	31,954,381
Amounts falling due within one year	91,272,306	39,269,070

Amounts receivable from group undertaking are unsecured, interest free and receivable on demand.

8 Creditors – amounts falling due within one year

	2009 £	2008 £
Accruals	-	1,300
Amounts due to group undertakings falling due within one year	701,516,668	701,516,668
Amounts due to group undertakings	701,516,668	701,517,968

Amounts due to group undertaking are unsecured, interest free and payable on demand. In the prior year, amounts due to group undertakings incurred interest at LIBOR plus 0.325%.

9 Called up share capital

	2009 £	2008 £
Authorised		
Ordinary shares of £1 each	5,000	5,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	5,000	5,000

10 Reserves

	Profit and loss account £
Retained loss as at 1 April 2008	(59,699,177)
Retained profit for the year (note 11)	2,641,427
As at 31 March 2009	(57,057,749)

Burberrys Limited

Notes to the financial statements for the year to 31 March 2009 (continued)

11 Reconciliation of shareholders' funds

	2009 £	2008 £
Retained profit/(loss) for the year	2,641,427	(25,201,522)
Opening shareholders' funds	(59,694,176)	(34,492,654)
Closing shareholders' funds	(57,052,749)	(59,694,176)

12 Immediate and ultimate parent company

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