

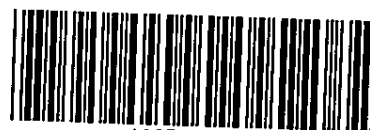
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**BURBERRY (NO. 1) UNLIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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## BURBERRY (NO. 1) UNLIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

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The directors present their report and the audited financial statements for the year ended 31 March 2013

#### Principal activities and future developments

Burberry (No 1) Unlimited (the "Company") is a wholly owned subsidiary of Burberry Group plc (the "Group"). Its principal activity is to act as a financing company. During the year, the directors completed a capital reduction in preparation for executing a plan in the future to make the Company dormant.

The balance sheet on page 6 of the financial statements shows that the Company is in a net asset 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 2012/13 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 60 to 63 of the Group's 2012/13 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 142 to 144 of the Group's 2012/13 Annual Report which does not form part of this report.

#### Results and dividends

The Company's result for the year is £nil (2012: £nil). The directors do not recommend the payment of a final dividend (2012: £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 Company's 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.

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## BURBERRY (NO. 1) UNLIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

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#### Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows

S L Cartwright (resigned 1 June 2013)  
C A Fairweather  
A G Janowski (resigned 23 April 2012)  
N P Jones (alternate director to C A Fairweather)  
M N C Mahony (appointed 23 April 2012)  
J Smith (appointed 1 June 2013)

#### 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 judgements 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, 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 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

The Company has passed elective resolutions dispensing with the need to hold an Annual General Meeting and annually appoint auditors. Accordingly, PricewaterhouseCoopers LLP, are deemed to be reappointed as auditors for the forthcoming year.

By order of the board



**M N C Mahony**  
Director

3 July 2013

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## **BURBERRY (NO. 1) UNLIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURBERRY (NO. 1) UNLIMITED**

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We have audited the financial statements of Burberry (No 1) Unlimited for the year ended 31 March 2013, 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 in 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 opinions, 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 these opinions, 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 2013 and of its result 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.

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**BURBERRY (NO. 1) UNLIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURBERRY (NO. 1) UNLIMITED**

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**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



**Sotins Kroustis (Senior Statutory Auditor)**

**For and on behalf of PricewaterhouseCoopers LLP**

**Chartered Accountants and Statutory Auditors**

**London**

**3 July 2013**

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**BURBERRY (NO. 1) UNLIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2013**

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	Note	2013 £	2012 £
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation	6,7	-	-
		<hr/>	<hr/>

The notes on pages 7 to 10 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

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**BURBERRY (NO. 1) UNLIMITED**  
**REGISTERED NUMBER: 04452028**

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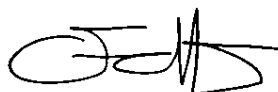
**BALANCE SHEET**  
**AS AT 31 MARCH 2013**

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	Note	2013 £	2012 £
<b>Current assets</b>			
Debtors amounts falling due after more than one year	4	120,353,479	120,353,479
<b>Net current assets</b>		<u>120,353,479</u>	<u>120,353,479</u>
<b>Capital and reserves</b>			
Called up share capital	5	1,000	115,099,985
Profit and loss account	6	120,352,479	5,253,494
<b>Equity shareholders' funds</b>	7	<u>120,353,479</u>	<u>120,353,479</u>

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

The financial statements of Burberry (No 1) Unlimited (registered number 04452028) were approved by the board of directors on 3 July 2013. They were signed on its behalf by



**C A Fairweather**  
Director

3 July 2013

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## BURBERRY (NO. 1) UNLIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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#### 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

The 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 directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### 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 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.

##### 1.5 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.

##### 1.6 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.

##### 1.7 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).



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**BURBERRY (NO. 1) UNLIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**2. Profit on ordinary activities before taxation**

The directors did not receive any emoluments in respect of their services to the Company (2012 £nil)

The Company has no employees and therefore no employee costs are included in these financial statements (2012 £nil) The Company has not been recharged audit fees of £1,300 (2012 £1,300) as these were all paid for by Burberry Limited

**3. Tax on profit on ordinary activities**

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

	2013 £	2012 £
Corporation tax at 24% (2012 26%)	-	-

**Factors affecting tax charge for the year**

UK Group companies do not charge/pay for group tax relief from other UK companies. As such, Burberry (No 1) Unlimited 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 Burberry (No 1) Unlimited's UK liability

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24% (2012 26%)

The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	-	-
<b>Adjusted for the effect of:</b>		
Debt cap adjustment	(1,054,871)	(963,788)
Transfer pricing adjustment - imputed interest	1,054,871	963,788
<b>Total current tax</b>	-	-

There were a number of changes to the UK Corporation tax system announced in the March 2013 Budget Statement. In addition to the change in the main rate of Corporation tax to 23% with effect from 1 April 2013, which was substantively enacted on 3 July 2012, further reductions are proposed to reduce the rate by 2% per annum to 21% for 2014 and by a further 1% to 20% in 2015. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

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**BURBERRY (NO. 1) UNLIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**4. Debtors: amounts falling due after more than one year**

	2013 £	2012 £
Amounts owed by Group undertakings	<u>120,353,479</u>	<u>120,353,479</u>

Amounts receivable from group undertakings are unsecured, interest free and receivable on 1 March 2016

**5. Called up share capital**

	2013 £	2012 £
<b>Allotted, issued and fully paid</b>		
115,099,985 (2012 115,099,985) ordinary shares of £0 000008688 each (2012 £1) each	<u>1,000</u>	<u>115,099,985</u>

During the year a capital reduction was completed to reduce the nominal value of ordinary shares from £1 each to £0 000008688 each

**6. Reserves**

	Profit and loss account £
At 1 April 2012	5,253,494
Capital reduction	<u>115,098,985</u>
At 31 March 2013	<u>120,352,479</u>

**7. Reconciliation of movement in shareholders' funds**

	2013 £	2012 £
Opening shareholders' funds	120,353,479	120,353,478
Amendment to share capital	<u>-</u>	<u>1</u>
Closing shareholders' funds	<u>120,353,479</u>	<u>120,353,479</u>

Share capital has been amended in the prior year to conform with statutory records

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**BURBERRY (NO. 1) UNLIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**8. Immediate and ultimate parent company**

The immediate parent undertakings are Burberry (Spain) Finance Limited and Burberrys Limited, which are registered in England and Wales

The 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