

Registered number: 04452028

BURBERRY (NO. 1) UNLIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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BURBERRY (NO. 1) UNLIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their strategic report for the year ended 31 March 2015.

Business review

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.

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 7 of the financial statements shows that the Company is in a net asset position at the year end consistent with the prior year.

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 2014/15 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 149 to 151 of the Group's 2014/15 Annual Report which does not form part of this report.

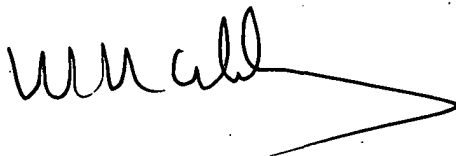
Key performance indicators

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 Performance section of the Group's 2014/15 Annual Report which does not form part of this report.

By order of the board

M N C Mahony
Director

26 June 2015



BURBERRY (NO. 1) UNLIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

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.

Results and dividends

The Company's profit for the year is £2,176,147 (2014: £nil). The directors do not recommend the payment of a final dividend (2014: £nil).

Directors

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

C A Fairweather
N P Jones (alternate director to C A Fairweather)
M N C Mahony
J B Smith
E C Rash (alternate director to M N C Mahony)
B D Jackson (alternate director to J B Smith, appointed 7 April 2015)

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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.

BURBERRY (NO. 1) UNLIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

Statement of 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 auditor is 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 auditor is aware of that information.

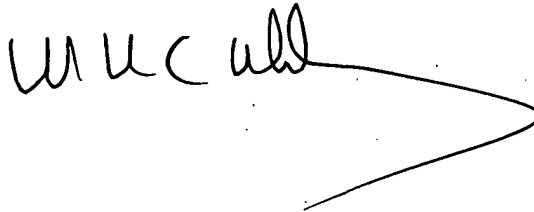
Independent auditors

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

By order of the board

M N C Mahony
Director

26 June 2015

A handwritten signature in black ink, appearing to read 'MNC Mahony', followed by a long, sweeping horizontal line that extends to the right.

BURBERRY (NO. 1) UNLIMITED

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

Report on the financial statements

Our opinion

In our opinion, Burberry (No. 1) Unlimited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profits 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.

What we have audited

Burberry (No. 1) Unlimited's financial statements, comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

BURBERRY (NO. 1) UNLIMITED

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

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the 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.

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) ("ISAs (UK & 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.

What an audit of financial statements involves

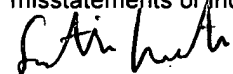
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the strategic report, directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sotiris Kroustis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 June 2015

BURBERRY (NO. 1) UNLIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
Interest receivable and similar income	3	<u>2,176,147</u>	<u>-</u>
Profit on ordinary activities before taxation		2,176,147	-
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation	7	<u>2,176,147</u>	<u>-</u>

The notes on pages 8 to 11 form part of these financial statements.

The above results are derived 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 year other than those reflected in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

BURBERRY (NO. 1) UNLIMITED
REGISTERED NUMBER: 04452028

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	2015 £	2014 £
Current assets			
Debtors: amounts falling due after more than one year	5	122,529,626	120,353,479
Net current assets		122,529,626	120,353,479
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	122,528,626	120,352,479
Total shareholders' funds	8	122,529,626	120,353,479

The notes on pages 8 to 11 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 26 June 2015. They were signed on its behalf by:



C A Fairweather
Director

26 June 2015

BURBERRY (NO. 1) UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 Adoption of Financial Reporting Standard (FRS) 101 'Reduced Disclosure Framework'

The accounting framework for the Company financial statements is required to be changed following the publication of FRS 100 'Application of Financial Reporting Requirements' for the financial year commencing 1 April 2015, from the current preparation which is in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. It is considered that it is in the best interests of the Group for the Company to adopt FRS 101. The shareholders will be informed in writing of this change.

1.3 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.

1.4 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.

1.5 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).

BURBERRY (NO. 1) UNLIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

2. Profit on ordinary activities before taxation

The directors did not receive any emoluments in respect of their services to the Company (2014: £nil).

The Company has no employees and therefore no employee costs are included in these financial statements (2014: £nil). The Company has not been recharged audit fees of £1,300 (2014: £1,300) as these were all paid for by Burberry Limited.

3. Interest receivable

	2015 £	2014 £
Interest receivable from Group undertakings	2,176,147	-

4. Tax on profit on ordinary activities

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

	2015 £	2014 £
Corporation tax at 21% (2014: 23%)	-	-

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 21% (2014: 23%).

The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before taxation	2,176,147	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	456,991	-
Adjusted for the impact of:		
Debt cap adjustment	(456,991)	(744,626)
Transfer pricing adjustment - imputed interest	-	744,626
Total current tax	-	-

BURBERRY (NO. 1) UNLIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

4. Tax on profit on ordinary activities (continued)**Factors that may affect future tax charges**

There were a number of changes to the UK corporation tax system announced in the March 2013 Budget Statement. The main rate of corporation tax changes to 20% with effect from 1 April 2015. This change was substantively enacted on 2 July 2013.

5. Debtors: amounts falling due after more than one year

	2015 £	2014 £
Amounts owed by Group undertakings	<u>122,529,626</u>	<u>120,353,479</u>

Amounts owed by Group undertakings are interest bearing (2014: £120,353,479). The interest rate earned is based on LIBOR plus 0.9%. These loans are unsecured and receivable on 17 June 2019.

6. Called up share capital

	2015 £	2014 £
Allotted, issued and fully paid		
115,099,985 (2014: 115,099,985) ordinary shares of £0.000008688 (2014: £ 0.000008688) each	<u>1,000</u>	<u>1,000</u>

7. Reserves

	Profit and loss account £
At 1 April 2014	120,352,479
Profit for the year	2,176,147
At 31 March 2015	<u>122,528,626</u>

8. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	120,353,479	120,353,479
Profit for the year	<u>2,176,147</u>	-
Closing shareholders' funds	<u>122,529,626</u>	<u>120,353,479</u>

BURBERRY (NO. 1) UNLIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

9. 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.