

**Burberry (No. 1) Unlimited
(formerly Hackunlimco (No. 33))**

Registered Number 4452028

Directors' report and Accounts

For the period ended 31 March 2003



Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33))

Directors' report for the period ended 31 March 2003

The directors submit their report and the audited financial statements for the period ended 31 March 2003.

Incorporation

The company was incorporated on 30 May 2002. On 19 June 2002 the company changed its name to Burberry (No. 1) Unlimited.

Principal activities

The company's principal activity is to act as a finance company.

Results and dividends

The results cover the period from incorporation on 30 May 2002 to 31 March 2003. The company's profit for the financial period is £399,400, this has been transferred to reserves. No dividends have been declared for the period.

Directors and their interests

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

M E Metcalf	(appointed 7 August 2002)
C A Gibbons	(appointed 7 August 2002)
R J H Kessell	(appointed 7 August 2002)
Hackwood Directors Limited	(appointed 30 May 2002, resigned 7 August 2002)

The interest of M E Metcalf, who is also a director of Burberry Group plc, is shown in the annual report of that company.

The interest of C A Gibbons, who is also a director of Burberry Limited, is shown in the annual report of that company.

The interest of R J H Kessell, who is also a director of Burberry (UK) Limited, is shown in the annual report of that company.

Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33))

Directors' report for the period ended 31 March 2003 (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 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.

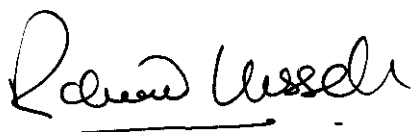
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 19 May 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as 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

28 May 2003



R Kessell
Director

Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33))

Independent auditors' report to the members of Burberry (No. 1) Unlimited

We have audited the financial statements on pages 4 to 9 and the accounting policies set out on page 6.

Respective responsibility of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members 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 in to 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 United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of the company's affairs as at 31 March 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

28 May 2003

Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33))

Profit and loss account for the period ended 31 March 2003

	Note	2003 £
Foreign exchange loss		(94,724)
Gain on sale of investment to fellow subsidiary company		465,707
Profit on ordinary activities before taxation	2	370,983
Taxation receivable on profit on ordinary activities	3	28,417
Profit on ordinary activities after taxation and retained profit for the financial period	8, 9	399,400

The notes on pages 6 to 9 form part of these financial statements.

The above activities relate to continuing operations.

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

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.


Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33))

Balance sheet as at 31 March 2003

	Note	2003 £
Debtors – amounts falling due within one year	4	1,390,934
Creditors - amounts falling due within one year	5	(1,457,242)
Net current liabilities		(66,308)
Debtors - amounts falling due after one year	6	98,597,785
Net assets		98,531,477
Capital and reserves		
Called up share capital	7	98,132,077
Profit and loss account	8	399,400
Equity Shareholders' Funds	9	98,531,477

The notes on pages 6 to 9 form part of these financial statements.

Approved by the Board on 28 May 2003



CA Gibbons
Director

Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33))

Notes to the financial statements for the period ended 31 March 2003

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) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction or at the forward contract rate where hedged. Monetary assets and liabilities denominated in foreign currencies which are held at period end are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange differences on monetary items are taken to the profit and loss account.

(c) Cashflow 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 cashflow 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 plc group.

2 Result for the period

No directors received any remuneration from the company during the period ended 31 March 2003.

No employee costs are included in these financial statements. The auditors received remuneration of £700 which was paid by Burberry Limited, a fellow subsidiary.

3 Taxation on profit on ordinary activities

The corporation tax credit is based on the taxable profit for the period and comprises:

	2003
	£
Corporation tax at 30%	28,417

Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33)) (continued)

Notes to the financial statements for the period ended 31 March 2003

3 Taxation on profit on ordinary activities (continued)

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	2003 £
Profit on ordinary activities before tax	370,983
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(111,295)
Effects of:	
Income not taxable	139,712
<u>Total current tax</u>	<u>28,417</u>

4 Debtors - amounts falling due within one year

	2003 £
Corporation tax	28,417
<u>Amounts due from group undertakings</u>	<u>1,362,517</u>
	<u>1,390,934</u>

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

5 Creditors - amounts falling due within one year

	2003 £
<u>Amounts due to group undertaking</u>	<u>1,457,242</u>

Amounts due to group undertaking are unsecured, interest free and repayable on demand.

6 Debtors - amounts falling due after one year

	2003 £
<u>Amounts due from group undertaking</u>	<u>98,597,785</u>

Amounts due from group undertakings are unsecured, interest free and are repayable on 26 September 2005.

Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33)) (continued)

Notes to the financial statements for the period ended 31 March 2003

7 Called up share capital

	2003 Number	2003 £
Authorised		
Ordinary shares of £1 each	200,000,000	200,000,000
Allotted, issued and fully paid		
Ordinary shares of £1 each		
Issued on incorporation	2	2
Issued on 7 August 2002	98	98
Rights issue on 7 August 2002	106,068,000	106,068,000
Reduction in share capital on 20 August 2002	(7,936,023)	(7,936,023)
Closing allotted, issued and fully paid shares	98,132,077	98,132,077

All shares are issued for cash at par. No expenses were incurred in issuing these ordinary shares.

8 Reserves

	Profit and loss account 2003 £
On incorporation	-
Retained profit for the period	399,400
Closing balance	399,400

9 Reconciliation of movement in Shareholders' Funds

	2003 £
Profit for the period	399,400
Net proceeds of issue of ordinary share capital and rights issue	98,132,077
Net addition to Shareholders' Funds	98,531,477
Opening Shareholders' Funds	-
Closing Shareholders' Funds	98,531,477

Burberry (No. 1) Unlimited (formerly Hackunlimco (No. 33)) (continued)

Notes to the financial statements for the period ended 31 March 2003

10 Immediate and ultimate parent company

The immediate parent undertaking is Burberrys Limited which is registered in England and Wales.

The parent undertaking of the smallest group to consolidate these financial statements is Burberry Group plc which is registered in England and Wales. Copies of the consolidated accounts can be obtained from the Company Secretary at Burberry Group plc, 18-22 Haymarket, London SW1Y 4DQ.

The ultimate parent undertaking and controlling party is GUS plc which is the parent company of the largest group to consolidate these financial statements. Copies of GUS plc consolidated financial statements can be obtained from the Company Secretary at GUS plc, Universal House, Devonshire Street, Manchester, M601XA.