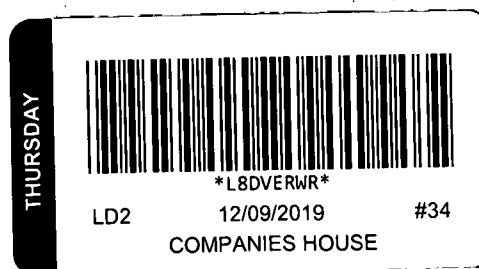


Registered number: 04458720

BURBERRY EUROPE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 30 MARCH 2019



BURBERRY EUROPE HOLDINGS LIMITED

**STRATEGIC REPORT
FOR THE 52 WEEKS ENDED 30 MARCH 2019**

The directors present their Strategic Report for the year ended 30 March 2019.

Business review

Burberry Europe Holdings Limited (the "Company") is a wholly owned subsidiary of Burberry Group plc (the "Group"). Its principal activity is to act as a holding company.

The balance sheet on page 8 of the financial statements shows that the Company is in a net asset position at the year end consistent with the prior year.

The Income Statement on page 7 reflects a £194,423 profit for the financial year (2018 : £419,198)

Future developments

At the date of this report the directors do not anticipate any major changes in the Company's activities in the next year.

Principal risks and uncertainties

The management of the business and the execution of the Company's growth strategies are subject to a number of risks. The principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 74 to 89 of the Group's 2018/19 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 the Group and is not managed separately. Accordingly, financial risk management of the Group, which include those of the Company, is discussed on pages 198 to 202 of the Group's 2018/19 Annual Report, which does not form part of this report.

Other key performance indicators

The Group's directors 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 the Group is discussed in the Group Financial review section of the Group's 2018/19 Annual Report which does not form part of this report.

On behalf of the board.



I Brimicombe

Director

09 September 2019

BURBERRY EUROPE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 30 MARCH 2019

The directors present their report and the audited financial statements for the year ended 30 March 2019.

Directors' responsibilities statement

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

Dividends paid

Dividends paid in the year amount to £nil (2018 - £288,488).

Results and dividends

The Company's profit for the year, after taxation, amounted to £194,423 (2018 - £419,198).

The directors do not recommend the payment of a final dividend (2018 - £nil).

Directors

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

N P Jones
E C Rash (appointed 2 April 2018)
I Brimicombe

BURBERRY EUROPE HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEKS ENDED 30 MARCH 2019**

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.

Qualifying third-party indemnity provision

The Group purchased and maintained throughout the financial year and up to the date of signing the financial statements Director's and Officer's liability insurance in respect of itself and its Group directors, including the directors of its subsidiaries.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

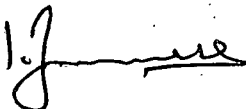
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board.



I Brimicombe
Director
09 September 2019

BURBERRY EUROPE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURBERRY EUROPE HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Burberry Europe Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 March 2019 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 March 2019, the Income Statement, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

BURBERRY EUROPE HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURBERRY EUROPE HOLDINGS LIMITED
(CONTINUED)**

our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

BURBERRY EUROPE HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURBERRY EUROPE HOLDINGS LIMITED
(CONTINUED)**

Other required reporting

Companies Act 2006 exception reporting

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Caschoeder

Catherine Schoeder (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

9 September 2019

BURBERRY EUROPE HOLDINGS LIMITED

**INCOME STATEMENT
FOR THE 52 WEEKS ENDED 30 MARCH 2019**

	Note	2019 £	2018 £
Income from investments		-	290,552
Operating profit	3	-	290,552
Finance income	4	194,423	171,748
Other financing expenses	5	-	(2,065)
Profit before taxation		194,423	460,235
Tax on profit	6	-	(41,037)
Profit for the year		194,423	419,198

The Company had no other comprehensive income during the year other than that included in the Income Statement, and therefore no separate Statement of Comprehensive Income has been presented.

The above results are derived from continuing operations.

The notes on pages 10 to 18 form part of these financial statements.

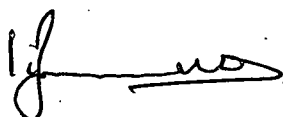
BURBERRY EUROPE HOLDINGS LIMITED
REGISTERED NUMBER: 04458720

BALANCE SHEET
AS AT 30 MARCH 2019

	Note	30 March 2019 £	31 March 2018 £
Fixed assets			
Investments	7	31,454,043	31,454,043
		<u>31,454,043</u>	<u>31,454,043</u>
Current assets			
Debtors	8	11,222,805	11,028,382
Cash at bank and in hand		35,604	35,604
		<u>11,258,409</u>	<u>11,063,986</u>
Creditors - amounts falling due within one year	9	(41,037)	(41,037)
Net current assets		<u>11,217,372</u>	<u>11,022,949</u>
Net assets		<u><u>42,671,415</u></u>	<u><u>42,476,992</u></u>
Capital and reserves			
Called up share capital	10	278	278
Foreign exchange reserve		(4,157,614)	(4,157,614)
Profit and loss account		46,828,751	46,634,328
Total equity		<u><u>42,671,415</u></u>	<u><u>42,476,992</u></u>

The notes on pages 10 to 18 form part of these financial statements.

The financial statements on pages 7 to 18 were approved by the Board of Directors on 09 September 2019 and signed on its behalf by:



I Brimicombe
Director

BURBERRY EUROPE HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 30 MARCH 2019**

	Called up share capital	Foreign currency translation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	278	(4,157,614)	46,634,328	42,476,992
Comprehensive income for the year				
Profit for the year	-	-	194,423	194,423
Total comprehensive income for the year	-	-	194,423	194,423
At 30 March 2019	278	(4,157,614)	46,828,751	42,671,415

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Foreign currency translation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	278	(4,157,614)	46,503,618	42,346,282
Comprehensive income for the year				
Profit for the year	-	-	419,198	419,198
Total comprehensive income for the year	-	-	419,198	419,198
Dividends paid in year	-	-	(288,488)	(288,488)
At 31 March 2018	278	(4,157,614)	46,634,328	42,476,992

The notes on pages 10 to 18 form part of these financial statements.

BURBERRY EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 30 MARCH 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

Burberry Europe Holdings Limited is a holding company. The Company which is private and limited by shares is incorporated and domiciled in the UK. The Company is registered in England and Wales and the address of its registered office is Horseferry House, Horseferry Road, London, SW1P 2AW.

The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. 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 11).

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates (see note 2).

Financial Reporting Standard 101 - reduced disclosures exemptions

The Company has taken advantage of some of the available disclosure exemptions permitted by FRS 101 in the financial statements, which are summarised below:

- the requirements of IFRS 7, 'Financial Instruments: Disclosures';
- the requirement in paragraph 38 of IAS 1, 'Presentation of financial statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - the requirements of the following paragraphs of IAS 1 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation);
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets'.

BURBERRY EUROPE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 30 MARCH 2019**

1. Accounting policies (continued)**1.2 New accounting policy adopted in the period**

The following accounting policy was adopted for the first time in the financial statements for the year ended 30 March 2019:

Accounting reference date

On 1 April 2018, a new policy was adopted for the accounting reference date, in line with guidance under the Companies Act 2006 Section 390. Previously, the accounting reference date was 31 March each year. From 1 April 2018 onwards, the accounting reference date will be a Saturday within 7 days of 31 March. For the current year, the accounting reference date is 30 March 2019 for the full year. Comparative information for the year ended 31 March 2018 has not been restated and there is no impact on the current year results from adopting the new policy.

New Standards adopted in the period

The following standards were adopted for the first time in the financial statements for the year ended 30 March 2019:

IFRS 9 Financial Instruments

The Company adopted IFRS 9: Financial Instruments, for the period commencing 1 April 2018, with the exception of the hedge accounting element which will be adopted when the IFRS 9 Macro hedging is endorsed by the European Union.

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 replaces the guidance in IAS 39 Financial instruments: Recognition and measurement.

The key changes to the Group's accounting policies resulting from the adoption of IFRS 9 are summarised below:

- The standard simplifies the mixed measurement model contained in IAS 39 and establishes three primary measurement categories for financial assets: amortised cost; fair value through Other Comprehensive Income (OCI); and fair value through profit and loss. The classification of financial assets is based on the business model in which the asset is managed and its contracted cash flow characteristics. The application of the new standard has not resulted in a change in classification of any financial instruments.
- There are no other classification impacts other than the description applied to financial instruments. The Company's classification and measurement of financial instruments under IFRS 9 and IAS 39 is set out in accounting policy below.
- IFRS 9 introduces a forward-looking impairment model based on expected credit losses on financial assets. This has not had any effect on the company's impairment measurement.
- There are also revised disclosure requirements for financial instruments.

The determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed on 1 April 2018.

There is no impact, or tax impact, due to the transition to IFRS 9 on financial assets and retained earnings as at 1 April 2018.

1.3 Investments

Investments are measured at cost less accumulated impairment.

BURBERRY EUROPE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 30 MARCH 2019**

1. Accounting policies (continued)

1.4 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.

1.5 Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the year in which the dividend becomes a committed obligation. Final dividends are recognised when they are approved by the shareholders. Interim dividends are recognised when paid.

1.6 Financial instruments

A financial instrument is initially recognised at fair value on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. A financial asset is derecognised when the contractual rights to the cash flow expire or substantially all risks and rewards of the asset are transferred. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Subsequent to initial recognition, all financial assets and liabilities are stated at amortised cost using the effective interest rate method. The fair value of the financial assets and liabilities held at amortised cost approximate their carrying amount due to the use of market interest rates.

The adoption of IFRS 9 resulted in trade and other receivables being classified as Amortised Cost and measured at Amortised cost, compared to IAS 39 classification as Loans and receivables and measured at Amortised cost.

The Company's primary category of financial instruments is listed below:

Trade and other receivables

Trade and other receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. The receivables are held with the objective to collect the contractual cash flows and are therefore recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the expected loss on trade receivables is established at inception. This is modified when there is a change in the credit risk. The amount of the movement in the provision is recognised in the Income Statement.

Cash and cash equivalents

On the Balance Sheet, cash and cash equivalents comprise of cash held with banks.

1.7 Taxation

Tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense which are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The liability for current tax is calculated using tax rates which have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 30 MARCH 2019**

1. Accounting policies (continued)

1.8 Impairment of investments

Investments are not subject to amortisation but 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 fair value less costs to sell and value-in-use. Investments for which an impairment has been previously recognised are reviewed for possible reversal of impairment at each reporting date.

1.9 Called up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.10 Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Sterling which is the Company's functional and presentation currency.

Transactions in foreign currencies

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

2. Key sources of estimation uncertainty

Preparation of the financial statements in conformity with FRS 101 requires that management make certain estimates and assumptions that affect the reported revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best estimates at the date of the financial statements, deviate from actual circumstances, the original estimate and assumptions will be updated as appropriate in the period in which the circumstances change.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key area where the estimates and assumptions applied have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next 12 months is discussed below:

Trade and other receivables

The Company is required to make an estimate of the recoverable value of loan receivables. When assessing impairment of loan receivables, management considers factors including any specific known problems or risks. Refer to note 8 for further details on the net carrying value of loan receivables.

Impairment of investments

Investments are reviewed for impairment annually. When a review for impairment is conducted, the recoverable amount is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates. Refer to note 7 for further details of investments.

BURBERRY EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 30 MARCH 2019

3. Operating profit

The operating profit is stated after crediting

	2019 £	2018 £
Income from shares in Group undertakings	-	290,552

During the year the Company received dividend income of £nil (2018 - £290,552) from Burberry Macau Limited.

The directors did not receive any emoluments in respect of their services to the Company (2018 - £nil).

The Company has no employees (2018 - £nil) and therefore no employee costs are included in these financial statements (2018 - £nil). The Company has not been recharged audit fees of £1,300 (2018 - £1,300) as these were all paid for by Burberry Limited.

4. Finance income

	2019 £	2018 £
Interest receivable from fellow subsidiaries	194,423	171,748

5. Other financing (expense)/income

	2019 £	2018 £
Foreign exchange (losses)/gains	-	(2,065)

6. Tax on profit

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

	2019 £	2018 £
Corporation tax at 19% (2018 - 19%)	-	-
Adjustments in respect of previous periods	-	41,037

BURBERRY EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 30 MARCH 2019

6. Tax on profit (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, the Company 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 the Company's UK liability.

The tax assessed for the year differs (2018: differs) from the standard rate of corporation tax 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit before taxation	194,423	460,235
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	36,940	87,445
Effects of:		
Adjustments in respect of previous periods	-	41,037
Non taxable dividend income	-	(55,205)
Group relief claimed for nil consideration	(36,940)	(32,240)
Total tax charge for the year	-	41,037

BURBERRY EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 30 MARCH 2019

6. Tax on profit (continued)

Factors that may affect future tax charges

The main rate of corporation tax will change to 17% from 1 April 2020, as legislated in the Finance Bill 2016.

7. Investments

	Investments £
Cost	
At 1 April 2018	35,351,444
At 30 March 2019	35,351,444
Accumulated impairment	
At 1 April 2018	3,897,401
At 30 March 2019	3,897,401
Net book value	
At 30 March 2019	31,454,043
At 31 March 2018	31,454,043

In accordance with section 409 of the Companies Act 2006, a full list of related undertakings as at 30 March 2019, including their country of incorporation and percentage of share ownership, is disclosed below. Unless otherwise stated, all undertakings listed below are directly owned by the Company and operate in the country of incorporation.

Company name	Country of Incorporation	Holding (%)	Interest
Burberry Czech Rep s.r.o. (1)	Czech Republic	100	Ordinary shares
Burberry Antwerp N.V. (2)	Belgium	100	Ordinary shares
Burberry Hungary Kereskedelmi Korlátolt Felelősségű Társaság (3)	Hungary	100	Ordinary shares
Burberry Finance Limited (4)	United Kingdom	100	Ordinary shares
Burberry Macau Limited (5)	Macau	100	Quota

BURBERRY EUROPE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 30 MARCH 2019

7. Investments (continued)

Horseferry Mexico S.A. de C.V. (6)	Mexico	100	Ordinary (fixed) shares
		100	Ordinary (variable) shares
Burberry FZ - LLC (7)	United Arab Emirates	100	Ordinary shares
Burberry Treasury Limited (4)*	United Kingdom	100	Ordinary shares

* Indirectly owned by the Company.

The Company holds 50% of the ordinary share capital of Burberry International Holdings Limited in trust for Burberry Group plc and has no beneficial interest in it.

The directors consider the carrying value of the investments to be supported by their underlying assets.

Ref Registered office address

- (1) Praha 1, Přížská 11/67, PSC 11000, Czech Republic
- (2) Waterloolaan 16, 1000 Brussel, Belgium
- (3) 1124 Budapest, Csorsz utca 49-51, Hungary
- (4) Horseferry House, Horseferry Road, London, SW1P 2AW, United Kingdom
- (5) Avenida Dr. Sun Yat Sen, One Central building, 1st Floor, Shops 125-127, Macau
- (6) Ejercito Nacional Mexicano 843B Col. Granada Del. Miguel Hidalgo, Distrito Federal, 11520, Mexico
- (7) Dubai Design District, Premises: 301, 312, 313, 314 & 315, floor:03, Building:08, Dubai, United Arab Emirates

8. Trade and other receivables - amounts falling due after one year

	30 March 2019 £	31 March 2018 £
Amounts falling due after more than one year		
Amounts owed by fellow subsidiaries	11,222,805	11,028,382
	<u>11,222,805</u>	<u>11,028,382</u>

Amounts owed by fellow subsidiaries are interest bearing (2018 - £11,028,382). The interest rate earned was based on the relevant national LIBOR equivalent plus 0.90%. The loan is unsecured and repayable on 17 June 2021.

Credit Risk

The trade and other receivables balance comprises of intercompany loans with companies within the Group. These Group companies are assessed at each reporting date as to their ability to repay outstanding balances.

The counterparty credit risk of other receivables is reviewed on a regular basis and the IFRS 9 impairment model is applied as follows:

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8. Trade and other receivables - amounts falling due after one year (continued)

At inception the receivable is recorded net of expected 12 month credit losses. If a significant increase in the credit risk occurs the life time, credit losses are recorded in the profit and loss account and the effective interest is calculated using the gross carrying amount of the asset. If a loss event occurs, the effective interest is calculated using the amortised cost of the asset net of any credit losses. As at 30 March 2019, the expected 12 month credit losses of receivables, other than trade receivables, were negligible and hence there were no impairments of these.

9. Creditors - amounts falling due within one year

	30 March 2019 £	31 March 2018 £
Amounts owed to group undertakings	41,037	-
Corporation tax	-	41,037
	<u>41,037</u>	<u>41,037</u>

10. Called up share capital

	30 March 2019 £	31 March 2018 £
Allotted, called up and fully paid		
351 (2018 - 351) ordinary shares of €1 each (2018 - €1)	278	278
	<u>278</u>	<u>278</u>

11. 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.