

Burberry Spain (UK) Limited

Registered Number: 4868448

Directors' Report and Accounts

For the year to 31 March 2008

FRIDAY



A8ZX56YN

A54

30/01/2009

229

COMPANIES HOUSE

Burberry Spain (UK) Limited

Directors' report for the year to 31 March 2008

The directors submit their report and the audited financial statements for the year to 31 March 2008.

Principal activities and business review

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 5 of the financial statements shows that the company's financial position at the year end is, in net assets, consistent with the prior year.

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 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 Burberry Group (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 2008 Annual Report which does not form part of this report.

Results and dividends

The company's profit for the year was £148,340,412 (2007: loss £910). The directors have paid an interim dividend of £96,997,482 (2007:£nil) and do not recommend the payment of a final dividend (2007: £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.

Burberry Spain (UK) Limited

Directors' report for the year to 31 March 2008 (continued)

Directors

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

S L Cartwright	
C A Fairweather	
E G Foa	(resigned 13 April 2007)
M N C Mahony	(appointed 4 March 2008)
E P Barker	(appointed 12 November 2007 resigned 31 March 2008)

Statement of directors' responsibilities

The directors are responsible for preparing financial statements for each financial year, which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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 23 January 2009



C A Fairweather
Director

Burberry Spain (UK) Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURBERRY SPAIN (UK) LIMITED

We have audited the financial statements of Burberry Spain (UK) Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the 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 2008 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

28 January 2009

Burberry Spain (UK) Limited

Profit and loss account for the year to 31 March 2008

	<i>Note</i>	2008 £	2007 £
Administrative expenses	2	(1,300)	(1,300)
Operating loss		(1,300)	(1,300)
Dividend income	3	148,341,322	-
Profit/(loss) on ordinary activities before taxation		148,340,022	(1,300)
Taxation on profit on ordinary activities	5	390	390
Profit/(loss) on ordinary activities after taxation	11	148,340,412	(910)

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 year other than those reflected in the above profit and loss account.

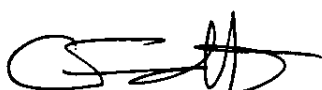
Burberry Spain (UK) Limited

Balance sheet as at 31 March 2008

	Note	2008 £	2007 £
Fixed assets			
Investment	6	469,414,215	469,414,215
Current assets			
Cash at bank		100	100
Debtors – amounts falling due within one year	7	51,341,110	193
		51,341,210	293
Current liabilities			
Creditors – amounts falling due within one year	8	-	(2,013)
Net current assets/(liabilities)		51,341,210	(1,720)
Net assets		520,755,425	469,412,495
Capital and reserves			
Called up share capital	9	400	400
Share premium	10	469,413,915	469,413,915
Profit and loss account	10	51,341,110	(1,820)
Equity Shareholders' Funds	11	520,755,425	469,412,495

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

Approved by the board on 23 January 2009



C A Fairweather
Director

Burberry Spain (UK) Limited

Notes to the financial statements for the year to 31 March 2008

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 Profit for the year

No directors received any remuneration from the company during the year to 31 March 2008 (2007: £nil).

No employee costs are included in these financial statements. The auditors received remuneration of £1,300 (2007: £1,300).

3 Dividend income

The company received dividend income of £148,341,322 (2007: £nil) relating to the preference shares held in Burberry Haymarket Limited. This is the cumulative dividend receivable from the date of issue to 31 March 2008.

4 Dividend expense

	2008 £	2007 £
An interim dividend was paid to Burberry (Spain) Holdings Limited £242,494 per £1 share	96,997,482	-

Burberry Spain (UK) Limited

Notes to the financial statements for the year to 31 March 2008 (continued)

5 Taxation on loss on ordinary activities

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

	2008 £	2007 £
Corporation tax at 30% (2007: 30%)	390	390

Factors affecting tax charge for the year

The tax assessed for the year differs to the standard rate of corporation tax in the UK (30%) (2007:30%).

The differences are explained below:

	2008 £	2007 £
Profit/(Loss) on ordinary activities before taxation	148,340,022	(1,300)
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007: 30%)	(44,502,007)	390
Effect of:		
Non taxable income	44,502,397	-
Total current tax	390	390

From 1 April 2008, the standard rate of corporation tax in the UK will decrease to 28%.

6 Investment

	2008 £	2007 £
As at 1 April 2007 and 31 March 2008	469,414,215	469,414,215

The investment is held at cost.

Investment in preference shares	Place of registration and incorporation	Percentage of holding of preference share capital	Nature of business
Burberry Haymarket Ltd	UK	100%	Holding company

Burberry Haymarket Limited has the right to redeem the whole or any part of the preference shares at any time until 18 December 2008. On this date any preference shares outstanding will be redeemed in full for their face value together with any dividends accruing to that date.

Burberry Spain (UK) Limited

Notes to the financial statements for the year to 31 March 2008 (continued)

6 Investment (continued)

On 18 December, Burberry Haymarket Limited redeemed the 469,414,215 £1 preference shares. This redemption was funded by an issue of new £1 redeemable preference shares.

On a return of capital on winding-up or otherwise (other than on redemption or purchase of shares), the holders of the preference shares shall be entitled to a sum equal to the nominal capital paid up or credited as paid up on the preference shares held by them respectively, together with a sum equal to all arrears and accruals of any dividends. This payment will rank in priority to any payment to the holders of any other class of shares.

7 Debtors – amounts falling due within one year

	2008 £	2007 £
Amounts receivable from fellow subsidiaries in respect of group relief of tax losses	-	193
Amounts due from group undertakings	51,341,110	-
Total Debtors	51,341,110	193

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

8 Creditors – amounts falling due within one year

	2008 £	2007 £
Accruals	-	1,300
Amounts due to group undertakings	-	713
Total	-	2,013

Amounts due to group undertakings were unsecured, interest free and repayable on demand.

9 Called up share capital

	2008 Number	2007 Number	2008 £	2007 £
Authorised				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Allotted, issued and fully paid				
Ordinary shares of £1 each	400	400	400	400

Burberry Spain (UK) Limited

Notes to the financial statements for the year to 31 March 2008 (continued)

10 Reserves

	Share premium account £	Profit and loss account £
As at 1 April 2007	469,413,915	(1,820)
Retained profit for the year (note 11)	-	51,342,930
As at 31 March 2008	469,413,915	51,341,110

11 Reconciliation of movements in Shareholders' Funds

	2008 £	2007 £
Profit/(loss) for the year	148,340,412	(910)
Dividend Expense (note 4)	(96,997,482)	-
Retained profit/(loss) for the year	51,342,930	(910)
Opening Shareholders' Funds	469,412,495	469,413,405
Closing Shareholders' Funds	520,755,425	469,412,495

12 Immediate and ultimate parent company

The immediate parent undertaking is Burberry (Spain) Holdings SL, which is registered in Spain.

The ultimate undertaking and controlling party 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.