

Burberry Jersey (No. 2) Limited

Registered Number: FC023938

Directors' Report and Accounts

For the year to 31 March 2008

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Burberry Jersey (No. 2) Limited

Directors' report for the year to 31 March 2008

The directors submit their report and the 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 financing 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 is £3,269,365 (2007: £2,878,058) and this has been transferred to reserves. No dividends have been declared for the period (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 Jersey (No. 2) Limited

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

Directors

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

S L Cartwright

C A Fairweather

E G Foa (resigned 13 April 2007)

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.

By order of the board 5 December 2008



C A Fairweather
Director

Burberry Jersey (No. 2) Limited

Independent auditors' report to the members of Burberry Jersey (No. 2) Limited

We have audited the financial statements of Burberry Jersey (No. 2) 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

10 December 2008

Burberry Jersey (No. 2) Limited

Profit and loss account for the year to 31 March 2008

	<i>Note</i>	2008 £	2007 £
Administrative expenses	2	(4,206)	(4,050)
Operating loss		(4,206)	(4,050)
Interest income	3	4,674,728	4,114,597
Profit on ordinary activities		4,670,522	4,110,547
Taxation on profit on ordinary activities	4	(1,401,157)	(1,232,489)
Profit on ordinary activities after taxation and retained profit for the financial year	9,10	3,269,365	2,878,058

The notes on pages 6 to 8 form part of these financial statements.

The above activities relate to continuing operations.

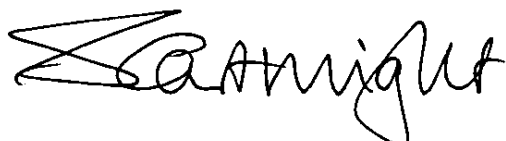
Burberry Jersey (No. 2) Limited

Balance sheet as at 31 March 2008

	<i>Note</i>	2008 £	2007 £
Non current assets			
Debtors - amounts falling due after one year	5	-	86,328,396
Current assets			
Cash at bank		25,358	25,358
Debtors - amounts falling due within one year	6	91,004,436	91
		91,029,794	25,449
Non current liabilities			
Creditors – amounts falling due within one year	7	(5,099,178)	(3,692,594)
Non current liabilities		(5,099,178)	(3,692,594)
Net assets		85,930,616	82,661,251
Capital and reserves			
Called up share capital	8	100,000	100,000
Share premium	9	63,492,371	63,492,371
Profit and loss account	9	22,338,245	19,068,880
Equity Shareholders' Funds	10	85,930,616	82,661,251

The notes on pages 6 to 8 form part of these financial statements.

Approved by the board on 5 December 2008



S L Cartwright
Director

Burberry Jersey (No. 2) 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) Foreign currency

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 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) 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 Result for the year

No directors received any remuneration from the company during the year to ended 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 Interest income

Interest income represents interest on loans to fellow subsidiary companies.

Burberry Jersey (No. 2) Limited

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

4 Taxation on profit on ordinary activities

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

	2008 £	2007 £
Corporation tax at 30% (2007: 30%)	1,401,157	1,232,489

Factors affecting tax charge for period

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 on ordinary activities before tax	4,670,522	4,110,547
Tax at 30% on profit on ordinary activities	1,401,157	1,233,164
Effects of:		
Tax adjustments in respect of prior years	-	(675)
Total current tax charge	1,401,157	1,232,489

The prior year adjustment in 2007 relates to the reversal of expenses allowable for deduction.

5 Debtors – amounts falling due after one year

	2008 £	2007 £
Amounts due from group undertakings	-	86,328,396
	-	86,328,396

In the prior year, amounts falling due after one year due from group undertakings represented two loans, which are both unsecured and repayable on 18 December 2008. The first loan of £500,000 incurs interest at LIBOR plus 0.55%. The second loan of £77,638,373 incurs interest at LIBOR plus 0.325%.

6 Debtors – amounts falling due within one year

	2008 £	2007 £
Prepayments	-	91
Amounts due from group undertakings	91,004,436	-
	91,004,436	91

Amounts falling due from group undertakings represent two loans, which are both unsecured and repayable on 18 December 2008. The first loan of £500,000 incurs interest at LIBOR plus 0.55%. The second loan of £77,638,373 incurs interest at LIBOR plus 0.325%.

Burberry Jersey (No. 2) Limited

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

7 Creditors - amounts falling due within one year

	2008 £	2007 £
Accruals	2,600	1,300
Amounts payable to fellow subsidiaries in respect of group taxable profit	940,907	616,301
Amounts due to group undertakings	4,155,671	3,074,993
Total	5,099,178	3,692,594

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

8 Called up share capital

	2008 Number	2007 Number	2008 £	2007 £
Authorised				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
Allotted, issued and fully paid				
As at 1 April and 31 March	100,000	100,000	100,000	100,000

9 Reserves

	Share premium account £	Profit and loss account £
As at 1 April 2007	63,492,371	19,068,880
Retained profit for the year	-	3,269,365
As at 31 March 2008	63,492,371	22,338,245

10 Reconciliation of movement in Shareholders' Funds

	2008 £	2007 £
Retained profit for the year	3,269,365	2,878,058
Net addition to Shareholders' Funds	3,269,365	2,878,058
Opening Shareholders' Funds	82,661,251	79,783,193
Closing Shareholders' Funds	85,930,616	82,661,251

11 Immediate and ultimate parent company

The immediate parent undertaking is Burberry Group plc which is registered in England and Wales and is the parent undertaking of the largest group to consolidate these financial statements. Copies of the consolidated accounts can be obtained from the Company Secretary at Burberry Group plc, Horseferry House, Horseferry Road, London SW1P 2AW.