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Registered number: FC023938

BURBERRY JERSEY (NO. 2) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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BURBERRY JERSEY (NO. 2) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and the unaudited financial statements for the year ended 31 March 2013

Principal activities and future developments

Burberry Jersey (No 2) Limited (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 4 of the financial statements shows that the Company is in a net asset position at the year end consistent with the prior year

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 Financial review section of the Group's 2012/13 Annual Report which does not form part of this report

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 60 to 63 of the Group's 2012/13 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 142 to 144 of the Group's 2012/13 Annual Report which does not form part of this report

Results and dividends

The Company's loss for the year is £500 (2012 loss £2,505) The directors do not recommend the payment of a final dividend (2012 £nil)

BURBERRY JERSEY (NO. 2) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

Directors

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

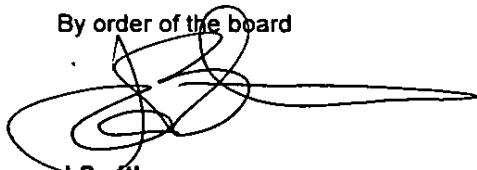
S L Cartwright (resigned 1 June 2013)
C A Fairweather
J Smith (appointed 1 June 2013)

Basis of preparation of financial statements

The unaudited financial statements have been prepared in accordance with

- Article 105 of Companies (Jersey) Law 1991, the Company's parent law,
- United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards as issued by the Financial Reporting Council and applicable law),
- Part 34 of the Companies Act 2006 (Sections 1044 - 1059), and
- The Overseas Company Regulations 2009, SI 2009/1801

By order of the board



J Smith
Director

26 July 2013

BURBERRY JERSEY (NO. 2) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
Administrative expenses		<u>(500)</u>	<u>(2,505)</u>
Loss before tax	2	(500)	(2,505)
Tax	3	<u>-</u>	<u>-</u>
Loss for the year	7,8	<u>(500)</u>	<u>(2,505)</u>

The notes on pages 5 to 8 form part of these financial statements

The above results derive from continuing operations

There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

The Company had no recognised gains and losses during the years other than those reflected in the results above, and therefore no separate statement of total recognised gains and losses has been presented

BURBERRY JERSEY (NO. 2) LIMITED
REGISTERED NUMBER. FC023938

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	2013 £	2012 £
Non current assets			
Trade and other receivables	4	85,897,872	85,897,872
Current assets			
Cash and cash equivalents		24,450	24,450
Total assets		<u>85,922,322</u>	<u>85,922,322</u>
Current liabilities			
Trade and other payables	5	(3,698)	(3,198)
Total liabilities		<u>(3,698)</u>	<u>(3,198)</u>
Net assets		<u><u>85,918,624</u></u>	<u><u>85,919,124</u></u>
Equity			
Share capital	6	100,000	100,000
Share premium account		63,492,371	63,492,371
Retained earnings	7	22,326,253	22,326,753
Equity shareholder's funds	8	<u><u>(85,918,624)</u></u>	<u><u>(85,919,124)</u></u>

The notes on pages 5 to 8 form part of these financial statements

The financial statements of Burberry Jersey (No 2) Limited (registered number FC023938) were approved by the board of directors on 26 July 2013. They were signed on its behalf by



C A Fairweather
Director

26 July 2013

BURBERRY JERSEY (NO. 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 (Jersey) law 1991. In addition, they are in accordance with Part 34 of the Companies Act 2006 (sections 1044 - 1059) and the Overseas Company Regulations 2009, SI 2009/1801.

1.2 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.

1.3 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.

1.4 Foreign currency transactions

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 year end, are translated into Sterling at the exchange rate ruling at the balance sheet date. Exchange differences on monetary items are recognised in the profit and loss account in the period in which they arise.

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 JERSEY (NO. 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

2. Loss before tax

The directors did not receive any emoluments in respect of their services to the Company (2012 £nil)

The Company has no employees and therefore no employee costs are included in these financial statements (2012 £nil) The Company has not been recharged audit fees of £1,300 (2012 £1,300) as these were all paid for by Burberry Limited

3. Tax

Corporation tax is based on the loss for the year and comprises

	2013 £	2012 £
Corporation tax at 24% (2012 26%)	-	-

Factors affecting tax charge for the year

UK Group companies do not charge/pay for group tax relief from other UK companies Burberry Jersey (No 2) Limited 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 Jersey (No 2) Limited's UK liability

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24% (2012 26%)

The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before taxation	(500)	(2,505)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	(120)	(651)
Adjusted for the impact of:		
Group relief surrendered for nil consideration	120	651
Debt cap adjustment	(752,893)	(687,869)
Transfer pricing adjustment - imputed interest	752,893	687,869
Total current tax	-	-

There were a number of changes to the UK Corporation tax system announced in the March 2013 Budget Statement In addition to the change in the main rate of Corporation tax to 23% with effect from 1 April 2013, which was substantively enacted on 3 July 2012, further reductions are proposed to reduce the rate by 2% per annum to 21% for 2014 and by a further 1% to 20% in 2015 These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

BURBERRY JERSEY (NO. 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

4. Trade and other receivables

	2013 £	2012 £
Loans to other Group entities	<u>85,897,872</u>	<u>85,897,872</u>

Loans to other Group entities are unsecured, interest free and receivable on 1 March 2016

5. Trade and other payables

	2013 £	2012 £
Accruals and deferred income	<u>3,698</u>	<u>3,198</u>

6 Share capital

	2013 £	2012 £
Authorised, allotted, issued and fully paid		
100,000 (2012 100,000) ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

7. Reserves

	Retained earnings £
At 1 April 2012	22,326,753
Loss for the year	(500)
At 31 March 2013	<u>22,326,253</u>

8. Reconciliation of movement in shareholder's funds

	2013 £	2012 £
Opening shareholder's funds	85,919,124	85,921,629
Loss for the year	(500)	(2,505)
Closing shareholder's funds	<u>85,918,624</u>	<u>85,919,124</u>

BURBERRY JERSEY (NO. 2) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

9. 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.