Registered number: 04251867

BURBERRY INTERNATIONAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 27 MARCH 2021

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BURBERRY INTERNATIONAL HOLDINGS LIMITED

STRATEGIC REPORT
FOR THE 52 WEEKS ENDED 27 MARCH 2021

The directors present their Strategic Report for the year ended 27 March 2021.

Business review

Burberry International 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.

Refer to note 10 for details of new investments during the year.

The Balance Sheet on page 9 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 8 reflects a £70,499,000 profit for the financial year (2020 - £63,780,000).

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 106 to 143 of the Group's 2020/21 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 271 to 276 of the Group's 2020/21 Annual Report which does not form part of this report.

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 on pages 48 to 54 of the Group's 2020/21 Annual Report which does not form part of this report.

On behalf of the board

Ian Brimicombe (Dec 13, 2021 19:50 GMT)

I Brimicombe
Director
13 December 2021

The Directors present their report and the audited financial statements for the 52 weeks ended 27 March 2021.

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 the 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 to 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

There were no dividends paid during the year (2020 - £nil).

Results and dividends

The Company's profit for the year, after taxation, amounted to £70,499,000 (2020 - £63,780,000).

The Directors do not recommend the payment of a final dividend (2020 - £nil).

Directors

The Directors who served during the year were as follows:

I Brimicombe
N P Jones (resigned on 16 July 2021)
E C Rash

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 Directors' and Officers' liability insurance in respect of itself and its Group directors, including the directors of its subsidiaries.

Disclosure of information to auditors

In the case of each Director in office at the time the Directors' Report is approved:

- 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

Please refer to note 16 for post balance sheet events identified.

Independent auditors

During the year, PricewaterhouseCoopers LLP resigned as auditors of the Company. Pursuant to Section 485 of the Companies Act 2006, Ernst & Young LLP were appointed as auditors for the year ended 27 March 2021. Ernst & Young LLP have indicated their willingness to continue in office.

On behalf of the board

Ian Brimicombe (Dec 13, 2021 19:50 GMT)

I Brimicombe
Director
13 December 2021

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

Opinion

We have audited the financial statements of Burberry International Holdings Limited for the 52 weeks ended 27 March 2021 which comprise the Income Statement, Balance Sheet and Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 27 March 2021 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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 and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant tax laws and regulations in the United Kingdom.

- We understood how the company is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to those charged with governance, as well as considerations of the results of our audit procedures over the Company's financial statements.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual non-standard journals and journals indicating large or unusual transactions based on our understanding of the business; inquiries of those responsible for legal and compliance of the company and management; and focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Ben Marles (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
14 December 2021

BURBERRY INTERNATIONAL HOLDINGS LIMITED

INCOME STATEMENT
FOR THE 52 WEEKS ENDED 27 MARCH 2021

	Note	**2021 £000**	2020 £000
Income from investments in subsidiaries	3	**1,503**	85,471
Net impairment charge on financial assets		**(39)**	(15,644)
Net impairment reversal/(charge) on investments		**73,108**	(9,313)
Net administrative (loss)/income		**(4,775)**	3,207
Operating profit	4	**69,797**	63,721
Finance income	5	**1,430**	1,404
Finance expenses	6	**(13)**	(162)
Other financing expenses	7	**(565)**	(1,013)
Profit before taxation		**70,649**	63,950
Tax on profit	8	**(150)**	(170)
Profit for the financial year		**70,499**	63,780

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

The above results are derived from continuing operations.

The notes on pages 11 to 25 form part of these financial statements.

BURBERRY INTERNATIONAL HOLDINGS LIMITED
REGISTERED NUMBER: 004251867

BALANCE SHEET
AS AT 27 MARCH 2021

	Note		27 March 2021 £000		28 March 2020 £000
Fixed assets					
Investments in subsidiaries	10		**183,324**		108,436
			183,324		108,436
Current assets					
Trade and other receivables – amounts falling due after more than one year	11	**51,700**		57,717	
Cash at bank and in hand		**26**		26	
		51,726		57,743	
Creditors – amounts falling due within one year	12	**(2,963)**		(4,321)	
Net current assets			**48,763**		53,422
Total assets less current liabilities			**232,087**		161,858
Creditors – amounts falling due after more than one year	12		**(7,478)**		(7,748)
Net assets			**224,609**		154,110
Capital and reserves					
Called up share capital	13		**-**		-
Profit and loss account			**224,609**		154,110
Total equity			**224,609**		154,110

The notes on pages 11 to 25 form part of these financial statements.

The financial statements on pages 8 to 25 were approved by the board on 13 December 2021 and signed on its behalf by:

Ian Brimicombe (Dec 13, 2021 19:50 GMT)

I Brimicombe
Director

BURBERRY INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 27 MARCH 2021

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 28 March 2020	-	154,110	154,110
Comprehensive income for the year			
Profit for the financial year	-	70,499	70,499
Total comprehensive income for the year	-	**70,499**	**70,499**
At 27 March 2021	-	**224,609**	**224,609**

STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 28 MARCH 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 31 March 2019	-	90,330	90,330
Comprehensive income for the year			
Profit for the financial year	-	63,780	63,780
Total comprehensive income for the year	-	**63,780**	**63,780**
At 28 March 2020	-	**154,110**	**154,110**

The notes on pages 11 to 25 form part of these financial statements.

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 years presented, unless otherwise stated.

1.1 Basis of preparation

Burberry International 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 15).

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

Financial Reporting Standard 101 – reduced disclosure 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 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);
  - 38 (present comparative information in respect of paragraph 79(a)(iv) of IAS 1);
  - 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'.

1. Accounting policies (continued)

1.2 New Standards adopted in the period

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 27 March 2021 that have had a material impact on the Company's financial statements.

1.3 Going concern

The ultimate parent, Burberry Group plc, has confirmed its intention to provide financial support to the Company, as and when required, for no less than twelve months from the date of signing these financial statements. The Directors have assessed the liquidity and future cash generation of the Company, the facilities available to it, including the support of its ultimate parent, and the principal risks and uncertainties the Company is subject to.

The Company has total liabilities of £10,441,000, investments in subsidiaries of £183,324,000, cash of £26,000 and trade and other receivables of £51,700,000. Given the Company's trade and other receivables are entirely comprised of amounts due from fellow subsidiaries and the support provided by its ultimate parent, the Directors consider that the Company has the ability to settle its liabilities should short term liquidity needs arise.

On the basis of these assessments, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the annual financial statements of the Company.

1.4 Investments in subsidiaries

Investments in subsidiaries are stated at cost, less any provisions to reflect impairment in value.

1.5 Impairment of investments in subsidiaries

Investments in subsidiaries are not subject to amortisation and 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. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Investments for which an impairment has been previously recognised are reviewed for possible reversal of impairment at each reporting date.

1.6 Dividend distributions

Dividend distributions 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. Accounting policies (continued)

1.7 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.

At initial recognition, all financial liabilities are stated at fair value. Subsequent to initial recognition, all financial liabilities are stated at amortised cost using the effective interest rate method. Financial assets are classified as either amortised cost or fair value through profit or loss depending on their cash flow characteristics. Assets with cash flows that represent solely payments of principal and interest are measured at amortised cost. 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 Company's primary categories of financial instruments are listed below:

Cash at bank and in hand
On the Balance Sheet, cash at bank and in hand comprises cash held with banks. Cash at bank and in hand held at amortised cost is subject to impairment testing each period end.

Trade and other receivables
Trade and other receivables are included in current assets. Trade and other receivables with maturities greater than 12 months after the balance sheet date are classified in trade and other receivables falling due after more than one year. The assessment of maturities of loan receivables takes into consideration any intention to renew the loan, where the loan is provided under a facility which has a maturity of more than 12 months from 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 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.

Trade and other payables
Trade and other payables are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings
Borrowings are recognised initially at fair value, inclusive of transaction costs incurred. Borrowings are subsequently stated at amortised cost and the difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest rate method. Borrowings are classified in creditors amounts falling due within one year unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1. Accounting policies (continued)

1.7 Financial instruments (continued)

Deferred consideration
Deferred consideration is initially recognised at the present value of the expected future payments. It is subsequently remeasured at fair value at each reporting period with the change in fair value relating to changes in expected future payments recorded in the Income Statement as an operating expense or income. Changes in fair value relating to unwinding of discounting to present value are recorded as a financing expense.

1.8 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 (closing rate). Exchange differences on monetary items are recognised in the Income Statement in the period in which they arise.

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 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 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 current tax liability is calculated using tax rates which have been enacted or substantively enacted by the balance sheet date.

2. Key sources of estimation uncertainty and judgements

2.1 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 estimates 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 COVID-19 pandemic (COVID-19) has had a major impact on the global economy throughout the current year. While the adverse impact has significantly diminished during the course of the financial year, at the date of signing these financial statements, there remains significant uncertainty regarding the ultimate impact of COVID-19. As a result, the impact of COVID-19 on the Company's assets remains a significant source of estimation uncertainty due to its operations as a holding company and the nature of its assets.

The key areas where estimates and assumptions applied have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are discussed below. Further details of the Company's accounting policies in relation to these areas are provided in note 1:

Impairment of investments in subsidiaries
Investments in subsidiaries are not subject to amortisation and are tested annually for impairment. When a review for potential impairment is conducted, the recoverable amount is determined based on the higher of an investment's fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates. Refer to note 10 for further details of investments.

2.2 Key judgements in applying the Company's accounting policies

Judgements are those decisions made when applying accounting policies which have a significant impact on the amounts recognised in the Company's financial statements. Further details of the Company's accounting policies in relation to these areas are provided in note 1. Key judgements that have a significant impact on the amounts recognised in the Company's financial statements are discussed below:

Impairment reversals of investments in subsidiaries
There is judgement applied as to whether or not to reverse certain investment impairments and management has taken the view that an impairment reversal is appropriate for the investment in Burberry Japan K.K, given its performance during the year and the present value of its future cash flows. Refer to note 10 for further detail of investments

3. Income from investments in subsidiaries

The Company received £1,503,000 (2020 - £85,471,000) in dividend income, which comprised £1,503,000 (2020 - £1,695,000) from Burberry (Taiwan) Co., Ltd and £nil (2020 - £83,776,000) from Burberry China Holdings Limited.

4. Profit before taxation

The operating profit is stated after charging:

	2021 £000	2020 £000
Net impairment (reversal)/charge on investments (see note 10)	**(73,108)**	9,313
Net impairment charge on financial assets (see note 11)	**39**	15,644
Foreign exchange losses/(gains)	**4,318**	(1,121)
Loss/(gain) on remeasurement of deferred consideration	**430**	(2,097)

The Directors did not receive any emoluments in respect of their services to the Company (2020 - £nil).

The Company has no employees (2020 - nil) and therefore no employee costs are included in these financial statements (2020 - £nil). The Company has not incurred any non-audit fees (2020 - £nil) and has not been recharged audit fees of £1,900 (2020 - £1,300) as these were all paid for by Burberry Limited.

5. Finance income

	2021 £000	2020 £000
Interest receivable from fellow subsidiaries	**1,430**	1,404
	1,430	1,404

6. Finance expenses

	2021 £000	2020 £000
Interest payable to fellow subsidiaries	**13**	162
	13	162

7. Other financing expenses

	2021 £000	2020 £000
Finance charge on deferred consideration liability	**564**	1,013
	564	1,013

8. Tax on profit

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

	2021 £000	2020 £000
Corporation tax		
Overseas taxation	**150**	170
Total current tax	**150**	170

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 from the standard rate of corporation tax in the UK of 19% (2020 -19%). The differences are explained below:

	2021 £000	2020 £000
Profit before taxation	**70,649**	63,950
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020 – 19%)	**13,423**	12,151
Effect of:		
Overseas tax suffered	**150**	170
Impairment of investments not subject to tax	**(13,890)**	1,769
Impairment of financial assets not subject to tax	**7**	2,972
Dividends not subject to tax	**(285)**	(16,239)
Group relief surrendered for nil consideration	**552**	(558)
Expenses not deductible	**193**	(95)
Total tax charge for the year	**150**	170

Factors that may affect future tax charges

The main rate of corporation tax will remain at 19% from 1 April 2021, as legislated in the Finance Bill in 2020. The tax rate is expected to be raised to 25% from April 2023 as set out in the Finance Bill in 2021.

9. Dividends

	27 March 2021 £000	28 March 2020 £000
Dividends paid in the year	-	-
	-	-

The Directors paid no dividends during the year (2020 – £nil).

10. Investments in subsidiaries

	Investments in subsidiaries £000
Cost	
At 28 March 2020	**300,356**
Additions	**1,780**
At 27 March 2021	**302,136**
Impairment	
At 28 March 2020	**191,920**
Net release for the year	**(73,108)**
At 27 March 2021	**118,812**
Net book value	
At 27 March 2021	**183,324**
At 28 March 2020	108,436

On 11 January 2021 the Company acquired the remaining 25% economic interest in Burberry Saudi Company Limited, which was held by Fawaz Abdulaziz Alhokair & Co, a non-Group company, for consideration of SAR 9 million (£1.8 million). This resulted in an increase of the Company's investment in Burberry Saudi Company Limited of £1,780,000.

This new investment in Burberry Saudi Company Limited was subsequently impaired by £1,780,000 to £nil (2020 - £nil) as the value of the investment was not supported by the underlying cash flows generated by the investment.

In the prior year, the Company purchased 100% of the share capital of Burberry New Zealand Limited for consideration of NZD$1 (£0.50).

10. Investments in subsidiaries (continued)

The Company has reviewed the recoverable value of its investments to identify if there is any indication of impairment of the carrying value. Where applicable, the recoverable amount has been determined on a value-in-use basis. Value-in-use calculations for each cash generating unit are based on projected pre-tax discounted cash flows together with a discounted terminal value. The key assumptions contained in the value-in-use calculations include the future revenues, the margins achieved, intercompany transfer pricing arrangements, the assumed life of the business and the discount rates applied.

An impairment reversal of £74,888,000 (2020 - £nil) was recorded on the investment in Burberry Japan K.K. as following the review of impairment indicators, it was determined that the value of the investment was partially supported by the underlying cash flows generated by the investment.

The value-in-use calculations have been prepared using management's cost and revenue projections for the next three years to 30 March 2024 combined with a longer term growth rate of 4% to 28 March 2026. A terminal value has been included in the value-in-use calculation based on the cash flows for the year ending 28 March 2026 incorporating the incorporating the conservative assumption that growth beyond 28 March 2026 assumed to be 0%. These projections are based on management's assumptions regarding the likely trading performance over the next three years, taking into account the effects of COVID-19, and growth for the following two years reflecting its expected impact on the global economic environment in the longer term.

The pre-tax discount rates used in these calculations were between 9.6% and 20.5%, based on the Group's weighted average cost of capital adjusted for country-specific tax rates and risks. Where the value-in-use was less than the carrying value of the investment, an impairment of investments in subsidiaries was recorded. The Company has not impaired the carrying value of its investments, other than as noted above, as their cash generation in the long term is considered sufficient to support the carrying value.

For the investments where a value-in-use calculation was required, sensitivity analyses have been performed by management. The sensitivities include applying a 15% reduction in revenue and gross margin from management's base cash flow projections.

10. Investments in subsidiaries (continued)

In accordance with Section 409 of the Companies Act 2006 a full list of related undertakings as at 27 March 2021, including country of incorporation and percentage share ownership, is disclosed below. Unless otherwise stated, all undertakings are directly owned by the Company and operate in the country of incorporation.

Company name	Country of incorporation	Interest	Holding (%)	Registered office
Burberry Pacific Pty Ltd	Australia	Ordinary shares	100	(1)
Burberry (Austria) GmbH	Austria	Ordinary shares	100	(2)
Sandringham Bahrain SPC W.L.L. [2]	Bahrain	Ordinary shares	100	(3)
Burberry Antwerp NV	Belgium	Ordinary shares	75	(4)
Burberry Brasil Comércio de Artigos de Vestuário e Acessórios Ltda	Brazil	Ordinary shares	0.000001	(5)
Burberry Canada Inc	Canada	Ordinary shares	100	(6)
Burberry (Shanghai) Trading Co., Ltd [1]	China	Equity interest	100	(7)
Burberry Czech Rep s.r.o.	Czech Republic	Ordinary shares	75	(8)
Burberry France SASU	France	Ordinary shares	100	(9)
Burberry (Deutschland) GmbH [1]	Germany	Ordinary shares	100	(10)
Burberry Asia Holdings Limited	Hong Kong S.A.R.	Ordinary shares	100	(11)
Burberry Asia Limited [1]	Hong Kong S.A.R.	Ordinary shares	100	(11)
Burberry China Holdings Limited	Hong Kong S.A.R.	Ordinary shares	100	(11)
Burberry Hungary Kereskedelmi Korlátolt Felelősségű Társaság	Hungary	Ordinary shares	74	(12)
Burberry India Private Limited	India	Ordinary shares	51	(13)
Burberry Ireland Limited	Ireland	Ordinary shares	100	(14)
Burberry Italy (Rome) S.R.L.	Italy	Quota	100	(15)
Burberry Japan K.K.	Japan	Ordinary shares	100	(16)
Burberry Kuwait General Trading Textiles and Accessories Company \With Limited Liability [1,3]	Kuwait	Parts	49	(17)
Burberry Macau Limited	Macau	Quota	96	(18)
Burberry (Malaysia) Sdn. Bhd.	Malaysia	Ordinary shares	100	(19)
Horseferry Mexico S.A. de C.V.	Mexico	Ordinary (fixed) shares Ordinary (variable) shares	90 90	(20)
Horseferry Mexico Servicios Administrativos,S.A. de C.V. [1]	Mexico	Ordinary (fixed) shares	10	(20)
Burberry Netherlands B.V.	Netherlands	Ordinary shares	100	(21)
Burberry New Zealand Limited	New Zealand	Ordinary shares	100	(22)
Burberry Qatar W.L.L [1,3]	Qatar	Ordinary shares	49	(23)
Burberry Korea Limited	Republic of Korea	Ordinary shares	100	(24)
Burberry Retail LLC	Russian Federation	Participatory shares	100	(25)
Burberry Saudi Company Limited	Kingdom of Saudi Arabia	Ordinary shares	100	(26)
Burberry (Singapore) Distribution Company PTE Ltd	Singapore	Ordinary shares	100	(27)

10. Investments in subsidiaries (continued)

Company name	Country of incorporation	Interest	Holding (%)	Registered office
Burberry (Taiwan) Co., Ltd	Taiwan	Ordinary shares	100	(28)
Burberry (Thailand) Limited [4]	Thailand	Common shares	99.99	(29)
Burberry Turkey Giyim Toptan Ve Perakende Satis Limited Sirketi	Turkey	Ordinary shares	100	(30)
Burberry Middle East LLC [3]	United Arab Emirates	Ordinary shares	49	(31)
Burberry Latin America Limited	United Kingdom	Ordinary shares	100	(32)

1. Indirectly owned by the Company
2. The Company has an indirect holding of 100% of the issued share capital through a nominee.
3. The Company has a 100% share of profits of Burberry Middle East LLC as well as a 100% and 88% share of profits in Burberry Middle East LLC's subsidiaries in Kuwait and Qatar respectively. The Company has the power to control these companies under the agreements relating to Burberry Middle East LLC.
4. Thomas Burberry Holdings and Haymarket hold one share each.

Ref	Registered office address
(1)	Level 5, 343 George Street, Sydney NSW 2000, Australia
(2)	Kohlmarkt 2, 1010 Wien, Austria
(3)	Building 1A, Road 365 (Isa Al Kabeer Avenue), Manama Center 316, Unit 8, Moda Mall, Manama, Bahrain
(4)	Waterloolaan 16, 1000 Brussel, Belgium
(5)	City of São Paulo, State of São Paulo, at Rua do Rocio, 350, 3rd Pavement of Condominium Atrium IX, suites No. 31 and No. 32, 28th subdistrict, Vila Olimpia, CEP 04552-000, Brazil
(6)	100 King Street West, 1 First Canadian Place, Suite 1600, Toronto ON M5X 1G5, Canada
(7)	60th Floor (Actual Floor No.53), Wheelock Square, 1717 Nanjing West Road, Shanghai 200040, China
(8)	Praha 1, Pařížská 11/67, PSČ 11000, Czech Republic
(9)	56 rue du Faubourg Saint-Honoré, 75008, Paris, France
(10)	Königsallee 50, 40212 Düsseldorf, Germany
(11)	Suites 2201-02 & 11-14, 22/F Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
(12)	1124 Budapest, Csörsz utca 49-51, Hungary
(13)	3 A-1 Taj Apartment, Rao Tula Ram Marg, New Delhi, DL 110022, India
(14)	Suite 9, Bunkilla Plaza, Bracetown Office Park, Clonee, Co. Meath., D15 XR27, Ireland
(15)	Via Manzoni n20, 20121, Milano, Italy
(16)	5-14 Ginza 2-chome, Chuo-ku, Tokyo, Japan
(17)	Hawali, Tunis Street, Block 93, Plt B, Office No 12, Floor 7, Kuwait
(18)	Avenida Dr. Sun Yat Sen, One Central Building, 1st floor, Shops 125-127, Macau
(19)	Level 21, Suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia
(20)	Edgar Allan Poe 85-B,Col. Polanco, Delg. Miguel Hidalgo, Mexico City, 11560, Mexico
(21)	Pieter Cornelisz. Hooftstraat 48 H, -50, 1071BZ Amsterdam, Netherlands
(22)	KPMG AUCKLAND, 18 Viaduct Harbour Avenue, Auckland, 1010, New Zealand
(23)	First Floor, Building No. 660, 54 Al Marikh, Street no. 364, Located near Al Rayyan Municipality South, Doha, Qatar
(24)	(Cheongdam-dong) 459, Dosan-daero, Gangnam-gu, Seoul, Republic of Korea
(25)	Ulitsa Petrovka, 16, floor 3, Premise I, rooms 47-53, 127051, Moscow, Russian Federation
(26)	Riyadh, Al Olaya District, Akaria Plaza, First Floor, Office No (119), 11411, Kingdom of Saudi Arabia
(27)	391B Orchard Road #15-02/03, Ngee Ann City, 238874, Singapore
(28)	(105) 5F, No. 451, Changchun Rd., Taipei City, Taiwan
(29)	No. 989 Siam Piwat Tower, 12A Floor, Unit B1, B2, Rama I Road, Pathumwan Sub-district, Pathumwan District, Bangkok, Thailand
(30)	Reşitpaşa Mahallessi Eski Büyükdere Cad. Windowist Tower Sit. No: 26/1 Sariyer/Istanbul, Turkey
(31)	Dubai Design District, Building 8, Level 3, Office number 312 + 313, PO Box 83916, Dubai, United Arab Emirates
(32)	Horseferry House, Horseferry Road, London, SW1P 2AW, United Kingdom

11. Trade and other receivables – amounts falling due after more than one year

	27 March 2021 £000	28 March 2020 £000
Amounts owed by fellow subsidiaries	**78,675**	84,653
Provision for doubtful debts	**(26,975)**	(26,936)
	51,700	57,717

Amounts owed by fellow subsidiaries of £78,675,365 (2020 - £84,653,000) are interest bearing, unsecured and receivable between 24 May 2021 and 24 June 2021 with facility maturity dates between 24 May 2021 and 24 June 2025 (2020 – receivable between 27 May 2020 and 25 February 2021 with facility maturity dates between 24 May 2021 and 24 February 2025). The interest earned is based on LIBOR equivalents plus 0.9% (2020 - 0.9%).

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 trade and other receivables is reviewed on a regular basis and assessed for impairment as follows:

At inception the receivable is recorded net of expected 12 month credit losses. If a significant increase in the credit risk occurs during the lifetime, 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 27 March 2021, the expected credit losses of receivables was £26,975,000 (2020 - £26,936,000). In the year ended 27 March 2021, an impairment reversal of £942,542 was recorded in the income statement in relation to receivables from Burberry Middle East LLC (2020 – impairment charges of £15,644,000) and an impairment charge of £981,168 related to receivables from Burberry Saudi Company Limited (2020 – £nil).

12. Creditors

	27 March 2021 £000	28 March 2020 £000
Amounts falling due within one year		
Amounts owed to fellow subsidiaries	**(12)**	(5)
Deferred consideration	**(2,930)**	(4,314)
Accruals	**(21)**	(2)
	(2,963)	(4,321)
Amounts falling due after more than one year		
Amounts owed to fellow subsidiaries	**(521)**	(566)
Deferred consideration	**(6,957)**	(7,182)
	(7,478)	(7,748)

Amounts owed to fellow subsidiaries falling due within one year of £12,000 (2020 - £5,000) are unsecured, interest free and repayable on demand.

Amounts owed to fellow subsidiaries falling due after more than one year of £521,000 (2020 - £566,000) are interest bearing, unsecured and repayable on 6 June 2022 (2020 – repayable on 6 June 2022). The interest rate is based on LIBOR plus 0.9% (2020 - 0.9%).

Deferred consideration
Deferred consideration relates to the acquisition of the economic right to the non-controlling interest on Burberry Middle East LLC on 22 April 2016. The change in the deferred consideration liability in the period arises as a result of a financing cash outflow and non-cash movements. Payments of £2,600,000 were made in the year to 27 March 2021 (2020 - £2,700,000).

13. Called up share capital

	27 March 2021 £	28 March 2020 £
Allotted, called up and fully paid share capital		
2 (2020 – 2) ordinary shares of £1 (2020 - £1) each	**2**	2

Burberry Europe Holdings Limited, a wholly owned subsidiary of Burberry Group plc, holds one of the ordinary shares of the Company in trust for Burberry Group plc and has no beneficial interest in it.

14. Contingent liabilities

The Company is subject to claims against it and to tax audits in a number of jurisdictions which arise in the ordinary course of business. These typically relate to Valued Added Taxes, corporate taxes, various contractual claims, legal proceedings and other matters. Where appropriate, the estimated cost of known obligations have been provided in these financial statements in accordance with the Company's accounting policies. The Company does not expect the outcome of current similar contingent liabilities to have a material effect on the Company's financial condition.

The Company has indemnified the UAE Ministry of Labour and Social Affairs in the event that Burberry Middle East LLC, which is a subsidiary of the Company, is unable to meet its obligations against potential liabilities and claims relating to the legal rights of its employees. As at 27 March 2021, the amount provided for any claims under the indemnity is £nil (2020 – £nil).

15. Immediate and ultimate parent undertaking

The immediate parent undertakings are Burberry Group plc and Burberry Europe Holdings Limited. The 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.

16. Events after the balance sheet date

Subsequent to the year ended 27 March 2021, the amounts owed by fellow subsidiaries maturing on 24 May 2021 were extended to 24 May 2022 under the same terms as the existing loans.

On 22 April 2021, the Company increased its investment in Burberry New Zealand Limited through an equity injection of NZD $9,300,000 (£4,715,000).

On 24 August 2021, the Company received dividend income of £13,782,000 from its subsidiary, Burberry Asia Holdings Limited.

On 29 September 2021, the Company paid £2,900,000 in relation to the deferred consideration on the acquisition of the economic right to the non-controlling interest on Burberry Middle East LLC.