RNS Number : 4466O
Burberry Group PLC
15 May 2024

15 May 2024

BURBERRY GROUP PLC

PRELIMINARY RESULTS FOR 52 WEEKS ENDED 30 MARCH 2024

"Executing our plan against a backdrop of slowing luxury demand has been challenging. While our FY24 financial results underperformed our original expectations, we have made good progress refocusing our brand image, evolving our product and strengthening distribution while delivering operational improvements. We are using what we have learned over the past year to finetune our approach, while adapting to the external environment. We remain confident in our strategy to realise Burberry's potential as the Modern British Luxury brand and in our ability to successfully navigate this period."
- Jonathan Akeroyd, Chief Executive Officer

Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023	*YoY % change Reported FX*	*YoY % change CER*
Revenue	**2,968**	**3,094**	***(4)***	***flat***
*Retail comparable store sales**	*-1%*	*7%*		
Adjusted operating profit*	**418**	**634**	***(34)***	***(25)***
*Adjusted operating profit margin**	*14.1%*	*20.5%*	*(640bps)*	*(500bps)*
Adjusted diluted EPS (pence)*	73.9	122.5	*(40)*	*(30)*
Reported operating profit	**418**	**657**	***(36)***	
Reported operating profit margin	*14.1%*	*21.2%*	*(710bps)*	
Reported diluted EPS (pence)	73.9	126.3	*(41)*	
Free cash flow*	63	393	*(84)*	
Proposed dividend (pence)	61.0	61.0	*flat*	

*See page 13 for definitions of alternative performance measures

Comparable store sales by region*

vs LY	Group	Asia Pacific*	EMEIA	Americas
Q4	-12%	-17%	-3%	-12%
FY24	-1%	+3%	+4%	-12%

*See page 5 for further detail including split of Asia Pacific

Financial performance in FY24

- Revenue flat at CER and -4% at reported
- Comparable store sales -1% with robust H1 up +10% offset by a challenging H2 -8%
- Adjusted operating profit fell -25% CER and reported -34% with margins 15.5% and 14.1% respectively
- Free cash flow £63m with £208m capex mainly on new or refurbished stores
- £400m share buyback completed in the year
- Full year dividend of 61.0p proposed

Strategic progress in FY24

- Refocused storytelling around Modern British Luxury; improved brand perception; and double-digit growth in elite customer numbers and spend
- Elevated aesthetic and quality of seasonal offer; begun to reinvigorate larger, core collections
- Strengthened distribution network; more than 50% of stores now new or refurbished
- Reconfigured supply chain to new creative vision; improved product availability on core replenishment lines and strengthened manufacturing capabilities; continued delivery against sustainability roadmap

Priorities for FY25

- Refine brand expression and increase product focus in storytelling; and strengthen how and where we engage new and existing clients to deepen connection with them
- Build out full product offer, ensuring balance between seasonal and core collections
- Enhance retail store experience and focus on conversion; elevate customer experience online; and rationalise wholesale channel in EMEIA to further increase control of distribution
- Improve operational delivery; drive cost efficiencies; and advance sustainability agenda

OUTLOOK

In the context of a still uncertain external environment, we expect H1 to remain challenging. We expect to see the benefit of the actions we are taking from H2. Wholesale revenue is estimated to fall by around -25% in the first half as we increase control of distribution. We will continue to balance investment in consumer facing areas with disciplined cost control to support our growth ambition. We have identified cost savings to enable us to offset the impact of inflation in the second half. Based on foreign exchange rates effective as of 25 April 2024, we now expect a currency headwind of c.£30m to revenue and c.£20m to adjusted operating profit in FY25.

All metrics and commentary in the Financial Review exclude adjusting items unless stated otherwise. The following alternative performance measures are presented in this announcement: CER, adjusted profit measures, comparable sales, free cash flow, cash conversion, adjusted EBITDA and net debt. The definitions of these alternative performance measures are in the Appendix on page 13.
Certain financial data within this announcement have been rounded. Growth rates and ratios are calculated on unrounded numbers.

The financial information for the 52 weeks ended 30 March 2024 and 1 April 2023 contained in this document does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the 52 weeks ended 30 March 2024 and 1 April 2023 has been extracted from the consolidated financial statements of Burberry Group plc for the 52 weeks ending 30 March 2024 which have been approved by the directors on 14 May 2024 and will be delivered to the Registrar of Companies in due course. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

Enquiries

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- There will be a virtual presentation for investors and analysts today at 9.30am (UK time) that can be viewed live on the Burberry Group plc website www.burberryplc.com you can also click here to register.
- The supporting slides and an indexed replay will be available on the website later in the day
- Burberry will issue its First Quarter Trading Update on 19 July 2024
- The AGM will be held on 16 July 2024

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements. Burberry Group plc undertakes no obligation to update these forward-looking statements and will not publicly release any revisions it may make to these forward-looking statements that may result from events or circumstances arising after the date of this document. Nothing in this announcement should be construed as a profit forecast. All persons, wherever located, should consult any additional disclosures that Burberry Group plc may make in any regulatory announcements or documents which it publishes. All persons, wherever located, should take note of these disclosures. This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Burberry Group plc shares, in the UK, or in the US, or under the US Securities Act 1933 or in any other jurisdiction.

Burberry is listed on the London Stock Exchange (BRBY.L) and is a constituent of the FTSE 100 index. ADR symbol OTC:BURBY.
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LinkedIn: Burberry

SUMMARY INCOME STATEMENT

Period ended £ million	**52 weeks ended 30 March 2024**	**52 weeks ended 1 April 2023**	***YoY % change Reported FX***	***YoY % change CER***
Revenue	**2,968**	**3,094**	***(4)***	***flat***
Cost of sales*	(959)	(912)	*5*	*6*
Gross profit*	**2,009**	**2,182**	***(8)***	***(3)***
Gross margin*	**67.7%**	**70.5%**	***(280bps)***	***(170bps)***
Net operating expenses*	(1,591)	(1,548)	*3*	*7*
Net opex as a % of sales*	53.6%	50.0%	*360bps*	*330bps*
Adjusted operating profit*	**418**	**634**	***(34)***	***(25)***
Adjusted operating profit margin*	**14.1%**	**20.5%**	***(640bps)***	***(500bps)***
Adjusting operating items	-	23		
Operating profit	**418**	**657**	***(36)***	
Operating profit margin	**14.1%**	**21.2%**	***(710bps)***	
Net finance charge**	(35)	(23)	*52*	
Profit before taxation	**383**	**634**	***(40)***	
Taxation	(112)	(142)	*(21)*	
Non-controlling interest	(1)	(2)		
Attributable profit	**270**	**490**	***(45)***	
Adjusted profit before taxation*	**383**	**613**	***(37)***	***(28)***
Adjusted diluted EPS (pence)*	**73.9**	**122.5**	***(40)***	***(30)***
Diluted EPS (pence)	**73.9**	**126.3**	***(41)***	
Weighted average number of diluted ordinary shares (millions)	366.2	388.0	*(6)*	

*Excludes adjusting items. All items below adjusting operating items on a reported basis unless otherwise stated
For detail, see Appendix.
** Includes adjusting finance charge of £nil (FY23: £2m)

FINANCIAL PERFORMANCE

Revenue by channel

Period ended £ million	**52 weeks ended 30 March 2024**	**52 weeks ended 1 April 2023**	***YoY % change Reported FX***	***YoY % change CER***
Retail	2,400	2,501	(4)	1
Comparable store sales growth	*(1%)*	*7%*		
Wholesale	506	543	(7)	(5)
Licensing	62	50	23	23
Revenue	**2,968**	**3,094**	**(4)**	**flat**

- FY24 retail sales grew +1% at CER; down -4% reported
- Impact of space +2% with comparable store sales -1%

Comparable store sales growth by region

	FY24 vs LY						
	Q1	**Q2**	**H1**	**Q3**	**Q4**	**H2**	**FY**
Group	18%	1%	10%	(4%)	(12%)	(8%)	(1%)
Asia Pacific	36%	2%	18%	3%	(17%)	(7%)	3%
EMEIA	17%	10%	14%	(5%)	(3%)	(4%)	4%

Americas	(8%)	(10%)	(9%)	(15%)	(12%)	(14%)	(12%)

Asia Pacific comparable store sales grew +3% in FY24. Q4 fell -17% on tough comparatives with locals challenged across the region.

- Mainland China increased +2% in the year and fell -19% Q4. The Mainland Chinese customer group fell -12% in the quarter vs last year, with tourism accounting for almost a quarter of the customer group sales globally
- South Korea declined -8% in the year. Q4 fell -17% with the customer group down -12%. South Koreans purchasing abroad was up double-digits, with tourist spend mainly in EMEIA and Japan
- Japan saw strong growth up +25% in the year. Q4 was up +18%, supported by tourist spend which more than doubled, accounting for half of region's sales in the quarter
- South Asia Pacific rose +4% in the year. Q4 fell -24% driven by a declining local customer not fully offset by tourist spend up a low single-digit percentage compared with strong performance in FY23.

EMEIA comparable store sales rose +4% in FY24 but -3% Q4. The region benefited from strong tourist growth but with some pressure from local consumer spending that fell low double digits in the fourth quarter.

Americas comparable store sales fell -12% in both the year and in Q4 where we are continuing to see a relatively broad-based decline in the region across our local customers.

By product

- We saw a strong performance from outerwear that grew by a high single digit percentage in the year, led by Heritage rainwear
- Scarves grew by a double digit percentage
- Leather goods performed broadly in line with the group average
- Ready-to-wear for both men's and women's landed below the group average, declining by a mid-single digit percentage in the year.

Store footprint

The transformation of our distribution network continued during the year with an additional 79 new or refurbished stores, taking over 50% of the network now upgraded to the refurbished concept.

Wholesale

- Wholesale revenue declined -5% at CER (-7% at reported rates) due to pressure in the Americas.

Licensing

- Licensing revenue grew +23% at both CER and reported exchange rates.

OPERATING PROFIT ANALYSIS

Adjusted operating profit

Period ended **£ million**	**52 weeks ended** **30 March 2024**	**52 weeks ended** **1 April 2023**	***YoY % change*** ***Reported FX***	***YoY % change*** ***CER***
Revenue	2,968	3,094	*(4)*	*flat*
Cost of sales*	(959)	(912)	*5*	*6*
Gross profit*	**2,009**	**2,182**	***(8)***	***(3)***
Gross margin %*	**67.7%**	**70.5%**	***(280bps)***	***(170bps)***
Net operating expenses*	(1,591)	(1,548)	*3*	*7*
Net operating expenses as a % of sales*	53.6%	50.0%	*360bps*	*330bps*
Adjusted operating profit*	**418**	**634**	***(34)***	***(25)***
Adjusted operating profit margin %*	**14.1%**	**20.5%**	***(640bps)***	***(500bps)***

*Excludes adjusting items

Adjusted operating profit declined -25% at CER and -34% at reported rates with the margin down -500bps and -640bps respectively:

- Gross margin declined by -170bps at CER and -280bps at reported rates following increased stock provisions and investment in product that was not fully offset by pricing. The remaining movements related to regional and channel mix effects as well as a benefit from transportation costs that broadly netted off
- Adjusted net operating expenses rose by +7% at CER primarily due to property costs from depreciation on the refurbishment programme, impairments, rent increases and utility cost increases
- Adjusted operating profit came in at £418m including a £60m FX headwind in FY24.

ADJUSTING ITEMS*

There were no adjusting items in FY24 (FY23: £21m net credit).

Period ended **£ million**	**52 weeks ended** **30 March** **2024**	**52 weeks ended** **1 April** **2023**
The impact of COVID-19		
Inventory provisions	-	1
Rent concessions	-	13
Store impairments	-	6
Government grants	-	2
COVID-19 adjusting items**	**-**	**22**
Restructuring costs	-	(16)
Profit on sale of property	-	19
Revaluation of deferred consideration liability	-	(2)
Adjusting operating items	**-**	**23**
Adjusting financing items	-	(2)
Adjusting items	**-**	**21**

*For more details see note 6 of the Financial Statements

**Includes £nil (FY23: £1m credit) that has been recognised through COGS

ADJUSTED PROFIT BEFORE TAX*

After an adjusted net finance charge of £35m (FY23: £21m), adjusted profit before tax was £383m (FY23: £613m).

*For detail on adjusting items see note 6 of the Financial Statements

TAXATION*

The effective tax rate on adjusted profit increased to 29.2% (FY23: 22.2%) primarily due to the increase in the UK corporation tax rate. The reported tax rate on FY24 profit before taxation was also 29.2% (FY23: 22.4%).

*For detail see note 9 of the Financial Statements

CASH FLOW

Represented statement of cash flows

The following table is a representation of the cash flows.

Period ended £ million	**52 weeks ended 30 March 2024**	**52 weeks ended 1 April 2023**
Adjusted operating profit	418	634
Depreciation and amortisation	379	344
Working capital	(166)	(76)
Other including adjusting items	34	10
Cash generated from operating activities	**665**	**912**
Payment of lease principal and related cash flows	(235)	(210)
Capital expenditure	(208)	(179)
Proceeds from disposal of non-current assets	-	32
Interest	(20)	(22)
Tax	(139)	(140)
Free cash flow*	**63**	**393**

Free cash inflow was £63m in the year (FY23: £393m). The major components were:

- Cash generated from operating activities decreased by £247m to £665m from £912m due primarily to:
    - A £216m reduction in adjusted operating profit and
    - A working capital outflow of £166m. This was a £90m greater outflow than last year (FY23: £76m outflow), mainly due to higher inventory following weaker than expected sell through
- Capital expenditure of £208m (FY23: £179m)
- Proceeds from disposal of non-current assets were £nil (FY23: £32m)
- Tax cash of £139m, a decrease of £1m compared to the prior year with lower profitability offset by the higher UK corporation tax rate.

Cash net of overdrafts on 30 March 2024 was £362m compared to £961m on 1 April 2023. On 30 March 2024 borrowings were £299m from the bond issue leaving cash net of overdrafts and borrowings of £63m (1 April 2023: £663m). With lease liabilities of £1,188m, net debt in the period was £1,125m (1 April 2023: £460m).

Net Debt/Adjusted EBITDA was 1.4x, above our target range of 0.5x to 1.0x. The increase in leverage from 0.5x at 1 April 2023 has been driven by lower profitability, working capital outflow and the share buyback programme.

Period ended £ million	**52 weeks ended 30 March 2024**	**52 weeks ended 1 April 2023**
Adjusted EBITDA - rolling 12 months	797	975
Cash net of overdrafts	(362)	(961)
Bond	299	298
Lease debt	1,188	1,123
Net Debt*	**1,125**	**460**
Net Debt/Adjusted EBITDA	**1.4x**	**0.5x**

*For a definition of free cash flow and net debt see page 14.

APPENDIX

Detailed guidance for FY25

Item	**Financial impact**
Impact of retail space on revenues	Space is expected to be broadly stable in FY25.
Wholesale revenue	Wholesale is expected to decline by around 25% in H1 FY25.
Tax	The adjusted effective tax rate is expected to be around 27%-28%.
Capex	Capex is expected to be around £150m.
Currency	At 25 April 2024 spot rates, the impact of year-on-year exchange rate movements is expected to be a c.£30m headwind on revenue and c.£20m headwind on adjusted operating profit.
Dividend	Final dividend per share proposed at 42.7p and with the interim of 18.3p gives a combined full year dividend per share of 61.0p - in line with FY23.

Note: Guidance based on FY24 CER

Retail/wholesale revenue by destination*

Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023	*YoY % change* *Reported FX*	 *CER*
Asia Pacific (93% retail)*	1,286	1,297	*(1)*	*7*
EMEIA (68% retail)*	1,017	1,004	*1*	*2*

Americas (85% retail)*	603	743	*(19)*	*(16)*
Total	**2,906**	**3,044**	***(5)***	***flat***

*Mix based on FY24

Retail/wholesale revenue by product division				
Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023	*% change* *Reported FX*	*CER*
Accessories	1,055	1,125	*(6)*	*(2)*
Women's	860	867	*(1)*	*4*
Men's	842	868	*(3)*	*1*
Children's & other	149	184	*(19)*	*(15)*
Total	**2,906**	**3,044**	***(5)***	***flat***

Store portfolio	Directly operated stores				
	Stores	Concessions	Outlets	Total	*Franchise stores*
At 1 April 2023	**219**	**138**	**56**	**413**	***35***
Additions	22	8	2	32	*1*
Closures	(14)	(7)	(2)	(23)	*(3)*
At 30 March 2024	**227**	**139**	**56**	**422**	***33***

Store portfolio by region*	Directly operated stores				
At 30 March 2024	Stores	Concessions	Outlets	Total	*Franchise stores*
Asia Pacific	122	94	23	239	*9*
EMEIA	46	36	18	100	*24*
Americas	59	9	15	83	*-*
Total	**227**	**139**	**56**	**422**	***33***

*Excludes the impact of pop up stores

Adjusted operating profit* Period ended £ millions	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023	*% change Reported FX*	*% change CER*
Retail/wholesale	359	587	*(39)*	*(29)*
Licensing	59	47	*25*	*25*
Adjusted operating profit	**418**	**634**	***(34)***	***(25)***
Adjusted operating profit margin	**14.1%**	**20.5%**	***(640bps)***	***(500bps)***

*For additional detail on adjusting items see note 6 of the Financial Statements

Exchange rates			
£1=	Spot rates 25 April 2024	Average effective exchange rates FY24	FY23
Euro	1.17	1.16	1.16
US Dollar	1.25	1.26	1.20
Chinese Yuan Renminbi	9.06	9.01	8.27
Hong Kong Dollar	9.80	9.84	9.43
Korean Won	1,720	1,657	1,577
Japanese Yen	195	182	163

Profit before tax reconciliation				
Period ended £ million	52 weeks ended 30 March 2024	52 weeks ended 1 April 2023	*% change Reported FX*	*% change CER*
Adjusted profit before tax	**383**	**613**	**(37)**	**(28)**
Adjusting items*				
COVID-19 related items	-	22		
Restructuring costs	-	(16)		
Profit on sale of property	-	19		
Revaluation of deferred consideration liability	-	(2)		
Adjusting financing items	-	(2)		
Profit before tax	**383**	**634**	**(40)**	

*For additional detail on adjusting items see note 6 of the Financial Statements

Alternative performance measures

Alternative performance measures (APMs) are non-GAAP measures. The Board uses the following APMs to describe the Group's financial performance and for internal budgeting, performance monitoring, management remuneration target setting and external reporting purposes.

APM	**Description and purpose**	**GAAP measure reconciled to**
Constant Exchange Rates (CER)	This measure removes the effect of changes in exchange rates compared to the prior period. The constant exchange rate incorporates both the impact of the movement in exchange rates	*Results at reported rates*

<table>
<tr><td></td><td>on the translation of overseas subsidiaries' results and also on foreign currency procurement and sales through the Group's UK supply chain.</td><td></td></tr>
<tr><td>Comparable sales</td><td>The year-on-year change in sales from stores trading over equivalent time periods and measured at constant foreign exchange rates. It also includes online sales. This measure is used to strip out the impact of permanent store openings and closings, or those closures relating to refurbishments, allowing a comparison of equivalent store performance against the prior period.</td><td>Retail Revenue:
<table>
<tr><th>Period ended
YoY%</th><th>52 weeks ended 30 March 2024</th><th>52 weeks ended 1 April 2023</th></tr>
<tr><td>Comparable sales</td><td>(1%)</td><td>7%</td></tr>
<tr><td>Change in space</td><td>2%</td><td>(1%)</td></tr>
<tr><td>CER retail</td><td>1%</td><td>6%</td></tr>
<tr><td>53rd week</td><td>-</td><td>(2%)</td></tr>
<tr><td>FX</td><td>(5%)</td><td>6%</td></tr>
<tr><td>Retail revenue</td><td>(4%)</td><td>10%</td></tr>
</table></td></tr>
<tr><td>Adjusted Profit</td><td>Adjusted profit measures are presented to provide additional consideration of the underlying performance of the Group's ongoing business. These measures remove the impact of those items which should be excluded to provide a consistent and comparable view of performance.</td><td>Reported Profit:
A reconciliation of reported profit before tax to adjusted profit before tax and the Group's accounting policy for adjusted profit before tax are set out in the financial statements.</td></tr>
</table>

<table>
<tr><td>Free Cash Flow</td><td>Free cash flow is defined as net cash generated from operating activities less capital expenditure plus cash inflows from disposal of fixed assets and including cash outflows for lease principal payments and other lease related items.</td><td>Net cash generated from operating activities:
<table>
<tr><th>Period ended
£m</th><th>52 weeks ended 30 March 2024</th><th>52 weeks ended 1 April 2023</th></tr>
<tr><td>Net cash generated from operating activities</td><td>506</td><td>750</td></tr>
<tr><td>Capex</td><td>(208)</td><td>(179)</td></tr>
<tr><td>Lease principal and related cash flows</td><td>(235)</td><td>(210)</td></tr>
<tr><td>Proceeds from disposal of non-current assets</td><td>-</td><td>32</td></tr>
<tr><td>Free cash flow</td><td>63</td><td>393</td></tr>
</table></td></tr>
<tr><td>Cash Conversion</td><td>Cash conversion is defined as free cash flow pre-tax/adjusted profit before tax. It provides a measure of the Group's effectiveness in converting its profit into cash.</td><td>Net cash generated from operating activities:
<table>
<tr><th>Period ended
£m</th><th>52 weeks ended 30 March 2024</th><th>52 weeks ended 1 April 2023</th></tr>
<tr><td>Free cash flow</td><td>63</td><td>393</td></tr>
<tr><td>Tax paid</td><td>139</td><td>140</td></tr>
<tr><td>Free cash flow before tax</td><td>202</td><td>533</td></tr>
<tr><td>Adjusted profit before tax</td><td>383</td><td>613</td></tr>
<tr><td>Cash conversion</td><td>53%</td><td>87%</td></tr>
</table></td></tr>
<tr><td>Net Debt</td><td>Net debt is defined as the lease liability recognised on the balance sheet plus borrowings less cash net of overdrafts.</td><td>Cash net of overdrafts:
<table>
<tr><th>Period ended
£m</th><th>As at 30 March 2024</th><th>As at 1 April 2023</th></tr>
<tr><td>Cash net of overdrafts</td><td>362</td><td>961</td></tr>
<tr><td>Lease liability</td><td>(1,188)</td><td>(1,123)</td></tr>
<tr><td>Borrowings</td><td>(299)</td><td>(298)</td></tr>
<tr><td>Net debt</td><td>(1,125)</td><td>(460)</td></tr>
</table></td></tr>
<tr><td>Adjusted EBITDA</td><td>Adjusted EBITDA is defined as operating profit, excluding adjusting operating items, depreciation of property, plant and equipment, depreciation of right of use assets and amortisation of intangible assets. Any depreciation or amortisation included in adjusting operating items are not double counted. Adjusted EBITDA is shown for the calculation of Net Debt/Adjusted EBITDA for our leverage ratios.</td><td>Reconciliation from operating profit to adjusted EBITDA:
<table>
<tr><th>Period ended
£m</th><th>52 weeks ended 30 March 2024</th><th>52 weeks ended 1 April 2023</th></tr>
<tr><td>Operating profit</td><td>418</td><td>657</td></tr>
<tr><td>Adjusting operating items</td><td>-</td><td>(23)</td></tr>
<tr><td>Amortisation of intangible assets</td><td>42</td><td>37</td></tr>
<tr><td>Depreciation of property, plant and equipment</td><td>103</td><td>95</td></tr>
<tr><td>Depreciation of right-of-use assets*</td><td>234</td><td>209</td></tr>
<tr><td>Adjusted EBITDA</td><td>797</td><td>975</td></tr>
</table>
*Excludes £nil depreciation on right-of-use assets in adjusting items (FY23 £3m).</td></tr>
</table>

Group Income Statement

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Revenue	4	**2,968**	3,094
Cost of sales		**(959)**	(911)
Gross profit		**2,009**	2,183
Operating expenses		**(1,604)**	(1,572)
Other operating income		**13**	46
Net operating expenses		**(1,591)**	(1,526)
Operating profit		**418**	657
Financing			
Finance income		**31**	21
Finance expense		**(66)**	(42)
Other financing charge		**-**	(2)
Net finance expense	7	**(35)**	(23)
Profit before taxation	5	**383**	634
Taxation	8	**(112)**	(142)
Profit for the year		**271**	492
Attributable to:			
Owners of the Company		**270**	490
Non-controlling interest		**1**	2
Profit for the year		**271**	492
Earnings per share			
Basic	9	**74.1p**	126.9p
Diluted	9	**73.9p**	126.3p

	Note	£m	£m
Reconciliation of adjusted profit before taxation:			
Profit before taxation		**383**	634
Adjusting operating items:			
Cost of sales (income)	6	**-**	(1)
Net operating expenses (income)	6	**-**	(22)
Adjusting financing items	6	**-**	2
Adjusted profit before taxation - non-GAAP measure		**383**	613
Adjusted earnings per share - non-GAAP measure			
Basic	9	**74.1p**	123.1p
Diluted	9	**73.9p**	122.5p

	Note		
Dividends per share			
Interim	10	**18.3p**	16.5p
Proposed final (not recognised as a liability at 30 March/1 April)	10	**42.7p**	44.5p

Group Statement of Comprehensive Income

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Profit for the year		**271**	492
Other comprehensive income[1]:			
Cash flow hedges	21	**(3)**	1
Foreign currency translation differences	21	**(34)**	14
Tax on other comprehensive income		**1**	(1)
Other comprehensive (loss)/income for the year, net of tax		**(36)**	14
Total comprehensive income for the year		**235**	506
Total comprehensive income attributable to:			
Owners of the Company		**234**	504
Non-controlling interest		**1**	2
		235	506

1. All items included in other comprehensive income may subsequently be reclassified to profit and loss in a future period.

Group Balance Sheet

	Note	As at 30 March 2024 £m	As at 1 April 2023 £m
ASSETS			
Non-current assets			
Intangible assets	11	**267**	248
Property, plant and equipment	12	**406**	376
Right-of-use assets	13	**1,013**	950
Deferred tax assets		**208**	197
Trade and other receivables	14	**52**	52
		1,946	1,823
Current assets			
Inventories	15	**507**	447
Trade and other receivables	14	**340**	307
Derivative financial assets		**2**	7
Income tax receivables		**122**	76
Cash and cash equivalents	16	**441**	1,026
Assets held for sale	12	**12**	-
		1,424	1,863
Total assets		**3,370**	3,686
LIABILITIES			
Non-current liabilities			
Trade and other payables	17	**(63)**	(77)
Lease liabilities	18	**(959)**	(902)
Borrowings	20	**(299)**	(298)
Deferred tax liabilities		**(1)**	(1)
Provisions for other liabilities and charges		**(37)**	(40)
		(1,359)	(1,318)
Current liabilities			
Trade and other payables	17	**(439)**	(477)
Bank overdrafts	19	**(79)**	(65)
Lease liabilities	18	**(229)**	(221)
Derivative financial liabilities		**(4)**	(1)
Income tax liabilities		**(86)**	(43)
Provisions for other liabilities and charges		**(20)**	(22)
		(857)	(829)
Total liabilities		**(2,216)**	(2,147)
Net assets		**1,154**	1,539
EQUITY			
Capital and reserves attributable to owners of the Company			
Ordinary share capital	21	**-**	-
Share premium account		**231**	230
Capital reserve	21	**41**	41
Hedging reserve	21	**2**	4
Foreign currency translation reserve	21	**198**	232
Retained earnings		**675**	1,026
Equity attributable to owners of the Company		**1,147**	1,533
Non-controlling interest in equity		**7**	6
Total equity		**1,154**	1,539

Group Statement of Changes in Equity

	Note	Attributable to owners of the Company						
		Ordinary share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
Balance as at 2 April 2022		-	227	263	1,123	1,613	4	1,617
Profit for the year		-	-	-	490	490	2	492
Other comprehensive income:								
Cash flow hedges	21	-	-	1	-	1	-	1
Foreign currency translation differences	21	-	-	14	-	14	-	14
Tax on other comprehensive income		-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the year		-	-	14	490	504	2	506
Transactions with owners:								
Employee share incentive schemes								
Equity share awards		-	-	-	19	19	-	19
Tax on share awards		-	-	-	2	2	-	2
Exercise of share options		-	3	-	-	3	-	3
Purchase of own shares								
Share buyback		-	-	-	(404)	(404)	-	(404)
Held by ESOP trusts		-	-	-	(1)	(1)	-	(1)
Dividends paid in the year		-	-	-	(203)	(203)	-	(203)
Balance as at 1 April 2023		-	230	277	1,026	1,533	6	1,539
Profit for the year		-	-	-	270	270	1	271
Other comprehensive income:								
Cash flow hedges	21	-	-	(3)	-	(3)	-	(3)

Cash flow hedges	21			(3)		(3)		(3)
Foreign currency translation differences	21	-	-	(34)	-	(34)	-	(34)
Tax on other comprehensive income		-	-	1	-	1	-	1
Total comprehensive income for the year		-	-	(36)	270	234	1	235
Transactions with owners:								
Employee share incentive schemes								
Equity share awards		-	-	-	16	16	-	16
Tax on share awards		-	-	-	(2)	(2)	-	(2)
Exercise of share options		-	1	-	-	1	-	1
Purchase of own shares								
Share buyback		-	-	-	(402)	(402)	-	(402)
Dividends paid in the year		-	-	-	(233)	(233)	-	(233)
Balance as at 30 March 2024		**-**	**231**	**241**	**675**	**1,147**	**7**	**1,154**

Group Statement of Cash Flows

	Note	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Cash flows from operating activities			
Profit before taxation		**383**	634
Adjustments to reconcile profit before taxation to net cash flows:			
Amortisation of intangible assets	11	**42**	37
Depreciation of property, plant and equipment	12	**103**	95
Depreciation of right-of-use assets	13	**234**	212
COVID-19-related rent concessions		**-**	(13)
Net impairment charge of property, plant and equipment	12	**5**	2
Net impairment charge of right-of-use assets	13	**9**	2
Loss/(gain) on disposal of intangible assets and property, plant and equipment		**3**	(19)
Gain on modification of right-of-use assets		**(4)**	(2)
Loss/(gain) on derivative instruments		**5**	(2)
Charge in respect of employee share incentive schemes		**16**	19
Net finance expense		**35**	23
Working capital changes:			
Increase in inventories		**(57)**	(10)
Increase in receivables		**(32)**	(17)
Decrease in payables and provisions		**(77)**	(49)
Cash generated from operating activities		**665**	912
Interest received		**32**	18
Interest paid		**(52)**	(40)
Taxation paid		**(139)**	(140)
Net cash generated from operating activities		**506**	750
Cash flows from investing activities			
Purchase of property, plant and equipment		**(158)**	(136)
Purchase of intangible assets		**(50)**	(43)
Proceeds from sale of property, plant and equipment		**-**	32
Initial direct costs of right-of-use assets		**(4)**	-
Payment in respect of acquisition of subsidiary		**(19)**	-
Net cash outflow from investing activities		**(231)**	(147)
Cash flows from financing activities			
Dividends paid in the year	10	**(233)**	(203)
Payment of deferred consideration for acquisition of non-controlling interest	17	**-**	(6)
Payment of lease principal	18	**(231)**	(210)
Issue of ordinary share capital		**1**	3
Purchase of own shares through share buyback	21	**(400)**	(400)
Purchase of own shares through share buyback - stamp duty and fees	21	**(2)**	(4)
Purchase of own shares by ESOP trusts		**-**	(1)
Net cash outflow from financing activities		**(865)**	(821)
Net decrease in cash net of overdrafts		**(590)**	(218)
Effect of exchange rate changes		**(9)**	2
Cash net of overdrafts at beginning of year		**961**	1,177
Cash net of overdrafts		**362**	961

	Note	As at 30 March 2024 £m	As at 1 April 2023 £m
Cash and cash equivalents	16	**441**	1,026
Bank overdrafts	19	**(79)**	(65)
Cash net of overdrafts		**362**	961

1. Basis of preparation

The financial information contained within this report has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union, IFRS Interpretations Committee (IFRS IC) interpretations and parts of the Companies Act 2006 applicable to companies reporting under IFRS. This financial information does not constitute the Burberry Group's (the Group) Annual Report and Accounts within the meaning of Section 435 of the Companies Act 2006.

Statutory accounts for the 52 weeks to 1 April 2023 have been filed with the Registrar of Companies, and those for 2024 will be delivered in due course. The reports of the auditors on those statutory accounts for the 52 weeks to 1 April 2023 and 52 weeks to 30 March 2024 were unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under either section 400(2) or section 498(3) of the Companies Act 2006.

The consolidated financial statements are presented in £m. Financial ratios are calculated using unrounded numbers.

Going concern

In considering the appropriateness of adopting the going concern basis in preparing the financial statements, the Directors have assessed the potential cash generation of the Group. This assessment for any indicators that the going concern basis of preparation is not appropriate covers the period from the date of signing the financial statements up to 27 September 2025.

The scenarios considered by the Directors include a severe but plausible downside scenario reflecting the Group's base plan adjusted for severe but plausible impacts from the Group's principal risks. This central planning scenario is informed by a comprehensive review of the macroeconomic scenarios using third-party projections of macroeconomic data for the luxury fashion industry . The Group's central planning scenario reflects a balanced projection aligned to the Group's strategy, a balanced assumption for economic uncertainty and capital expenditure and dividends in line with the Group's capital allocation framework.

As a sensitivity, this central planning scenario has been flexed to reflect the aggregation of severe impacts arising linked to our principal risks which in total represents a 13% downgrade to revenues in the 18 month period to September 2025, in comparison to the base case, as well as the associated consequences for EBITDA and cash. Management consider this represents a severe but plausible downside scenario appropriate for assessing going concern.

The severe but plausible downside modelled the following risks occurring simultaneously:

- A severe impact arising from a more severe and prolonged reduction in the GDP growth assumptions across the markets in which we operate, combined with a reduction to our global consumer demand arising from a change in consumer preference compared to our central planning scenario
- An increase in geopolitical tension which reduces GDP growth assumptions compared to the central planning model
- A significant reputational incident such as negative sentiment propagated through social media
- The impact of a business interruption event, resulting in a two week interruption arising from the supply chain impact, and interruption to one of our channels
- The occurrence of a one-time physical risk relating to climate change in FY 2024/25 and the materialisation of a severe but plausible ongoing market risk relating to climate change in line with a scenario reflecting a 2°C global temperature increase compared to pre-industrial levels
- The payment of a settlement arising from a regulatory or compliance-related matter
- A short-term impact of a 10% weakening in a key non-sterling currency for the Group before it is recovered through price adjustment
- Repayment of Sustainability Bond without raising new finance

Further mitigating actions within management control would be available under this scenario, including working capital reduction measures and limiting capital expenditure, but these were not incorporated into the downside modelling.

The Directors have also considered the Group's current liquidity and available facilities. As at 30 March 2024, the Group Balance Sheet reflects cash net of overdrafts of £362 million. In addition, the Group has access to a £300 million revolving credit facility which matures in July 2026, which is currently undrawn. The £300 million sustainability bond matures within the going concern period on 21 September 2025 and the revolving credit facility is considered to be available to be drawn within the severe but plausible scenario in order to settle this repayment.

The Group is in compliance with the covenants for the revolving credit facility, and the borrowings raised via the sustainability bond are not subject to covenants. Details of cash, overdrafts, borrowings and facilities are set out in notes 16, 19 and 20 respectively of these financial statements. Whilst outside of the going concern assessment period, the Group have considered renewal of the revolving credit facility ahead of maturity in July 2026 and are confident that this will be available.

In all the scenarios assessed, taking into account current liquidity and available resources and before the inclusion of any mitigating actions within management control, the Group was able to maintain sufficient liquidity to continue trading through the going concern period up to 27 September 2025. On the basis of the assessment performed, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements for the 52 weeks ended 30 March 2024.

New standards, amendments and interpretations adopted in the period

A number of new amendments to standards are effective for the financial period commencing 2 April 2023 but they do not have a material impact on the financial statements of the Group. Refer to note 8 for further details on the impact of adoption of amendments to IAS 12 Income taxes.

Standards not yet adopted

Certain new accounting standards and amendments to standards have been published that are not mandatory for the 52 weeks to 30 March 2024 and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions, apart from IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18, which is effective for reporting periods beginning on or after 1 January 2027, replaces IAS 1 Presentation of Financial Statements and is expected to impact the presentation of the Group's primary financial statements. The amendment was issued on 9 April 2024 and the impact will be communicated in future periods following an assessment by the Group.

Key sources of estimation uncertainty

Preparation of the consolidated financial statements in conformity with IFRS requires that management make certain estimates and assumptions that affect the measurement of 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 key areas where the estimates and assumptions applied have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

Impairment, or reversals of impairment, of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations prepared using management's best estimates and assumptions at the time. Refer to notes 12 and 13 for further details of retail property, plant and equipment, right-of-use assets and impairment reviews carried out in the period and for sensitivities relating to this key source of estimation uncertainty.

Inventory provisioning

The Group purchases, manufactures and sells luxury goods and is subject to changing consumer demands and fashion trends.

The Group purchases, manufactures and sells luxury goods and is subject to changing consumer demands and fashion trends. The recoverability of the cost of inventories is assessed every reporting period, by considering the expected net realisable value of inventory compared to its carrying value. Where the net realisable value is lower than the carrying value, a provision is recorded. When calculating inventory provisions, management considers the nature and condition of the inventory, as well as applying assumptions in respect of anticipated saleability of finished goods and future usage of raw materials. Refer to note 15 for further details of the carrying value of inventory and inventory provisions and for sensitivities relating to this key source of estimation uncertainty.

Uncertain tax positions

In common with many multinational companies, the Group faces tax audits in jurisdictions around the world in relation to intragroup transactions between associated entities within the Group. These tax audits are often subject to inter-government negotiations. The matters under discussion are often complex and can take many years to resolve.

Tax liabilities are recorded based on management's estimate of either the most likely amount or the expected value amount depending on which method is expected to better reflect the resolution of the uncertainty. Given the inherent uncertainty in assessing tax outcomes, the Group could, in future periods, experience adjustments to these tax liabilities that have a material positive or negative effect on the Group's results for a particular period.

Refer to note 8 for further details of management estimates surrounding the outcome of all matters under dispute or negotiation between governments in relation to current tax liabilities recognised at 30 March 2024, and for sensitivities relating to this key source of estimation uncertainty.

Key judgements in applying the Group's accounting policies

Judgements are those decisions made when applying accounting policies which have a significant impact on the amounts recognised in the Group financial statements. Key judgements that have a significant impact on the amounts recognised in the Group financial statements for the 52 weeks to 30 March 2024 and the 52 weeks to 1 April 2023 are as follows:

Where the Group is a lessee, judgement is required in determining the lease term at initial recognition, and throughout the lease term, where extension or termination options exist. In such instances, all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option, have been considered to determine the lease term. Considerations include, but are not limited to, the period assessed by management when approving initial investment, together with costs associated with any termination options or extension options. Extension periods (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Where the lease term has been extended by assuming an extension option will be recognised, this will result in the initial right-of-use assets and lease liabilities at inception of the lease being greater than if the option was not assumed to be exercised. Likewise, assuming a break option will be exercised will reduce the initial right-of-use assets and lease liabilities.

Refer to note 18 for further details surrounding the judgements regarding the impact of breaks and options on lease liabilities.

2. Translations of the results of overseas businesses

The results of overseas subsidiaries are translated into the Group's presentation currency of sterling each month at the average exchange rate for the month, weighted according to the phasing of the Group's trading results. The average exchange rate is used, as it is considered to approximate the actual exchange rates on the date of the transactions. The assets and liabilities of such undertakings are translated at the closing rates. Differences arising on the retranslation of the opening net investment in subsidiary companies, and on the translation of their results, are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The principal exchange rates used were as follows:

	Average rate		Closing rate	
	52 weeks to 30 March 2024	52 weeks to 1 April 2023	**As at 30 March 2024**	As at 1 April 2023
Euro	**1.16**	1.16	**1.17**	1.14
US Dollar	**1.26**	1.20	**1.26**	1.24
Chinese Yuan Renminbi	**9.01**	8.27	**9.13**	8.51
Hong Kong Dollar	**9.84**	9.43	**9.89**	9.73
South Korean Won	**1,657**	1,577	**1,702**	1,613
Japanese Yen	**182**	163	**191**	165

3. Adjusted profit before taxation

In order to provide additional understanding of the underlying performance of the Group's ongoing business, the Group's results include a presentation of Adjusted operating profit and Adjusted profit before taxation (adjusted PBT). Adjusted PBT is defined as profit before taxation and before adjusting items. Adjusting items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the performance of the Group's ongoing business. Generally, this will include those items that are largely one-off and/or material in nature as well as income or expenses relating to acquisitions or disposals of businesses or other transactions of a similar nature, including the impact of changes in fair value of expected future payments or receipts relating to these transactions. Adjusting items are identified and presented on a consistent basis each year and a reconciliation of adjusted PBT to profit before taxation is included in the financial statements. Adjusting items and their related tax impacts, as well as adjusting taxation items, are added back to/deducted from profit attributable to owners of the Company to arrive at adjusted earnings per share. Refer to note 6 for further details on adjusting items and note 9 for details on adjusted earnings per share.

4. Segmental analysis

The Chief Operating Decision Maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports used by the Board. The Board considers the Group's business through its two channels to market, being retail/wholesale and licensing.

Retail/wholesale revenues are generated by the sale of luxury goods through Burberry mainline stores, concessions, outlets and digital commerce as well as Burberry franchisees, prestige department stores globally and multi-brand speciality accounts. The flow of global product between retail and wholesale channels and across our regions is monitored and optimised at a corporate level and implemented via the Group's inventory hubs and principal distribution centres situated in Europe, the USA, Mainland China and Hong Kong S.A.R., China.

Licensing revenues are generated through the receipt of royalties from global licensees of beauty products, eyewear and from licences relating to the use of non-Burberry trademarks in Japan.

The Board assesses channel performance based on a measure of adjusted operating profit. This measurement basis excludes the effects of adjusting items. The measure of earnings for each operating segment that is reviewed by the Board includes an allocation of corporate and central costs. Interest income and charges are not included in the result for each operating segment that is reviewed by the Board.

	Retail/Wholesale		Licensing		Total	
	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Retail	**2,400**	2,501	**-**	-	**2,400**	2,501
Wholesale	**506**	543	**-**	-	**506**	543
Licensing	**-**	-	**63**	51	**63**	51
Total segment revenue	**2,906**	3,044	**63**	51	**2,969**	3,095
Inter-segment revenue[1]	**-**	-	**(1)**	(1)	**(1)**	(1)
Revenue from external customers	**2,906**	3,044	**62**	50	**2,968**	3,094
Depreciation and amortisation[2]	**(379)**	(341)	**-**	-	**(379)**	(341)
Net impairment charge of property, plant and equipment	**(5)**	(2)	**-**	-	**(5)**	(2)
Net impairment charge of right-of-use assets[3]	**(9)**	(5)	**-**	-	**(9)**	(5)
Other non-cash items:						
Share-based payments	**(16)**	(19)	**-**	-	**(16)**	(19)

Adjusted operating profit	**359**	587	**59**	47	**418**	634
Adjusting items[4]					**-**	21
Finance income					**31**	21
Finance expense					**(66)**	(42)
Profit before taxation					**383**	634

1. Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would be available to unrelated third parties.

2. Depreciation and amortisation for the 52 weeks to 1 April 2023 was presented excluding £3 million arising as a result of the Group's restructuring programme, which was presented as an adjusting item (refer to note 6).

3. Net impairment charge of right-of-use assets for the 52 weeks to 1 April 2023 was presented excluding a reversal of £6 million relating to charges as a result of the impact of COVID-19 and a net charge of £3 million arising as a result of the Group's restructuring programme, which were presented as adjusting items (refer to note 6).

4. Adjusting items relate to the Retail and Wholesale segment. Refer to note 6 for details of adjusting items.

	Retail/Wholesale		Licensing		Total	
	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Additions to non-current assets	**399**	350	**-**	-	**399**	350
Total segment assets	**2,474**	2,273	**6**	5	**2,480**	2,278
Goodwill					**119**	109
Cash and cash equivalents					**441**	1,026
Taxation					**330**	273
Total assets per Balance Sheet					**3,370**	3,686

Additional revenue analysis

All revenue is derived from contracts with customers. The Group derives retail and wholesale revenue from contracts with customers from the transfer of goods and related services at a point in time. Licensing revenue is derived over the period the licence agreement gives the customer access to the Group's trademarks.

Revenue by product division	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Accessories	**1,055**	1,125
Women's	**860**	867
Men's	**842**	868
Children's/Other	**149**	184
Retail/Wholesale	**2,906**	3,044
Licensing	**62**	50
Total	**2,968**	3,094

Revenue by destination	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Asia Pacific	**1,286**	1,297
EMEIA[1]	**1,017**	1,004
Americas	**603**	743
Retail/Wholesale	**2,906**	3,044
Licensing	**62**	50
Total	**2,968**	3,094

1. EMEIA comprises Europe, Middle East, India and Africa.

Entity-wide disclosures

Revenue derived from external customers in the UK totalled £295 million for the 52 weeks to 30 March 2024 (last year: £257 million).

Revenue derived from external customers in foreign countries totalled £2,673 million for the 52 weeks to 30 March 2024 (last year: £2,837 million). This amount includes £531 million of external revenues derived from customers in the USA (last year: £661 million) and £648 million of external revenues derived from customers in Mainland China (last year: £683 million).

The total of non-current assets, other than financial instruments, and deferred tax assets located in the UK is £523 million (last year: £485 million). The remaining £1,168 million of non-current assets are located in other countries (last year: £1,094 million), with £352 million located in the USA (last year: £318 million) and £200 million located in Mainland China (last year: £235 million).

5. Profit before taxation

	Note	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Adjusted profit before taxation is stated after charging/(crediting):			
Depreciation of property, plant and equipment			
Within cost of sales		**2**	2
Within selling and distribution costs		**84**	76
Within administrative expenses		**17**	17
Depreciation of right-of-use assets			
Within cost of sales		**1**	-
Within selling and distribution costs		**214**	191
Within administrative expenses[1]		**19**	18
Amortisation of intangible assets			
Within selling and distribution costs		**1**	1
Within administrative expenses		**41**	36
Loss on disposal of intangible assets		**3**	-
Gain on modification of right-of-use assets		**(4)**	(2)
Net impairment charge of property, plant and equipment	12	**5**	2
Net impairment charge of right-of-use assets[2]	13	**9**	5
Employee costs[3]		**572**	565
Other lease expense			
Property lease variable lease expense	18	**111**	125
Property lease in holdover expense	18	**18**	20
Non-property short-term lease expense	18	**12**	11
Net exchange loss on revaluation of monetary assets and liabilities		**20**	10
Net gain on derivatives - fair value through profit and loss		**(7)**	(9)
Receivables net impairment charge		**4**	2

1. Depreciation of right-of-use assets within administrative expenses for the 52 weeks to 1 April 2023 was presented excluding £3 million arising as a result of the Group's restructuring

programme, which was presented as an adjusting item (refer to note 6).

2. Net impairment charge of right-of-use assets for the 52 weeks to 1 April 2023 was presented excluding a reversal of £6 million relating to charges as a result of the impact of COVID-19 and a net charge of £3 million arising as a result of the Group's restructuring programme, which were presented as adjusting items (refer to note 6).

3. Employee costs for the 52 weeks to 1 April 2023 was presented excluding a charge of £10 million arising as a result of the Group's restructuring programme, which was presented as an adjusting item (refer to note 6).

6. Adjusting items

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Adjusting items		
Adjusting operating items		
Impact of COVID-19:		
Impairment reversal relating to retail cash generating units	-	(6)
Impairment reversal relating to inventory	-	(1)
COVID-19-related rent concessions	-	(13)
COVID-19-related government grant income	-	(2)
Other adjusting items:		
Gain on disposal of property	-	(19)
Restructuring costs	-	16
Revaluation of deferred consideration liability	-	2
Total adjusting operating items	-	(23)
Adjusting financing items		
Finance charge on adjusting items	-	2
Total adjusting financing items	-	2
Tax on adjusting items	-	6
Total adjusting items (post-tax)	-	(15)

	Note	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Analysis of adjusting operating items:			
Included in Cost of sales (Impairment reversal relating to inventory)		-	(1)
Included in Operating expenses		-	12
Included in Other operating income		-	(34)
Total		-	(23)

No adjusting items have been recorded for the 52 weeks to 30 March 2024. Adjusting items related to prior periods were as follows:

Impact of COVID-19

Impairment of retail cash generating units

During the 52 weeks to 1 April 2023, a net impairment reversal of £6 million, and an associated tax charge of £1 million, were recorded following the reassessment of the COVID-19 related impairment provision. Any charges or reversals from the reassessment of the original impairment adjusting item, had they arisen, would have been included in this adjusting item. Refer to notes 12 and 13 for details of impairment of retail cash generating units.

Impairment of inventory

During the 52 weeks to 1 April 2023, reversals of inventory provisions of £1 million were recorded and presented as adjusting items. This was relating to inventory which had been provided for as an adjusting item at the previous year end and had either been sold, or was expected to be sold, at a higher net realisable value than had been assumed when the provision had been initially estimated. All other charges and reversals relating to inventory provisions have been recorded in adjusted operating profit. Refer to note 15 for details of inventory provisions.

COVID-19-related rent concessions

During the 52 weeks to 1 April 2023, eligible rent forgiveness amounts relating to COVID-19 were treated as negative variable lease payments, which resulted in a credit of £13 million recorded within other operating income. This income was presented as an adjusting item given that the amendment to IFRS 16 was only applicable for a limited period of time and it explicitly related to COVID-19. The amendment expired on 30 June 2022 however the Group continued to apply the same accounting treatment applying the principles of IFRS 9 for any ongoing COVID-19 related rent forgiveness. A related tax charge of £3 million was also recognised in the prior year.

COVID-19-related grant income

During the 52 weeks to 1 April 2023, the Group recorded grant income of £2 million within other operating income relating to government support to alleviate the impact of COVID-19. This income was presented as an adjusting item as it was explicitly related to COVID-19, and the arrangements were expected to last for a limited period of time. A related tax charge of £1 million was also recognised in the prior year.

Other adjusting items

Gain on disposal of property

During the 52 weeks to 1 April 2023, the Group completed the sale of an owned property in the USA for cash proceeds of £22 million resulting in a net gain on disposal of £19 million, recorded within other operating income. The net gain on disposal was recognised as an adjusting item, in accordance with the Group's accounting policy, as it was considered to be material and one-off in nature. A related tax charge of £5 million was also recognised in the prior year.

Restructuring costs

During the 52 weeks to 1 April 2023, restructuring costs of £16 million were incurred primarily as a result of the organisational efficiency programme announced in July 2020, which completed last year. The costs principally related to impairment charges on non-retail assets and redundancies and were recorded in operating expenses. They were presented as an adjusting item, in accordance with the Group's accounting policy, as the anticipated cost of the restructuring programme was considered material and discrete in nature. A related tax credit of £4 million was also recognised in the prior year.

Items relating to the deferred consideration liability

On 22 April 2016, the Group entered into an agreement to transfer the economic right of the non-controlling interest in Burberry Middle East LLC to the Group in exchange for consideration of contingent payments to be made to the minority shareholder over the period ending 30 March 2024. Contingent payments of £5 million remain outstanding at 30 March 2024, which will be paid once all required documentation is complete.

During the 52 weeks to 1 April 2023, a charge of £2 million in relation to the revaluation of this balance was recognised in operating expenses. No tax was recognised as the future payments were not considered to be deductible for tax purposes. This was presented as an adjusting item in accordance with the Group's accounting policy, as it arose from changes in the value of the liability for expected future payments relating to the purchase of a non-controlling interest in the Group.

7. Financing

	Note	**52 weeks to 30 March 2024 £m**	52 weeks to 1 April 2023 £m
Finance income - amortised cost		**9**	3
Bank interest income - fair value through profit and loss		**22**	18
Finance income		**31**	21

	Note		
Interest expense on lease liabilities[1]	18	**(43)**	(31)
Interest expense on overdrafts		**(7)**	(2)
Interest expense on borrowings		**(4)**	(4)
Bank charges		**(1)**	(1)
Other finance expense		**(11)**	(4)
Finance expense		**(66)**	(42)
Finance charge on adjusting items	6	**-**	(2)
Net finance expense		**(35)**	(23)

1. During the 52 weeks to 1 April 2023, interest expense on lease liabilities of £31 million excluded £2 million arising as a result of the Group's restructuring programme, which was presented as an adjusting item (refer to note 6).

8. Taxation

Analysis of charge for the year recognised in the Group Income Statement:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Current tax		
UK corporation tax		
Current tax on income for the 52 weeks to 30 March 2024 at 25% (last year: 19%)	**104**	116
Double taxation relief	**(3)**	(5)
Adjustments in respect of prior years[1]	**44**	12
	145	123
Foreign tax		
Current tax on income for the year	**26**	34
Adjustments in respect of prior years[1]	**(35)**	3
	(9)	37
Total current tax	**136**	160
Deferred tax		
UK deferred tax		
Origination and reversal of temporary differences	**5**	4
Adjustments in respect of prior years[1]	**(1)**	-
	4	4
Foreign deferred tax		
Origination and reversal of temporary differences	**(28)**	(26)
Adjustments in respect of prior years[1]	**-**	4
	(28)	(22)
Total deferred tax	**(24)**	(18)
Total tax charge on profit	**112**	142

1. Adjustments in respect of prior years relate mainly to adjustments to estimates of prior period tax liabilities and a net increase in provisions for uncertain tax positions (where in some instances the provision also includes offsetting relief in a different jurisdiction) and tax accruals.

Analysis of charge for the year recognised in other comprehensive income and directly in equity:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Current tax		
Recognised in other comprehensive income:		
Current tax (credit)/charge on exchange differences on loans (foreign currency translation reserve)	**(1)**	1
Total current tax recognised in other comprehensive income	**(1)**	1
Deferred tax		
Recognised in equity:		
Deferred tax charge/(credit) on share options (retained earnings)	**2**	(2)
Total deferred tax recognised directly in equity	**2**	(2)

The tax rate applicable on profit varied from the standard rate of corporation tax in the UK due to the following factors:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Profit before taxation	**383**	634
Tax at 25% (last year: 19%) on profit before taxation	**97**	120
Rate adjustments relating to overseas profits	**-**	1
Permanent differences	**3**	4
Current year tax losses not recognised	**3**	-
Prior year temporary differences and tax losses recognised	**1**	(3)
Adjustments in respect of prior years	**8**	19
Adjustments to deferred tax relating to changes in tax rates	**-**	1
Total taxation charge	**112**	142

Total taxation recognised in the Group Income Statement arises on the following items:

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Tax on adjusted profit before taxation	**112**	136
Tax on adjusting items	**-**	6
Total taxation charge	**112**	142

Factors affecting future tax charges

Uncertain tax positions

The Group operates in numerous tax jurisdictions around the world and is subject to factors that may affect future tax charges including transfer pricing, tax rate changes, tax legislation changes, tax authority interpretation, expiry of statutes of limitation, tax litigation, and resolution of tax audits and disputes.

At any given time, the Group has open years outstanding in various countries and is involved in tax audits and disputes, some of which may take several years to resolve. Provisions are based on best estimates and management's judgements concerning the likely ultimate outcome of any audit or dispute. Management considers the specific circumstances of each tax position and takes external advice, where appropriate, to assess the range of potential outcomes and estimate additional tax that may be due.

At 30 March 2024 the Group recognised provisions of £91 million in respect of uncertain tax positions (increasing from £86 million in 2023), being provisions of £131 million net of expected reimbursements of £40 million (last year: £103 million net of expected reimbursements of £17 million). The majority of these provisions relate to the tax impact of intra-group transactions between the UK and the various jurisdictions in which the Group operates, as would be expected for a Group operating internationally.

The Group believes that it has made adequate provision in respect of additional tax liabilities that may arise from open years, tax audits and disputes. However, the actual liability for any particular issue may be higher or lower than the amount provided, resulting in a negative or positive effect on the tax charge in any given year. A reduction in the tax charge may also arise for other reasons such as an expiry of the relevant statute of limitations. Depending on the final outcome of tax audits which are currently in progress, statute of limitations expiry, and other factors, an impact on the tax charge could arise. The tax impact of intra-group transactions is a complex area and resolution of matters can take many years. Given the inherent uncertainty, it is difficult to predict the timing of when these matters will be resolved and the quantum of the ultimate resolution. Management estimate that the outcome across all matters under dispute or in negotiation between governments could be in the range of a decrease of £32 million, to an increase of £47 million, in the uncertain tax position over the next 12 months.

Legislative changes

The OECD Pillar Two GloBE Rules introduce a global minimum corporate tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million. All participating OECD members are required to incorporate these rules into national legislation. The Group will be subject to the Pillar Two Model Rules from FY 2024/25 but does not meet the threshold for application of the Pillar One transfer pricing rules. The Group applies the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

UK legislation in relation to Pillar Two was substantively enacted on 20 June 2023 and applies to the Group for the reporting period beginning 31 March 2024. The Group has performed an analysis of the potential exposure to Pillar Two income taxes. The analysis of the potential exposure to Pillar Two income taxes is based on the most recently submitted Country by Country Reporting available for the constituent entities in the Group (for the 52 weeks to 1 April 2023). Based on the analysis, the transitional safe harbour relief should apply in respect of most jurisdictions in which the Group operates. Although there are a limited number of jurisdictions where the transitional safe harbour relief may not apply, the Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

9. Earnings per share

The calculation of basic earnings per share is based on profit or loss attributable to owners of the Company for the year divided by the weighted average number of ordinary shares in issue during the year. Basic and diluted earnings per share based on adjusted profit before taxation are also disclosed to indicate the underlying profitability of the Group.

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Attributable profit for the year before adjusting items[1]	**270**	475
Effect of adjusting items[1] (after taxation)	**-**	15
Attributable profit for the year	**270**	490

1. Refer to note 6 for details of adjusting items.

The weighted average number of ordinary shares represents the weighted average number of Burberry Group plc ordinary shares in issue throughout the year, excluding ordinary shares held in the Group's ESOP trusts and treasury shares held by the Company or its subsidiaries. This includes the effect of the cancellation of 20.5 million shares during the period as a result of the share buyback programmes (prior year: 21.1 million). Refer to note 21 for additional information on the share buybacks.

Diluted earnings per share is based on the weighted average number of ordinary shares in issue during the year. In addition, account is taken of any options and awards made under the employee share incentive schemes, which will have a dilutive effect when exercised.

	52 weeks to 30 March 2024 Millions	52 weeks to 1 April 2023 Millions
Weighted average number of ordinary shares in issue during the year	**365.0**	386.1
Dilutive effect of the employee share incentive schemes	**1.2**	1.9
Diluted weighted average number of ordinary shares in issue during the year	**366.2**	388.0

	52 weeks to 30 March 2024 Pence	52 weeks to 1 April 2023 Pence
Earnings per share		
Basic	**74.1**	126.9
Diluted	**73.9**	126.3
Adjusted earnings per share		
Basic	**74.1**	123.1
Diluted	**73.9**	122.5

10. Dividends paid to owners of the Company

	52 weeks to 30 March 2024 £m	52 weeks to 1 April 2023 £m
Prior year final dividend paid 44.5p per share (last year: 35.4p)	**167**	140
Interim dividend paid 18.3p per share (last year: 16.5p)	**66**	63
Total	**233**	203

A final dividend in respect of the 52 weeks to 30 March 2024 of 42.7p (last year: 44.5p) per share, amounting to £151 million, has been proposed for approval by the shareholders at the Annual General Meeting subsequent to the balance sheet date. The final dividend has not been recognised as a liability at the year end and will be paid on 2 August 2024 to the shareholders on the register at the close of business on 28 June 2024. The ex-dividend date is 27 June 2024 and the final day for dividend reinvestment plan (DRIP) elections is 12 July 2024.

11. Intangible assets

Cost	Goodwill £m	Trademarks, licences and other intangible assets £m	Computer software £m	Intangible assets in the course of construction £m	Total £m
As at 2 April 2022	115	13	258	55	441
Effect of foreign exchange rate changes	-	-	1	-	1
Additions	-	1	13	32	46
Disposals	-	-	(42)	-	(42)
Reclassifications from assets in the course of construction	-	-	18	(18)	-
As at 1 April 2023	115	14	248	69	446
Effect of foreign exchange rate changes	(6)	-	(2)	-	(8)
Additions	-	1	8	44	53
Business combination	16	1	-	-	17
Disposals	-	-	(5)	(22)	(27)
Reclassifications from assets in the course of construction	-	-	30	(30)	-
As at 30 March 2024	**125**	**16**	**279**	**61**	**481**
Accumulated amortisation and impairment					
As at 2 April 2022	6	7	169	19	201
Effect of foreign exchange rate changes	-	-	2	-	2
Charge for the year	-	1	36	-	37
Disposals	-	-	(42)	-	(42)
As at 1 April 2023	6	8	165	19	198
Effect of foreign exchange rate changes	-	-	(2)	-	(2)
Charge for the year	-	1	41	-	42
Disposals			(5)	(19)	(24)

Disposals	-	-	(5)	(19)	(24)
As at 30 March 2024	**6**	**9**	**199**	**-**	**214**
Net book value					
As at 30 March 2024	**119**	**7**	**80**	**61**	**267**
As at 1 April 2023	109	6	83	50	248

Impairment testing of goodwill

The carrying value of the goodwill allocated to cash generating units:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Mainland China	**46**	50
South Korea	**24**	26
Retail and Wholesale segment [1]	**35**	19
Other	**14**	14
Total	**119**	109

1. Goodwill which arose on acquisitions of Burberry Manifattura S.R.L. and Burberry Tecnica S.R.L. has been allocated to the group of cash generating units which make up the Group's Retail and Wholesale operating segment cash generating unit. This reflects the lowest level at which the goodwill is being monitored by management.

The Group tests goodwill for impairment annually or when there is an indication that goodwill might be impaired. The recoverable amount of all cash generating units 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 cash flows have been discounted at pre-tax rates reflecting the Group's weighted average cost of capital adjusted for country-specific tax rates and risks. Where the cash generating unit has a non-controlling interest which was recognised at a value equal to its proportionate interest in the net identifiable assets of the acquired subsidiary at the acquisition date, the carrying amount of the goodwill has been grossed up, to include the goodwill attributable to the non-controlling interest, for the purpose of impairment testing the goodwill attributable to the cash generating unit. The key assumptions contained in the value-in-use calculations include the future revenues, the operating profit margins achieved and the discount rates applied.

The value-in-use calculations have been prepared using management's cost and revenue projections for the next three years to 27 March 2027 and a longer-term growth rate of 5% to 30 March 2029. A terminal value has been included in the value-in-use calculation based on the cash flows for the year ending 30 March 2029, incorporating the assumption that growth beyond 30 March 2029 is equivalent to nominal inflation rates, assumed to be 2%, which are not significant to the assessment.

The value-in-use estimates indicated that the recoverable amount of the cash generating unit exceeded the carrying value for each of the cash generating units. As a result, no impairment has been recognised in respect of the carrying value of goodwill in the year.

Impairment testing of goodwill continued

The goodwill arising on the acquisition of Burberry Tecnica S.R.L. has been allocated to the group of cash generating units which make up the Group's retail/wholesale operating segment. This reflects the level at which the goodwill is being monitored by management. For the material goodwill balances of Mainland China, South Korea and the Retail and Wholesale segment, management has considered the potential impact of reasonably possible changes in assumptions on the recoverable amount of goodwill. The sensitivities include applying a 10% reduction in revenue and gross profit and the associated impact on operating profit margin from management's base cash flow projections, considering the macroeconomic and political uncertainty risk on the Group's retail operations and on the global economy. Under this scenario, the estimated recoverable amount of goodwill in Mainland China, South Korea and the Retail and Wholesale segment still exceeded the carrying value.

The pre-tax discount rates for Mainland China, South Korea and the Retail and Wholesale segment were 12%, 10% and 11% respectively (last year: Mainland China 12%, South Korea 12%, and the Retail and Wholesale segment 12%). No reasonably possible change in these pre-tax discount rates would result in the carrying value to exceed the estimated recoverable amount of goodwill.

The other goodwill balance of £14 million (last year: £14 million) consists of amounts relating to eight cash generating units, none of which have goodwill balances individually exceeding £6 million as at 30 March 2024 (last year: £7 million).

12. Property, plant and equipment

Cost	Freehold land and buildings £m	Leasehold improvements £m	Fixtures, fittings and equipment £m	Assets in the course of construction £m	Total £m
As at 2 April 2022	116	550	348	47	1,061
Effect of foreign exchange rate changes	6	6	9	1	22
Additions	-	56	25	66	147
Disposals	(1)	(53)	(27)	(1)	(82)
Reclassifications from assets in the course of construction	-	26	11	(37)	-
As at 1 April 2023	121	585	366	76	1,148
Effect of foreign exchange rate changes	(2)	(27)	(8)	(3)	(40)
Additions	-	88	32	44	164
Business combination	-	-	1	-	1
Disposals	-	(69)	(47)	-	(116)
Reclassifications from assets in the course of construction	-	54	14	(68)	-
Reclassifications to assets held for sale	(28)	-	-	-	(28)
As at 30 March 2024	**91**	**631**	**358**	**49**	**1,129**
Accumulated depreciation and impairment					
As at 2 April 2022	56	388	294	1	739
Effect of foreign exchange rate changes	4	6	8	-	18
Charge for the year	3	64	28	-	95
Disposals	(1)	(53)	(27)	(1)	(82)
Impairment charge on assets	-	2	-	-	2
As at 1 April 2023	62	407	303	-	772
Effect of foreign exchange rate changes	-	(17)	(8)	-	(25)
Charge for the year	2	69	32	-	103
Disposals	-	(69)	(47)	-	(116)
Impairment charge on assets	-	4	1	-	5
Reclassifications to assets held for sale	(16)	-	-	-	(16)
As at 30 March 2024	**48**	**394**	**281**	**-**	**723**
Net book value					
As at 30 March 2024	**43**	**237**	**77**	**49**	**406**
As at 1 April 2023	59	178	63	76	376

During the 52 weeks to 30 March 2024, management carried out a review of retail cash generating units comprising right-of-use asset and property, plant and equipment, for any indication of impairment or reversal of impairments previously recorded. Where indications of impairment charges or reversals were identified, the impairment review compared the value-in-use of the cash generating units to their net book values at 30 March 2024. The pre-tax cash flow projections used for this review were based on financial plans of expected revenues and costs of each retail cash generating unit, approved by management, reflecting their latest plans over the next three years to 27 March 2027. For the remainder of the asset life, the cashflows assume industry growth rates of 5% and cost inflation rates appropriate to each store's location, followed by longer-term growth rates of mid-single digits and inflation rates appropriate to each store's location. The pre-tax discount rates used in these calculations were between 10.2% and 12.1% (last year: between 11.1% and 13.7%) based on the Group's weighted average cost of capital adjusted for country-specific borrowing costs, tax rates and risks for those countries in which a charge or weighted average cost of capital adjusted for country-specific borrowing costs, tax rates and risks for those countries in which a charge or reversal was incurred. Where indicators of impairment have been identified and the value-in-use was less than the carrying value of the cash generating unit, an impairment of property, plant and equipment and right-of-use asset was recorded. Where the value-in-use was greater than the net book value, and the cash generating unit had been previously impaired, the impairment was reversed, to the extent that could be supported by the value-in use and allowing for any depreciation that would have been incurred during the period since the impairment was recorded.

During the 52 weeks to 30 March 2024, a charge of £14 million (last year: net charge of £7 million) was recorded within net operating expenses as a result of the annual review of impairment for retail store assets. A charge of £5 million (last year: charge of £2 million) was recorded against property, plant and equipment and a charge of £9 million (last year: net charge of £5 million) was recorded against right-of-use assets. Impairments previously charged as an adjusting item related to the impact of COVID-19 were reassessed, resulting in no impairment charge or reversal being presented as an adjusting item in the current year (last year: net reversal of £6 million recorded against right-of-use assets). Refer to note 13 for further details of right-of-use assets. Refer to note 6 for details of adjusting items.

The impairment charge recorded in property, plant and equipment related to six retail cash generating units (last year: two retail cash generating units) for which the total recoverable amount at the balance sheet date is £15 million (last year: £1 million).

Management has considered the potential impact of changes in assumptions on the impairment recorded against the Group's retail assets. Given the macroeconomic and political uncertainty risk on the Group's retail operations and on the global economy, management has considered sensitivities to the impairment charge as a result of changes to the estimate of future revenues achieved by the retail stores. The sensitivities applied are an increase or decrease in revenue of 10% from the estimate used to determine the impairment charge or reversal. We have also considered retail cash generating units with no indicators of impairment but with a significant asset balance. It is estimated that a 10% decrease/increase in revenue assumptions for the 52 weeks to 29 March 2025, with no change to subsequent forecast revenue growth rate assumptions, would result in a less than £19 million increase/less than £9 million decrease in the impairment charge of retail store assets in the 52 weeks to 30 March 2024.

As at 30 March 2024, the Group had one freehold property that met the criteria to be classified as held for sale. This asset is required to be recorded at the lower of carrying value or fair value less any costs to sell. As the fair value less any costs to sell exceeded the carrying value, the related asset was recorded at its carrying value of £12 million. The sale of this property is expected to complete within the next 12 months.

No assets were classified as held for sale at 1 April 2023. During the 52 weeks to 1 April 2023, the sale of three freehold properties with a carrying value of £13 million, which were previously classified as assets held for sale, was completed resulting in a net gain on disposal of £19 million.

13. Right-of-use assets

Net book value	Property right-of-use assets £m
As at 2 April 2022	880
Effect of foreign exchange rate changes	14
Additions	157
Remeasurements	113
Depreciation for the year	(212)
Impairment charge on right-of-use assets	(10)
Impairment reversal on right-of-use assets	8
As at 1 April 2023	950
Effect of foreign exchange rate changes	(27)
Additions	162
Business combination	2
Remeasurements	169
Depreciation for the year	(234)
Impairment charge on right-of-use assets	(9)
As at 30 March 2024	**1,013**

As a result of the assessment of retail cash generating units for impairment, an impairment charge of £9 million (last year: net impairment reversal of £1 million) was recorded for impairment of right-of-use assets related to trading impacts. Refer to note 12 for further details of impairment assessment of retail cash generating units. The net impairment reversal in the prior year comprised a reversal of £6 million arising from the change in assumption due to the impact of COVID-19 on the value-in-use of retail cash generating units and a charge of £5 million relating to other trading impacts. The reversal relating to COVID-19 was presented as an adjusting item (refer to note 6).

The impairment charge recorded in right-of-use assets relates to seven retail cash generating units (last year: three retail cash generating units) for which the total recoverable amount at the balance sheet date is £44 million (last year: £17 million).

At 1 April 2023, a net impairment charge of £3 million was recognised in relation to non-retail right-of-use assets arising as a result of the Group's restructuring programmes and was presented as an adjusting item (refer to note 6).

As a result, the impairment charge for right-of-use assets was £9 million (last year: net impairment charge of £2 million).

14. Trade and other receivables

	As at 30 March 2024 £m	As at 1 April 2023 £m
Non-current		
Other financial receivables[1]	**47**	45
Other non-financial receivables[2]	**-**	2
Prepayments	**5**	5
Total non-current trade and other receivables	**52**	52
Current		
Trade receivables	**189**	184
Provision for expected credit losses	**(10)**	(7)
Net trade receivables	**179**	177
Other financial receivables[1]	**27**	25
Other non-financial receivables[2]	**86**	59
Prepayments	**33**	32
Accrued income	**15**	14
Total current trade and other receivables	**340**	307
Total trade and other receivables	**392**	359

1. Other financial receivables include rental deposits and other sundry debtors.

2. Other non-financial receivables relates primarily to indirect taxes and other taxes and duties.

Included in total trade and other receivables are non-financial assets of £124 million (last year: £98 million).

15. Inventories

	As at 30 March 2024 £m	As at 1 April 2023 £m

Raw materials	**29**	15
Work in progress	**3**	1
Finished goods	**475**	431
Total inventories	**507**	447

	As at 30 March 2024 £m	As at 1 April 2023 £m
Total inventories, gross	**580**	504
Provisions	**(73)**	(57)
Total inventories, net	**507**	447

Inventory provisions of £73 million (last year: £57 million) are recorded, representing 12.6% (last year: 11.4%) of the gross value of inventory. The provisions reflect management's best estimate of the net realisable value of inventory, where this is considered to be lower than the cost of the inventory.

The cost of inventories recognised as an expense and included in cost of sales amounted to £922 million (last year: £874 million).

Taking into account factors impacting the inventory provisioning including the proportion of inventory sold through loss making channels being higher or lower than expected, management considers that a reasonable potential range of outcomes could result in an increase in inventory provisions of £15 million or a decrease in inventory provisions of £22 million in the next 12 months. This would result in a potential range of inventory provisions of 8.8% to 15.3% as a percentage of the gross value of inventory as at 30 March 2024.

The net movement in inventory provisions included in cost of sales for the 52 weeks to 30 March 2024 was a charge of £39 million (last year: release of £1 million). The total reversal of inventory provisions during the current year, which is included in the net movement, was £15 million (last year: reversal of £22 million). In the prior year, a reversal of £1 million was included within both of these amounts upon reassessment of the provision related to the impact of COVID-19 and was presented as an adjusting item. Refer to note 6 for details of adjusting items.

16. Cash and cash equivalents

	As at 30 March 2024 £m	As at 1 April 2023 £m
Cash and cash equivalents held at amortised cost		
Cash at bank and in hand	**180**	152
Short-term deposits	**83**	77
	263	229
Cash and cash equivalents held at fair value through profit and loss		
Short-term deposits	**178**	797
Total	**441**	1,026

Cash and cash equivalents classified as fair value through profit and loss relate to deposits held in low volatility net asset value money market funds. The cash is available immediately and, since the funds are managed to achieve low volatility, no significant change in value is anticipated. The funds are monitored to ensure there are no significant changes in value.

As at 30 March 2024 and 1 April 2023, no impairment losses were identified on cash and cash equivalents held at amortised cost.

17. Trade and other payables

	As at 30 March 2024 £m	As at 1 April 2023 £m
Non-current		
Other payables[1]	**3**	-
Deferred income and non-financial accruals	**9**	20
Contract liabilities	**51**	57
Total non-current trade and other payables	**63**	77
Current		
Trade payables	**180**	186
Other taxes and social security costs	**45**	50
Other payables[1]	**21**	10
Accruals	**165**	199
Deferred income and non-financial accruals	**11**	14
Contract liabilities	**12**	13
Deferred consideration[2]	**5**	5
Total current trade and other payables	**439**	477
Total trade and other payables	**502**	554

1. Other payables comprise interest and employee-related liabilities.

2. Deferred consideration relates to the acquisition of the economic right to the non-controlling interest in Burberry Middle East LLC on 22 April 2016. In the 52 weeks to 30 March 2024 no payments were made in relation to Burberry Middle East LLC (last year: £6 million). Contingent payments of £5 million remain outstanding at 30 March 2024, which will be paid once all required documentation is complete.

18. Lease liabilities

	Property lease liabilities £m
Balance as at 2 April 2022	1,058
Effect of foreign exchange rate changes	20
Created during the year	157
Amounts paid[1]	(243)
Discount unwind	33
Remeasurements[2]	98
Balance as at 1 April 2023	1,123
Effect of foreign exchange rate changes	(30)
Created during the year	159
Business combination	1
Amounts paid[1]	(274)
Discount unwind	43
Remeasurements[2]	166
Balance as at 30 March 2024	**1,188**

	As at 30 March 2024 £m	As at 1 April 2023 £m
Analysis of total lease liabilities:		
Non-current	**959**	902
Current	**229**	221
Total	**1,188**	1,123

1. The amount paid of £274 million (last year: £243 million) includes £231 million (last year: £210 million) arising as a result of a financing cash outflow and £43 million (last year: £33 million) arising as a result of an operating cash outflow.

2. Remeasurements relate largely to changes in the lease liabilities that arise as a result of extending the lease term on an existing lease, management's reassessment of the lease term based on existing breakor extension options in the contract, as well as those linked to an inflation index or rate review. In the prior year, remeasurements included COVID-19-related rent forgiveness of £13 million which was recognised as a credit in the Income Statement and was included as an adjusting item. Refer to note 6.

The Group enters into property leases for retail properties, including stores, concessions, warehouse and storage locations and office property. The remaining lease terms for these properties range from a few months to 16 years (last year: few months to 15 years). Many of the leases include break options and/or extension options to provide operational flexibility. Some of the leases for concessions have rolling lease terms or rolling break options. Management assess the lease term at inception based on the facts and circumstances applicable to each property including the period over which the investment appraisal was initially considered.

Potential future undiscounted lease payments related to periods following the exercise date of an extension option not included in the lease term, and therefore not included in lease liabilities are approximately £434 million (last year: £399 million) in relation to the next available extension option and are assessed as not reasonably certain to be exercised. Potential future undiscounted lease payments related to periods following the exercise date of a break option not included in the lease term, and therefore not included in lease liabilities, are approximately £113 million (last year: £130 million) in relation to break options which are expected to be exercised. During the 52 weeks to 30 March 2024, significant judgements regarding breaks and options in relation to individually material leases resulted in approximately £100 million (last year: £38 million) in undiscounted future cash flows not being included in the initial right-of-use assets and lease liabilities.

Management reviews the retail lease portfolio on an ongoing basis, taking into account retail performance and future trading expectations. Management may exercise extension options and negotiate lease extensions or modifications. In other instances, management may exercise break options, negotiate lease reductions or decide not to negotiate a lease extension at the end of the lease term. The most significant factor impacting future lease payments is changes management choose to make to the store portfolio.

Future increases and decreases in rent linked to an inflation index or rate review are not included in the lease liability until the change in cash flows is legally agreed. Approximately 19% (last year: 18%) of the Group's lease liabilities are subject to inflation linked reviews and 32% (last year: 30%) are subject to rent reviews. Rental changes linked to inflation or rent reviews typically occur on an annual basis.

Many of the retail property leases also incur payments based on a percentage of revenue achieved at the location. Changes in future variable lease payments will typically reflect changes in the Group's retail revenues, including the impact of regional mix. The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

The Group also enters into non-property leases for equipment, advertising fixtures and machinery. Generally, these leases do not include break or extension options. The most significant impact to future cash flows relating to leased equipment, which are primarily short-term leases, would be the Group's usage of leased equipment to a greater or lesser extent.

Details of income statement charges and income from leases are set out in note 5. The right-of-use asset categories on which depreciation is incurred are presented in note 13. Interest expense incurred on lease liabilities is presented in note 7.

Total cash outflows in relation to leases in the 52 weeks ended 30 March 2024 are £417 million (last year: £396 million). This relates to payments of £231 million on lease principal (last year: £210 million), £43 million on lease interest (last year: £33 million), £113 million on variable lease payments (last year: £122 million), and £30 million on other lease payments principally relating to short-term leases and leases in holdover (last year: £31 million).

19. Bank overdrafts

Included within bank overdrafts is £78 million (last year: £65 million) representing balances on cash pooling arrangements in the Group.

The Group has a number of committed and uncommitted arrangements agreed with third parties. At 30 March 2024, the Group held £1 million (last year: £nil) bank overdrafts excluding balances on cash pooling arrangements.

The fair value of overdrafts approximates the carrying amount because of the short maturity of these instruments.

20. Borrowings

On 21 September 2020, Burberry Group plc issued medium term notes with a face value of £300 million and 1.125% coupon maturing on 21 September 2025 (the sustainability bond). Proceeds from the sustainability bond have been used by the Group to finance projects which support the Group's sustainability agenda. There are no financial penalties for not using the proceeds as anticipated. Interest on the sustainability bond is payable semi-annually. The carrying value of the bond at 30 March 2024 is £299 million (last year: £298 million); all movements on the bond are non-cash. The fair value of the bond at 30 March 2024 is £281 million (last year: £273 million).

On 26 July 2021, the Group entered into a £300 million multi-currency sustainability-linked revolving credit facility (RCF) with a syndicate of banks, maturing on 26 July 2026. There were no drawdowns or repayments of the RCF during the current or previous year, and at 30 March 2024 there were no outstanding drawings.

The Group is in compliance with the financial and other covenants within the facilities above and has been in compliance throughout the financial period.

21. Share capital and reserves

Allotted, called up and fully paid share capital	Number	£m
Ordinary shares of 0.05p (last year: 0.05p) each		
As at 2 April 2022	405,107,301	0.2
Allotted on exercise of options during the year	236,123	-
Cancellation of shares	(21,075,496)	-
As at 1 April 2023	384,267,928	0.2
Allotted on exercise of options during the year	51,904	-
Cancellation of shares	(20,504,089)	-
As at 30 March 2024	**363,815,743**	**0.2**

The Company has a general authority from shareholders, renewed at each Annual General Meeting, to repurchase a maximum of 10% of its issued share capital. During the 52 weeks to 30 March 2024, the Company entered into agreements to purchase, at fair value, a total of £400 million of its own shares, excluding stamp duty and fees, through two share buyback programmes of £200 million each (last year: two share buyback programmes of £200 million each). Both programmes were completed during the year.

The cost of own shares purchased by the Company, as part of a share buyback programme, is offset against retained earnings, as the amounts paid reduce the profits available for distribution by the Company. When shares are cancelled, a transfer is made from retained earnings to the capital reserve, equivalent to the nominal value of the shares purchased and subsequently cancelled. In the 52 weeks to 30 March 2024, 20.5 million shares were cancelled (last year: 21.1 million).

As at 30 March 2024 the Company held 5.2 million treasury shares (last year: 6.1 million), with a market value of £63 million (last year: £157 million) based on the share price at the reporting date. The treasury shares held by the Company are related to the share buyback programme completed during the 53 weeks to 2 April 2022. During the 52 weeks to 30 March 2024, 0.9 million treasury shares were transferred to ESOP trusts (last year: 2.3 million). During the 52 weeks to 30 March 2024, no treasury shares were cancelled (last year: none).

The cost of shares purchased by ESOP trusts are offset against retained earnings, as the amounts paid reduce the profits available for distribution by the Company. As at 30 March 2024, the cost of own shares held by ESOP trusts and offset against retained earnings is £34 million (last year: £42 million). As at 30 March 2024, the ESOP trusts held 1.9 million shares (last year: 2.3 million) in the Company, with a market value of £23 million (last year: £60 million). In the 52 weeks to 30 March 2024 the ESOP trusts and the Company have waived their entitlement to dividends.

Other reserves in the Statement of Changes in Equity consist of the capital reserve, the foreign currency translation reserve, and the hedging reserves. The hedging reserves consist of the cash flow hedge reserve and the net investment hedge reserve.

		Hedging reserves			
	Capital reserve £m	Cash flow hedges £m	Net investment hedge £m	Foreign currency translation reserve £m	Total £m
Balance as at 2 April 2022	41	(1)	5	218	263
Other comprehensive income:					

Cash flow hedges - gains deferred in equity	-	1	-	-	1
Foreign currency translation differences	-	-	-	14	14
Tax on other comprehensive income	-	(1)	-	-	(1)
Total comprehensive income for the year	-	-	-	14	14
Balance as at 1 April 2023	41	(1)	5	232	277
Other comprehensive income:					
Cash flow hedges - losses deferred in equity	-	(4)	-	-	(4)
Cash flow hedges - transferred to income	-	1	-	-	1
Foreign currency translation differences	-	-	-	(34)	(34)
Tax on other comprehensive income	-	1	-	-	1
Total comprehensive income for the year	-	(2)	-	(34)	(36)
Balance as at 30 March 2024	**41**	**(3)**	**5**	**198**	**241**

As at 30 March 2024 the amount held in the hedging reserve relating to matured net investment hedges is £5 million net of tax (last year: £5 million).

22. Commitments

Capital commitments

Contracted capital commitments represent contracts entered into by the year end for future work in respect of major capital expenditure projects relating to property, plant and equipment and intangible assets, which are not recorded on the Group's Balance Sheet and are as follows:

	As at 30 March 2024 £m	As at 1 April 2023 £m
Capital commitments contracted but not provided for:		
Property, plant and equipment	**67**	38
Intangible assets	**4**	3
Total	**71**	41

23. Acquisition of subsidiary

On 2 October 2023, Burberry Italy S.R.L., Burberry's wholly-owned subsidiary, acquired a 100% shareholding in Burberry Tecnica, S.R.L., from Italian technical outerwear supplier, Pattern SpA, a company incorporated in Italy, for total cash consideration of £19 million. Consideration for this acquisition did not includes any contingent or deferred consideration.

Based in Turin, the activities of the business acquired revolve around the engineering and production of Burberry products. The acquisition allows the Group to secure capacity, build technical outerwear capabilities and further embed sustainability into its value chain.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Provisional Fair value £m
Net assets acquired	
Acquired intangible assets	1
Property, plant and equipment	1
Inventories	2
Right-of-use assets	2
Lease liabilities	(1)
Employee-related liabilities	(1)
Deferred tax liability	(1)
Net assets acquired	**3**
Goodwill arising on acquisition	16
Total cost of acquisition	**19**

No receivables or contingent liabilities were acquired as a result of the acquisition.

The values used in accounting for the identifiable assets and liabilities of the acquisition are provisional in nature as they are still being determined. If necessary, adjustments will be made to these carrying values and the related goodwill, within 12 months of the acquisition date.

The goodwill arising on the acquisition of £16 million reflects the expected synergies from the vertical integration of engineering and production of technical outerwear within the Group's supply chain, together with the value of the retained workforce. The goodwill has been allocated to the group of cash generating units which make up the Group's retail/wholesale operating segment. £13 million of the goodwill is expected to be deductible for tax purposes, giving rise to an overall tax benefit with an estimated net present value of approximately £1 million.

The acquired business has made a contribution to Group revenue of £nil and had a negligible impact on Group profit before taxation since acquisition. If the acquisition had occurred at the beginning of the financial year, the impact on the Group's revenue and profit or loss would not have been material.

24. Contingent liabilities

The Group 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 Value Added Taxes, sales taxes, customs duties, corporate taxes, transfer pricing, payroll taxes, various contractual claims, legal proceedings and other matters. Where appropriate, the estimated cost of known obligations has been provided in these financial statements in accordance with the Group's accounting policies. The Group does not expect the outcome of current similar contingent liabilities to have a material effect on the Group's financial position.

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