

Vivienne Westwood Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2007

REGISTRAR OF COMPANIES



Company Registration No 2682271

Vivienne Westwood Limited

DIRECTORS AND OFFICERS

DIRECTOR

V I Westwood
C D'Amario

SECRETARY

C D'Amario

REGISTERED OFFICE

Westwood Studios
9-15 Elcho Street
London SW11 4AU

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Vivienne Westwood Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Vivienne Westwood Limited for the year ended 31 December 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of designers, manufacturers, wholesalers and retailers of fashion apparel

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company benefits from a stable and experienced workforce, an extensive and modern product range and a solid and growing customer base

The company saw strong sales growth due to stronger appetite for its various product ranges both on a wholesale and retail level. Entering the Internet sales market in 2006 also continued to generate further income

The company is also benefiting from its cost tightening policy

The company will maintain its current strategy to meet the challenges ahead

RISK MANAGEMENT

The directors regularly monitor the risks and uncertainties of the business

- A) **Operating risk** the company management system provides a framework to ensure that operational policies and procedures are communicated, understood and adhered to
- B) **Market risk** the company maintains its competitive position by actively managing its operational risk. It also provides a high level of service to its customers and maintains a good relationship with its suppliers and partners
- C) **Personnel risk** the company places great emphasis on ongoing assessment of competent staff. The Directors consider succession planning issues on a regular basis
- D) **Financial risk** financial monitoring, forecasting and planning is a continuous process, with particular emphasis on cashflow management and delivering a cost effective service to customers while maintaining an acceptable return to shareholders

KEY PERFORMANCE INDICATORS

To track the financial performance of the company, we monitor key performance indicators. These include the following

£000	2007	2006	2005	2004
Turnover	14,805	13,349	11,710	8,128
Gross Profit margin (in %)	45.2%	43.5%	37.6%	30.3%
Profit on ordinary activities before tax	248	175	680	133
Cashflow from operating activities	482	1,289	880	302

Vivienne Westwood Limited

DIRECTORS' REPORT

FINANCIAL INSTRUMENTS

The company aims to minimise foreign exchange risk and does not speculate on currency exchange rate movements

A large proportion of trades are made in mainly Euros and Japanese Yen and the company hedges the exchange risk by using its Euro and Yen bank accounts

DIVIDENDS

The directors do not recommend that a dividend is paid on the ordinary shares, which leaves a profit after tax of £173,484 (2006 £37,872) to be added to retained profits

DIRECTORS

The following directors held office since 1 January 2007

V I Westwood
C D'Amario

CHARITABLE DONATIONS

The company made charitable donations of £1,940 (2006 £6,490) to national charities in the year

EURO

The company has systems in place to handle euro transactions as required

AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be put to the members at the annual general meeting

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board

V I Westwood

Director



4 September 2008

Vivienne Westwood Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIVIENNE WESTWOOD LIMITED

We have audited the financial statements on pages 6 to 18

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Baker Tilly UK Audit LLP
10 September 2008

Vivienne Westwood Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2007

	Notes	2007 £	2006 £
TURNOVER	1	14,805,471	13,348,937
Cost of sales		(8,139,359)	(7,546,164)
GROSS PROFIT		6,666,112	5,802,773
Distribution costs		(605,734)	(483,405)
Administrative expenses		(6,202,772)	(5,227,737)
OPERATING (LOSS)/PROFIT		(142,394)	91,631
Exchange differences on balances with related undertakings		251,688	(106,378)
Interest receivable and similar income	2	141,117	87,664
Interest payable and similar charges	3	-	(806)
Exceptional income	4	-	103,149
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	250,411	175,260
Taxation	7	(76,927)	(137,388)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	17	173,484	37,872

The operating (loss)/profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

Vivienne Westwood Limited

BALANCE SHEET

31 December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	7,500	15,000
Tangible assets	9	293,470	285,957
		<u>300,970</u>	<u>300,957</u>
CURRENT ASSETS			
Stocks	10	958,978	971,798
Debtors	11	6,389,472	5,944,566
Cash at bank and in hand		3,636,173	3,088,299
		<u>10,984,623</u>	<u>10,004,663</u>
CREDITORS Amounts falling due within one year	12	(7,301,528)	(5,524,464)
NET CURRENT ASSETS		<u>3,683,095</u>	<u>4,480,199</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,984,065</u>	<u>4,781,156</u>
DEFERRED INCOME Amounts falling due after more than one year	13	(324,411)	(1,294,986)
		<u>3,659,654</u>	<u>3,486,170</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	3,659,554	3,486,070
SHAREHOLDERS' FUNDS	17	<u>3,659,654</u>	<u>3,486,170</u>

The financial statements on pages 6 to 18 were approved by the board and authorised for issue on 4 September 2008 and signed on its behalf by

V I Westwood Director



Vivienne Westwood Limited

CASH FLOW STATEMENT

for the year ended 31 December 2007

	<i>Notes</i>	2007 £	2006 £
Cash flow from operating activities	19a	482,346	1,289,306
Returns on investments and servicing of finance	19b	141,117	86,858
Taxation		(4,128)	(78,896)
Capital expenditure and servicing of finance	19b	(71,462)	(30,402)
CASH INFLOW BEFORE FINANCING		<u>547,873</u>	<u>1,266,866</u>
Financing	19b	-	-
INCREASE IN CASH IN THE PERIOD		<u>£547,873</u>	<u>1,266,866</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH

	2007 £	2006 £
Increase in cash in the period	547,873	1,266,866
Change in net debt resulting from cash flows	-	-
MOVEMENT IN NET CASH IN PERIOD	<u>547,873</u>	<u>1,266,866</u>
NET FUNDS AT 1 JANUARY 2007	3,088,299	1,821,433
NET FUNDS AT 31 DECEMBER 2007	19c <u>3,636,172</u>	<u>3,088,299</u>

Vivienne Westwood Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful economic life, as follows

Leasehold property improvements	- over life of lease from commencement of use with a maximum of 10 years
Fixtures, fittings and equipment	- 15% reducing balance
Office and computer equipment	- 25% reducing balance
Motor vehicles	- 25% reducing balance

INTANGIBLE ASSETS

Intangible assets consisting of trademarks are included at cost and amortised in equal annual instalments over a period of ten years

STOCK

Stock is stated at the lower of cost and net realisable value after making allowance for obsolete and slow moving items. Cost represents materials, direct labour and appropriate production overheads

LEASES AND HIRE PURCHASE CONTRACTS

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease. Rentals in respect of operating leases are charged to the profit and loss account in the year to which they relate

PENSION CONTRIBUTIONS

The company operates a defined contribution scheme for its directors. The costs of the scheme are charged to the profit and loss account in the year to which they relate

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account

ROYALTY INCOME

Royalties are recognised in the profit and loss account in the period in which the sales deriving the royalties are realised

TURNOVER

Turnover represents the invoices value, net of Value Added Tax, of goods sold and services provided to customers

Vivienne Westwood Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity
Sales were made in the following geographical markets

	2007 £	2006 £
European Community	9,081,604	8,704,356
Rest of the World	5,723,867	4,644,581
	<u>14,805,471</u>	<u>13,348,937</u>

2 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Bank interest	141,117	71,339
Interest on loans to relating undertakings	-	16,325
	<u>141,117</u>	<u>87,664</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
On bank loans and overdrafts	-	177
Interest on loans from relating undertakings	-	629
	<u>-</u>	<u>806</u>

4 EXCEPTIONAL ITEM

The exceptional item in 2006 related to a penalty of £84,897 claimed from Ciclamino S r l for a breach of a lease and to a licence settlement for £18,252

5 PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Profit on ordinary activities before taxation is stated after		
Charging		
Auditors' remuneration		
- audit services	19,500	19,500
- other services	20,035	18,077
Depreciation - owned assets	63,948	57,771
Exchange losses	251,688	106,378
Amortisation of intangible assets	7,500	7,500
Operating leases - land and building	646,000	646,000
- plant and machinery	13,946	13,946
	<u></u>	<u></u>

Vivienne Westwood Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

6	EMPLOYEES	2007 No	2006 No.
	The average monthly number of persons (including directors) employed by the company during the year was		
	Administration	19	13
	Design and production	49	44
	Retail and marketing	34	32
		<u>102</u>	<u>89</u>
		£	£
	Staff costs for above persons:		
	Wages and salaries	5,133,318	4,227,671
	Social security costs	590,153	474,080
	Other pension costs	2,796	2,161
		<u>5,726,267</u>	<u>4,703,912</u>
		£	£
	DIRECTORS' REMUNERATION		
	Directors' emoluments	2,770,000	2,140,000
	Pension contributions	1,200	1,200
		<u></u>	<u></u>
	The number of directors to whom retirement benefits are accruing under		
	Money purchase schemes was	2	2
		<u></u>	<u></u>
	Directors' emoluments above include £1,770,000 (2006 £1,340,000) in respect of the highest paid director		
7	TAXATION	2007 £	2006 £
	Current tax		
	UK corporation tax on profits of the year	76,927	72,523
	Adjustments in respect of previous periods	-	1,851
	Payment for group relief	-	63,014
	Total current tax	<u>76,927</u>	<u>137,388</u>
	Deferred taxation		
	Origination and reversal of timing differences	-	-
	Tax on profit on ordinary activities	<u>76,927</u>	<u>137,388</u>

Vivienne Westwood Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

	2007 £	2006 £
7 TAXATION <i>(continued)</i>		
Factors affecting tax charge for the year		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 30% The differences are explained below		
Profit on ordinary activities before tax	250,411	175,260
Profit on ordinary activities multiplied by standard rate of corporation tax UK of 30%	75,123	52,578
Effects of		
Expenses not deductible for tax purposes	5,188	15,929
Expenses/(income) not (chargeable)/deductible for tax purposes – fixed assets	5,710	2,201
Capital allowances less than/(in excess of) depreciation	(9,094)	1,815
Payment for group relief	-	63,014
Adjustments in respect of previous periods	-	1,851
	<u>76,927</u>	<u>137,388</u>
8 INTANGIBLE FIXED ASSETS		
		Trademarks £
Cost		
1 January and 31 December 2007		75,000
Depreciation		
1 January 2007		60,000
Charged in the year		7,500
31 December 2007		<u>67,500</u>
Net book value		
31 December 2007		<u>7,500</u>
31 December 2006		<u>15,000</u>

Vivienne Westwood Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

9 TANGIBLE FIXED ASSETS

	Leasehold property improvements £	Fixtures and fittings £	Office and computer equipment £	Motor vehicles £	Total £
Cost					
1 January 2007	190,327	385,121	396,640	39,971	1,012,059
Additions	-	20,505	30,426	22,956	73,887
Disposals	-	-	(1,425)	(1,000)	(2,425)
31 December 2007	190,327	405,626	425,641	61,927	1,083,521
Depreciation					
1 January 2007	76,132	282,382	340,347	27,241	726,102
Charged in the year	19,033	18,487	21,323	5,105	63,948
31 December 2007	95,165	300,869	361,670	32,346	790,050
Net book value					
31 December 2007	95,162	104,757	63,971	29,581	293,471
31 December 2006	114,195	102,739	56,293	12,730	285,957

10 STOCKS

	2007 £	2006 £
Raw materials and consumables	4,300	9,829
Finished goods and goods for resale	954,678	961,969
	958,978	971,798

11 DEBTORS

	2007 £	2006 £
Due within one year		
Trade debtors	956,109	967,262
Loans due from relating undertakings	1,399,735	1,761,177
Amounts due from related undertakings	1,812,447	841,642
Corporation tax recoverable	80,730	74,824
Other debtors	38,982	42,142
Prepayments and accrued income	1,355,465	834,467
	5,643,468	4,521,514
Due after more than one year		
Amounts due from related undertakings	575,000	575,000
Corporation tax recoverable	32,988	113,718
Other debtors	6,918	368,845
Prepayments and accrued income	131,098	365,489
	6,389,472	5,944,566

Vivienne Westwood Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

12	CREDITORS Amounts falling due within one year	2007 £	2006 £
	Trade creditors	722,530	1,193,014
	Amounts due to related undertakings	243,190	15,081
	Corporation tax	2,103	4,128
	Other taxation and social security	323,285	266,832
	Other creditors	325,507	15,096
	Accruals	4,714,338	3,118,827
	Deferred income	970,575	911,486
		<u>7,301,528</u>	<u>5,524,464</u>
13	DEFERRED INCOME	2007 £	2006 £
	Deferred income comprises unreleased royalties receivable as follows		
	1 January 2007	2,206,472	2,993,837
	Royalties receivable	741,720	605,461
	Released during the year	(1,653,206)	(1,392,826)
	31 December 2007	<u>1,294,986</u>	<u>2,206,472</u>
	Due within one year	970,575	911,486
	Due after more than one year	324,411	1,294,986
		<u>1,294,986</u>	<u>2,206,472</u>

Vivienne Westwood Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

14 DEFERRED TAXATION ASSETS AND LIABILITIES

Total Schedule D Case I trading losses carried forward for relief were £233,203 (2006 - £233,203). However, the offset of these against future matching profits is not considered sufficiently foreseeable to allow a deferred asset to be carried

15	SHARE CAPITAL	2007 £	2006 £
	Authorised 10,000 ordinary shares of £1 each	10,000	10,000
	Allotted, issued and fully paid 100 ordinary shares of £1 each	100	100
16	PROFIT AND LOSS ACCOUNT	2007 £	2006 £
	1 January 2007	3,486,070	3,448,198
	Profit for the financial year	173,484	37,872
	31 December 2007	3,659,554	3,486,070
17	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2007 £	2006 £
	Profit for the financial year	173,484	37,872
	Opening shareholders' funds	3,486,170	3,448,298
	Closing shareholders' funds	3,659,654	3,486,170

Vivienne Westwood Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

18	CASH FLOWS	2007 £	2006 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating (loss)/profit	(142,394)	91,631
	Depreciation and amortisation	71,448	65,271
	Exchange differences	251,688	(106,378)
	Exceptional item	-	103,149
	Decrease/(increase) in stocks	12,820	(218,352)
	(Increase)/decrease in debtors	(519,730)	533,616
	Increase in creditors	808,514	820,369
	Net cash flow from operating activities	<u>482,346</u>	<u>1,289,306</u>
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received	141,117	87,664
	Interest paid	-	(806)
	Net cash flow from returns on investments and servicing of finance	<u>141,117</u>	<u>86,858</u>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(73,887)	(30,402)
	Sale of tangible fixed assets	2,425	-
	Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(71,462)</u>	<u>(30,402)</u>
	Financing		
	Debt due within one year	-	-
	Net cash flow from financing	<u>-</u>	<u>-</u>
c	Analysis of net debt	At 31 December 2006 £	At 31 December 2007 £
	Cash at bank and in hand	<u>3,088,299</u>	<u>3,636,172</u>

Vivienne Westwood Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

19 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
Land and buildings		
expiring in the second to fifth year	466,000	466,000
expiring after five years	180,000	180,000
Plant and machinery		
expiring in the first year	13,946	-
expiring in the second to fifth year	-	13,946
	<u>659,946</u>	<u>659,946</u>

20 PENSION COMMITMENTS

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £2,796 (2006 £2,161). There were no amounts outstanding at the year end.

21 CONTROL

V I Westwood, a director, is the ultimate controlling shareholder of the company. Latimo SA is the ultimate parent company and Westwood SA the immediate parent company.

22 RELATED PARTY TRANSACTIONS

V I Westwood is a director and has ultimate control of the related undertakings, Vivienne Westwood (Property) Limited, VW Parfum Limited, Elcho Property Limited, Vivienne Westwood Consulting S r l, Vivienne Westwood S r l, Vivienne Westwood S a r l, Westwood SA and Latimo SA. C D'Amario is a director and has ultimate control of the related undertaking, Ciclamino S r l. Vivienne Westwood S r l, Ciclamino S r l and Vivienne Westwood Consulting S r l are incorporated in Italy. Vivienne Westwood S a r l is incorporated in France. Westwood SA and Latimo SA are incorporated in Luxembourg.

Director current accounts

At 31 December 2007 the current account of C D'Amario was overdrawn by £13 (2006 £359). At 31 December 2007 the current account of V I Westwood had a balance of £309,910 (2006 £Nil). The overdrawn accounts have been repaid subsequent to the balance sheet date. The maximum amounts outstanding during the year were £558,061 for C D'Amario and £137,243 for V I Westwood.

Vivienne Westwood (Property) Limited

Vivienne Westwood (Property) Limited received rental income of £422,000 (2006 £422,000) from Vivienne Westwood Limited. Vivienne Westwood Limited made an administration charge of £42,300 (2006 £35,633) to, and received loan interest of £Nil (2006 £2,461) from, Vivienne Westwood (Property) Limited.

Elcho Property Limited

Elcho Property Limited received rental income of £120,000 (2006 £120,000) from Vivienne Westwood Limited. Vivienne Westwood Limited made an administration charge of £21,800 (2006 £24,300) to Elcho Property Limited.

Vivienne Westwood Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

22 RELATED PARTY TRANSACTIONS (continued)

VW Parfum Limited

Vivienne Westwood Limited has accrued administration charges due from VW Parfum Limited of £29,531 (2006: £31,904). The company also paid £Nil (2006: £63,014) to VW Parfum Limited in respect of group relief received.

Vivienne Westwood S a r l

Vivienne Westwood Limited received loan interest of £Nil (2006: £2,660) from Vivienne Westwood S a r l.

Vivienne Westwood Consulting S r l

Vivienne Westwood Limited paid £81,518 (2006: £66,453) in respect of consulting services.

Latimo SA

The company incurred licence fees of £1,157,244 in respect of 2007 (2006: £974,979). Latimo SA has an interest in these licence fees after deduction of cash collection fees.

Debtors

Included in debtors are the following amounts due from/(to) relating undertakings -

Due within one year

Vivienne Westwood S r l: loan of £1,399,735 (2006: £1,761,177)
Vivienne Westwood S a r l: £38,462 (2006: £35,099)
Vivienne Westwood S r l: £1,333,997 (2006: £514,892)
Vivienne Westwood (Property) Limited: £280,426 (2006: £226,011)
VW Parfum Limited: £45,522 (2006: £5,239)
Ciclamino S r l: £Nil (2006: £4,661)
Elcho Property Limited: £114,040 (2006: £55,741)

Due after more than one year

Vivienne Westwood (Property) Limited: £425,000 (2006: £425,000)
Elcho Property Limited: £150,000 (2006: £150,000)

At the year end, £365,489 (2006: £607,489) relating to Vivienne Westwood (Property) Limited were included in prepayments in respect of 6 years' rent invoiced in advance.

Creditors

Included in creditors are the following amounts due to relating undertakings -

Due within one year

Vivienne Westwood Consulting S r l: £Nil (2006: £15,081)
Vivienne Westwood S r l: £56,464 (2006: £Nil)
Vivienne Westwood S a r l: £186,726 (2006: £Nil)

In addition, balances of £1,157,244 (2006: £373,740) in respect of licence fees, in which Latimo SA has an interest after deduction of cash collection fees, and £102,057 (2006: £Nil) in respect of fashion show costs due to Vivienne Westwood S r l are included within accruals.