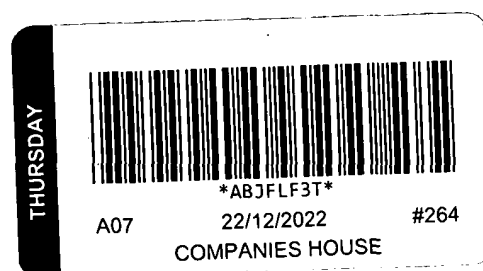


**Company Registration No. 02682271**

**Vivienne Westwood Limited**

**Annual report and financial statements**

**for the year ended 31 December 2021**



# **Vivienne Westwood Limited**

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# **Vivienne Westwood Limited**

## **Report and financial statements 2021**

### **Officers and professional advisers**

#### **Directors**

V. I. Westwood  
C. D'Amario

#### **Secretary**

C. D'Amario

#### **Company Number**

02682271 (England and Wales)

#### **Registered Office**

Westwood Studios  
9-15 Elcho Street  
London SW11 4AU

#### **Auditor**

RSM UK Audit LLP  
25 Farringdon Street  
London, EC4A 4AB

# Vivienne Westwood Limited

## Strategic report

The directors present their strategic report and the audited financial statements of Vivienne Westwood Limited for the year ended 31 December 2021.

### Review of the business and future developments

The brand continues to remain attractive to its wide customer base and sales continue to be consistent. The focus remains on improving the existing stores and clarifying the positioning of the Vivienne Westwood brand by focusing the offer through a streamlining of the portfolio of lines. The Vivienne Westwood Group still has major ambitions to establish a better presence in relatively new markets such as China and USA as well as increasing market share in Europe (in particular France, Italy and Germany) and Asia. The policy of closely monitoring expenditures will continue and should maximise profitability going forward.

The Company experienced the significant impact of the COVID-19 pandemic. All our stores across the UK observed lockdown periods during the year, in line with government guidelines. The Company implemented safety measures and procedures to prioritise the welfare of employees and customers. The Company has been able to mitigate any major repercussions due to the pandemic thanks to its cash reserves and careful cash flow management.

The fight against Climate Change is at the heart of the business. The brand voice is used to raise awareness of the environmental impact of overconsumption urging people to buy less and buy better quality items. The Company continues to focus on sourcing materials and components that have a lower impact on the environment. To maximise the effect in the shortest time, we have prioritized the materials we use the most and in the greatest quantities for substitution with lower impact alternatives. Over 90% of the non-blended virgin cotton jersey used in the collections is made from certified organic yarns and the company is working to increase this to 100%. The Company is part of the Canopy Style initiative and has committed to only use FSC certified viscose from 2021. We have not reached this target yet but are making real progress as over 95% of the viscose currently used in our collections is FSC certified. Retail packaging is now 100% plastic free and the company is working to eliminate all single use virgin plastic from transit packaging. The Company is also committed to tackling textile waste seeking opportunities to reuse and upcycle leftover fabric and discarded materials. The Company has consolidated its product lines and is reducing the size of the collections. Fashion SWITCH to Green is the Company's flagship campaign: together with the British Fashion Council and the Mayor of London, the Company is reaching out to fashion brands as well as other businesses in the industry to commit to switch to a green energy supplier. The Company is now planning to extend this campaign to include all its supply chain partners across Europe. As part of our ongoing commitment to transparency and taking responsibility for our own supply chain, the Company continued with the first phase of its European supply chain audit, starting with direct manufacturing suppliers. These include all the supply chain partners the Company directly conducts business with. This process was delayed due to the COVID-19 pandemic throughout 2020 and 2021 but is planned for completion by 2023 if not before. The second phase involving indirect manufacturing suppliers started in 2021, though it is a much slower process than the direct manufacturing supply chain due to frequent changes of sub-suppliers.

KPI's can be seen on the Key Performance Indicators section on page 5.

Net assets increased from £13.5M in 2020 to £28.7M in 2021.

The position of the Company can be seen on page 13 in the balance sheet.

### Risk management and financial instruments

The Company has no derivatives and does not trade in financial instruments.

The directors regularly monitor the risks and uncertainties of the business.

- **Operating risk:** the Company management system provides a framework to ensure that operational policies and procedures are communicated, understood and adhered to, in order to minimise the risk of loss and deficiencies resulting from inadequate or failed internal processes that could cause the failure of the IT systems or generate errors and omissions.
- **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. The Company aims to minimise foreign exchange risk by utilising foreign currency bank accounts and by monitoring prices.
- **Personnel risk:** the Company places great emphasis on the ongoing development and retention of competent staff. The Directors consider succession planning issues on a regular basis.

# Vivienne Westwood Limited

## Strategic report (continued)

### Matters of strategic importance

Vivienne Westwood is one of the last independent fashion companies within the international arena. Currently, the Company produces four clothing labels, leather goods, jewellery and a range of soft accessories and homeware. The turnover is mainly based on e-commerce, retail and wholesale sales.

Although the effect of the pandemic on the Company remained in 2021, the Company's turnover increased by 57% compared to the previous year and gross profit increased by 81%. Cash flow from operation went from £6.3M in 2020 to £6.9M in 2021. Bricks and mortar stores re-opened in 2021 and the sale increased 56% compare to 2020 and E-commerce sales grew by 62%. Wholesale sales also saw a big jump in 2021 which increased by 62% compared to 2020. Cost of sale increased 31% and the gross profit margin increased from 53% to 61%

Margins are still under pressure due to the nature of wider retail conditions. The Company has been focusing on alleviating this pressure by reviewing pricing to improve gross profit margins and this policy will continue on an ongoing basis. In 2021 the Company has started the process to internalize the e-commerce business which is projected to be completed by March 2023. This internalization should further improve our margins.

The new ERP and warehouse management systems that have been implemented four years ago are still in development to further enhance the efficiency of the business. The Company continues to invest in the development of the website, which is the fastest growing channel, to better convey the brand message and improve the customer journey. The Company will keep focusing its marketing plans to drive increased revenues through the online platform. During 2021, the Company has worked hard to control inventory management and cash flow and this will continue to improve, in alliance with prudent cost cutting.

Paramount to the Company will be to constantly improve the quality of our products as well as working to minimize the Company's environmental footprint in line with our founder's motto "Buy less, choose well, make it last".

### Statement by the directors in performance of their statutory duties in accordance with s172 Companies Act 2006.

In the decisions taken during the year ended 31 December 2021 the directors have always acted in good faith and in a way that they consider would be most likely to promote the success of the company.

In making decisions concerning the business, the directors must consider a variety of matters including the interest of various stakeholders, the consequences of their decisions in the short and long term and the overarching reputation of the company. It is important to the board that we develop strong and positive relationships with our stakeholders, in particular with our employees, customers and suppliers. We also strive to make a positive contribution to the environment.

Our employees are the cornerstone of the company's success. During the Covid-19 outbreak, the directors have put the safety of the staff above everything else. Regular meetings were established to review and implement updated policies and procedures to provide a safe working environment. Through emails and newsletters, the Company informs employees on trading and key developments. Focus groups and surveys make sure that everyone has a voice.

Annually the directors consider and approve the gender pay gap report, our whistleblowing policy and our modern slavery statement, which explains the activities we have undertaken during the year to demonstrate our commitment to seeking to ensure that there is no slavery, forced labour or human trafficking within any part of our business or in our supply chains. This report can be found at [www.viviennewestwood.com](http://www.viviennewestwood.com).

We value all our suppliers and have multi-year contracts in place with our key suppliers. The directors discuss payment terms with management at high level to make sure they are in line with industry and market benchmarks. The directors are also kept informed about the company's payment performance which is published every six months.

The directors believe it is fundamental to nurture the relationship with our customers. We engage with them through different channels and events. The Company tried to understand the needs and concerns of our customers during the Covid-19 pandemic to minimise any disruption. We made a great effort to make customers feel comfortable when visiting our shops or showroom. We utilised specific online tools to improve the customer experience and we supported the customer service team to make sure we responded to customer requests promptly and efficiently.

A key decision made during the year was in relation to the UK distribution of our products. The company listened to the concerns of our UK wholesale customers following Brexit. The directors understood the added difficulties of importing goods from Italy and made the decision to import the orders for all customers and distribute the goods within the territory.

The directors make sure they regularly update the shareholder about the performance and any key facts about the Company. The shareholders are also directly represented on the board.

The Company is committed to being a responsible business. The board recognises its responsibility to the environment and to the people who work for the Company and its supply chain. Each year the directors undertake a review of the company strategy which revolves around our Corporate Social Responsibility plans. We strive to promote arts and culture, and always use our voice to mobilise and engage people to think about areas such as climate change and human rights. Our approach can be found at [www.viviennewestwood.com](http://www.viviennewestwood.com)

# Vivienne Westwood Limited

## Strategic report (continued)

### Streamlined Energy & Carbon Reporting (SECR)

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018, we are mandated to disclose our UK energy use and associated greenhouse gas (GHG) emissions. As a minimum, we are required to report the GHG emissions from fuel combustion, purchased energy and transport vehicles. Additionally, the use of an intensity ratio and an outline of implemented efficiency measures are required under the Streamlined Energy and Carbon Reporting (SECR) regulations.

To ensure a high level of transparency is achieved, robust and recognised reporting methods are implemented. The reporting methodology involves usage of the 2021 DEFRA (Department for Environment, Food and Rural Affairs) emissions factors to calculate and assess our UK operational emissions.

The SECR reporting period covers Vivienne Westwood Limited's UK operations from the 1<sup>st</sup> January 2021 to the 31<sup>st</sup> December 2021 and our calculations are for the following scopes:

- **Building-related energy** – Gas consumption (scope 1) and purchased electricity consumption (scope 2).
- **Transportation** – Business travel in company vehicles (scope 1), electricity usage from electric vehicles (scope 2) and business travel in employee vehicles (scope 3).

#### Calculation Methodology

The emissions have been assessed by McGrady Clarke in accordance with the 'GHG Protocol Corporate Accounting and Reporting Standard' and in line with Defra's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting Requirements'. The Defra 2021 emission conversion factors were used to quantify the emissions associated with our operations for the specified reporting period.

#### Organisational Boundary

This SECR includes energy and emissions declarations for Vivienne Westwood Limited. We have used the operational control approach.

#### Results

Reporting Period		1st January 2020 - 31st December 2020	1st January 2021 - 31st December 2021
Area	Metric	UK & Offshore	UK & Offshore
Emissions from combustion of fuel for transport purposes (Scope 1)	Energy (kWh)	14,508.10	18,469.97
	Emissions (tCO <sub>2</sub> e)	3.47	4.39
Emissions from combustion of gas (Scope 1)	Energy (kWh)	79,482.61	84,833.21
	Emissions (tCO <sub>2</sub> e)	14.56	15.54
Emissions from purchased electricity (Scope 2)	Energy (kWh)	569,404.64	566,472.79
	Emissions (tCO <sub>2</sub> e)	132.75	120.28
Emissions from Electric Vehicles (Scope 2)	Energy (kWh)	130.04	1,265.35
	Emissions (tCO <sub>2</sub> e)	0.03	0.27
Emissions from business travel in expensed vehicles (Scope 3)	Energy (kWh)	1,221.30	901.86
	Emissions (tCO <sub>2</sub> e)	0.30	0.22
<b>Voluntary Reporting</b>			
Purchased Electricity (Scope 2) - Market-based methodology (tCO <sub>2</sub> e)		4.93	4.76
Combustion of Gas (Scope 1) - Market-based methodology (tCO <sub>2</sub> e)		0.00	0.00
Intensity Ratio	(tCO <sub>2</sub> e/ Employee)	0.59	0.57
Intensity Ratio	(tCO <sub>2</sub> e/£m UK Turnover)	5.19	3.10
Intensity Ratio	(tCO <sub>2</sub> e/£m Global Turnover)	3.59	2.13
Total Energy Consumption	(kWh)	664,746.69	671,943.19
Total Emissions	(tCO <sub>2</sub> e)	151.11	140.69

# Vivienne Westwood Limited

## Strategic report (continued)

### Streamlined Energy & Carbon Reporting (SECR) (continued)

#### Market-Based Methodology

SECR requires organisations to use location-based grid average emission factors to report the emissions from electricity, including renewable energy supplied from a third party. However, market-based emissions have also been included voluntarily.

Vivienne Westwood Limited purchased 566,475 kWh (2020: 569,404.64 kWh) of electricity between 1st January 2021 and 31st December 2021. For all the sites that Vivienne Westwood Limited have direct control over electricity procurement, Vivienne Westwood Limited purchased Renewable Energy Guarantees of Origin (REGO) backed contracts. The remaining electricity from serviced sites was purchased from third-party property managing agents, outside of Vivienne Westwood's control.

For the term period, 100% of Vivienne Westwood Limited's gas was purchased from Ecotricity through their 'Green Gas Tariff' of which 2% was from UK generated green gas for the period January 2021 to March 2021. This was then reduced to 1% for the period April 2021 to December 2021. The remainder being natural gas which was offset.

A market-based methodology allows Vivienne Westwood Limited to consider renewable electricity and green gas consumption in the compliance period, to have a zero-carbon emission factor.

#### Intensity Measurement

We have chosen the metric tCO<sub>2</sub>e / £m turnover as this is a common business metric. Intensity ratio of tCO<sub>2</sub>e / per full time employee equivalent is also included as a general metric. The intensity metrics are calculated using the location-based emissions.

Within the report there is intensity ratio measurements for UK turnover and global turnover along with the intensity ratio measurement against the average number of employees in the reporting period.

#### Energy Efficiency Measures

We have implemented hybrid working throughout 2021, resulting in reduced energy consumption by desk laptops and computers in our offices. We are continuing to run the Switch to Green Energy campaign, which encourages the fashion industry to switch all UK offices and stores to a green energy supplier or green energy tariff. Where possible, we also recommend the use of electric vehicles for business travel.

For all our sites for which we have direct control over our electricity procurement, we have purchased Renewable Energy Guarantees of Origin (REGO) backed contracts. A REGO backed supply is assurance that our electricity provider will provide us with energy supplied from a renewable source. We also purchase 100% of our gas from Ecotricity through their 'Green Gas Tariff'.

After carrying out streamlined energy and carbon report's (SECR) for the year's 2020 and 2021, which has quantified our scope 1 and scope 2 GHG emissions associated with our UK operations, we are now looking to further improve our green credentials by analysing the scope 3 emissions associated with our global operations.

### Key performance indicators

To track the financial performance of the Company, which you can also see on page 3 under the section "Matters of strategic importance", the directors monitor key performance indicators. These include the following:

	2021	2020	2019	2018
	£'000	£'000	£'000	£'000
Turnover	66,256	42,139	46,305	38,762
Gross profit margin	61.0%	53.0%	53.8%	53.5%
Profit/(loss) before tax	19,341	3,905	2,703	(2,500)
Cash flow from/(used for) operating activities	6,920	6,316	(1,185)	7,615

No additional key performance indicators, either financial or otherwise, are necessary to understand the Company's position and performance.

Approved by the board of Directors and signed on their behalf by

C. D'Amazio  
Director

Westwood Studios  
9-15 Elcho Street  
London, SW11 4AU

# **Vivienne Westwood Limited**

## **Directors' report**

The directors present their annual report on the affairs of Vivienne Westwood Limited ('the Company'), together with the audited financial statements and auditor's report, for the year ended 31 December 2021.

### **Strategic report**

Information (review of the business and future developments, key performance indicators and certain employee interests and business relationship disclosures) is not shown within the Directors' Report as it is instead included with the Strategic Report on page 2, 3 and 4 under S414C (11) of the Companies Act 2006.

### **Going concern**

On the basis of current financial projections, the directors are confident that the company has adequate resources considering its profit, net current assets and cash to continue in operational existence for the foreseeable future and, accordingly, they consider that it is appropriate to adopt the going concern basis in preparing the financial statements. Profitability and cash flows have been prepared on a conservative basis and at the time of approval of these financial statement actual results are better than planned, therefore based on this the business is forecast to remain stable with sufficient cash resources for the foreseeable future being at least 12 months from the date of approving these financial statements

### **Principal activities & future developments**

The principal activities of the Company during the year were those of designer, manufacturer, wholesaler and retailer of fashion apparel.

The directors do not foresee any changes in the Company's activities.

### **Streamlined Energy & Carbon Reporting (SECR)**

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018, we are mandated to disclose our UK energy use and associated greenhouse gas (GHG) emissions. Sustainability is at the core of our strategy, therefore information and results are shown within the Strategic Report on page 4 and 5.

### **Dividends**

The directors do not propose a final dividend for 2021 (2020: £nil). No dividends have been declared since the balance sheet date.

### **Directors**

The directors, who served throughout the year except as noted, were as follows:

V. I. Westwood  
C. D'Amario

### **Financial risk**

Financial monitoring, forecasting and planning is a continuous process, with particular emphasis on cash flow management and delivering a cost effective service to customers while maintaining an acceptable return to shareholders.

There is exposure to foreign exchange fluctuations in relation mainly to sales and purchases in foreign currency. The Company aims to minimise foreign exchange risk and does not speculate on currency exchange rate movements. A large proportion of trade is made in Euros, US Dollars and Japanese Yen and the Company hedges the exchange risk by using its Euro, USD and Yen bank accounts.

Credit risk related to wholesale sales is mitigated by the implementation of clear policies: risk-based credit terms are applied to different customers, credit checks are carried out on potential customers and debts collection follows fixed procedures and regular reviews.

Liquidity risk is not considered to be significant for the business, in consideration of the Company's cash balance.

The main financial instruments held by the Company are trade debtors, trade creditors and cash.



# Vivienne Westwood Limited

## Directors' report (continued)

### Employee involvement

The Company encourages the involvement of its employees in its management through regular meetings which have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. Employees are provided with weekly catch up meetings held by the manager of the department. Such meetings allow employees to stay up to date with Company's policies and information including financial and economic factors affecting the performance of the company.

### Disabled persons

The Company's policy includes the continued employment of disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. Under the Equality Act 2010, the Company is committed to promote equality of opportunity for all staff and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit.

During employment the Company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential. Employees with disabilities are encouraged to contact their line manager or the Human Resources Department to discuss any reasonable adjustment that would help overcome or minimise the difficulty.

We monitor the physical features of our premises to consider whether they place disabled workers, job applicants or service users at a substantial disadvantage compared to other staff.

### Charitable donations

The Company made charitable donations of £139,768 (2020: £157,008) to national charities in the year.

### Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in the force at the date of this report

### Existence of branches outside the UK

Vivienne Westwood Limited has an overseas branch in Thailand as defined in section 1046(3) of the Company Act 2006. The Representative Office was constituted on 11<sup>th</sup> October 2016. It is consolidated into this financial statement.

### Government Grants

During the year, the Company benefited from £383,600 (2020: £1.4M) of government grants in the form of the Coronavirus Job Retention Scheme. This is included in other income within the income statement over the same period as the staff costs for which it compensates. The Company decided to return £1M to the UK Government (the repayment was made on 14 September 2021).

### Post balance sheet events

There are no significant post balance sheet events.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint RSM UK Audit LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

C. DiAmario  
Director

Westwood Studios  
9-15 Elcho Street  
London SW11 4AU

## **Vivienne Westwood Limited**

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Vivienne Westwood Limited

## Independent auditor's report to the members of Vivienne Westwood Limited

### Opinion

We have audited the financial statements of Vivienne Westwood Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

## **Vivienne Westwood Limited**

### **Independent auditor's report to the members of Vivienne Westwood Limited (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *The extent to which the audit was considered capable of detecting irregularities, including fraud*

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completing a financial statements disclosure checklist and reviewing tax computations prepared by external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing a sample of journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

## **Vivienne Westwood Limited**

### **Independent auditor's report to the members of Vivienne Westwood Limited (continued)**

#### **Use of our report**

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

*Richard Coates*

RICHARD COATES (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London EC4A 4AB

Date: 20 December 2022

# Vivienne Westwood Limited

## Statement of comprehensive income

For the year ended 31 December 2021

	Note	2021 £	2020 £
<b>Revenue</b>	3	66,256,195	42,138,770
Cost of sales		(25,866,046)	(19,816,914)
<b>Gross profit</b>		40,390,149	22,321,856
Distribution costs		(3,386,118)	(4,623,982)
Administrative expenses		(17,781,797)	(15,378,718)
Other Income	4a	583,885	1,586,031
<b>Operating profit</b>		19,806,119	3,905,187
Interest receivable and similar income	4b	-	19
Interest payable		(464,811)	(561)
<b>Profit before taxation</b>	5	19,341,308	3,904,645
Tax on profit	7	(4,114,615)	(1,018,941)
<b>Profit for the financial year attributable to the equity shareholders of the Company</b>		15,226,693	2,885,704
<b>Total comprehensive income attributable to equity shareholders of the Company</b>		15,226,693	2,885,704

Revenue and operating profit are all derived from continuing operations.

# Vivienne Westwood Limited

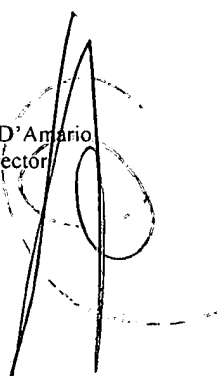
## Balance sheet

As at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	8	5,516,000	6,895,000
Tangible assets	9	557,516	249,614
		<hr/>	<hr/>
<b>Current assets</b>		6,073,516	7,144,614
Stocks	10	4,463,806	4,104,340
Debtors	11	16,625,909	9,913,373
Cash at bank and in hand		24,838,951	18,050,866
		<hr/>	<hr/>
		45,928,666	32,068,579
<b>Creditors: amounts falling due within one year</b>	12	(20,523,674)	(21,848,754)
		<hr/>	<hr/>
<b>Net current assets</b>		25,404,992	10,219,825
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		31,478,508	17,364,439
		<hr/>	<hr/>
<b>Creditors: amount falling due after more than one year</b>	12	(1,242,375)	(2,484,749)
<b>Provisions for liabilities</b>	13	(1,500,077)	(1,370,327)
		<hr/>	<hr/>
<b>Net assets</b>		28,736,056	13,509,363
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account	15	28,735,956	13,509,263
		<hr/>	<hr/>
<b>Shareholders' funds</b>		28,736,056	13,509,363
		<hr/>	<hr/>

The financial statements of Vivienne Westwood Limited (registered number 02682271) were approved by the board of directors and authorised for issue on 29/11/2022. They were signed on its behalf by

C. D'Amario  
Director



## **Vivienne Westwood Limited**

### **Statement of changes in equity** **For the year ended 31 December 2021**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>Balance at 1 January 2020</b>	100	10,623,559	10,623,659
Total comprehensive income for the year	-	2,885,704	2,885,704
<b>Balance at 31 December 2020</b>	100	13,509,263	13,509,363
Total comprehensive income for the year	-	15,226,693	15,226,693
<b>Balance at 31 December 2021</b>	100	28,735,956	28,736,056



# Vivienne Westwood Limited

## Cash flow statement

For the year ended 31 December 2021

	Note	2021 £	2020 (restated) £
<b>Operating activities</b>	16		
Cash generated from operations		9,553,982	9,627,221
Interest payable		(464,811)	(561)
Income taxes paid		(2,169,568)	(3,310,467)
<b>Net cash from operating activities</b>		<u>6,919,603</u>	<u>6,316,193</u>
<b>Investing activities</b>			
Interest received		-	19
Payments to acquire property, plant and equipment	9	(440,257)	(49,940)
<b>Net cash used in investing activities</b>		<u>(440,257)</u>	<u>(49,921)</u>
<b>Net increase in cash and cash equivalents</b>		6,479,346	6,266,272
<b>Cash and cash equivalents at beginning of year</b>		18,050,866	12,077,992
Effect of foreign exchange rate changes		308,738	(293,398)
<b>Cash and cash equivalents at end of year</b>		<u>24,838,950</u>	<u>18,050,866</u>

# Vivienne Westwood Limited

## Notes to the financial statements

For the year ended 31 December 2021

### 1. Accounting policies

#### a. General information

Vivienne Westwood Limited ("the Company") is a private limited company by way of shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the Company's registered office and principal place of business is Westwood Studios, 9-15 Elcho Street, London, SW11 4AU.

The Company's principal activities are disclosed in the Directors' Report.

#### b. Basis of accounting

These financial statements are prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention.

#### c. Going concern

On the basis of current financial projections, the directors are confident that the company has adequate resources considering its profit, net current assets and cash to continue in operational existence for the foreseeable future and, accordingly, they consider that it is appropriate to adopt the going concern basis in preparing the financial statements. Profitability and cash flows have been prepared on a conservative basis and at the time of approval of these financial statement actual results are better than planned, therefore based on this the business is forecast to remain stable with sufficient cash resources for the foreseeable future being at least 12 months from the date of approving these financial statements

#### d. Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:

Leasehold property improvements	over life of lease from commencement of use with a maximum of 10 years
Fixtures and fittings	20% straight line
Office and computer equipment	25% straight line
Motor Vehicles	25% straight line
Plant and Machinery	straight line over 3 years

#### e. Intangible assets

Intangible assets are initially measured at cost and subsequently measured at cost, net of amortisation and any impairment losses. Amortisation is provided on all intangible assets at rates calculated to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:

Trademarks	straight line over 9 years
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#### f. Stock

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### g. Leases

##### *Operating leases*

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Rent-free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### h. Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### i. Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains and losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### j. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Turnover from the sale of goods is recognised when the goods are physically delivered to the customer or at the point of sale for retail stores. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

#### k. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### l. Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sales of a financial asset is under a contract whose terms require delivery of a financial asset within the timeframe established by the market concerned, and are initially measured at a fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially recognised at fair value.

##### *Trade debtors*

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### m. Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### *Trade creditors*

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

#### n. Government grants

Government grants are recognised based on the accrual model. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants received in the current year relate to the furlough income scheme and Retail, Hospitality and Leisure Grant Scheme and are included within other income.

#### o. Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 2. Critical accounting estimates & judgments

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key source of estimation uncertainty

Closing Stock requires an estimation of the seasonal stock value and the value of old season stock requires an estimation of items which are not sold in the following year. Their value is determined using a suitable discount rate. The stock is analysed by location and season. The overall percentage applied for 2021 is 23.52% while we applied 34.41% for 2020. The carrying amount of stock at the balance sheet date is £4,463,806 after provision, if we had applied the prior year percentage the closing stock would have been £3,828,253 after provision.

The Onerous Lease Provision requires estimation. The provision as at 31 December 2021 was £1,506,989 (2020: £1,436,354) and is calculated on stores where there are impairment indicators. The directors consider that loss making stores require onerous lease provisions and is calculated in line with FRS102 by calculating and providing for the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. In making this estimation, the directors assumed that profitability of the stores would stay the same until the end of the lease. In addition the calculation includes our discounted rate which is the WACC, 6.7% (2020: 6.7%).

### 3. Turnover

An analysis of the Company's turnover by class of business is as follows:

	2021 £	2020 £
<b>Continuing operations:</b>		
Wholesale sales	22,715,432	14,035,870
Retail sales	12,805,925	8,219,835
E-Commerce sales	19,848,550	12,218,752
Commissions	1,619,965	1,270,627
Royalties	7,126,481	5,657,450
Miscellaneous sales	2,139,842	736,236
	<u>66,256,195</u>	<u>42,138,770</u>

Miscellaneous sales relate to PR and Marketing consultancy, special events and intercompany services provided.

An analysis of the geographical location of the Company's turnover is as follows:

	2021 £	2020 £
U.K.	44,779,794	29,097,092
Italy	10,089,223	5,259,294
Japan	5,722,241	5,286,844
Luxembourg	-	45,709
South Korea	422,041	108,916
U.S.	850,737	449,278
H.K.	909,768	407,657
France	427,467	289,714
European Community Other	737,885	512,913
Rest of the World	2,317,039	681,353
	<u>66,256,195</u>	<u>42,138,770</u>

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 4. a Other Income

	2021 £	2020 £
Government grant received relating to furlough scheme	383,600	1,436,031
Local Authority Grants	200,285	150,000
	<u>583,885</u>	<u>1,586,031</u>

During the year, the company benefited from £384K of government grants in the form of the Coronavirus Job Retention Scheme. This is included in Other Income within the Income Statement over the same period as the staff costs for which it compensates. The company also benefited of the Retail, Hospitality and Leisure Grant Scheme and during the year received £200K from local authorities. During the year, the company repaid £1,000,000 (2020:£nil) of furlough monies received in 2020. This is included within administrative expenses.

### b Interest receivable and similar income

	2021 £	2020 £
Bank and other interest	-	19
	<u>-</u>	<u>19</u>

### 5. Profit before taxation

Profit before taxation is stated after charging:

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for:		
- the audit of the Company's annual accounts	71,250	64,300
- other services	29,325	25,700
Impairment of stock recognised as an expense	1,372,836	2,153,362
Amortisation of intangible assets (see note 8)	1,379,000	1,379,000
Depreciation of tangible fixed assets (see note 9)	128,001	106,946
Impairment of tangible fixed assets (see note 9)	4,353	54,694
Operating lease charges	<u>2,450,545</u>	<u>2,456,225</u>

The impairment of tangible fixed assets arose as a result of the onerous contracts of loss-making stores. Amortisation of intangible assets is included in administrative expenses.

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 6. Employees

The average monthly number of persons (including directors) employed by the Company during the year was:

	2021 No	2020 No
Administration	52	49
Design and production	61	65
Retail and marketing	135	143
	<u>248</u>	<u>257</u>
	2021 £	2020 £
Staff costs for above persons:		
Wages and salaries	9,895,308	7,532,599
Social security costs	1,039,018	671,966
Pension costs	223,661	190,587
	<u>11,157,987</u>	<u>8,395,152</u>

The total compensation of the directors and the area managers of each division, who are considered to be the key management personnel of the Company, was £2,551,894 (2020: £665,540)

#### Directors' remuneration

	2021 £	2020 £
Directors' emoluments (including family members)	<u>1,699,113</u>	<u>180,405</u>

There were no directors receiving retirement benefits (2020: None).

The highest paid director (including family members) received £1,114,678 (2020: £111,414) gross salary during the year.

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 7. Tax on profit

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits of the year	3,969,119	1,020,876
Adjustments in respect of prior periods	81,103	-
	<u>4,050,222</u>	<u>1,020,876</u>
Foreign tax	5,278	-
<b>Total current tax</b>	<u>4,055,500</u>	<u>1,020,876</u>
<b>Deferred taxation:</b>		
Origination and reversal of timing differences	79,966	5,605
Effect of tax rate change on opening balance	(20,851)	(7,540)
	<u>59,115</u>	<u>(1,935)</u>
<b>Tax on profit</b>	<u>4,114,615</u>	<u>1,018,941</u>
<b>Factors affecting tax expense for the year:</b>		
The tax assessed for the year is the effective rate of corporation tax in the UK of 19% (2020: 19%):		
Profit before tax	19,341,308	3,904,645
Profit multiplied by effective rate of corporation tax UK of 19% (2020: 19%)	3,674,849	727,721
Effects of:		
Fixed asset differences	250,479	267,578
Expenses not deductible for tax purposes	17,671	31,182
Adjustments in respect of previous periods	81,103	-
Remeasurement of deferred tax for changes in tax rates	(1,659)	(7,540)
Movement in deferred tax not recognised	87,897	-
Other differences	4,275	-
	<u>4,114,615</u>	<u>1,018,941</u>

Corporation tax is calculated at 19% (2020: 19%) of the estimated taxable profit for the year. The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate was substantively enacted during the year, as a result, deferred tax balances that are expected to reverse after April 2023 are measured at 25% (2020: 19%).



## Vivienne Westwood Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### 8. Intangible assets

	Trademarks	Total
<b>Cost</b>		
At 1 January 2021	12,411,000	12,411,000
At 31 December 2021	12,411,000	12,411,000
<b>Amortisation</b>		
At 1 January 2021	5,516,000	5,516,000
Charge for the year	1,379,000	1,379,000
At 31 December 2021	6,895,000	6,895,000
<b>Net book value</b>		
At 31 December 2021	5,516,000	5,516,000
At 31 December 2020	6,895,000	6,895,000

Intangible assets represent the Vivienne Westwood's Trademarks transferred from Latimo SA as of January 2017 and the trademark has an estimated remaining useful life of four years. There are no contractual commitments in relation to acquisition of intangibles.

#### 9. Tangible fixed assets

	Leasehold property improvements £	Plant and machinery £	Fixtures and fittings £	Office & computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2021	1,191,240	156,957	1,075,872	274,263	44,018	2,742,350
Additions	113,620	15,813	82,524	227,700	-	439,657
Consolidation Adj	-	(313)	913	-	-	600
Disposal	-	-	-	-	-	-
At 31 December 2021	1,304,860	172,457	1,159,309	501,963	44,018	3,182,607
<b>Depreciation</b>						
At 1 January 2021	1,081,302	155,521	990,004	221,891	44,018	2,492,736
Charge for the year	37,404	1,858	39,017	49,722	-	128,001
Impairment for the year	-	-	-	4,353	-	4,353
Disposal	-	-	-	-	-	-
At 31 December 2021	1,118,706	157,379	1,029,021	275,966	44,018	2,625,090
<b>Net book value</b>						
At 31 December 2021	186,154	15,078	130,288	225,997	-	557,517
At 31 December 2020	109,938	1,436	85,868	52,372	-	249,614

There are no contractual commitments in relation to acquisition of property, plant and equipment.

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 10. Stocks

	2021 £	2020 £
Raw materials and consumables	49,880	11,844
Finished goods and goods for resale	4,413,926	4,092,496
	<u>4,463,806</u>	<u>4,104,340</u>

### 11. Debtors

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	9,754,926	4,793,921
Amounts due from group undertakings	620,897	171,687
Other debtors	44,554	229,777
Prepayments and accrued income	6,104,520	4,619,885
	<u>16,524,897</u>	<u>9,815,270</u>
<b>Due after more than one year</b>		
Other debtors	101,013	98,103
	<u>16,625,910</u>	<u>9,913,373</u>

Amounts due from group undertakings are not interest bearing, unsecured and repayable on demand.

### 12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	4,667,003	4,660,069
Amounts due to group undertakings	5,145,348	9,670,612
Amounts due to related undertakings	3,646,396	3,262,403
Corporation tax	2,329,152	443,220
Other taxation and social security	1,559,845	1,549,687
Other creditors	426,627	69,759
Accruals	891,887	698,045
Deferred income	1,857,416	1,494,959
	<u>20,523,674</u>	<u>21,848,754</u>

Amounts due from group undertakings are not interest bearing, unsecured and repayable on demand.

Creditors falling due after more than one year comprises deferred income of £1,242,375 (2020: £2,484,749).

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 13. Provisions for liabilities

	Deferred taxation £	Onerous Lease Provision £	Total £
At 1 January 2021	(66,027)	1,436,354	1,370,327
Charged to profit and loss account	59,115	70,635	129,750
At 31 December 2021	<u>(6,912)</u>	<u>1,506,989</u>	<u>1,500,077</u>
<b>Deferred tax</b>			
Deferred tax is provided as follows:			
		<b>2021</b>	<b>2020</b>
Fixed asset timing differences		(1,547)	(60,178)
Short term timing differences		(5,365)	(5,849)
<b>Provision for deferred tax</b>		<u>(6,912)</u>	<u>(66,027)</u>

The Directors do not expect a significant reversal of these deferred tax items to occur in the 12 months following the balance sheet date.

#### **Onerous Lease Provision**

The onerous lease provision relates to leases that expire on or before June 2029 (2020: on or before June 2029).

### 14. Share Capital

	2021	2020
<b>Authorised, allotted, issued and fully paid:</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The ordinary shares carry all rights normally ascribed to Ordinary shares.

### 15. Reserves

Reserves of the Company represent the following:

	2021 £	2020 £
<b>Retained earnings</b>		
Cumulative profit and loss net of distributions to owners	<u>28,735,956</u>	<u>13,509,263</u>

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 16. Reconciliation of profit after tax to net cash generated from operations

	2021	2020 (restated)
	£	£
Profit after tax	15,226,693	2,885,704
Adjustments for:		
Depreciation and amortisation	1,511,354	1,558,823
Interest receivable	-	(19)
Interest payable	464,811	561
Foreign exchange	(308,738)	293,398
Taxation	4,114,615	1,018,941
Operating cash flows before movements in working capital	21,008,735	5,757,408
(Increase)/decrease in stocks	(359,466)	723,546
(Increase)/decrease in trade and other debtors	(6,712,536)	26,995
(Decrease)/increase in trade and other creditors	(4,453,386)	1,827,935
Increase in provision	70,635	1,291,337
Cash generated from operations	9,553,982	9,627,221

The 2020 cash flow statement has been restated to correct a calculation error in the prior year financial statements.

### 17. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for are as follows:

	2021	2020
	£	£
Amounts due:		
Within one year	2,617,346	2,456,225
Between one and five years	6,277,176	7,056,799
After five years	691,139	770,750
	9,585,661	10,283,774

### 18. Control

The immediate and ultimate parent company of Vivienne Westwood Limited is Latimo SA, incorporated in Luxembourg. Latimo SA is the largest and smallest consolidation that includes the company. The consolidated financial statements of Latimo SA are available from its registered office, 8 Rue Du Marche'-Aux-Herbes, 1728 Luxembourg.

# Vivienne Westwood Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 19. Related party transactions

	2021 £	2020 £
<b>Directors' current accounts</b>		
Included in other debtors/(creditors) at the year end:		
C. D'Amario	44,554	183,019
V.I. Westwood	(169,660)	46,758
A. Kronthaler (spouse of V.I. Westwood)	(232,360)	(49,478)

The maximum amounts owed to the company during the year regarding the directors' current accounts were £255,315 for C. D'Amario, £96,349 for V.I. Westwood and £(45,980) for A. Kronthaler respectively. No interest is charged on these balances.

**Vivienne Westwood (Property) Limited** is a company incorporated in the United Kingdom. V.I. Westwood is a director and has ultimate control of the Company.

	2021 £	2020 £
Rent paid to Vivienne Westwood (Property) Limited	700,000	700,000
Administration charges	(2,000)	(2,000)
Other Income	(10,558)	(9,000)

Elcho Property Limited is a company incorporated in the United Kingdom whose directors are V.I. Westwood and C. D'Amario.

	2021 £	2020 £
Rent paid to Elcho Property Limited	595,000	297,500
Service charge paid to Elcho Property Limited	9,523	-
Administration charges	(2,000)	(2,000)
Other Income	(50,501)	(9,000)

**Vivienne Westwood S.r.l.** is a company incorporated in Italy which is a fellow subsidiary undertaking of Latimo SA.

	2021 £	2020 £
Commission income	(1,619,965)	(1,270,627)
Royalties income	(3,821,381)	(3,202,243)
PR agreement income	-	(131,843)
Sampling and travel expenses income	(4,285)	(4,450)
Goods sold	(1,547,003)	(90,248)
Miscellaneous sales	(730,715)	(34,789)
Commission payable	107,825	57,437
IT costs	500,705	526,055
Goods purchased	6,411,836	5,696,823
Samples	510,894	-
Insurance payable and miscellaneous purchases.	79,896	43,804
Included within debtors at the year end:		
Due from group undertakings in less than one year	620,897	287,850

## Vivienne Westwood Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### 19. Related party transactions (continued)

**Vivienne Westwood S.a.r.l.** is a company incorporated in France whose director is C. D'Amario.

	2021	2020
	£	£
Goods sold	(361,319)	(247,804)
Miscellaneous sales	(22,104)	(8,369)
Commission payable	247,007	111,845
PR agreement payable	325,693	331,965
Goods purchased and sample purchases	4,697	5,817
Marketing Contribution — TP adjustment	624,042	1,190,440
Included within creditors at the year end:		
Due to related undertakings in less than one year	<u>(3,646,396)</u>	<u>(2,086,294)</u>

**Latimo SA** is a company incorporated in Luxembourg which is the immediate parent of Vivienne Westwood Limited.

	2021	2020
	£	£
Licence fees payable	476,121	386,045
Included within creditors at the year end:		
Due to group undertaking in less than one year -	<u>(2,567,557)</u>	<u>(6,698,339)</u>

**Rio Bravo Inc.** is a company incorporated in the United States of America which is a fellow subsidiary undertaking of Latimo SA.

	2021	2020
	£	£
Goods sold	(711,419)	(277,645)
Miscellaneous sales	(29,164)	(3,997)
PR agreement payable	-	1,958
Commission payable	93,892	38,781
Marketing Contribution — TP adjustment	-	1,262,677
Included within creditors at the year end:		
Due to group undertakings in less than one year	<u>(2,053,513)</u>	<u>(1,257,479)</u>

**Castano Secondo Inc.** is a company incorporated in the United States of America which is a fellow subsidiary undertaking of Latimo SA.

	2021	2020
	£	£
Goods sold	-	(9,579)
Included within creditors at the year end:		
Due to group undertakings in less than one year	<u>(524,278)</u>	<u>(539,418)</u>