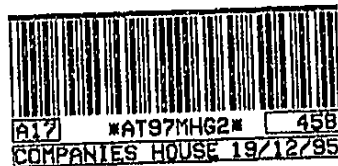


22-12-95

Compensation

VIVIENNE WESTWOOD LIMITED
REPORT AND FINANCIAL STATEMENTS

1994



Company number 2682271

VIVIENNE WESTWOOD LIMITED
REPORTS AND FINANCIAL STATEMENTS

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VIVIENNE WESTWOOD LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Director	V Westwood
Secretary	C D'Amario
Auditor	Wells & Co. Chartered Accountants & Registered Auditors
Solicitors	Withers
Bankers	Lloyds Bank Plc
Registered office	Westwood Studios 9-15 Elcho Street London SW11 4AU
Company number	2682271

VIVIENNE WESTWOOD LIMITED

REPORT OF THE DIRECTOR

The director submits her report and the audited financial statements for the year ended 31st December 1994.

PRINCIPAL ACTIVITY

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

RESULTS AND REVIEW OF THE BUSINESS

A summary of the results of the year's trading is given on page 5 of the accounts.

The director is pleased to report that the company continues to grow and is becoming financially secure. The increased resources will allow further investment in design and couture research.

DIVIDENDS AND TRANSFERS TO RESERVES

The director does not recommend the payment of a dividend. The profit of £236,695 (1993-£84,268) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the ordinary share capital were as follows:

	1993 and 1994 Number
V Westwood	100
J Corre (resigned 31 October 1994)	-
	<u> </u>

FIXED ASSETS

The company purchased £44,363 of fixed assets which comprised of a motor vehicle, computer equipment and office furniture.

VIVIENNE WESTWOOD LIMITED

REPORT OF THE DIRECTOR

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view. In preparing those statements, the director is required to:

select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will not continue in business.

The director is responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLOSE COMPANY STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

Wells & Co, were appointed auditors to the company on 31 October 1994. A resolution to re-appoint Wells & Co. as auditors to the company will be proposed at Annual General Meeting.

By order of the Board of Directors
and signed on behalf of the Board

29 November 1995

C D'Amario
Secretary



**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
VIVIENNE WESTWOOD LIMITED**

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of the director and auditors

As described on page 3 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice 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 whether the accountancy 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 of state of the company's affairs at 31 December 1994 and of its profit and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

29 November 1995

42 Hackwood Road
Basingstoke, Hampshire.
Hampshire



Wells & Co.,
Chartered Accountants
and
Registered Auditor

VIVIENNE WESTWOOD LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1994

	Notes	1994 £	1993 £
TURNOVER	2	3,357,185	2,165,321
Cost of sales		1,575,597	1,215,733
		<hr/>	<hr/>
GROSS PROFIT		1,781,588	949,588
		<hr/>	<hr/>
Distribution costs	25	1,016,484	625,925
Administrative expenses	25	452,565	196,704
Other operating income	5	(62,569)	(324)
		<hr/>	<hr/>
		1,406,480	822,305
		<hr/>	<hr/>
OPERATING PROFIT	3	375,108	127,283
Other interest receivable and similar income	6	7,385	551
Amounts written off investments	7	-	(100)
Interest payable and similar charges	8	(22,959)	(17,466)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		359,534	110,268
Tax on profit on ordinary activities	9	122,839	26,000
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR RETAINED, TRANSFERRED TO RESERVES	18	236,695	84,268
		<hr/>	<hr/>

The company has no other recognised gains and losses.

All amounts relate to continuing operations.

VIVIENNE WESTWOOD LIMITED

BALANCE SHEET

31 DECEMBER 1994

	Notes	1994 £	1993 £
FIXED ASSETS	10	388,038	378,688
CURRENT ASSETS			
Stock	12	447,364	121,850
Debtors	13	300,580	118,733
Cash at bank and in hand		402,664	223,379
		1,150,608	463,963
CREDITORS- Amounts falling due within one year	14	(861,243)	(463,912)
NET CURRENT ASSETS		289,365	50
TOTAL ASSETS LESS CURRENT LIABILITIES		677,403	378,738
CREDITORS- Amounts falling due after more than one year	15	(243,334)	(181,364)
		434,069	197,374
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Profit and loss account	17	433,969	197,274
SHAREHOLDERS FUNDS	18	434,069	197,374

Approved on 29 November 1995 on behalf of the Board of Directors by

V Westwood

Director

V. Westwood

VIVIENNE WESTWOOD LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1994

	Notes	1994 £	1993 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	174,801	280,193
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest receivable and similar income		7,385	551
Interest paid		(22,959)	(17,466)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(15,574)	(16,915)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(44,363)	(18,850)
NET CASH INFLOW BEFORE FINANCING		114,864	244,428
FINANCING	21		
New short term loans		85,000	10,239
Repayment		(23,030)	-
NET CASH INFLOW FROM FINANCING		61,970	10,239
INCREASE IN CASH AND CASH EQUIVALENTS	20	176,834	254,667

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

1. ACCOUNTING POLICIES

The financial statements have prepared in accordance with statements of standard accounting practice issued by UK accountancy bodies. The particular accounting policies adopted are described below.

a) Accounting convention

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

b) Tangible fixed assets

Depreciation is provided on cost, on all tangible fixed assets at rates calculated to write down the cost less estimated residual value, over their useful economic lives, as follows:

	%
Fixtures, fittings and equipment	25
Motor vehicles	25

No depreciation is provided in respect of freehold land.

c) Stock

Stock is stated at the lower of cost and net realisable value after making the allowance for obsolete and slow moving items.

d) Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities and is stated net of valued added tax.

e) Operating leases

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

f) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

g) Pension costs

The pension cost charge to profit and loss account represents contributions payable by the company to the fund.

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation is attributable to the one principal activity of the company and arises in the following geographical markets.

	1994 £	1993 £
European Community	2,318,730	2,165,321
Rest of the World	1,038,455	-
	<u>3,357,185</u>	<u>2,165,321</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	£	£
Rentals under operating leases		
-Plant and equipment	2,241	4,234
-land and buildings	111,199	124,632
Depreciation of owned assets	35,013	11,339
Auditors' remuneration:		
Audit services	6,350	-
Other services	4,403	-
Past Auditors' remuneration		
Audit services	-	6,750
Other services	5,003	-
	<u>161,106</u>	<u>142,623</u>

4. DIRECTORS AND EMPLOYEES

	£	£
The aggregate emoluments, including pension contributions, of the directors were:		
For management services	17,969	16,756
Compensation for loss of office	29,610	-
Pension costs	4,200	-
	<u>51,779</u>	<u>16,756</u>

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

4. DIRECTORS AND EMPLOYEES

The average number, including executive director, employed by the company during the year was as follows:

	1994 No	1993 No
Administration	9	3
Design and production	15	4
Retail and marketing	21	13
	<u>45</u>	<u>20</u>

The related staff costs were:

	£	£
Wages and salaries	476,348	300,848
Social security costs	44,989	24,936
Pension costs	5,916	1,600
	<u>527,253</u>	<u>327,384</u>

5. OTHER OPERATING INCOME

	£	£
Royalties	62,569	-
Insurance claim	-	324
	<u>62,569</u>	<u>324</u>

6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	£	£
Bank interest	<u>7,385</u>	<u>551</u>

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

7. AMOUNTS WRITTEN OFF INVESTMENTS

	1994 £	1993 £
Amounts written off fixed asset investment	-	100

8. INTEREST PAYABLE AND SIMILAR CHARGES

	£	£
Bank loans, overdrafts and other loans		
Wholly repayable within five years	6,541	1,263
Repayable after five years	13,678	16,203
Foreign exchange loss	2,740	-
	<u>22,959</u>	<u>17,466</u>

9. TAXATION

	£	£
United Kingdom corporation tax at 31.8% (1993-25%) based on the profit for the year	146,142	26,000
Deferred tax	(23,625)	-
Adjustment to prior years' tax provisions	322	-
	<u>122,839</u>	<u>26,000</u>

The deferred tax asset arises due to short term timing differences

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

10. TANGIBLE FIXED ASSETS

	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
Cost	£	£	£	£
At 1.1.1994	313,440	76,432	4,837	394,709
Additions	-	40,783	3,580	44,363
At 31.12.1994	313,440	117,215	8,417	439,072
Accumulated depreciation				
At 1.1.1994	-	14,987	1,034	16,021
Provided	-	32,696	2,317	35,013
At 31.12.1994	-	47,683	3,351	51,034
Net book value				
At 31.12.1994	313,440	69,532	5,066	388,038
At 31.12.1993	313,440	61,445	3,803	378,688

11. FIXED ASSET INVESTMENT

Subsidiary undertaking	Country of incorporation	Shares held Class	%
Casnell Limited	England and Wales	Ordinary	100

Casnell Limited has not traded in the year.

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNT

YEAR ENDED 31 DECEMBER 1994

12. STOCK	1994	1993
	£	£
Raw materials and consumables	54,454	-
Work in progress	87,262	-
Finished goods and goods for resale	305,648	121,850
	<u>447,364</u>	<u>121,850</u>
13. DEBTORS	£	£
Due within one year:		
Trade debtors	233,857	81,172
Other debtors	32,498	31,000
Prepayments and accrued income*	34,225	6,561
	<u>300,580</u>	<u>118,733</u>
*Included within prepayments and accrued income are:		
Deferred tax asset	23,625	-
	<u>23,625</u>	<u>-</u>
Refer to note 9		
14. CREDITORS Amounts falling due within one year	£	£
Bank loans and overdraft	23,636	21,185
Trade creditors	475,523	244,674
Corporation tax	172,464	26,000
Other creditors	12,422	6,685
Other taxes and social security costs	87,898	154,445
Accruals and deferred income	89,300	10,923
	<u>861,243</u>	<u>463,912</u>
15. CREDITORS Amounts falling due after more than one year	£	£
Bank loans:		
Mortgage	165,000	165,000
Loan	78,334	16,364
	<u>243,334</u>	<u>181,364</u>

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

	1994 £	1993 £
15. CREDITORS Amounts falling due after more than one year, com.		
Borrowings:		
Bank overdraft	-	17,549
Mortgage	165,000	165,000
Bank Loan	101,970	20,000
	<u>266,970</u>	<u>202,549</u>
Analysis of loan repayments:		
Within one year	23,636	21,185
Within two to five years	78,334	16,364
After five years	165,000	165,000
	<u>266,970</u>	<u>202,549</u>

The bank loans are secured by a fixed and floating charge over all the company's assets.

16. SHARE CAPITAL

	£	£
Authorised:		
Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100

17. PROFIT AND LOSS ACCOUNT

	£	£
Balance at 1st January	197,274	113,006
Profit retained for the year	236,695	84,268
Balance at 31st December	<u>433,969</u>	<u>197,274</u>

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

18. SHAREHOLDERS FUNDS

	1994 £	1993 £
Balance at 1st January	197,374	113,106
Profit for the year	236,695	84,268
	<hr/>	<hr/>
Balance at 31st December	<u>434,069</u>	<u>197,374</u>

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES :

	£	£
Operating profit	375,108	127,283
Depreciation charge	35,013	11,339
(Decrease) / increase in stock	(325,514)	45,419
(Decrease) / increase in debtors	(158,222)	17,291
Increase in creditors	248,416	78,861
	<hr/>	<hr/>
	<u>174,801</u>	<u>280,193</u>

20. CASH AND CASH EQUIVALENTS

	Cash at bank and in hand	Bank overdraft	Total
	£	£	£
Balance at 31.12.1992	2,307	(54,780)	(52,473)
Net cash inflow 1993	221,072	33,595	254,667
	<hr/>	<hr/>	<hr/>
Balance at 31.12.1993	223,379	(21,185)	202,194
Net cash inflow 1994	179,285	(2,451)	176,834
	<hr/>	<hr/>	<hr/>
Balance at 31.12.1994	<u>402,664</u>	<u>(23,636)</u>	<u>379,028</u>

VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

21. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Bank Loans £
Balance at 31.12 1992	171,125
Repayments of amounts borrowed	10,239
Balance at 31.12 1993	181,364
New bank loan	85,000
Repayments of amounts borrowed	(23,030)
Balance at 31.12.1994	243,334

22. OPERATING LEASE COMMITMENTS

At 31 December 1994 the company had commitments under non-cancellable operating leases as set out below:

	Land and buildings £
Operating leases which expire:	
Within one year	1,798
Between two and five years	38,400
Over five years	56,500

23. PENSION SCHEME

The company operates two money purchase pension scheme for the directors and staff. The assets of the schemes are held separately from those of the company being invested with insurance companies. The pension cost charge represents contributions payable by the company to the funds. The pension charge for the year was £5,916 (1993-£ -).

24. CONTINGENT LIABILITIES

The company has provided Midland Bank Plc with an unlimited guarantee in respect of its subsidiary undertaking Casnell Limited.

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VIVIENNE WESTWOOD LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1994

25. CORRESPONDING AMOUNTS

	1994 £	1993 £
Distribution costs:		
As previously reported	-	-
Re-allocation of costs	-	625,925
As reported	<u>1,016,484</u>	<u>625,925</u>
Administrative expenses:		
As previously reported	-	822,629
Re-allocation of costs	-	(625,925)
As reported	<u>452,565</u>	<u>196,704</u>

The corresponding figures in respect of distribution costs and administrative expenses were restated to correctly reflect the activities of the company