
MONSOON HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 25 AUGUST 2012



MONSOON HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	A Simon M Holloway
COMPANY SECRETARY	R Harrison
COMPANY NUMBER	01200163
REGISTERED OFFICE	Monsoon Building 1 Nicholas Road London W11 4AN
AUDITORS	BDO LLP 55 Baker Street London W1U 7EU
BANKERS	National Westminster Bank plc 1-4 Berkeley Square House Berkeley Square London W1A 1SN Barclays Bank plc 1 Churchill Place London E14 5HP

MONSOON HOLDINGS LIMITED

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MONSOON HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 AUGUST 2012

The Directors present their report and the financial statements for the 52 weeks ended 25 August 2012

Principal activities

The principal activity of the Company is that of a holding company

Review of business

The Company's balance sheet remains financially strong to support growth activity within the Monsoon Group

On 24 November 2011 the Company disposed of its interest in Monsoon Accessorize Switzerland AG, a dormant company, to Monsoon Accessorize Cyprus Limited. On 26 March 2012 the Company also disposed of its interest in Monsoon Accessorize USA Inc to Retail Group of America LLC

The results for the financial period are shown in the profit and loss account on page 5

Results and dividends

The profit for the 52 weeks, after taxation, amounted to £5,735,971 (2011 - £175,743,556)

An interim dividend of £6,440,000 was paid (2011 - £163,786,270). The Company proposes no final dividend

The Company's key performance indicators during the year were as follows

	52 weeks to 25 August 2012 £	52 weeks to 27 August 2011 £	Change %
Operating loss	(587,153)	(24,763)	(2,271)
Income from investments	6,440,000	174,280,769	(96)

PRINCIPAL RISKS AND UNCERTAINTIES

The company is a holding company and its principal risk relates to its ability to realise its investment in its subsidiaries. The following are risks and uncertainties which could impact the Company's and its subsidiaries ability to achieve their strategic and operational objectives or embrace opportunities as they arise. The risks listed do not necessarily comprise all those associated with the Group and are not set out in order of priority

Operational Risks

- Economic and Market conditions – Uncertainty surrounding the global economy is a major influence on consumer confidence and spending in discretionary areas. The Group regularly reviews and monitors its trading operations to ensure pricing and promotional strategies remain competitive, product design remains attractive while staying core to the Monsoon and Accessorize brand values. The Group continues to actively manage and minimise costs ensuring that the group can react to changes in the external environment, and minimise potential exposures
- Brand and reputational risk – The strength of the Monsoon Accessorize brand and its reputation is important to the Group's expansion plans and success of group sales. Failure to protect the brand and its reputation could undermine the trust and confidence of external parties, including our partners, suppliers and customers. The Group carefully considers each new business opportunity and monitors relationships on an ongoing basis to ensure they are appropriate to the brand. Suppliers are required to comply with the Group's Code of Practice and standards required by the Ethical Trading Initiative. Supplier operations, covering production methods, employee working conditions, and quality controls are regular inspected to ensure compliance with the standards set

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DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 AUGUST 2012

- **International** – Monsoon Accessorize continues to expand internationally via franchise operations and wholly owned businesses. Expansion brings risks in the form of unpredictable and volatile revenue streams due to political and economic conditions, legislative compliance and quality of product, presentation and service. The ability to work successfully with many international partners is crucial and the Group invests dedicated resources to this area to develop, monitor and support each individual relationship.
- **Suppliers** – Failure to maintain a diversified supply base and reduce reliance on key suppliers or geographical markets could increase the Group's exposure to supplier failings and increased input costs. The Group continually seeks ways to develop and extend its supply base, reviewing geographical market opportunities and risks in order to develop the competitiveness of its product offering and works closely with existing suppliers to mitigate fulfillment risks and ensure product design and quality remain of the highest standard. Cost price risk is managed through on-going trading relationships and negotiation with our supply partners.
- **Warehousing and distribution** – Monsoon Accessorize operates a Bonded distribution centre based in the UK, which services the global group and all multi-channel activities. Failure of warehouse and related logistic operations due to breakdown in warehouse systems, inefficient control and operation of processes or delivery service failures would result in capacity shortages across the global estate and increased mark-downs ultimately impacting cash and profitability. The Group operates continuous planning processes to maximise distribution efficiencies, maintaining a tight control over internal and external service levels and system operations.
- **People** – The success of the group is linked to leadership by key individuals, the performance of our people and the application of creative vision in core areas such as design and technology, operation of stores and supply chain management. The ability to attract, motivate and retain experienced and talented retail management is therefore key. Investment is made in people via effective training programmes, career development opportunities and key senior personnel are offered the opportunity to participate in the long-term future growth of the Group via an incentive scheme.
- **IT systems and business continuity** – The Group is dependent upon the continued availability and integrity of its computer systems to process, record and manage substantial volume of data efficiently and accurately. Robust, backed-up and regularly tested systems are essential to ensure business interruptions are minimised and data is protected from corruption or unauthorised access or use.
- **Multi-channel** – In a competitive retail environment failure to adopt new technologies could impact performance and global reach. The Group has developed and launched a new online platform that includes stand-alone country multi currency web sites and cross basket functionality to support its ambitious international growth aspirations, making the brand more accessible and enhancing customers shopping experience. In developing and launching new technology the Group must ensure that quality and performance are not compromised, working closely with its systems partners to continually develop and enhance its new platform to avoid detrimental impact to profits. The Group continues to embrace digital media creating relevant and engaging content to inspire and engage its customers.
- **Property** – Failure to manage the Group's leasehold properties effectively could result in adverse rental terms, increased property or exit costs. The Monsoon Accessorize Group has in-house property specialists supported by third party industry experts, which manage all aspects of leasehold property, including lease renewals, exit strategies and adherence to all legal obligations under the lease.

Financial Risks

The financial risk management objectives and policies of the Company and its subsidiaries are set out below

- **Foreign currency risk** – The Group's functional currency is sterling. Its subsidiaries have invested in operations outside of the UK and also buy goods denominated in currencies other than sterling. The value of non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected by movements in exchange rates in general and the US Dollar in particular. The Group Treasury Committee is responsible for monitoring liquidity, interest and foreign currency risks. The Treasury Committee closely monitor all aspects of working capital and hedging strategies. To avoid adverse currency impact on pricing and manage operational

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DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 AUGUST 2012

risks derivative instruments are entered into, principally forward foreign currency contracts

- Credit risks – The risk of financial loss due to counterparty's failure to honour its obligations arises principally in relation to the sale of goods and provision of services to franchise partners and group subsidiaries. Management closely monitor and review debt and credit facilities, flexing credit controls to changes in trading and economic conditions in order to minimise the risk of losses.
- Liquidity risk – The availability of cash and liquidity could have a material effect on operational and financial conditions of the business. The risk to the Group is considered to be low. The Group considers that it has sufficient internal cash facilities available to it to support business operations and to take advantage of investment opportunities should they arise.

DIRECTORS

The Directors who served during the 52 weeks and since the period end were

S Back (resigned 20 July 2012)
A Simon
P Ridler (resigned 27 July 2012)
M Holloway (appointed 27 July 2012)

PROVISION OF INFORMATION TO AUDITORS


Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, BDO LLP, have expressed their willingness to continue in office. Under the Companies Act section 487 (2) they will be automatically reappointed as auditors 28 days after these accounts are sent to the members unless the members exercise their right under the Companies Act 2006 to prevent their reappointment.

This report was approved by the board and signed on its behalf


.....
M Holloway
Director

Date 25 March 2013

MONSOON HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 52 WEEKS ENDED 25 AUGUST 2012

The Directors are responsible for preparing the Directors' 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). 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 judgments 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,
- 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.

MONSOON HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MONSOON HOLDINGS LIMITED

We have audited the financial statements of Monsoon Holdings Limited for the 52 weeks ended 25 August 2012, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 AUDITORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 August 2012 and of its profit for the 52 weeks then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the 52 week period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.



Donald Williams (Senior statutory auditor)
for and on behalf of BDO LLP (statutory auditor)

London

Date 25 March 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

MONSOON HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 25 AUGUST 2012**

	Note	52 weeks to 25 August 2012 £	52 weeks to 27 August 2011 £
Administrative expenses		(6,871)	(24,763)
Exceptional administrative expenses	5	(580,282)	-
Total administrative expenses		<u>(587,153)</u>	<u>(24,763)</u>
OPERATING LOSS	2	(587,153)	(24,763)
EXCEPTIONAL ITEMS			
Net (loss)/profit on sale of fixed asset investments	5	<u>(43,199)</u>	<u>1,584,728</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(630,352)	1,559,965
Income from other fixed asset investments	3	<u>6,440,000</u>	<u>174,280,769</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,809,648	175,840,734
Tax on profit on ordinary activities	6	<u>(73,677)</u>	<u>(97,178)</u>
PROFIT FOR THE FINANCIAL PERIOD	11,12	<u>5,735,971</u>	<u>175,743,556</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

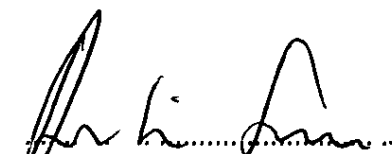
The notes on pages 8 to 15 form part of these financial statements

MONSOON HOLDINGS LIMITED
REGISTERED NUMBER: 01200163

BALANCE SHEET
AS AT 25 AUGUST 2012

		25 August 2012	27 August 2011
	Note	£	£
FIXED ASSETS			
Investments	7	10,216,902	10,265,101
CURRENT ASSETS			
Debtors	8	20,396,567	21,037,669
Cash at bank		9,890	4,928
		<u>20,406,457</u>	<u>21,042,597</u>
CREDITORS: amounts falling due within one year	9	<u>(142,223)</u>	<u>(122,533)</u>
NET CURRENT ASSETS		<u>20,264,234</u>	<u>20,920,064</u>
NET ASSETS		<u>30,481,136</u>	<u>31,185,165</u>
CAPITAL AND RESERVES			
Called up share capital	10	18,606	18,606
Share premium account	11	77,855	77,855
Capital redemption reserve	11	98	98
Profit and loss account	11	30,384,577	31,088,606
SHAREHOLDERS' FUNDS	12	<u>30,481,136</u>	<u>31,185,165</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


A. Simon
 Director

Date 25 March 2013

The notes on pages 8 to 15 form part of these financial statements

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 AUGUST 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, which have been applied consistently. As required by FRS 18, accounting policies are periodically reviewed to ensure that they continue to be the most appropriate for the Company. There were no new accounting policies adopted in the period ended 25 August 2012.

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities as well as the Company's principal risks and uncertainties as set out on pages 1 to 3. Based on the Company's and Group's cash flow forecasts and projections, the Board is satisfied that the Company will be able to operate within the level of its facilities for the foreseeable future. For this reason the Company continues to adopt the going concern basis in preparing its financial statements.

1.2 Consolidation

The Company has taken advantage of the exemption available under section 400 of the Companies Act 2006 and has not prepared consolidated financial statements on the grounds that it is a wholly owned subsidiary undertaking of a company preparing consolidated financial statements in the UK. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.3 Cash flow statement and related party disclosures

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1, "Cash Flow Statements".

The Company is also exempt under the terms of FRS 8, "Related Party Disclosures" from disclosing related party transactions with entities that are a wholly owned part of the Drillgreat Limited Group.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment. The carrying value of assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 AUGUST 2012

1. ACCOUNTING POLICIES (continued)

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss account

1.7 Financial instruments

Financial assets are recognised when the Company has rights or other access to economic benefits. Such assets consist of cash and contractual rights to receive cash. Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver financial assets to another entity. Financial assets and liabilities are offset only when a legal right of set-off exists for a determinate monetary amount.

1.8 Dividends

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's Shareholders. Interim dividends are recorded in the period in which they are approved and paid.

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 AUGUST 2012

2 OPERATING LOSS

The operating loss is stated after charging

	52 weeks to 25 August 2012 £	52 weeks to 27 August 2011 £
Difference on foreign exchange	-	6,472

In arriving at the operating loss for the period there has been no charge for auditor's remuneration. The auditor's remuneration has been borne by another group company.

3. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	52 weeks to 25 August 2012 £	52 weeks to 27 August 2011 £
Dividends Received	6,440,000	174,280,769

4 STAFF COSTS

The Company has no employees other than the Directors, who did not receive any remuneration (2011 - £NIL). Directors' remuneration is borne by another group company.

5 EXCEPTIONAL ITEMS

	52 weeks to 25 August 2012 £	52 weeks to 27 August 2011 £
Disposal of investments	43,199	(1,584,728)
Non recoverable loans	580,282	-
	623,481	(1,584,728)

Monsoon Accessorize Switzerland AG, a dormant company, was disposed of to Monsoon Accessorize Cyprus Limited for consideration of £5,000 on 24 November 2011 realising a loss of £32,004.

On 26 March 2012 the Company disposed of its investment in Monsoon Accessorize USA Inc to Retail Group of America LLC for \$1 consideration realising loss of £11,195.

Loans to subsidiary undertakings of £580,282 (2011, £nil) were written-off in the period.

MONSOON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 AUGUST 2012**

6. TAXATION

	52 weeks to 25 August 2012 £	52 weeks to 27 August 2011 £
Analysis of tax charge in the 52 weeks		
UK corporation tax charge on profit for the 52 weeks period	73,682	68,546
Adjustments in respect of prior periods	(5)	28,632
	<u>73,677</u>	<u>97,178</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for the 52 weeks period

The tax assessed for the 52 weeks period is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 25 18% (2011 - 27 18%) The differences are explained below

	52 weeks to 25 August 2012 £	52 weeks to 27 August 2011 £
Profit on ordinary activities before tax	<u>5,809,648</u>	<u>175,840,734</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25 18% (2011 - 27 18%)	1,462,869	47,793,512
Effects of		
Expenses not deductible for tax purposes	232,405	4,964
Adjustments to tax charge in respect of prior periods	(5)	28,632
Non-taxable income	(1,621,592)	(47,800,242)
Transfer pricing adjustments	-	70,312
	<u>73,677</u>	<u>97,178</u>
Current tax charge for the 52 weeks period (see note above)		

MONSOON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 AUGUST 2012**

7 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 28 August 2011	10,265,101
Disposals	(48,199)
	<hr/>
At 25 August 2012	10,216,902
	<hr/>
Net book value	
At 25 August 2012	10,216,902
	<hr/> <hr/>
At 27 August 2011	10,265,101
	<hr/> <hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company at year end

Name and country of incorporation	Class of shares	Holding
Monsoon Accessorize Limited, England and Wales	Ordinary shares	100%
Monsoon Accessorize International Limited, England and Wales	Ordinary shares	100%
Monsoon Co-ordination Services Limited, Hong Kong	Ordinary shares	100%
Monsoon Accessorize (Asia) Limited, Hong Kong	Ordinary shares	100%
Monsoon Accessorize GmbH, Germany	Ordinary shares	100%
Monsoon Accessorize India (PVT) Limited, India	Ordinary shares	97.7%
UAB Monsoon Accessorize LT, Lithuania	Ordinary shares	95%
SIA Monsoon Accessorize Latvia, Latvia	Ordinary shares	95%
PlusCom Trade OU, Estonia	Ordinary shares	95%
Monsoon Accessorize Spain SL, Spain	Ordinary shares	100%
Sycamore ApS, Denmark	Ordinary shares	100%
Nottingdale Cafe Limited, England and Wales	Ordinary shares	100%
Monsoon Accessorize Poland Sp z o o , Poland	Ordinary shares	100%
Held by Monsoon Accessorize Limited:		
Monsoon Accessorize Ireland (Holdings) Limited, Ireland	Ordinary Shares	100%
Monsoon Accessorize (SARL), France	Ordinary shares	100%
Held by Sycamore Aps:		
Regn Holdings ApS, Denmark	Ordinary Shares	100%
Held by Regn Holdings ApS:		
Monsoon Accessorize ApS, Denmark	Ordinary Shares	100%
Held by Monsoon Accessorize Ireland (Holdings) Limited:		
Monsoon Accessorize Ireland Limited, Ireland	Ordinary Shares	100%

MONSOON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 AUGUST 2012**

7. FIXED ASSET INVESTMENTS (continued)

Monsoon Accessorize Ireland (Holdings) Limited, Regn Holdings ApS and Sycamore ApS act as holding companies for other subsidiaries within the Group. Nottingdale Café Limited traded as a restaurant. All the remaining subsidiary undertakings are involved in the clothing and accessories retail business. Monsoon Accessorize International Limited is a dormant company.

Investments in Monsoon Accessorize U S A Inc and Monsoon Switzerland AG were disposed of during the period ended 25 August 2012.

8. DEBTORS

	25 August 2012 £	27 August 2011 £
Amounts owed by group undertakings	20,395,373	19,436,477
Other debtors	1,194	1,601,192
	<u>20,396,567</u>	<u>21,037,669</u>

All amounts within debtors fall due for payment within one year.

**9. CREDITORS:
Amounts falling due within one year**

	25 August 2012 £	27 August 2011 £
Amounts owed to group undertakings	68,541	100
Corporation tax	73,682	68,546
Accruals and deferred income	-	53,887
	<u>142,223</u>	<u>122,533</u>

10. SHARE CAPITAL

	25 August 2012 £	27 August 2011 £
Allotted, called up and fully paid		
92,574 Ordinary shares of £0.10 each	9,257	9,257
93,490 'A' Ordinary bearer shares of £0.10 each	9,349	9,349
	<u>18,606</u>	<u>18,606</u>

MONSOON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 AUGUST 2012**

10. SHARE CAPITAL (continued)

Respective rights of different classes of shares

Ordinary shares

Ordinary Shareholders are entitled to participate in the profits of the Company

Ordinary Shareholders are entitled to receive notice of, attend and vote at all general meetings of the Company

In the event of a winding up of the Company Ordinary Shareholders are entitled to recover their capital before 'A' Ordinary Bearer Shareholders. After 'A' Ordinary Bearer Shareholders have been paid, Ordinary Shareholders are entitled to the residue of the assets of the Company.

'A' Ordinary Bearer Shares

'A' Ordinary Bearer Shareholders are not entitled to participate in the profits of the Company

'A' Ordinary Bearer Shareholders are not entitled to receive notice of, attend or vote at general meetings of the Company

In the event of a winding up of the Company 'A' Ordinary Bearer Shareholders are entitled to recover their capital after Ordinary Shareholders have recovered their capital. 'A' Ordinary Bearer Shareholders are not entitled to a share of the residual assets of the Company.

11. RESERVES

	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 28 August 2011	77,855	98	31,088,606
Profit for the 52 weeks			5,735,971
Dividends (note 13)			(6,440,000)
At 25 August 2012	<u>77,855</u>	<u>98</u>	<u>30,384,577</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	25 August 2012 £	27 August 2011 £
Opening shareholders' funds	31,185,165	19,227,879
Profit for the 52 weeks period	5,735,971	175,743,556
Dividends (note 13)	(6,440,000)	(163,786,270)
Closing shareholders' funds	<u>30,481,136</u>	<u>31,185,165</u>

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 AUGUST 2012

13. DIVIDENDS

	52 weeks to 25 August 2012 £	52 weeks to 27 August 2011 £
Interim dividends declared and paid on ordinary shares at £69.57 (2011 £1,769.25) per ordinary share	<u>6,440,000</u>	<u>163,786,270</u>

14. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No 8 Related Party Disclosures, the Company is exempt from disclosing transactions with entities that are part of the Drillgreat Limited Group or investees of the Group qualifying as related parties, as it is a wholly owned subsidiary of a parent undertaking publishing Group financial statements. The following other related party transactions occurred during the period:

- (i) On 24 November 2011 the Company disposed of its share interests in Monsoon Accessorize Switzerland AG of £37,004 for total consideration of £5,000 to Monsoon Accessorize Cyprus Limited, a subsidiary of Monsoon Holdings (Jersey) Limited. No liability exists at the balance sheet date.
- (ii) In the prior year the Company disposed of its Cypriot share interests to Monsoon Jersey (Holdings) Limited for £1,600k deferred cash paid in September 2011.

15. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Monsoon Limited. The ultimate parent undertaking at 25 August 2012 is Balmain Invest & Trade Inc, a company incorporated in the British Virgin Islands, which was the holding company of the largest and smallest group.

At 25 August 2012, Drillgreat Limited, was the holding company of the largest and smallest group for which consolidated financial statements were prepared. The individual company financial statements and the consolidated financial statements of Drillgreat Limited may be requested from the registered office at Monsoon Building, 1 Nicholas Road, London W11 4AN.

16. CONTROLLING PARTY

As at 25 August 2012 the directors consider that Colombo Trust Company Limited (Jersey), in its capacity as trustee of the Beauchamp Trust (the owner of Balmain Invest & Trade Inc), is the ultimate controlling party of the Company. Peter Simon has a beneficial interest in the shares owned by the Beauchamp Trust.