
MONSOON HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 AUGUST 2016

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MONSOON HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	P Allen A Simon M Holloway E Deste (appointed 30 September 2016)
COMPANY SECRETARY	B Green
REGISTERED NUMBER	01200163
REGISTERED OFFICE	1 Nicholas Road London W11 4AN
INDEPENDENT AUDITORS	BDO LLP 55 Baker Street London W1U 7EU
BANKERS	Barclays Bank plc 1 Churchill Place London E14 5HP

MONSOON HOLDINGS LIMITED

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MONSOON HOLDINGS LIMITED

STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 AUGUST 2016

INTRODUCTION

The Directors present their Strategic report together with the financial statements for the 52 weeks ended 27 August 2016.

BUSINESS REVIEW

The Company is an investment holding company. The Group owns and operates the brands of Monsoon and Accessorize through stand-alone stores and in-house concessions both in the UK and internationally, some of which are franchises. It also operates through a number of transactional ecommerce web sites, concessions and product licenses.

As indicated by the Board in last year's report, 2016 was a difficult year as we set about implementing further changes as part of our strategic reorganisation programme. The performance of the Monsoon ladies business continued to be disappointing during the period. However, the Company's balance sheet remains financially strong to support growth activity within the Monsoon Accessorize Group.

FINANCIAL KEY PERFORMANCE INDICATORS

	52 weeks to 27 August 2016 £	52 weeks to 29 August 2015 £	Change %
Operating Loss	(698)	(1,463,880)	(100)
Income from investments	5,000,000	23,515,783	(79)
Profit after tax	4,929,491	22,035,061	(78)

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 Company 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 Brexit vote on 23 June 2016 only added to this uncertainty. The Company 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 Company continues to actively manage and minimise costs ensuring that the Company can react to changes in the external environment, and minimise potential exposures.

- Brand and reputational risk – The strength of the Monsoon and Accessorize brands and their reputation are important to the Company's expansion plans and success of group sales. Failure to protect the brands and their reputation could undermine the trust and confidence of external parties, including our partners, suppliers and customers. The Company carefully considers each new business opportunity and monitors relationships on an ongoing basis to ensure they are appropriate to the brands. Suppliers are required to comply with the Company's Code of Practice and standards required by the Ethical Trading Initiative. Supplier operations, covering production methods, employee working conditions, and quality controls are regularly inspected to ensure compliance with the standards set.

MONSOON HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEKS ENDED 27 AUGUST 2016

Operational Risks (continued)

- **International** – Monsoon Accessorize continues to focus on international expansion 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 Company 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 Company's exposure to supplier failings and increased input costs. The Company 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 Company 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 Company 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, e-commerce and supply chain management. The ability to attract, motivate and retain experienced and talented retail management is therefore key. It is our intention to pay medium quartile, which we continue to work towards, in order to remain competitive. We continue to invest via training programmes, career development opportunities and key senior personnel are offered the opportunity to participate in a bonus 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 Company 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 Company 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 Company continues to embrace digital media creating relevant and engaging content to inspire and engage its customers.
- **Property** – Failure to manage the Company'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, who manage all aspects of leasehold property, including lease renewals, exit strategies and adherence to all legal obligations under the leases.

MONSOON HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEKS ENDED 27 AUGUST 2016

Financial Risks

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

- Foreign currency risk – The Company'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 Company 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 risks derivative instruments are entered into, principally forward foreign currency contracts.
- Credit risk – 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 Company is considered to be low. The Company considers that it has sufficient internal cash facilities available and can access funding from its holding company in Jersey to support business operations and to take advantage of investment opportunities should they arise.

This report was approved by the Board on 5 May 2017 and signed on its behalf.



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P Allen
Director

MONSOON HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 AUGUST 2016

The Directors present their report and the financial statements for the 52 weeks ended 27 August 2016.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The profit for the 52 weeks, after taxation, amounted to £4,929,491 (2015: £22,035,061).

An interim dividend of £5,000,000 was paid (2015: £26,900,582). The Company proposes no final dividend.

DIRECTORS

The Directors who served during the 52 weeks were:

P Allen

A Simon

M Holloway

K Rusling resigned on 30 September 2016

E Deste was appointed on 30 September 2016

DISCLOSURE 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 the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

During 2016 the Group took the decision to refocus the operations associated with its three key brands: Monsoon, Monsoon Children and Accessorize. The purpose of this is to allow the business to focus on the distinct identity and customers associated with each brand.

On 28th August 2016 Monsoon Accessorize Limited transferred the net book value of assets/liabilities and business operations directly associated with the Accessorize brand to Accessorize Limited, a newly incorporated wholly owned entity within the Drillgreat Group. Consideration will be settled via intracompany loans.

In the future, UK store revenues, royalties, licence fees, commission fees and direct costs associated with the Accessorize brand will be accounted for under Accessorize Limited. Indirect costs will be apportioned and recharged on to Accessorize Limited by Monsoon Accessorize Limited. The Company is in the process of executing all necessary steps to formally transfer its UK and international Accessorize trade to Accessorize Limited. The revenue of Accessorize equates to circa half of Monsoon Accessorize Limited's revenue. At this stage the Company cannot disclose the full impact on net assets. From a Group perspective, there will be no change to the results reported.

MONSOON HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEKS ENDED 27 AUGUST 2016**

AUDITORS

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the Board on 5 May 2017 and signed on its behalf.



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P Allen
Director

MONSOON HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 52 WEEKS ENDED 27 AUGUST 2016

The Directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements 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 MEMBERS OF MONSOON HOLDINGS LIMITED

We have audited the financial statements of Monsoon Holdings Limited for the 52 weeks ended 27 August 2016, set out on pages 9 to 22. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 6, 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 Financial Reporting Council's (FRC'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 27 August 2016 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 Strategic Report and the Directors' Report for the financial 52 weeks for which the financial statements are prepared is consistent with those financial statements.

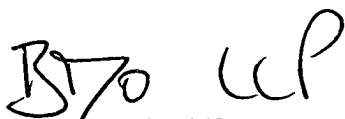
MONSOON HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONSOON HOLDINGS LIMITED
(CONTINUED)**

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.



Sophia Michael (Senior statutory auditor)

for and on behalf of BDO LLP, statutory auditor
LONDON

5 May 2017

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

MONSOON HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 27 AUGUST 2016**

	Note	52 weeks to 27 August 2016 £	52 weeks to 29 August 2015 £
Administrative expenses		(529)	(128)
Other operating income	4	-	5,375
Amounts written off investments	7	(169)	(1,469,127)
Operating loss	5	(698)	(1,463,880)
Income from fixed assets investments	8	5,000,000	23,515,783
Interest payable and expenses	9	(615)	-
Profit on ordinary activities before taxation		4,998,687	22,051,903
Taxation on profit on ordinary activities	10	(69,196)	(16,842)
Profit for the period		4,929,491	22,035,061
 Total comprehensive income for the period		 4,929,491	 22,035,061

All amounts relate to continuing operations.

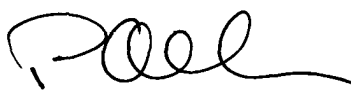
The notes on pages 13 to 22 form part of these financial statements.

MONSOON HOLDINGS LIMITED
REGISTERED NUMBER: 01200163

BALANCE SHEET
AS AT 27 AUGUST 2016

	Note	27 August 2016 £	27 August 2016 £	29 August 2015 £	29 August 2015 £
Fixed assets					
Investments	12		1,362,592		1,362,758
			1,362,592		1,362,758
Current assets					
Debtors: amounts falling due within one year	13	23,341,566		23,403,653	
Cash at bank and in hand	14	666,873		666,902	
		24,008,439		24,070,555	
Creditors: amounts falling due within one year	15	(69,190)		(60,963)	
Net current assets			23,939,249		24,009,592
Net assets			25,301,841		25,372,350
Capital and reserves					
Called up share capital	16		18,606		18,606
Share premium account	17		77,855		77,855
Capital redemption reserve	17		98		98
Profit and loss account	17		25,205,282		25,275,791
			25,301,841		25,372,350

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 May 2017.



P Allen

Director



E Deste

Director

The notes on pages 13 to 22 form part of these financial statements.

MONSOON HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 27 AUGUST 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 30 August 2015	18,606	77,855	98	25,275,791	25,372,350
Comprehensive income for the period					
Profit for the period	-	-	-	4,929,491	4,929,491
Total comprehensive income for the period	-	-	-	4,929,491	4,929,491
Dividends: Equity capital	-	-	-	(5,000,000)	(5,000,000)
Total transactions with owners	-	-	-	(5,000,000)	(5,000,000)
At 27 August 2016	18,606	77,855	98	25,205,282	25,301,841

The notes on pages 13 to 22 form part of these financial statements.

MONSOON HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 29 AUGUST 2015**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 31 August 2014	18,606	77,855	98	30,141,312	30,237,871
Comprehensive income for the period					
Profit for the period	-	-	-	22,035,061	22,035,061
Total comprehensive income for the period	-	-	-	22,035,061	22,035,061
Dividends: Equity capital	-	-	-	(26,900,582)	(26,900,582)
Total transactions with owners	-	-	-	(26,900,582)	(26,900,582)
At 29 August 2015	18,606	77,855	98	25,275,791	25,372,350

The notes on pages 13 to 22 form part of these financial statements.

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 AUGUST 2016

1. GENERAL INFORMATION

Monsoon Holdings Limited is a company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are given in the Director's report.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Drillgreat Limited as at 27 August 2016 and these financial statements may be obtained from the registered office at Monsoon Building, 1 Nicholas Road, London W11 4AN.

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 AUGUST 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Going concern

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. 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.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. The carrying value of assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 AUGUST 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 AUGUST 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the Directors have had to make the following judgment:

Impairment of investments in subsidiaries (see note 12)

Investments in subsidiaries are not subject to amortisation and are tested annually for impairment. When a review for potential impairment is conducted, the recoverable amount is determined based on the higher of an asset's fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

4. OTHER OPERATING INCOME

	52 weeks to 27 August 2016 £	52 weeks to 29 August 2015 £
Sundry income	-	5,375
	-	5,375

MONSOON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 AUGUST 2016**

5. OPERATING (LOSS)/PROFIT

The operating loss is stated after charging/(crediting):

	52 weeks to 27 August 2016 £	52 weeks to 29 August 2015 £
Exchange differences	(1)	(15)

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.

6. EMPLOYEES

The Company has no employees other than the Directors, who did not receive any remuneration (2015 - £NIL).

The directors are remunerated by other group entities, and no specific allocation of their remuneration has been made in respect of their services to this Company.

7. AMOUNTS WRITTEN OFF INVESTMENTS

Monsoon Co-ordination Services Limited was dissolved during the year resulting in a write down of £69 and Monsoon Accessorize International Limited was disposed of resulting in a loss of £100. In 2015, Sycamore ApS, Denmark was disposed of realising a loss of £1,469,127.

8. INCOME FROM INVESTMENTS

	52 weeks to 27 August 2016 £	52 weeks to 29 August 2015 £
Dividends received	5,000,000	23,515,783

9. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks to 27 August 2016 £	52 weeks to 29 August 2015 £
Other interest payable	615	-

MONSOON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 AUGUST 2016**

10. TAXATION

	52 weeks to 27 August 2016 £	52 weeks to 29 August 2015 £
CORPORATION TAX		
Current tax on profits for the period	69,187	60,963
Adjustments in respect of previous periods	9	(44,121)
TOTAL CURRENT TAX	69,196	16,842
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	69,196	16,842

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.53%). The differences are explained below:

	52 weeks to 27 August 2016 £	52 weeks to 29 August 2015 £
Profit on ordinary activities before tax	4,998,687	22,051,903
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.53 %)	999,737	4,527,256
EFFECTS OF:		
Expenses not deductible for tax purposes	69,450	362,601
Non-taxable income	(1,000,000)	(4,828,894)
Adjustments to tax charge in respect of prior periods	9	(44,121)
TOTAL TAX CHARGE FOR THE PERIOD	69,196	16,842

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK corporation tax rate will reduce from 20% to 19% from 1 April 2017. A further reduction in the rate to 17% from 1 April 2020 was announced in the Finance Bill 2016, which was substantially enacted on 6 September 2016.

MONSOON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 AUGUST 2016**

11. DIVIDENDS

	27 August 2016 £	29 August 2015 £
Interim dividends declared and paid on ordinary shares of £26.87 (2015: £144.58) per ordinary share	5,000,000	26,900,582

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST	
At 30 August 2015	2,646,696
Additions	3
Disposals	(1,197,377)
At 27 August 2016	1,449,322
IMPAIRMENT	
At 30 August 2015	1,283,938
Impairment on disposals	(1,197,208)
At 27 August 2016	86,730
NET BOOK VALUE	
At 27 August 2016	1,362,592
At 29 August 2015	1,362,758

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company at year end:

Name	Country of incorporation	Class of shares	Holding
Monsoon Accessorize Limited	England and Wales	Ordinary shares	100 %
Monsoon Accessorize (Asia) Limited	Hong Kong	Ordinary shares	100 %
Monsoon Accessorize GmbH	Germany	Ordinary shares	100 %
SIA Monsoon Accessorize Latvia	Latvia	Ordinary shares	100 %
PlusCom Trade OU	Estonia	Ordinary shares	100 %

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 AUGUST 2016

12. FIXED ASSET INVESTMENTS (CONTINUED)

Monsoon Accessorize Poland Sp. z.o.o.	Poland	Ordinary shares	100 %
Monsoon Accessorize Ireland (Holdings) Limited*	Ireland	Ordinary shares	100 %
Monsoon Accessorize (SARL)*	France	Ordinary shares	100 %
Monsoon Accessorize Ireland Limited*	Ireland	Ordinary shares	100 %
Monsoon Accessorize Norway AS	Norway	Ordinary shares	100 %
Accessorize Limited	England and Wales	Ordinary shares	100 %
Nottingdale Services Limited	England and Wales	Ordinary shares	100 %
Monsoon Children Limited	England and Wales	Ordinary shares	100 %

Accessorize Limited and Nottingdale Services Limited were incorporated on 8 January 2016.

Monsoon Children Limited was incorporated on 31 March 2016.

Monsoon Co-ordination Services Limited was dissolved on 11 December 2015, resulting in a write down of £69.

Monsoon Accessorize Spain SL was dissolved on 3 February 2016. The carrying value of the company's investment in Monsoon Accessorize Spain SL had been written down to £nil in previous periods.

Monsoon Accessorize International Limited has been disposed of in the period, resulting in a loss of £100.

Monsoon Accessorize Ireland (Holdings) Limited and Monsoon Accessorize Limited, act as holding companies for other subsidiary companies within the Group. Nottingdale Services Limited and Monsoon Children Limited are dormant companies.

All the remaining subsidiary undertakings are involved in the clothing and accessories business.

*Investment held indirectly

13. DEBTORS

	27 August 2016 £	29 August 2015 £
Due within one year		
Amounts owed by group undertakings	23,341,566	23,403,653

MONSOON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 AUGUST 2016**

14. CASH AND CASH EQUIVALENTS

	27 August 2016 £	29 August 2015 £
Cash at bank and in hand	666,873	666,902

15. CREDITORS: Amounts falling due within one year

	27 August 2016 £	29 August 2015 £
Corporation tax	69,187	60,963
Accruals and deferred income	3	-
	69,190	60,963

16. SHARE CAPITAL

	27 August 2016 £	29 August 2015 £
Shares classified as equity		
Allotted, called up and fully paid		
186,064 Ordinary shares of £0.10 each	18,606	18,606

17. RESERVES

Share premium

The share premium reserve relates to amounts paid for share capital in excess of nominal value.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit & loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

MONSOON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 AUGUST 2016

18. RELATED PARTY TRANSACTIONS

In accordance with FRS102 s.33.1A: 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.

19. ULTIMATE PARENT UNDERTAKINGS

The Company's immediate parent undertaking is Monsoon Holdings (No.1) Limited (formerly Monsoon Limited). The ultimate parent undertaking at 27 August 2016 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 27 August 2016, 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.

20. POST BALANCE SHEET EVENTS

Details of Post Balance Sheet Events are outlined in the Directors Report on page 4.

21. CONTROLLING PARTY

As at 27 August 2016 the directors consider Peter Simon, in his capacity as the beneficial owner of 100% of the shares in Balmain Invest and Trade Inc., to be the ultimate controlling party.

22. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.