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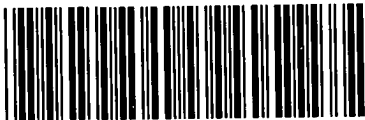
# **MONSOON HOLDINGS LIMITED**

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## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 25 AUGUST 2018**

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## MONSOON HOLDINGS LIMITED

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### COMPANY INFORMATION

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**DIRECTORS** Paul Allen (resigned 28 March 2019)  
Elaine Deste (resigned 28 March 2019)  
Mark Holloway (resigned 30 June 2018)  
Peter Simon (appointed 29 June 2018)

**COMPANY SECRETARY** Bridget 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

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**MONSOON HOLDINGS LIMITED**

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## MONSOON HOLDINGS LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 25 AUGUST 2018

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#### Introduction

The Director presents his Strategic Report together with the financial statements for the 52 week period ended 25 August 2018.

#### 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 e-commerce web sites, concessions and product licenses.

During the financial year under review, we focused on the continued turnaround of the business, in particular the performance of the Monsoon brand. Against a demanding retail environment we made good progress in implementing our plans and the Company's balance sheet remained financially strong.

The Company has made an operating loss in the year as a result of recognising a £22.8m (2017: £nil) bad debt provision against debts due from group companies and fully impairing its investment of £1,260k (2017: £nil) in its German subsidiary, Monsoon Accessorize GmbH which entered insolvency proceedings on 24 January 2019 and impairing its investments in Monsoon Accessorize Limited and Monsoon Accessorize Norway AS.

In April 2019 Adena Estate Inc, a related party, entered into a facility agreement to provide a bridging loan facility to Drillgreat Limited for £10.5m in two tranches of £3.5m and £7m received in April and June 2019 respectively. This amount was required to provide part of the cash collateral required for Barclays Bank PLC as security for the Barclays Supplier Financing facility. Subsequent agreements were made between Drillgreat Limited and Monsoon Holdings (No 1) Limited for £11.5m which was paid in two tranches of £4.5m in April 2019 and £7m in June 2019. A further agreement was made between Monsoon Holdings (No 1) Limited and Monsoon Holdings Limited for £11.5m with the two tranches noted above being received. In April 2019 Monsoon Holdings Limited provided a bridging loan for £12m to be shared between Monsoon Accessorize Limited and Accessorize Limited. This consisted of the £11.5m noted above in two tranches and a further £0.5m of Monsoon Holding's funds. The £6m received by Accessorize Limited was used to repay the inter-company debt due to Monsoon Accessorize Limited on 29 May 2019.

The bridging loans are secured and interest-bearing at 10% p.a. and were originally expected to be repaid by 31 July 2019.

The ultimate owner and Director, Peter Simon, has made available to the Group funding in the form of revolving credit facilities (RCF's) totalling £30m. This comprises firstly a secured RCF of £12m which will replace the existing bridging loan and a further unsecured RCF of £18m. These RCF facilities are interest free.

Monsoon Accessorize Limited and Accessorize Limited entered into separate Company Voluntary Arrangements (CVA) on 3 July 2019. Both CVAs were approved at a meeting of Creditors on 3 July 2019.

On 4 August 2019 a challenge to Monsoon Accessorize Limited's CVA was received from a creditor but this was withdrawn on 25 September 2019.

#### FINANCIAL KEY PERFORMANCE INDICATORS

	2018	2017
	£	£
Operating Loss	(24,069,895)	(2)
Loss after tax	(24,135,719)	(57,160)

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## MONSOON HOLDINGS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 25 AUGUST 2018

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#### PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a holding company of the Drillgreat Group and its principal risk relates to its ability to realise its investment in its subsidiaries. The following are the 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

CVA – Monsoon Accessorize Limited and Accessorize Limited entered into separate Company Voluntary Arrangements (CVA) on 3 July 2019. Both CVAs were approved at a meeting of Creditors on 3 July 2019.

In April 2019 Adena Estate Inc, a related party, entered into a facility agreement to provide a bridging loan facility to Drillgreat Limited for £10.5m in two tranches of £3.5m and £7m received in April and June 2019 respectively. This amount was required to provide part of the cash collateral required for Barclays Bank PLC as security for the Barclays Supplier Financing facility. Subsequent agreements were made between Drillgreat Limited and Monsoon Holdings (No 1) Limited for £11.5m which was paid in two tranches of £4.5m in April 2019 and £7m in June 2019. A further agreement was made between Monsoon Holdings (No 1) Limited and Monsoon Holdings Limited for £11.5m with the two tranches noted above being received. In April 2019 Monsoon Holdings Limited provided a bridging loan for £12m to be shared between Monsoon Accessorize Limited and Accessorize Limited. This consisted of the £11.5m noted above in two tranches and a further £0.5m of Monsoon Holding's funds. The £6m received by Accessorize Limited was used to repay the inter-company debt due to Monsoon Accessorize Limited on 29 May 2019.

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The ultimate owner and Director, Peter Simon, has made available to the Group funding in the form of revolving credit facilities (RCF's) totalling £30m. This comprises firstly a secured RCF of £12m which will replace the existing bridging loan and a further unsecured RCF of £18m. These RCF facilities are interest free.

Economic and Market conditions – Uncertainty surrounding the global economy and increasing levels of competition are major influences on consumer confidence and spending in discretionary areas. The Brexit vote on 23 June 2016 and the as yet lack of clarity as to the shape of the Brexit outcome adds to this uncertainty. The Group regularly reviews and monitors its trading operations to ensure pricing and promotional strategies remain competitive, product design remains attractive whilst staying in line with the Monsoon and Accessorize brand values. The Group continues to manage actively and minimise its exposure to the high fixed costs associated with retail store operations and puts in place plans to ensure that it can remain profitable and react to changes in the external environment.

Brand and reputational risk – The strength of the Monsoon and Accessorize brands and their reputation are important to the Group's future plans and sales performance. Failure to protect the brands and their reputation could undermine the trust and confidence of external parties, including our partners, suppliers and customers. The Group follows a robust strategy of defending and managing the Group's Intellectual Property portfolio. The Group 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 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 regularly inspected to ensure compliance with the standards set.

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## **MONSOON HOLDINGS LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 25 AUGUST 2018**

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#### **PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

**International** – The Monsoon Accessorize Group continues to focus on international expansion via franchise operations and wholly owned businesses. The Group seeks to manage the relationship with partners to ensure it bears an acceptable share of risks of this expansion 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 high quality and diversified supply base and to limit reliance on key suppliers or geographical markets could increase the Group's exposure to quality issues and increased input costs. The Group continually seeks to develop and extend its supply base, reviewing geographical market opportunities and risks. It works closely with existing suppliers to mitigate fulfilment 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 its supply partners.

**Warehousing and distribution** – The Monsoon Accessorize Group 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 issues with warehouse systems, inefficient operating 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, e-commerce and supply chain management. The ability to attract, motivate and retain experienced and talented retail management is therefore key. Our rates of pay are competitive in the markets in which we operate. We continue to invest in training programmes, career development opportunities and key senior personnel are offered the opportunity to participate in a bonus scheme.

**IT systems, data security 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's online platform 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 ensures that quality and performance are not compromised. It works closely with its systems partners to develop and continually enhance its online platform. 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, who manage all aspects of leasehold property, including new leases, renewals and lease terminations. The Group regularly reviews its portfolio, taking the opportunity to close unprofitable stores on lease expiry or by executing break options.

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**MONSOON HOLDINGS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 25 AUGUST 2018**

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**PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)****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 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.

**Credit risk** – The risk of financial loss due to counterparty's failure to honour 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 manageable subject to the availability of the £12m secured and £18m unsecured facilities. As noted in the Going Concern section of the Director's Report, should the £18m unsecured facility need to be utilised in a downside scenario, this may not be possible without renegotiation of the terms of the facility.

This report was approved on 11 October 2019.



**Peter Simon**  
Director

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## **MONSOON HOLDINGS LIMITED**

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### **DIRECTOR'S REPORT FOR THE PERIOD ENDED 25 AUGUST 2018**

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The Director presents his report and the financial statements for the period ended 25 August 2018.

#### **PRINCIPAL ACTIVITY**

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

#### **RESULTS AND DIVIDENDS**

The loss for the period, after taxation, amounted to £24,135,719 (2017: loss of £57,160).

The Company proposes no final dividend in the year (2017: £nil).

#### **DIRECTORS**

The Directors who served during the period were:

Paul Allen (resigned 28 March 2019)  
Elaine Deste (resigned 28 March 2019)  
Mark Holloway (resigned 30 June 2018)  
Peter Simon (appointed 29 June 2018)

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Director's 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**

The Company acquired 100% of the share capital of Monsoon Accessorize Switzerland AG on 26 August 2018 for CHF 261,000 (£207,500). One of the Company's subsidiaries, Monsoon Accessorize GmbH entered insolvency proceedings on 24 January 2019.

In April 2019 Adena Estate Inc, a related party, entered into a facility agreement to provide a bridging loan facility to Drillgreat Limited for £10.5m in two tranches of £3.5m and £7m received in April and June 2019 respectively. This amount was required to provide part of the cash collateral required for Barclays Bank PLC as security for the Barclays Supplier Financing facility. Subsequent agreements were made between Drillgreat Limited and Monsoon Holdings (No 1) Limited for £11.5m which was paid in two tranches of £4.5m in April 2019 and £7m in June 2019. A further agreement was made between Monsoon Holdings (No 1) Limited and Monsoon Holdings Limited for £11.5m with the two tranches noted above being received. In April 2019 Monsoon Holdings Limited provided a bridging loan for £12m to be shared between Monsoon Accessorize Limited and Accessorize Limited. This consisted of the £11.5m noted above in two tranches and a further £0.5m of Monsoon Holding's funds. The £6m received by Accessorize Limited was used to repay the inter-company debt due to Monsoon Accessorize Limited on 29 May 2019.

The bridging loans are secured and interest-bearing at 10% p.a. and were originally expected to be repaid by 31 July 2019.



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## MONSOON HOLDINGS LIMITED

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### DIRECTOR'S REPORT (CONTINUED) FOR THE PERIOD ENDED 25 AUGUST 2018

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#### POST BALANCE SHEET EVENTS (CONTINUED)

The ultimate owner and Director, Peter Simon, has made available to the Group funding in the form of revolving credit facilities (RCF's) totalling £30m. This comprises firstly a secured RCF of £12m which will replace the existing bridging loan and a further unsecured RCF of £18m. These RCF facilities are interest free.

As described in note 2.4, Monsoon Accessorize Limited ("MAL") and Accessorize Limited, entered into separate Company Voluntary Arrangements (CVA) on 3 July 2019. Both CVAs were approved at a meeting of Creditors on 3 July 2019 and as such the Company is operating under the terms of the CVA. On 4 August 2019 a challenge to MAL's CVA was received from a creditor but this was withdrawn on 25 September 2019.

#### GOING CONCERN

In adopting the going concern basis for preparing the financial statements, the Director has considered the business activities as well as the Company's principal risks and uncertainties.

Monsoon Accessorize Limited ("MAL") and Accessorize Limited entered into separate Company Voluntary Arrangements (CVA) on 3 July 2019. Both CVAs were approved at a meeting of Creditors on 3 July 2019. Both CVAs were approved at a meeting of Creditors on 3 July 2019 and as such are operating under the terms of the CVA. On 4 August 2019 a challenge to MAL's CVA was received from a creditor but this was withdrawn on 25 September 2019.

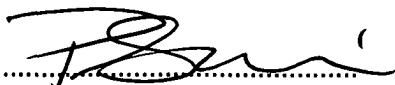
Management has prepared forecasts which include a base forecast as well as sensitised downside scenarios that could arise given the continued challenging and volatile market conditions in the retail sector that directly impact the Company. In the base forecast, the Company believes it can fund its operations within the £12m RCF. As of the date of this going concern assessment, the Company performed above its base forecast in its first month in the fiscal year 2020 period. In the sensitivities that management has developed, certain downside scenarios create uncertainties around the ability of the Company to operate at certain points in the forecast period within the £12m secured RCF facilities currently available. In these downside scenarios, access to the £18m RCF would be needed. The forecasts prepared by management show that the covenants implicit in the second £18m RCF are expected to be breached. In this event the £18m RCF would only be available to the Company at the discretion of the funder unless its terms were to be renegotiated. Under these conditions, should these negotiations not be successful, another source of finance may therefore need to be secured in order for the Company to be able to pay its liabilities as they fall due. Such additional funds have not yet been sought or negotiated by the Company and there can be no guarantee that funding sources will be available should they be needed.

The ability of the Company to continue as a going concern is dependent on its ability to operate within the available £12m RCF or, in the event that it cannot, on the availability and accessibility of further funding. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

#### AUDITORS

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved on 11 October 2019.

  
.....  
Peter Simon  
Director

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**MONSOON HOLDINGS LIMITED**

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**DIRECTOR'S RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 25 AUGUST 2018**

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The Director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director 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 Director is required to:

- select suitable accounting policies for the Company's financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 to 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.

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## MONSOON HOLDINGS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MONSOON HOLDINGS LIMITED

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#### OPINION

We have audited the financial statements of Monsoon Holdings Limited (the 'Company') for the period ended 25 August 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 25 August 2018 and of its loss for the period 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.

#### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.4 to the financial statements concerning the company's ability to continue as a going concern. The company was loss making in the year ended 25 August 2018 and has net current assets of £1.0m as at 25 August 2018.

As set out in the CVA proposal, the Group has been granted two revolving credit facilities (RCF's) totalling £30m, firstly a secured £12m RCF facility and a second unsecured £18m.

Management has prepared forecasts which have been sensitised against downside scenarios that could arise given the continued challenging and volatile market conditions in the retail sector that directly impact the Company. Certain scenarios create uncertainties around the ability of the Company to operate at certain points in the forecast period within the £12m secured RCF facilities currently available. In these scenarios, access to the £18m RCF would be needed. The forecasts prepared by management show that the covenants implicit in the second £18m RCF are expected to be breached. In this event the £18m RCF would only be available to the Company at the discretion of the funder unless it were to be renegotiated. Under these conditions another source of finance may therefore need to be secured in order for the Company to be able to pay its liabilities as they fall due. Such additional funds are not currently available to the Company and there can be no guarantee that funding sources will be available should they be needed.

The ability of the Company to continue as a going concern is dependent on its ability to operate within the available £12m RCF or, in the event that it cannot, on the availability and accessibility of further funding. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

#### 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 Auditors' responsibilities for the audit of the financial statements section of our report.

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

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**BASIS FOR OPINION (CONTINUED)**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**OTHER INFORMATION**

The Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**OPINION 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 Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's 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 Director's 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.

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

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**RESPONSIBILITIES OF THE DIRECTOR**

As explained more fully in the Director's Responsibilities Statement on page 7, the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**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 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.

*BDO LLP*

Sophia Michael (Senior statutory auditor)  
for and on behalf of BDO LLP, statutory auditor  
London

*11th October 2019*

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 PERIOD ENDED 25 AUGUST 2018**

	Note	2018 £	2017 £
Administrative expenses		(22,801,906)	(2)
Exceptional administrative expenses	7	(1,267,989)	-
<b>Operating loss</b>		<b>(24,069,895)</b>	<b>(2)</b>
Interest receivable	5	-	16
<b>(Loss)/profit before tax</b>		<b>(24,069,895)</b>	<b>14</b>
Tax on (loss)/profit	6	(65,824)	(57,174)
<b>Loss for the financial period</b>		<b><u>(24,135,719)</u></b>	<b><u>(57,160)</u></b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £nil).

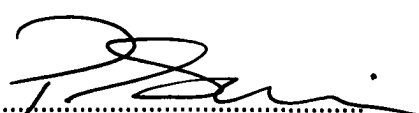
The notes on pages 14 to 23 form part of these financial statements.

**MONSOON HOLDINGS LIMITED**  
**REGISTERED NUMBER: 01200163**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 25 AUGUST 2018**

	Note	25 August 2018 £	26 August 2017 £
<b>Fixed assets</b>			
Investments	8	97,486	1,362,693
		<u>97,486</u>	<u>1,362,693</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	413,335	23,272,366
Cash at bank and in hand	10	666,852	666,888
		<u>1,080,187</u>	<u>23,939,254</u>
Creditors: amounts falling due within one year	11	(68,711)	(57,266)
<b>Net current assets</b>		<u>1,011,476</u>	<u>23,881,988</u>
<b>Net assets</b>		<u><u>1,108,962</u></u>	<u><u>25,244,681</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	18,606	18,606
Share premium account	13	77,855	77,855
Capital redemption reserve	13	98	98
Profit and loss account	13	1,012,403	25,148,122
		<u><u>1,108,962</u></u>	<u><u>25,244,681</u></u>

The financial statements were approved on 11 October 2019.

  
**Peter Simon**  
 Director

The notes on pages 14 to 23 form part of these financial statements.

**MONSOON HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 25 AUGUST 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 27 August 2017	18,606	77,855	98	25,148,122	25,244,681
<b>Comprehensive income for the period</b>					
Loss for the period	-	-	-	(24,135,719)	(24,135,719)
<b>Total comprehensive income for the period</b>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(24,135,719)	(24,135,719)
<b>At 25 August 2018</b>	<b>18,606</b>	<b>77,855</b>	<b>98</b>	<b>1,012,403</b>	<b>1,108,962</b>

The notes on pages 14 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 26 AUGUST 2017**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 28 August 2016	18,606	77,855	98	25,205,282	25,301,841
<b>Comprehensive income for the period</b>					
Loss for the period	-	-	-	(57,160)	(57,160)
<b>Other comprehensive income for the period</b>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	(57,160)	(57,160)
<b>At 26 August 2017</b>	<b>18,606</b>	<b>77,855</b>	<b>98</b>	<b>25,148,122</b>	<b>25,244,681</b>

The notes on pages 14 to 23 form part of these financial statements.



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**MONSOON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 AUGUST 2018**

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**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 unless otherwise specified within these accounting policies 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.

The 2018 financial period covers the period from 27 August 2017 to 25 August 2018.  
The 2017 financial period covers the period from 28 August 2016 to 26 August 2017.

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 accounting policies.

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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- 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 25 August 2018 and these financial statements may be obtained from 1 Nicholas Road, London W11 4AN.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 AUGUST 2018**

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**2. Accounting policies (continued)****2.4 Going concern**

In adopting the going concern basis for preparing the financial statements, the Director has considered the business activities as well as the Company's principal risks and uncertainties.

Monsoon Accessorize Limited ("MAL") and Accessorize Limited entered into separate Company Voluntary Arrangements (CVA) on 3 July 2019. Both CVAs were approved at a meeting of Creditors on 3 July 2019. Both CVAs were approved at a meeting of Creditors on 3 July 2019 and as such are operating under the terms of the CVA.

On 4 August 2019 a challenge to MAL's CVA was received from a creditor but this was withdrawn on 25 September 2019.

In April 2019 Adena Estate Inc, a related party, entered into a facility agreement to provide a bridging loan facility to Drillgreat Limited for £10.5m in two tranches of £3.5m and £7m received in April and June 2019 respectively. This amount was required to provide part of the cash collateral required for Barclays Bank PLC as security for the Barclays Supplier Financing facility. Subsequent agreements were made between Drillgreat Limited and Monsoon Holdings (No 1) Limited for £11.5m which was paid in two tranches of £4.5m in April 2019 and £7m in June 2019. A further agreement was made between Monsoon Holdings (No 1) Limited and Monsoon Holdings Limited for £11.5m with the two tranches noted above being received. In April 2019 Monsoon Holdings Limited provided a bridging loan for £12m to be shared between Monsoon Accessorize Limited and Accessorize Limited. This consisted of the £11.5m noted above in two tranches and a further £0.5m of Monsoon Holding's funds. The £6m received by Accessorize Limited was used to repay the inter-company debt due to Monsoon Accessorize Limited on 29 May 2019.

The bridging loans are secured and interest-bearing at 10% p.a. and were originally expected to be repaid by 31 July 2019.

The ultimate owner and Director, Peter Simon, has made available to the Group funding in the form of revolving credit facilities (RCF's) totalling £30m. This comprises firstly a secured RCF of £12m which will replace the existing bridging loan and a further unsecured RCF of £18m. These RCF facilities are interest free.

Management has prepared forecasts which include a base forecast as well as sensitised downside scenarios that could arise given the continued challenging and volatile market conditions in the retail sector that directly impact the Company. In the base forecast, the Company believes it can fund its operations within the £12m RCF. As of the date of this going concern assessment, the Company performed above its base forecast in its first month in the fiscal year 2020 period. In the sensitivities that management has developed, certain downside scenarios create uncertainties around the ability of the Company to operate at certain points in the forecast period within the £12m secured RCF facilities currently available. In these downside scenarios, access to the £18m RCF would be needed. The forecasts prepared by management show that the covenants implicit in the second £18m RCF are expected to be breached. In this event the £18m RCF would only be available to the Company at the discretion of the funder unless its terms were to be renegotiated. Under these conditions, should these negotiations not be successful, another source of finance may therefore need to be secured in order for the Company to be able to pay its liabilities as they fall due. Such additional funds have not yet been sought or negotiated by the Company and there can be no guarantee that funding sources will be available should they be needed.

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**MONSOON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 AUGUST 2018**

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**2. Accounting policies (continued)**

**2.4 Going concern (continued)**

The ability of the Company to continue as a going concern is dependent on its ability to operate within the available £12m RCF or, in the event that it cannot, on the availability and accessibility of further funding. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

**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 instrument 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 debtors and creditors, 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 the 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 Statement of Financial Position 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.

**2.8 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 shareholder. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 AUGUST 2018**

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**2. Accounting policies (continued)****2.9 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.10 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge 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.

**2.11 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the Director has had to make the following judgements:

Impairment of investments in subsidiaries (see note 8)

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 the asset's fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

**MONSOON HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 AUGUST 2018**

**4. Employees**

The Company has no employees other than the Director, who did not receive any remuneration (2017 - £nil).

The Director is remunerated by other Group entities and no specific allocation of their remuneration has been made in respect of their services to this Company

**5. Interest receivable**

	2018 £	2017 £
Other interest receivable	<u>-</u>	<u>16</u>

**6. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profit for the period	65,824	57,160
Adjustments in respect of previous periods	-	14
<b>Total current tax</b>	<u><u>65,824</u></u>	<u><u>57,174</u></u>
<b>Taxation on profit on ordinary activities</b>	<u><u>65,824</u></u>	<u><u>57,174</u></u>

# MONSOON HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 AUGUST 2018

### 6. Taxation (continued)

#### FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19.0% (2017 - 19.6%). The differences are explained below:

	2018 £	2017 £
	<u>(24,069,895)</u>	<u>14</u>
(Loss)/profit on ordinary activities before tax		
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 19.6%)	(4,573,280)	3
<b>Effects of:</b>		
Expenses not deductible for tax purposes	4,332,355	-
Adjustments to tax charge in respect of prior periods	-	14
Non taxable income	306,749	57,157
<b>Total tax charge for the period</b>	<u><b>65,824</b></u>	<u><b>57,174</b></u>

#### Factors that may affect future tax charges

The UK corporation tax rate reduced from 20.00% to 19.00% from April 2017. A further reduction in the rate to 17.00% from April 2020 was announced in the Finance Bill 2016, which was substantially enacted on 6 September 2016.

### 7. Exceptional items

	2018 £	2017 £
Impairment of investment in subsidiary	1,267,989	-
	<u><b>1,267,989</b></u>	<u><b>-</b></u>

**MONSOON HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 AUGUST 2018**

**8. Fixed asset investments**

	Investments in subsidiary companies £
<b>COST</b>	
At 27 August 2017	1,370,964
Additions	2,782
At 25 August 2018	<u>1,373,746</u>
<b>Impairment</b>	
At 27 August 2017	8,271
Charge for the period	1,267,989
At 25 August 2018	<u>1,276,260</u>
<b>Net book value</b>	
	<u>97,486</u>
At 25 August 2018	<u>1,362,693</u>
At 26 August 2017	

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Monsoon Accessorize Limited	Ordinary shares	100 %
Monsoon Accessorize (Asia) Limited	Ordinary shares	100 %
Monsoon Accessorize GmbH	Ordinary shares	100 %
SIA Monsoon Accessorize Latvia	Ordinary shares	100 %
PlusCom Trade OU	Ordinary shares	100 %
Monsoon Limited	Ordinary shares	100 %
Monsoon Accessorize Ireland (Holdings) Limited*	Ordinary shares	100 %
Monsoon Accessorize SARL*	Ordinary shares	100 %
Monsoon Accessorize Ireland Limited*	Ordinary shares	100 %
Monsoon Accessorize Norway AS	Ordinary shares	100 %
Accessorize Limited	Ordinary shares	100 %
Drillgreat Services Limited	Ordinary shares	100 %
Monsoon Children Limited	Ordinary shares	100 %
Accessorize Holdings Denmark ApS*	Ordinary shares	100 %
Accessorize Denmark ApS*	Ordinary Shares	100 %

\*Investment held indirectly

# MONSOON HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 AUGUST 2018

### 8. Fixed asset investments (continued)

#### Subsidiary undertakings (continued)

The percentage of ownership of all subsidiaries remained consistent with previous year with the exception of the new and dissolved subsidiaries.

Monsoon Accessorize Ireland (Holdings) Limited and Accessorize Holdings Denmark ApS act as holding companies.

Monsoon Children Limited, Drillgreat Services Limited, Monsoon Limited and Accessorize Denmark ApS are dormant companies.

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

The registered office of Monsoon Holdings Limited, Monsoon Accessorize Limited, Accessorize Limited, Monsoon Children Limited, Drillgreat Services Limited and Monsoon Limited is 1 Nicholas Road, London W11 4AN, United Kingdom.

The registered office of Monsoon Accessorize (Asia) Limited is Suite 2009A, 20/F, Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The registered office of Monsoon Accessorize GmbH is Am Stein 8, 85049 Ingolstadt, Germany.

The registered office of Monsoon Accessorize SARL is 92 rue de Richlieu, 75002 Paris, France.

The registered office of SIA Monsoon Accessorize Latvia is Veczarinu iela 5, Ramava, Kekavas pag., Kekavas nov., LV-2111, Latvia.

The registered office of PlusCom Trade OU is Kesk-Ameerika Rd 7-1, Tallinn 10122, Estonia.

The registered office of Monsoon Accessorize Ireland (Holdings) Limited and Monsoon Accessorize Ireland Limited is 64 Grafton Street, Dublin 2, Ireland.

The registered office of Monsoon Accessorize Norway AS is c/o Amesto Account House 0604 Oslo Norway.

The registered office of Accessorize Holdings Denmark ApS and Accessorize Denmark ApS is c/o BKH Advokatpartnerselskab Amaliegade 15, st. 1256 Copenhagen, Denmark.

### 9. Debtors

25 August 2018	26 August 2017
£	£
413,335	23,272,366

Amounts owed by group undertakings



# MONSOON HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 AUGUST 2018

### 10. Cash and cash equivalents

	25 August 2018 £	26 August 2017 £
Cash at bank and in hand	<u>666,852</u>	<u>666,888</u>

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

	25 August 2018 £	26 August 2017 £
Corporation tax	65,824	57,160
Accruals and deferred income	2,887	106
	<u>68,711</u>	<u>57,266</u>

### 12. Share capital

	25 August 2018 £	26 August 2017 £
<b>Allotted, called up and fully paid</b>		
186,064 (2017 - 186,064) Ordinary shares of £0.10 each	<u>18,606</u>	<u>18,606</u>

### 13. Reserves

#### Share premium account

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.

### 14. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 AUGUST 2018**

**15. Ultimate parent undertakings**

The Company's immediate parent undertaking is Monsoon Holdings (No.1) Limited. The ultimate parent undertaking at 25 August 2018 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 2018,

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.

**16. Post balance sheet events**

The Company acquired 100% of the share capital of Monsoon Accessorize Switzerland AG on 26 August 2018 for CHF 261,000 (£207,500).

One of the Company's subsidiaries, Monsoon Accessorize GmbH entered insolvency proceedings on 24 January 2019.

In April 2019 Adena Estate Inc, a related party, entered into a facility agreement to provide a bridging loan facility to Drillgreat Limited for £10.5m in two tranches of £3.5m and £7m received in April and June 2019 respectively. This amount was required to provide part of the cash collateral required for Barclays Bank PLC as security for the Barclays Supplier Financing facility. Subsequent agreements were made between Drillgreat Limited and Monsoon Holdings (No 1) Limited for £11.5m which was paid in two tranches of £4.5m in April 2019 and £7m in June 2019. A further agreement was made between Monsoon Holdings (No 1) Limited and Monsoon Holdings Limited for £11.5m with the two tranches noted above being received. In April 2019 Monsoon Holdings Limited provided a bridging loan for £12m to be shared between Monsoon Accessorize Limited and Accessorize Limited. This consisted of the £11.5m noted above in two tranches and a further £0.5m of Monsoon Holding's funds. The £6m received by Accessorize Limited was used to repay the inter-company debt due to Monsoon Accessorize Limited on 29 May 2019.

The bridging loans are secured and interest-bearing at 10% p.a. and were originally expected to be repaid by 31 July 2019.

The ultimate owner and Director, Peter Simon, has made available to the Group funding in the form of revolving credit facilities (RCF's) totalling £30m. This comprises firstly a secured RCF of £12m which will replace the existing bridging loan and a further unsecured RCF of £18m. These RCF facilities are interest free.

As described in note 2.4, Monsoon Accessorize Limited ("MAL") and Accessorize Limited, entered into separate Company Voluntary Arrangements (CVA) on 3 July 2019. Both CVAs were approved at a meeting of Creditors on 3 July 2019 and as such these companies are operating under the terms of the CVA. On 4 August 2019 a challenge to MAL's CVA was received from a creditor but this was withdrawn on 25 September 2019.

**17. Controlling party**

As at 25 August 2018 the Director considers 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.