

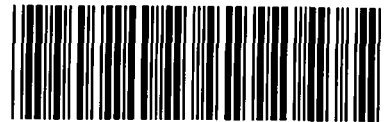
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**MONSOON HOLDINGS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 26 AUGUST 2017**

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## MONSOON HOLDINGS LIMITED

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### COMPANY INFORMATION

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<b>DIRECTORS</b>	P Allen M Holloway E Deste (appointed 30 September 2016)
<b>COMPANY SECRETARY</b>	B Green
<b>REGISTERED NUMBER</b>	01200163
<b>REGISTERED OFFICE</b>	1 Nicholas Road London W11 4AN
<b>INDEPENDENT AUDITORS</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>BANKERS</b>	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 26 AUGUST 2017

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#### INTRODUCTION

The Directors present their Strategic Report together with the financial statements for the 52 week period ended 26 August 2017.

#### 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. No interim dividend was received during the period which explains the loss incurred this year compared to the profit recognised in the previous period.

#### FINANCIAL KEY PERFORMANCE INDICATORS

	2017	2016
	£	£
Operating Loss	(2)	(698)
Income from investments	-	5,000,000
(Loss)/ Profit after tax	(57,160)	4,929,491

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a holding Company of the Monsoon Accessorize 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

- 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.

**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 26 AUGUST 2017**

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**Operational Risks (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 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 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 26 AUGUST 2017

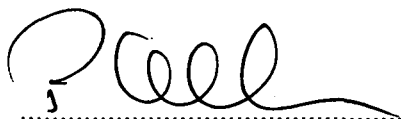
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#### Financial Risks

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. 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 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.

This report was approved by the Board on 24 May 2018 and signed on its behalf.



**P Allen**  
Director

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## MONSOON HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 26 AUGUST 2017

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The Directors present their report and the financial statements for the 52 week period ended 26 August 2017.

#### 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 £57,160 (2016 - profit £4,929,491).

An interim dividend of £nil was paid (2016: £5,000,000 paid to parent entity). The Company proposes no final dividend.

#### DIRECTORS

The Directors who served during the period were:

P Allen  
M Holloway  
E Deste (Appointed 30 September 2016)  
A Simon (Directorship terminated 23 May 2017)  
K Rusling (Resigned 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

There have been no significant events affecting the Company since year end.

#### AUDITORS

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

This report was approved by the Board on 24 May 2018 and signed on its behalf.



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**P Allen**  
Director

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## MONSOON HOLDINGS LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 26 AUGUST 2017

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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 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 MEMBERS OF MONSOON HOLDINGS LIMITED

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#### OPINION

We have audited the financial statements of Monsoon Holdings Limited (the 'Company') for the period from 28 August 2016 to 26 August 2017, 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 26 August 2017 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.

#### BASIS FOR OPINION

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

#### CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### OTHER INFORMATION

The Directors are 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. 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

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## MONSOON HOLDINGS LIMITED

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

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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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

#### RESPONSIBILITIES OF DIRECTORS

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

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

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**MONSOON HOLDINGS LIMITED**

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

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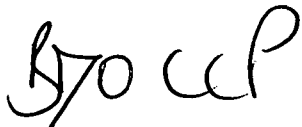
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sophia Michael (Senior Statutory Auditor)

for and on behalf of BDO LLP, statutory auditor  
London

24 May 2018

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

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**MONSOON HOLDINGS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 26 AUGUST 2017**

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	Note	2017 £	2016 £
Administrative expenses		(2)	(529)
Other operating charges		-	(169)
<b>OPERATING LOSS</b>	4	<b>(2)</b>	<b>(698)</b>
Income from fixed assets investments		-	5,000,000
Interest receivable	7	16	-
Interest payable	8	-	(615)
<b>PROFIT BEFORE TAX</b>		<b>14</b>	<b>4,998,687</b>
Tax on profit	9	(57,174)	(69,196)
<b>(LOSS)/ PROFIT FOR THE PERIOD</b>		<b>(57,160)</b>	<b>4,929,491</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

All amounts relate to continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 26 AUGUST 2017**

	Note	26 August 2017 £	27 August 2016 £
<b>Fixed assets</b>			
Investments	11	1,362,693	1,362,592
		<u>1,362,693</u>	<u>1,362,592</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	23,272,366	23,341,566
Cash at bank and in hand	13	666,888	666,873
		<u>23,939,254</u>	<u>24,008,439</u>
Creditors: amounts falling due within one year	14	(57,266)	(69,190)
<b>Net current assets</b>		<u>23,881,988</u>	<u>23,939,249</u>
<b>Net assets</b>		<u><u>25,244,681</u></u>	<u><u>25,301,841</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	18,606	18,606
Share premium account	16	77,855	77,855
Capital redemption reserve	16	98	98
Profit and loss account	16	25,148,122	25,205,282
		<u><u>25,244,681</u></u>	<u><u>25,301,841</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2018.



**E Deste**  
Director

The notes on pages 12 to 21 form part of these financial statements.

**MONSOON HOLDINGS LIMITED**

**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>Total comprehensive income for the period</b>	-	-	-	(57,160)	(57,160)
<b>Total transactions with owners</b>	-	-	-	-	-
<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 12 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 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
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	4,929,491	4,929,491
<b>Total comprehensive income for the period</b>	-	-	-	4,929,491	4,929,491
Dividends: Equity capital	-	-	-	(5,000,000)	(5,000,000)
<b>Total transactions with owners</b>	-	-	-	(5,000,000)	(5,000,000)
<b>At 27 August 2016</b>	<b>18,606</b>	<b>77,855</b>	<b>98</b>	<b>25,205,282</b>	<b>25,301,841</b>

The notes on pages 12 to 21 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 26 AUGUST 2017

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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 Directors' 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 2017 financial period covers the period from 28 August 2016 to 26 August 2017.

The 2016 financial period covers the period from 30 August 2015 to 27 August 2016.

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 26 August 2017 and these financial statements may be obtained from 1 Nicholas Road, London W11 4AN.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2017

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**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 to 3. The Group actively manages its cash position. 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 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2017

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

**2.10 Interest income**

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

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## MONSOON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2017

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#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.11 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 balance sheet 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 Balance sheet 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 balance sheet 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. OPERATING LOSS

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

	2017	2016
	£	£
Exchange differences	-	(1)

In arriving at the operating loss for the period there has been no charge for auditor's remuneration. Audit fees of the Company are borne by Monsoon Accessorize Limited.

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**MONSOON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2017**

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**5. EMPLOYEES**

The Company has no employees other than the Directors, who did not receive any remuneration (2016 - £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.

**6. INCOME FROM INVESTMENTS**

	2017 £	2016 £
Dividends received	-	5,000,000

**7. INTEREST RECEIVABLE**

	2017 £	2016 £
Other interest receivable	16	-

**8. INTEREST PAYABLE**

	2017 £	2016 £
Other interest payable	-	615

**9. TAXATION**

	2017 £	2016 £
<b>CORPORATION TAX</b>		
Current tax on profit for the period	57,160	69,187
Adjustments in respect of previous periods	14	9
<b>TOTAL CURRENT TAX</b>	<b>57,174</b>	<b>69,196</b>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>57,174</b>	<b>69,196</b>

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**MONSOON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2017**

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**9. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE PERIOD**

The tax assessed for the period is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.59% (2016 - 20.00%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>14</u>	<u>4,998,687</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.59% (2016 - 20.00%)	3	999,737
<b>EFFECTS OF:</b>		
Non-taxable income	-	(1,000,000)
Adjustments to tax charge in respect of prior periods	14	9
Transfer pricing adjustments	<u>57,157</u>	<u>69,450</u>
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	<u><u>57,174</u></u>	<u><u>69,196</u></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**10. DIVIDENDS**

	26 August 2017 £	27 August 2016 £
Interim dividend paid to parent entity	<u>-</u>	<u>5,000,000</u>

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**MONSOON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2017**

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**11. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £</b>
<b>COST</b>	
At 28 August 2016	1,449,322
Additions	101
Disposals	(78,459)
At 26 August 2017	<u>1,370,964</u>
<b>IMPAIRMENT</b>	
At 28 August 2016	86,730
Impairment on disposals	(78,459)
At 26 August 2017	<u>8,271</u>
<b>NET BOOK VALUE</b>	
At 26 August 2017	<u>1,362,693</u>
At 27 August 2016	<u>1,362,592</u>

**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 %

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## MONSOON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2017

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#### 11. FIXED ASSET INVESTMENTS (CONTINUED)

\*Investment held indirectly

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 acts as a holding company.

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

Monsoon Accessorize Poland Sp. z o.o. was dissolved on 7 December 2016. The carrying value of the Company's investment in Monsoon Accessorize Poland Sp. z o.o. had been written down to £nil in previous periods.

Nottingdale Services Limited was dissolved on 2 May 2017.

Monsoon Limited was incorporated on 26 April 2017.

Monsoon Children Limited, Drillgreat Services Limited and Monsoon Limited are dormant companies.

The registered office of Monsoon Holdings (No.1) Limited (formerly Monsoon Limited), Monsoon Japan Limited, Monsoon Holdings Limited, Monsoon Accessorize Limited, Accessorize Limited, Monsoon Children Limited, Drillgreat Services, 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 Richelieu, 75002 Paris, France.

The registered office of SIA Monsoon Accessorize Latvia is Lielirbes iela 29, Riga, LV-1046, Latvia.

The registered office of PlusCom Trade OU is Kesk - Ameerika 7-1, Tallinn, Harju, 10222, 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 Pretor Advokat AS, Postboks 1734, MO-7416 Trondheim, Norway.

#### 12. DEBTORS

	<b>26 August 2017</b>	<b>27 August 2016</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<b><u>23,272,366</u></b>	<b><u>23,341,566</u></b>

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**MONSOON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 AUGUST 2017**

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**13. CASH AND CASH EQUIVALENTS**

	<b>26 August 2017 £</b>	<b>27 August 2016 £</b>
Cash at bank and in hand	<b>666,888</b>	<b>666,873</b>

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

	<b>26 August 2017 £</b>	<b>27 August 2016 £</b>
Corporation tax	<b>57,160</b>	<b>69,187</b>
Accruals and deferred income	<b>106</b>	<b>3</b>
	<b>57,266</b>	<b>69,190</b>

**15. SHARE CAPITAL**

	<b>26 August 2017 £</b>	<b>27 August 2016 £</b>
<b>Allotted, called up and fully paid</b>		
186,064 Ordinary shares of £0.10 each	<b>18,606</b>	<b>18,606</b>

**16. 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.

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## MONSOON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 AUGUST 2017

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#### 17. 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.

#### 18. ULTIMATE PARENT UNDERTAKINGS

The Company's immediate parent undertaking is Monsoon Holdings (No.1) Limited. The ultimate parent undertaking at 26 August 2017 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 26 August 2017, 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.

#### 19. POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since year end.

#### 20. CONTROLLING PARTY

As at 26 August 2017 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.