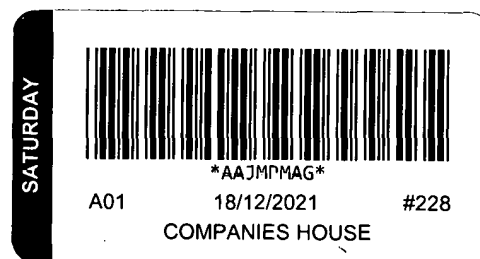


Samsonite Limited

**Strategic report, directors' report and
financial statements**

Registered number 02020414

31 December 2020



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Strategic report

Business review and outlook

The turnover was £13,562,000 in 2020 and decreased by 77% compared with £59,775,000 in 2019 due to Covid-19 and store closures.

During 2020, as a result of Covid-19 the Company took the necessary steps to reorganise the business in order to face the consequences of the global pandemic on the business.

The company believes that the current impact on the company will be temporary and that the company will recover as soon as the pandemic subsides.

Key performance indicators

	2020 £000	2019 £000
Turnover	13,562	59,775
Gross profit	10,667	31,082
Operating profit	136	1,869
Tax charge	203	223

The increase as a percentage in gross profit is 25%, this is driven by higher margin on sales. This is mainly due to lower intercompany purchase prices as a support to Samsonite Limited.

Having taken into account the factors identified above, the directors are satisfied with these KPIs and believe that they have the policies and strategy in place to continue the profitability of the Company.

The COVID-19 pandemic has caused a global health emergency and significant disruptions to travel, tourism and economies worldwide. During the year ended December 31, 2020 the impacts of COVID-19 on the Company's business were significant due to government mandated lockdowns that led to temporary closures of retail stores in which the Company's products are sold, quarantines and social distancing required or recommended by governments, and significant reductions in travel and discretionary spending among consumers, which reduced demand for many of the Group's products. In response, the Company aggressively implemented cost cutting measures to help mitigate the effects of the COVID-19 impacts and to right-size its business for the future.

In addition to the cost reduction actions, the Group continues to work to maximize the Company's participation in applicable government or other initiatives available to businesses or employees impacted by the COVID-19 pandemic. The Group continues to engage with landlords to further negotiate rent deferrals or other rent concessions. The Group also continues to evaluate additional areas of cost savings in response to the impacts on the business from the COVID-19 pandemic.

Given the inherent uncertainty about the future impacts of COVID-19, it is not possible for the Company to reliably predict the extent to which the Group's business, results of operations, financial condition or liquidity will ultimately be impacted, however the Group's financial condition and results of operations have been, and will continue to be, adversely affected.

Given the Group's experience with prior disruptions to travel, the Company believes the Group will be able to effectively manage through the current environment, although it expects the recovery to take longer than prior disruptions.

Section 172 of the UK Companies Act 2006

The directors believe that they, individually and collectively, have acted, in good faith, in a way they consider to have promoted the long-term success of the group for the benefit of its shareholders, whilst serving the interests of its stakeholders and the environment (in accordance with section 172 of the Companies Act 2006).

The directors aim to increase shareholder value through sustainable revenue and earnings growth and free cash flow generation. In order to achieve this objective, the Company has adopted the following principal strategies:

- Ensure the Company's well-diversified family of brands attracts consumers at all price points in both the travel and non-travel luggage, bag and accessories categories.
- Sustain the Company's focused investment in marketing to support the Company's brands and initiatives.

Strategic report *(continued)*

Section 172 of the UK Companies Act 2006 *(continued)*

- Continue to leverage the Company's regional management structure, sourcing and distribution expertise and marketing engine to extend its brands into new markets and penetrate deeper into existing channels.
- Continue to invest in research and development to develop lighter and stronger new materials, advanced manufacturing processes, exciting new designs, as well as innovative functionalities that deliver real benefits to consumers.
- Continue to incorporate the Company's environmental, social and governance ("ESG") philosophy into our core business practices and treat all stakeholders with fairness and respect, in line with the Company's long-standing motto, "Do unto others as you would have them do unto you."

We also continue to invest in our employees throughout our operations, with training tailored to local needs, succession planning and internal promotions. Whether it is learning on-the-job, formal professional development, continuous learning, or the support of a good manager, we want to help all our people develop to the best of their ability, boosting productivity and job satisfaction, and reaching our target of ensuring all employees will have access to professional development by 2025.

The Samsonite Ethical Charter, our supplier code of conduct, sets out the minimum standards that we expect from our suppliers. It details our vision for acceptable business practices including workers' rights, working conditions, terms of employment, decent work, supplier systems, and worker protections. These comply with ILO principles, for example prohibiting forced and child labor, and these standards are central to our sourcing strategies, including how we assess which factories we will work with and ongoing supplier performance.

Our goal is to become the most sustainable lifestyle bag and travel luggage company in the world. To achieve this goal, we have devised a comprehensive sustainability strategy with four focus areas: Innovative products, Carbon action, Thriving supply chain and People Focused. These are the issues where we believe we can make the biggest difference. Our four focus areas are underpinned by specific targets which were developed after a thorough process of consultation with our internal and external stakeholders.

The directors continue to engage with their key stakeholders through different channels to promote sustainability. The Company is committed to employment and labor practices which attract and retain the best talent across all regions while promoting and supporting a safe working environment, employee health and well-being, and equal employment and advancement opportunities. Supply chain management continues to form an integral part of the Company's corporate policy. The Company works to ensure that the Group's global supply chain partners follow the Group's supply chain code of conduct, the Ethical Charter, which promotes socially and ethically acceptable manufacturing procedures.

The directors take product responsibility seriously in all its operations and have comprehensive approaches to customer service, data production and privacy, intellectual property, product quality, and product testing.

The directors are committed to maintaining high standards of corporate governance. The directors recognize that sound corporate governance practices are fundamental to the effective and transparent operation of the Company and to its ability to protect the rights of its shareholders and enhance shareholder value.

The directors adopted their own corporate governance manual, which is based on the principles, provisions and practices set out in the Corporate Governance Code (as in effect from time to time, the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The directors have continued to work in partnership with its shareholders via its immediate parent company, Samsonite Europe NV.

Strategic report (continued)

SECR

	2019	2020	2019	2020
	Global		UK	
Greenhouse gas emissions	27,078 tonnes CO ₂ e (Intensity: 0.0038 tonnes CO ₂ e/sq ft) Scope 1: 3,908 tonnes Scope 2 (market-based): 23,170 tonnes	17,352 tonnes CO ₂ e (Intensity: 0.0024 tonnes CO ₂ e/sq ft) Scope 1: 2,755 tonnes Scope 2 (market-based): 14,598 tonnes Scope 2 (location-based): 14,195 tonnes	138 tonnes CO ₂ e (Intensity: 0.0032 tonnes CO ₂ e/sq ft) Scope 1: 0 tonnes Scope 2 (market-based): 138 tonnes	76.2 tonnes CO ₂ e (Intensity: 0.0018 tonnes CO ₂ e/sq ft) Scope 1: 0 tonnes Scope 2 (market-based): 76.2 tonnes Scope 2 (location-based): 76.2 tonnes
Methods and Assumptions: GHG emissions were calculated in a manner consistent with the WRI GHG Protocol. For vehicle fuel and generator fuel, we used the relevant countries' emission factors from the International Energy Agency (IEA)'s publication: <i>CO₂ Emissions from Fuel Combustion (2020 Edition)</i> . For natural gas and refrigerants, we used data provided by WRI. For U.S. and Canadian facilities' location-based emissions, we used the U.S. EPA's Portfolio Manager's emissions calculator. This calculator is based on the WRI GHG Protocol and allows us to calculate emissions associated with the mix of fuels specific to each facility's electricity supply. For all other countries, we used the relevant country-level location-based emission factors from the International Energy Agency (IEA)'s publication: <i>CO₂ Emissions from Fuel Combustion (2020 Edition)</i> . For market-based emissions, which we started calculating in 2020 due to data availability, we used country-level market-based emission factors, when available, from Green-e and the Association of Issuing Bodies.				
	2019	2020	2019	2020
	Global		UK	
Energy use	Electricity: 59,579,040 kWh (Intensity: 8.3 kWh/sq ft) Natural gas: 12,967,062 kWh (Intensity: 1.8 kWh/sq ft) Vehicle fuel: 11,036,605 kBtu (Intensity: 1.5 kBtu/sq ft) Generator fuel: 723,908 kBtu (Intensity: 0.1 kBtu/sq ft) Refrigerants: 88 kg (Intensity: 0.00001 kg/sq ft)	Electricity: 37,435,518 kWh (Intensity: 5.1 kWh/sq ft) Natural gas: 10,534,987 kWh (Intensity: 1.4 kWh/sq ft) Vehicle fuel: 8,682,050 kBtu (Intensity: 1.2 kBtu/sq ft) Generator fuel: 441,681 kBtu (Intensity: 0.06 kBtu/sq ft) Refrigerants: 19 kg (Intensity: 0.000003 kg/sq ft)	Electricity: 558,586 kWh (Intensity: 13 kWh/sq ft) Note: The use of natural gas, vehicle fuel, generator fuel, and refrigerants are not applicable to our UK facilities in 2019.	Electricity: 332,272 kWh (Intensity: 7.97 kWh/sq ft) Note: The use of natural gas, vehicle fuel, generator fuel, and refrigerants are not applicable to our UK facilities in 2020.
Methods and Assumptions: Energy consumption was calculated using data obtained from utility invoices. Energy data were available from all manufacturing facilities, most distribution centers, some offices, and a statistically valid sample of retail stores. Where needed, we estimated energy use by analyzing actual data for similar facilities, comparing these data to reference data, and then developing an estimation approach specific to each type of facility based on square footage.				

Energy reduction actions taken:

We are committed to reducing our carbon footprint and aspire to cut the carbon intensity of our business by 15% by 2025 compared to our 2017 baseline. In 2020, our total Scope 1 and 2 carbon footprint was 17,352 tonnes CO₂e. This is a decrease of 36% since 2019. While some of this decrease is due to our efforts to use renewable energy and integrate energy efficiency improvements at our facilities, this is largely the result of a drop in production due to reduced demand during the pandemic.

We track our energy use at our manufacturing sites and use this information to optimize our approach. In 2020, we implemented a range of industrial energy efficiency measures, such as optimizing or upgrading key energy-using production equipment. For instance, we undertook a number of efficiency improvements at our manufacturing facility in Oudenaarde, Belgium. This included introducing automation and sensors in our production equipment so that they turn off after periods of inactivity.

Strategic report *(continued)*

SECR (continued)

In addition to capital investments on technology, we also made simple adjustments to improve efficiency such as reducing the number of lights and improving our controls to ensure that the mercury vapor lamps and compressors are switched off at night and over the weekend. We also introduced compressed monitoring systems on two of our pressformer machines which enabled us to optimize the flow rate of the compressed air we use, saving energy.

Introducing more efficient lighting continues to be a focus: highly-efficient LED bulbs now provide more than half the lighting in our manufacturing plants, and over a third of the lights in our retail stores. During 2020, we introduced LEDs to the TUMI warehouse in Vidalia, Georgia USA, and our manufacturing plant in Mexico. In Mexico, these LED lights also have automated controls to avoid wasting electricity; energy used for lighting this plant has been reduced by 85%.

We intend to integrate energy efficiency considerations into business processes by creating policies, guidance and specifications that make efficient choices the default when leasing office space, and purchasing computers and other equipment.

Another key focus of our energy reduction strategy is to explore the use of renewable energy when possible. Our manufacturing sites in India and Belgium host 21,900 m² of solar voltaic panels, which, between them, generate 1.8 million kWh of electricity every year. This represents 13% of the total energy used at these two sites. By 2025, we plan to power our operations with 100% renewable energy which we will achieve through investments in on-site renewable generation, buying green power directly from suppliers, and purchasing renewable energy credits (RECs).

Principal risks and uncertainty

Risks from the market such as competition, price risks and possible decrease of consumption are viewed as areas of principal risk and uncertainty. There also remains the risk that key wholesale customers could choose to directly import from the Far East, rather than via Samsonite UK.

Risks for COVID-19

The COVID-19 pandemic has caused a global health emergency and significant disruptions to travel, tourism and economies worldwide. During the year ended December 31, 2020 the impacts of COVID-19 on the Company's business were significant due to government mandated lockdowns that led to temporary closures of retail stores in which the Company's products are sold, quarantines and social distancing required or recommended by governments, and significant reductions in travel and discretionary spending among consumers, which reduced demand for many of the Group's products.

In response, the Company aggressively implemented cost cutting measures to help mitigate the effects of the COVID-19 impacts and to right-size its business for the future.

In addition to the cost reduction actions, the Group continues to work to maximize the Company's participation in applicable government or other initiatives available to businesses or employees impacted by the COVID-19 pandemic. The Group continues to engage with landlords to further negotiate rent deferrals or other rent concessions. The Group also continues to evaluate additional areas of cost savings in response to the impacts on the business from the COVID-19 pandemic.

Brexit

The directors have considered the potential impacts of the UK leaving the European Union ("Brexit"). The directors believe that the impact is limited since Samsonite UK only imports goods from Samsonite Europe NV (BE), a fellow group company and therefore the supply chain and margins are within the group's control.

Actions already taken by management include:

- Customs: contracting with a customs agent to do the necessary import formalities in the UK, and setting up a FTP service between Samsonite and the agent to exchange documents
- Systems: planning for the necessary IT system changes required
- Operations: small inventory build-up in the UK to overcome the risk of possible border delays impacting our own retail units until the situation normalizes.
- E-comm: planning for, establishment of direct injection to a UK distribution hub to enable more efficient clearance of customs in one go.

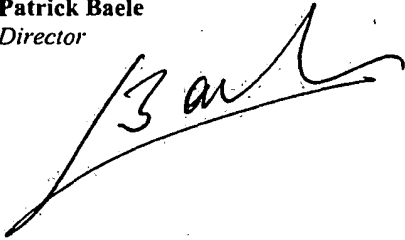
Strategic report *(continued)*

Employment of disabled persons

The Company has an established policy of encouraging the employment of disabled persons wherever this is practicable. The Company endeavours to ensure that disabled employees benefit from training, career development programmes and promotion in common with all employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues, and that appropriate training is arranged.

By order of the board

Patrick Baele
Director

A handwritten signature in black ink, appearing to read 'P. Baele', written over a horizontal line.

Cannon Place
78 Cannon Street
London
EC4N 6AF

Dated: 16 December 2021

Directors' report

The directors' present their report and the audited financial statements for the year ended 31 December 2020.

Principal activity

The Company's principal activity is the sale of luggage and bags, with the market names of 'Samsonite', 'Rolling Luggage' (until end 2020), 'American Tourister', 'Lipault', 'Hartmann', 'Gregory', 'Tumi' and 'High Sierra' in the United Kingdom and the Channel Islands.

Results

The results for the year are detailed in the attached profit and loss account.

Going concern

From March 2020 the COVID-19 virus has emerged, and the UK Government has put in place stringent measures limiting the movements of the UK population as part of its strategy to delay and contain the impact of the virus. Sales are significantly reduced at this time but the Directors are confident that the Company can continue to operate and meet demand as sales recover. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impacts of the COVID-19 pandemic, the company will have sufficient funds, through funding from its intermediate parent company, Samsonite Europe N.V., to meet its liabilities as they fall due for that period.

Dividends

No dividends were paid in the year (2019: *£nil*). The directors do not propose to pay a final dividend (2020: *£nil*).

Directors

The directors who held office during the year and to the date of this report were:

Patrick Baele
Fabio Rugarli
Reza Taleghani

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Political contributions

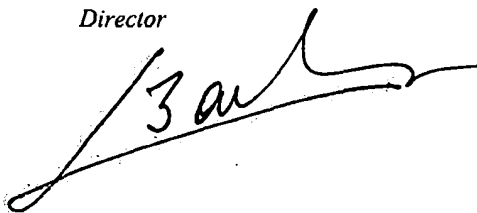
The Company made no political contributions during the year (2019: *£nil*).

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Patrick Baele
Director



Cannon Place
78 Cannon Street
London
EC4N 6AF

Dated: 16 December 2021

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Samsonite Limited

Opinion

We have audited the financial statements of Samsonite Limited ("the company") for the year ended 31 December 2020 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.



Independent auditor's report to the members of Samsonite Limited *(continued)*

- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the reduction in sales in the year as a result of COVID-19, in particular due to the UK lockdown that was in place at 31 December 2020.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries made to unrelated accounts and unusual entries to cash and borrowing accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.



Independent auditor's report to the members of Samsonite Limited *(continued)*

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.



Independent auditor's report to the members of Samsonite Limited *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink, appearing to read 'Emma Mayer'.

Emma Mayer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Dated: 16 December 2021

Profit and loss account
for year ended 31 December 2020

	<i>Note</i>	2020 £000	2019 £000
Turnover	2	13,562	59,775
Cost of sales		(2,895)	(28,693)
Gross profit		10,667	31,082
Distribution costs		(522)	(1,792)
Administrative expenses		(10,009)	(27,421)
Operating profit		136	1,869
Interest payable and similar expenses	6	(622)	(1,080)
(Loss)/Profit before taxation		(486)	789
Tax on (loss)/profit	7	(203)	(223)
(Loss)/Profit for the financial year		(689)	566

In both the current and preceding year, the Company had no discontinued operations.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account.

Balance sheet
at 31 December 2020

	Note	2020 £000	2019 £000
Fixed assets			
Goodwill	8	-	11,552
Investments	9	153	153
Tangible assets	10	8,578	23,006
		<u>8,731</u>	<u>34,711</u>
Current assets			
Stocks	11	1,370	3,718
Debtors	12	19,781	3,868
Cash at bank and in hand		1,657	3,922
		<u>22,808</u>	<u>11,508</u>
Creditors: amounts falling due within one year	13	<u>(13,462)</u>	<u>(18,847)</u>
Net current assets / (liabilities)		<u>9,346</u>	<u>(7,339)</u>
Total assets less current liabilities		<u>18,077</u>	<u>27,372</u>
Creditors: amounts falling due after more than one year	14	<u>(11,776)</u>	<u>(20,111)</u>
Provisions for liabilities			
Deferred tax	15	-	(271)
Net assets		<u><u>6,301</u></u>	<u><u>6,990</u></u>
Capital and reserves			
Called up share capital	18	21	21
Share premium account	18	4,999	4,999
Other reserves	18	(2,008)	(2,008)
Profit and loss account		3,289	3,978
Shareholders' funds		<u><u>6,301</u></u>	<u><u>6,990</u></u>

These financial statements were approved by the board of directors on 16 December 2021 and were signed on its behalf by:


Patrick Bael
Director

Company registered number: 02020414

Statement of changes in equity

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2019	20	-	(2,008)	3,412	1,424
Total comprehensive income for the year					
Profit for the year	-	-	-	566	566
	<u>-</u>	<u>-</u>	<u>-</u>	<u>566</u>	<u>566</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>566</u>	<u>566</u>
Transactions with owners recorded directly in equity					
Issue of shares	1	4,999	-	-	5,000
	<u>1</u>	<u>4,999</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Balance at 31 December 2019	21	4,999	(2,008)	3,978	6,990
	<u><u>21</u></u>	<u><u>4,999</u></u>	<u><u>(2,008)</u></u>	<u><u>3,978</u></u>	<u><u>6,990</u></u>

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	21	4,999	(2,008)	3,978	6,990
Total comprehensive income for the year					
Loss for year	-	-	-	(689)	(689)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(689)</u>	<u>(689)</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(689)</u>	<u>(689)</u>
Transactions with owners recorded directly in equity					
Issue of shares	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2020	21	4,999	(2,008)	3,289	6,301
	<u><u>21</u></u>	<u><u>4,999</u></u>	<u><u>(2,008)</u></u>	<u><u>3,289</u></u>	<u><u>6,301</u></u>

Notes

(forming part of the financial statements)

1 Accounting policies

Samsonite Limited (the "Company") is a company incorporated and domiciled in the UK. The registered number is 02020414 and the registered address is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The Company is exempt by virtue of s402 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2017/15 Cycle) issued in July 2018 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Samsonite International S.A., includes the Company in its consolidated financial statements. The consolidated financial statements of Samsonite International S.A are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Westerring 17, 9700 Oudenaarde, Belgium.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for tangible fixed assets and intangible assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Samsonite International S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

1.2. Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

From March 2020 the COVID-19 virus has emerged, and the UK Government has put in place stringent measures limiting the movements of the UK population as part of its strategy to delay and contain the impact of the virus. Sales are significantly reduced at this time but the Directors are confident that the Company can continue to operate and meet demand as sales recover. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impacts of the COVID-19 pandemic, the company will have sufficient funds, through funding from its intermediate parent company, Samsonite Europe N.V., to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Samsonite Europe N.V. not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £10,076,000, and providing additional financial support during that period. Samsonite Europe N.V. has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4. Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Notes (continued)

1.4. Financial instruments (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are accounted for in accordance with IFRS 9.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

1.4. Financial instruments (continued)

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Notes (continued)

1 Accounting policies (continued)

1.5. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Computer equipment	Between 3 years and 5 years
Fixtures and fittings	Between 3 years and 10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7. Business combinations

All unincorporated business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Common control transactions are accounted for at book value and any excess or shortfall are recognised in reserves.

1.8. Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen.

Notes (continued)

1 Accounting policies (continued)

1.9. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.10. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Share-based payment transactions

Share options over the shares of Samsonite International S.A, the ultimate parent entity are granted to certain employees and executives of the Company. The fair value of options and units granted is recognised as an employee expense with a corresponding increase in equity, the 'other reserve'. The fair value is measured at grant date using the Black-Scholes option pricing model, and is recognised as an expense over the period the employees become unconditionally entitled to the options/units. The amount recognised as an expense is adjusted to reflect the actual number of options/units expected to vest. Any recharges by the ultimate parent entity are offset against the other reserve and recognised as an intercompany liability.

1.11. Turnover

Turnover represents amounts invoiced in respect of goods sold in the United Kingdom, Ireland and the Channel Islands during the year, excluding value added tax.

Revenue is recognised when the performance obligation is satisfied and therefore when goods are delivered to the customers. Sales are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

1.12. Expenses

Operating lease payments (policy applicable before 1 January 2019)

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest payable

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

1.13. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

1 Accounting policies (continued)

1.14. Leases (policy applicable from 1 January 2019)

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16.

As a lessee

The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Notes (continued)

1.14. Leases (policy applicable from 1 January 2019) (continued)

As a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

1.15 Government grants

UK Government Coronavirus Job Retention Scheme grants are offset against the costs in the periods when the costs are incurred, as long as the income is likely to be received. The income is offset in the same lines in the profit and loss account as the associated costs, but without offset in the Employees and Directors and Profit before tax notes

2 Turnover

Turnover represents amounts invoiced in respect of goods sold in the United Kingdom, Ireland and the Channel Islands during the year, excluding value added tax. All turnover is derived from the Company's principal activity.

3 Auditor's remuneration

Auditor's remuneration:

	2020 £000	2019 £000
Audit of these financial statements	23	23
Amounts receivable by the Company's auditor and its associates in respect of:		
Taxation compliance services	9	9
	<u> </u>	<u> </u>

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2020	2019
Sales	246	345
Administration	20	35
	<hr/>	<hr/>
	266	380
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£000	£000
Wages and salaries (gross £5,806,237 – furlough claimed £1,566,141)	4,240	7,787
Social security costs (gross £520,815 – furlough claimed £76,794)	444	716
Contributions to defined contribution plans (gross £225,329 – furlough claimed £17,964)	207	236
	<hr/>	<hr/>
	4,891	8,739
	<hr/>	<hr/>

During the year the company received £1,660,899 (2019: £nil) in support from the UK government in relation to the job retention scheme whilst employees were unable to work.

5 Directors' remuneration

The directors received no emoluments for their services to the Company during the year (2019: £nil). This is on the basis that the directors' emoluments have been borne by another group company, the services provided by the directors' to the Company are insignificant in the context of the group and an amount in respect of those services provided by the directors cannot realistically be attributed.

6 Interest payable and similar expenses

	2020	2019
	£000	£000
Bank charges payable	10	52
Group interest payable	144	264
Lease interest	468	764
	<hr/>	<hr/>
Total interest payable and similar expenses	622	1,080
	<hr/>	<hr/>

Notes (continued)

7 Taxation

	2020 £000	2019 £000
<i>UK corporation tax</i>		
Current tax on income for the year	2,427	348
Adjustments in respect of prior years	29	11
Total current tax	2,456	359
<i>Deferred tax (note 15)</i>		
Origination and reversal of temporary differences	(2,283)	(134)
Adjustments in respect of prior years	(2)	(2)
Effect of change in tax rate	32	-
Total deferred tax	(2,253)	(136)
Tax on (loss)/profit	203	223
Reconciliation of effective tax rate		
	2020 £000	2019 £000
(Loss)/profit for the year	(689)	566
Total tax expense	203	223
(Loss)/profit before taxation	(486)	789
Tax using the UK corporation tax rate of 19 % (2019: 19%)	(92)	150
<i>Effects of:</i>		
Fixed asset differences	83	95
Expenses not deductible for tax purposes	185	48
Other tax adjustments	-	(79)
Adjustments in respect of prior years	27	9
Total tax expense	203	223

The deferred tax asset at 31 December 2020 has been calculated at an average rate of 19% (2019: 17% deferred tax liability) based on the substantially enacted rates of corporation tax at the dates the timing differences will reverse. After the balance sheet date, the UK government announced that corporation tax rates would increase to 25%. If that change had been enacted at the balance sheet date, net assets would be £626,000 higher.

Notes (continued)

8 Goodwill

	Goodwill £000
20	
Cost	
Balance at 1 January 2020 and 31 December 2020	11,552
	<hr/>
Amortisation and impairment	
Impairment in 2020	(11,552)
Balance at 31 December 2020	(11,552)
	<hr/>
Net book value	
At 31 December 2020	-
	<hr/>
At 31 December 2019	11,552
	<hr/>

Impairment testing

Goodwill has been allocated to cash generating units, deemed to be the rolling luggage stores. The recoverable amount of each cash generating unit has been calculated with reference to its value in use.

Value in use has been determined based on discounted cash flow (discount rate of resp. 9,5% and 9%) projections based on financial estimates reviewed by management covering a five year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates appropriate for the market in which the unit operates. The values assigned to the key assumptions represent management's assessment of future trends and are based on both external sources and internal sources (historical data).

Judgment is required to determine key assumptions adopted in the cash flow projections and the changes to key assumptions can significantly affect these cash flow projections. Management has considered the assumptions and valuation and has also taken into account the business plans going forward. Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount.

Due to Covid-19 all Rolling Luggage stores were closed, and one remaining Rolling Luggage store was rebranded to Samsonite, due to which the goodwill for the Rolling Luggage acquisition has no value anymore.

9 Investments

	£000
Cost and net book value	
At beginning of the year and end of year	153

The Company has the following investments in subsidiaries: 100% ownership of Tumi (UK) Ltd which has become dormant as of 2019.

The registered office of Tumi (UK) Limited is Palmerston House, 814 Brighton Road, Purley, Surrey, CR8 2BR.

Notes (continued)

10 Tangible fixed assets

	Computer equipment £000	Fixtures and fittings £000	Under construction £000	Right of use assets (*) £000	Total £000
Cost					
Balance at 1 January 2020	184	10,353	8	30,401	40,946
Additions	25	543	-	4,021	4,589
Transfers	-	8	(8)	-	-
Revaluations	-	-	-	(7,775)	(7,775)
Disposals	(69)	(2,636)	-	(6,243)	(8,948)
	<u>140</u>	<u>8,268</u>	<u>-</u>	<u>20,404</u>	<u>28,812</u>
Balance at 31 December 2020	140	8,268	-	20,404	28,812
Depreciation and impairment					
Balance at 1 January 2020	142	7,519	-	10,279	17,940
Depreciation charge for the year	22	771	-	5,098	5,891
Impairment losses	30	1,657	-	3,587	5,274
Disposals	(68)	(2,560)	-	(6,243)	(8,871)
	<u>126</u>	<u>7,387</u>	<u>-</u>	<u>12,721</u>	<u>20,234</u>
Balance at 31 December 2020	126	7,387	-	12,721	20,234
Net book value					
At 31 December 2020	<u>14</u>	<u>881</u>	<u>-</u>	<u>7,683</u>	<u>8,578</u>
At 31 December 2019	<u>42</u>	<u>2,834</u>	<u>8</u>	<u>20,122</u>	<u>23,006</u>

* See note 19 for more details on Right of use assets.

11 Stocks

	2020 £000	2019 £000
Finished goods	<u>1,370</u>	<u>3,718</u>

Changes in finished goods recognised as cost of sales in the year amounted to £2,547,605 (2019: £27,523,957).

12 Debtors

	2020 £000	2019 £000
Trade debtors	398	2,991
Amounts owed by group undertakings	17,004	96
Other debtors	333	278
Prepayments and accrued income	64	503
Deferred tax (note 15)	1,982	-
	<u>19,781</u>	<u>3,868</u>

Notes (continued)

13 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	1,589	1,421
Amounts owed to group undertakings	4,346	7,277
Other creditors including taxation and social security	1,139	984
Accruals and deferred income	362	1,097
Corporation tax	2,477	221
Lease liabilities (see note 19 and note 16)	3,549	7,847
	<hr/> 13,462 <hr/>	<hr/> 18,847 <hr/>

14 Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Amounts owed to group undertakings (see note 16)	5,730	5,730
Lease liabilities (see note 20 and note 16)	6,044	14,381
Other liabilities (see note 16)	2	-
	<hr/> 11,776 <hr/>	<hr/> 20,111 <hr/>

Included in Amounts owed to group undertakings is £5,730,000 (2019: £5,730,00) relating to a loan agreement with Samsonite Europe N.V.. Interest is charged at LIBOR plus 2.00%. The loan of £5,730,000 was repaid in September 2021.

15 Deferred tax

	2020 £000	2019 £000
<i>The effect of timing difference because of:</i>		
Short term timing differences	8	18
Differences between depreciation and capital allowances	1,974	(289)
	<hr/> 1,982 <hr/>	<hr/> (271) <hr/>
Total deferred tax assets/(liabilities)	<hr/> 1,982 <hr/>	<hr/> (271) <hr/>

Notes (continued)

16 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2020 £000	2019 £000
Creditors falling due within less than one year		
Loan from group undertakings	-	-
Lease liabilities	3,549	7,847
	<u>3,549</u>	<u>7,847</u>
Creditors falling due more than one year		
Loan from group undertakings	5,730	5,730
Lease liabilities	6,044	14,381
Other liabilities	2	-
	<u>11,776</u>	<u>20,111</u>

Terms and debt repayment schedule

			Currency	Nominal interest rate	Year of maturity	Face value 2020 £000	Carrying amount 2020 £000	Face value 2019 £000	Carrying amount 2019 £000
Loan from group undertakings	GBP	2.00%	2022			5,730	5,730	5,730	5,730
Lease liabilities	GBP	1.78%	2025			9,593	9,593	22,228	22,228
						<u>15,323</u>	<u>15,323</u>	<u>27,958</u>	<u>27,958</u>

17 Employee benefits

Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to this plan in the current year was £207,000 (2019: £236,000).

Share based payments

Share options over the shares of Samsonite International S.A, the ultimate parent entity are granted to certain employees and executives of the Company. The fair value of options and units granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date using the Black-Scholes option pricing model, and is recognised as an expense over the period the employees become unconditionally entitled to the options/units. The amount recognised as an expense is adjusted to reflect the actual number of options/units expected to vest. Any recharges by the ultimate parent entity are offset against equity and recognised as a charge was £47,328 (2019: £71,026).

Notes (continued)

17 Employee benefits (continued)

Share based payments (continued)

As the consolidated financial statements of the ultimate parent company, Samsonite International S.A., include the equivalent disclosures, the Company has taken the exemptions under FRS 101 available in respect of the disclosure IFRS 2 *Share Based Payments* in respect of group settled share based payments.

18 Capital and reserves

Share capital

	2020 £000	2019 £000
<i>Allotted, called up and fully paid</i>		
21,000 (2019 21,000) Ordinary shares of £1 each	21	21

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. On 22 October 2019, £5,000,000 of the intercompany loan was converted to share capital and share premium to strengthen the balance sheet of the company.

Share premium account

	2020	2019
Share premium account	4,999	4,999

Other reserves

Other reserves include the amount written off on investments in 2018.

19 Leases

Right-of-use assets

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 11):

	Land and buildings £000	Plant and equipment £000	Total £000
Balance at 1 January 2020	20,068	54	20,122
Additions	3,988	33	4,021
Revaluations	(7,775)	-	(7,775)
Disposal	(6,243)	-	(6,243)
Impairment	(3,587)	-	(3,587)
	6,451	87	6,538
Depreciation charge for the year	(5,052)	(46)	(5,098)
Disposal	6,243	-	6,243
Balance at 31 December 2020	7,642	41	7,683

Notes (continued)

19 Leases (continued)

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	£000
2020 – Leases under IFRS 16	
Interest expense on lease liabilities	468
Expenses relating to short-term leases	166
Expenses relating to variable lease payments not included in the measurement of lease liabilities	2
Depreciation	5,098
	<hr/> 5,734
2019 – Leases under IFRS 16	
Interest expense on lease liabilities	764
Expenses relating to short-term leases	107
Expenses relating to variable lease payments not included in the measurement of lease liabilities	3
Depreciation	8,292
	<hr/> 9,166

20 Related parties

The Company has taken advantage of the exemption under FRS 101.8(j) from the requirement to disclose transactions with group companies.

21 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Samsonite International S.A. which is the ultimate parent company incorporated in Luxembourg.

The largest group in which the results of the Company are consolidated is that headed by Samsonite International S.A., incorporated in Luxembourg. The smallest group in which they are consolidated is that headed by Samsonite Europe N.V. incorporated in Belgium. The consolidated financial statements of these groups are available to the public and may be obtained from Westerring 17, 9700 Oudenaarde, Belgium.

Notes (continued)

22 Accounting estimates and judgements

Goodwill

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. The impairment testing process requires management to make significant judgements and estimates regarding the future cash flows expected to be generated by the use of and, if applicable, the eventual disposal, of goodwill as well as other factors to determine the fair value. Management periodically evaluates and updates the estimates based on the conditions which influence these variables.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the goodwill to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Impairment losses arising in respect of goodwill are not reversed once recognised.

Impairment

An impairment review is performed for indefinite life assets on at least an annual basis. For all other non-current assets an impairment review is performed where there are indicators of impairment. This requires an estimation of the recoverable amount which is the higher of an asset's fair value less costs to sell and its value in use. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from each cash-generating unit and to discount cash flows by a suitable discount rate in order to calculate the present value of those cash flows.