Registration number: 07224597

Coach Stores Limited

Annual Report and Financial Statements

for the 53 week period ending 3 July 2021

Coach Stores Limited

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Company Information

Directors	Leonard T. Kahn David E. Howard
Registered office	Brunel Building Level 7 2 Canalside Walk London W2 1DG
Solicitor	Baker & McKenzie 100 New Bridge Street London EC4V 6JA
Banker	Bank of America N.A. 2 King Edward Street London EC1A 1HQ
Auditor	Deloitte LLP 1 Station Square Cambridge United Kingdom CB1 2GA

Coach Stores Limited

Strategic Report for the Period from 28 June 2020 to 3 July 2021

The directors in preparing the strategic report of Coach Stores Limited (hereon also referred to as the "company") for the period from 28 June 2020 to 3 July 2021, have complied with S414C of the Companies Act 2006. The period we are reporting on closes on the first Saturday in July and as such the annual report and financial statements are prepared for a 53 week period (2020: 52 week period to 27 June 2020).

Section 172(1) Statement

The company is a wholly owned subsidiary of Tapestry, Inc. (together with its subsidiaries will be referred to as the "Tapestry Group" or "Tapestry" throughout this report), a company listed on the New York Stock Exchange under ticker 'TPR'. Tapestry is a leading New York-based house of modern luxury accessories and lifestyle brands. Tapestry is powered by optimism, innovation and inclusivity.

The Tapestry Board oversees the management of Tapestry Group's business, including, but not limited to, setting strategic priorities, assessing major risks facing the company and reviewing options for mitigating these risks and, along with the support of its committees, overseeing the compensation programs and policies.

Under section 172(1) of the Companies Act 2006 ("section 172"), the directors are required to act in a way that they consider, in good faith, would most likely promote the success of the company. This success must be for the benefit of the company's shareholder but also for all other stakeholders (for example, including employees). The directors of the company are also members of Tapestry's Executive Committee and are heavily involved in the development and execution of the Tapestry Group's strategy and purpose. The directors are able to assess and, where necessary, challenge the appropriateness of the strategy for the company - they act in the best interest of the company notwithstanding their role in the Group. The directors are able to ensure decisions taken by the company are consistent with the Group's overall strategy and purpose. The company believes that the Board's leadership structure provides appropriate oversight of the company's activities.

The requirement for the directors to demonstrate that their actions were in good faith and would most likely promote the success of the company could not have been more pertinent than during the COVID-19 pandemic. The company was, and continues to be, focused on driving meaningful positive change for the betterment of its employees, business partners, and communities, and for a safe and sustainable planet. For example, the company pursued subsidies offered by the UK government (in response to the COVID-19 pandemic) during FY20 to ensure the employment security for our retail teams (topping up furloughed employee salaries to 100%). Furthermore, Tapestry did not allow the volatility of 2020 to change its long-term objectives - rather it was a catalyst to accelerate the Group's strategic agenda. In August 2020, Tapestry announced its Acceleration Program to transform the Group into a more consumer centric organization that is more agile and data-driven with a digital-first mindset. Tapestry believes these initiatives will create stronger connections with its customers, fueling accelerated growth and profitability for Tapestry and each of its brands. More details on the Acceleration Program can be found at www.tapestry.com/investors. The Group's response in 2020, driven by the Board and Executive Committee, and how the company treats and interacts with its stakeholders, demonstrates how seriously the directors takes their responsibilities under section 172.

Customers

The engagement of customers and nurturing customer relationships is at the core of Tapestry's business. The guiding principle of Tapestry's Acceleration Program is to better meet the needs of each of its brands' unique customers by sharpening its focus on the consumer, leveraging data and leading with a digital-first mindset and transforming into a leaner and more responsive organization.

For the Tapestry Group, evolving customer preferences require close cooperation to understand their needs and anticipate market trends. Customers are increasingly concerned about the consequences of climate change and are looking to Tapestry for more sustainable solutions. To reduce the impact of our business on the environment and drive positive impact across our value chain, the Group launched bold 2025 sustainability goals in April 2019. Our 2025 strategy sets measurable goals for reducing our greenhouse gas emissions, decreasing waste and water use, and sourcing our materials in an ethical and responsible manner. More information on our 2025 goals can be found at www.tapestry.com/responsibility.

Suppliers

The Tapestry Group recognises the importance of its relationships with its suppliers globally. We work closely with contractors to mitigate risks and improve practices, ensuring our suppliers abide by our Supplier Code of Conduct (please refer to https://www.tapestry.com/investors/ for a copy of this document), which enforces compliance with our rigorous operational and compliance requirements. Our 2025 goal of achieving 95% traceability is part of our long-term corporate responsibility strategy to achieve greater transparency across our supply chain, and to uphold high standards pertaining to both environmental and social compliance. Developing new and maintaining existing relationships with our suppliers is essential to meeting this goal.

Employees

Our employees are vital to the success of our business. Tapestry is made up of many stories, backgrounds and perspectives, each playing an important part in creating the Tapestry that we believe in and our culture of belonging; and is paramount to our long-term success. We want Tapestry to be a place where our employees love to work, where they feel recognised and rewarded for all that they do.

Tapestry is devoted to being an engaging, innovative, inclusive and diverse workplace. In 2019, we established new goals for reducing gaps in feelings of inclusion by gender and ethnicity across our global employee population. These include (i) enabling all employees to manage both their work and personal life balance by achieving a global core benefit standard for self-care, parental and family care leave policies, and (ii) demonstrating a focus on career progression, development and mobility by filling 60% of leadership roles (VP+) internally. Please refer to our Corporate Social Responsibility report found at www.tapestry.com/responsibility. We place an emphasis on internal mobility and, through various development programs, facilitate opportunities to help our employees acquire the knowledge, skills and confidence necessary to continue their development at every stage of their career. We want to foster an inclusive culture and be a talent engine where talent can thrive. Our People and Organizational team launched several diverse and exciting programs in 2019 designed to develop awareness and understanding for inclusion, people management and design-led thinking. This includes the launch of our European Inclusion Counsel and, through partnering with MindGym, an Inclusion Training Program for people managers focused on how to create a safe work environment for our employees to share their perspectives and bring their authentic selves to work.

Employee engagement is integral to the Tapestry Group. Formal and informal processes are used to engage and be transparent with employees. This includes, but is not limited to, global webinars with the Executive Committee on a quarterly basis to discuss the Group's financial results and other key happenings in the business.

Interests of the Group - Global Business Integrity Program

Typically in large companies, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to the employees of the company. The Board recognises that such delegation needs to be part of a robust governance structure, which covers our values, how we engage with our stakeholders and how the Board assures itself that the governance structure and systems of controls continue to be robust. Accordingly, the Tapestry Board expects the company's directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the Group's Code of Conduct and the policies comprising the Group's Global Business Integrity Program. The Global Business Integrity Program consists of the five published documents described below. Copies of these documents can be found at https://www.tapestry.com/investors/

(1) The Code of Conduct is issued to our employees worldwide and outlines the significant legal and ethical issues that frequently arise in the course of business and describes the key responsibilities all employees, directors and officers are expected to uphold and comply with in conjunction with our values and policies.

(2) The Global Operating Principles set forth the minimum standards by which we expect each strategic partner will operate and conduct business. These global principles also convey to our employees and all public constituencies our values, commitments and goals.

(3) The Supplier Code of Conduct sets forth guidelines and requirements for doing business with us for firms from whom we procure products and services, including contractors, joint venture partners and suppliers of goods and services

(4) The Anti-Corruption Policy describes our commitment to integrity and explains the specific requirements and prohibitions applicable to our operations under anti-corruption laws, including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA").

(5) The Animal Welfare Policy sets forth our commitment to principles and practices that require animals in our supply chain to be treated with care and respect.

These principles and philosophies that govern our operations and businesses are based not only on laws and regulations, but are also founded on dignity and respect for the individual, a strong commitment to common sense, fairness, diversity, and ethical business practices and policies. In order to monitor the adherence to these principles, we created a Global Business Standards Committee comprised of senior executives. We also have an Ethics and Compliance Reporting System on which employees and others can report issues with and deviations from our principles and philosophies. We are committed to the promulgation, application, and continued development of these principles at each location where we operate.

Business review

Coach Stores Limited was incorporated on 15 April 2010. The group's parent Tapestry, Inc., is registered on the New York Stock Exchange and files an annual financial report with the Securities and Exchange Commission; therefore, Coach Stores Limited has no obligation to prepare consolidated financial statements and the financial statements presented for the period ended 3 July 2021 are not consolidated (see note 2).

The company's product offerings include women's and men's bags, accessories, business cases, footwear, wearables, jewellery, sun wear, travel bags, watches and fragrance.

The combination of the 3 company brands - Coach, Stuart Weitzman and Kate Spade creates a leading luxury lifestyle company with a more diverse multi-brand portfolio supported by significant expertise in handbag design, merchandising, supply chain and retail operations as well as solid financial acumen.

Tapestry's New York based design team, led by its Executive Creative Director, is responsible for conceptualising and directing the design of all of the company's products. A valuable resource for the designers is the access to extensive archives on product designs which has been built up over the past 70 years, which is used to help inspire new product concepts. Tapestry's designers are also supported by a strong merchandising team that analyses sales, market trends and consumer preferences to identify business opportunities that help guide each season's design process. The product category teams, each comprised of design, merchandising/product development and sourcing specialists help Tapestry execute design concepts that are consistent with the company's strategic direction.

The company operates a retail network in the U.K. with freestanding retail, outlet, and concession locations.

During the year, the company's sales fell 20% (2020: grew 23%) due to the COVID-19 pandemic stores closure and other restrictions. E-commerce sales increased by 36% compared to last year (2020: 69%). The company has continued to leverage opportunities within all current sales channels freestanding retail, concessions, ecommerce and outlet stores across all three brands. The net assets of the company have decreased by 30% to £997,240 (2020: £1,420,134) mainly due impairment of the investments as at period ended 3 July 2021.

Principal risks and uncertainties

Management continually monitor the key risks facing the company and assess the controls in place for managing these risks. The directors believe that they have the policies in place to ensure all potential financial risks are managed effectively. The principal risks and uncertainties facing the company are considered to be market risks, specifically; competitive pressures, the general economic conditions, and a lack of brand awareness in the UK.

Economic conditions - the slow economic recovery from the immediate economic impact of COVID-19, still impacts much of Europe, including the UK. This affects the fashion retail industry as a whole. As consumers' disposable income decreases, market competition generally increases putting pressure on profit margins. The company manages this risk by ensuring products are appropriately priced and costs are controlled.

Competitive pressures - while the market in which the company operates is attractive, it is considered to be highly competitive and therefore sales could be lost to key competitors. Pressure is faced from other existing high end luxury brands and emerging innovative brands. The company manages this risk by ensuring products and customer experience are high quality and through maintaining strong relationships with customers to establish brand loyalty.

Brand awareness - while the Coach, Kate Spade and Stuart Weitzman brands are extremely well known in the USA and other markets, brand awareness is generally lower in Europe. Therefore to manage this risk, the company is currently going through a transformation process in order to engage a new generation of customers and increase brand awareness.

Climate change and other environmental impacts - Our business is susceptible to risks associated with climate change, including through disruption to our supply chain, potentially impacting the production and distribution of our products and availability and pricing of raw materials. Increased frequency and intensity of weather events (storms and floods) due to climate change could also lead to more frequent store closures and/or lost sales as customers prioritize basic needs. There is also increased focus from our stakeholders, including consumers, employees and investors, on corporate responsibility matters. The company manages the risk by periodically reviewing and ensuring that the risk and policies are consistent with the Group's corporate strategy. More details on the Group's Corporate Responsibility statement can be found at: https://www.tapestry.com/investors/.

Brexit - The United Kingdom ("U.K.") voting to leave the European Union ("E.U."), commonly known as "Brexit." The U.K. officially terminated its membership of the E.U. on 31 January 2020 under the terms of a withdrawal agreement concluded between the U.K. and E.U. and concluded the transition phase on 31 December 2020. On 24 December 2020, the U.K. and E.U. announced an agreement on their future relationship. This includes, but is not limited to, the free movement of U.K. and E.U. originating products. However, products originating outside the U.K. and E.U. going to and coming from the E.U. will be subject to tariffs beginning on 1 January 2021. The directors have concluded that there is no material effect on the company from Brexit to date.

At the date of this report, COVID-19 continues to have a global impact which is described more in business disruption for Tapestry, Inc. and its subsidiaries (of which the company is a member). This has been described within the Going concern section of the Director's report on page 8.

Future Developments

As discussed in the strategic report, the main focus of development is through strengthening existing retail locations and growth in the ecommerce arm of the business. The company anticipates the expansion of its retail network including establishing additional stores within Europe to increase market penetration.

Financial key performance indicators ("KPIs")

The company's key financial and other performance indicators during the period were as follows:

	Unit	2021	2020
Turnover	£'000	70,812	88,470
Gross profit margin	%	93	95
Operating loss	£'000	(348,649)	(164,938)
E-commerce sales growth	%	36	69

Due to COVID 19 pandemic, the company's stores were closed on 8 November to 2 December 2020 and from 2 January 2021 to17 May 2021 as part of a new government lockdown (2020: 18 March to 14 June) which resulted to a decline of the Turnover for the period ended 3 July 2021. The company's operating loss for the period ended 3 July 2021 increased by 111% to £348,649,000 (2020: loss of £164,938,000) mainly due to impairment of investments.

The Balance Sheet shows that at 3 July 2021, the shareholders' funds amounted to £997,240,000 (2020: £1,420,134,000). The result and the closing financial position are considered to be satisfactory.

Non-Financial key performance indicators ("KPIs")

Non-financial KPIs are considered to be the number of locations products are sold through (including owned stores, and concession locations), brand awareness (measured by total impressions, social media interaction and sales conversion) and head office employee numbers. At 3 July 2021, there were 37 locations in the UK (2020: 30). Through reviews of market perceptions, brand awareness continues to increase year on year due to the marketing activities undertaken and the new wholesale point of sales in the UK opened by our parent company. Head office staff support the growth in retail operations throughout the UK and Europe. The average monthly number of head office employees decreased to 86 or by 64% (2020: 242).

Particulars of Strategic report included in the Directors' report

Disclosures around the governance of the company's climate-related risks and opportunities are contained within the Directors' report on page 7.

Approved by the Board on 29 March 2022 and signed on its behalf by:

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Leonard T. Kahn
Director

Coach Stores Limited

Directors' Report for the Period from 28 June 2020 to 3 July 2021

The directors present their report and the audited financial statements for the period from 28 June 2020 to 3 July 2021.

The company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's strategic report information required by Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008. Certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 2 to 6.

Principal activity
Coach Stores Limited operates free standing retail, concession, and outlet locations in the UK. The company's product offerings include women's and men's bags, accessories, business cases, footwear, wearables, jewelry, sun wear, travel bags, watches and fragrance.

Results and dividends
The loss for the period, after taxation, amounted to £341,014,000 (2020: £162,576,000).

During the period, the company paid a dividend of £80,998,000 (2020: £nil). On 28 September 2021, the company paid a final cash dividends in the amount of £84,831,000 and final dividend in specie in the amount of £20,000,000.

Directors of the company
The directors who held office during the period and up to the date of signing were as follows:

Leonard T. Kahn

David E. Howard

Directors' indemnities
The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Board of Director's Statement on s172(1)

Employee Engagement

Employee engagement matters are of strategic importance to the company and the Tapestry Group as a whole. An explanation on how the company engaged with employees and had regard to employees' interests, including principal decisions taken during the financial period (with particular regard being given to the challenges that the company and employees faced due to the COVID-19 pandemic), is detailed in the Strategic Report on page 2.

Business relationships

The company's key stakeholders are its customers, suppliers and employees, and the directors always consider their needs when making decisions. As a member of the Tapestry Group, its parent company and other members of the Group are also stakeholders of the company (more about the Group's commitments to its stakeholders can be found at https://www.tapestry.com/responsibility/.) The directors' regard to the need to cultivate business relationships with its stakeholders (including its customers and suppliers) is detailed in the Strategic Report on page 2. However, it is worth reiterating that:

(1) Tapestry partners with suppliers to find sustainable and efficient ways of using resources.

Coach Stores Limited

Directors' Report for the Period from 28 June 2020 to 3 July 2021 (continued)

(2) The engagement of customers and nurturing customer relationships is at the core of Tapestry's business. The guiding principle of Tapestry's Acceleration Program (as explained in the Strategic Report) is to better meet the needs of each of its brands' unique customers by sharpening our focus on the consumer, leveraging data and leading with a digital-first mindset and transforming into a leaner and more responsive organization.

Charitable and political contributions

The company made charitable donations of £124,007 during the period (2020: £0).

Future developments

As discussed in the strategic report, the main focus of development is through strengthening existing retail locations and growth in the ecommerce arm of the business. The company anticipates the expansion of its retail network including establishing additional stores within the UK to increase market penetration.

Events after the reporting period

The following events occurred subsequent to the reporting period:

- On 28 September 2021, the company received interim dividends from Coach Netherlands BV amounting to $84,616,000.
- On 28 September 2021, the company received capital repayment in cash from Coach Korea Limited amounting to KRW 16,720,000.
- On 28 September 2021, the company paid final cash dividends in the amount of £84,831,000 and final dividend in specie in the amount of £20,000,000.
- Coach Stores France issued a loan of €15,000,000 to Coach Stores Limited effective September 28, 2021 for a period of one year. This loan will be remunerated at the annual interest rate of 0.84%.
- On 14th January 2022, a reverse premium of £3,000,000 plus VAT was paid to the landlord of the Kate Spade Regent Street location in order to terminate to the lease which resulted to an onerous provisions being recognized in the balance sheet. Kate Spade brand ceased trading in that location on 16th December 2021 and resumed trading in the Regent Street unit previously occupied by Stuart Weitzman brand on 17th December 2021.

Going concern

The outbreak of a novel strain of coronavirus continues to impact a significant majority of the regions in which Tapestry, Inc. and its subsidiaries' (of which the company is a member) operate. In March 2020, the outbreak was labelled a global pandemic by the World Health Organization. National, state and local governments responded to the Covid-19 pandemic in a variety of ways, including, but not limited to, declaring states of emergency, restricting people from gathering in groups or interacting within a certain physical distance (i.e. social distancing), requiring individuals to stay at home, and in most cases, ordering non-essential businesses to close or limit operations. The company's two stores were closed from 18 March to 14 June (inclusive). The company's stores were forced to close again from 8 November to 2 December 2020 and from 2 January 2021 to 17 May as part of a new government lockdown.

In response to the Covid-19 pandemic, the Group took actions to reinforce its liquidity and financial flexibility. Specific actions included: suspending its quarterly dividend and all share repurchases, actively reducing non-essential SG&A expense, reducing its corporate and retail workforce, temporarily reducing corporate compensation, tightly managing inventory and reducing capital expenditures. During the second quarter of fiscal 2021, compensation resumed normal levels. Subsequent to the fiscal 2021 year end, the Group's Board of Directors approved the reinstatement of the Group's shareholder return program and declared a quarterly dividend of $0.25 per common share payable on September 27, 2021. The Group also intends to repurchase approximately $500.0 million worth of stock in fiscal 2022, of which $600.0 million is remaining under its current authorization. Furthermore, in fiscal 2020, the Company borrowed $700 million under its $900 million definitive credit agreement, as entered into on October 24, 2019 ("Revolving Credit Facility") as a precautionary measure. The $700 million borrowed was fully repaid in fiscal 2021. More details on the Group's position can be found in its SEC 10-K filing available here: www.tapestry.com/investors.

The global Covid-19 pandemic is rapidly evolving and the extent to which this impacts the Group - including unforeseen increased costs to the Group's business - will depend on future developments, which are highly uncertain and cannot be predicted, including the ultimate duration, severity and geographic spread of the virus and the success of actions to contain the virus or treat its impact, among others. The company has received a letter of support from its parent company, Tapestry Inc ("the Group"), confirming that the Group are willing and able to provide continued financial support to the company in order to meet their obligations for at least 12 months from the date of this financial report.

The directors adopted a going concern basis in the preparation of its financial statements. However, the Covid-19 pandemic has heightened the inherent uncertainty in its going concern assessment. The directors have assessed the liquidity and future cash generation of the company, the principal risks, and uncertainties the company is subject to. The company has reported losses in the current year due to impairment losses on its investments in subsidiaries which is considered to be of extraordinary nature and is not deemed to be recurring. Based on these assessments, the directors concluded that there are no material uncertainties that might cast significant doubt on the ability of the company to continue to operate as a going concern or the ability of the parent company to provide support. It concluded that the going concern assumption is appropriate for the next 12 months from the date of the approval of these financial statements.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk arising from changes in the market

Cash flow risk arises from changes within the market, the impact of Covid-19 and the impact of Brexit. The company produces cash flow forecasts covering a twelve month period to manage its liquidity requirements. The company's management and board review these forecasts regularly.

Interest Risk

The company's principal financial assets are bank balances and cash, and primarily intercompany receivables. The intercompany receivables are managed through the allocation of costs to the respective retail operations throughout Europe and by individual country.

Interest rate risk is managed by the group treasury team who monitor all risk bearing funds. The company maintains an intercompany loan with Coach Operations Singapore Pte., Ltd the loans are established at market interest rates and have the feature to renew at maturity.

Credit Risk

The company has no significant concentration of credit risk, with exposure spread over a large number of intercompany and third parties.

Liquidity risk

Assets held are predominantly held in cash and other assets which are liquid in nature, and the company additionally manages where it holds those assets in order to ensure it can meet its operational liabilities as they fall due and all operational cash flow requirements. The company's liquidity and liquidity requirements are actively monitored on a continuous basis.

Employee involvement

Defined by inclusivity rather than exclusivity, Tapestry embraces the exploration of individuality and invests in helping you grow personally and professionally. Every individual in our global house has the opportunity to make an impact, learn and be part of our growing and unique story.

At Tapestry, we have the freedom to express ourselves and run with our best ideas across Coach, Kate Spade New York, and Stuart Weitzman. We share a profound belief in both our individual and collective potential, and know that with hard work and dedication, anything is possible. The company is an equal opportunities employer and we pride ourselves on hiring and developing the best people. All employment decisions (including recruitment, hiring, promotion, compensation, transfer, training, discipline and termination) are based on the applicant's or employee's qualifications as they relate to the requirements of the position under consideration.

The company encourages employee involvement through various methods and often hosts formal and informal meetings to keep all employees informed and to provide a platform for employee participation. Consideration may be given to whether there are reasonable adjustments that could be made to employee's working arrangements, including changing duties, providing additional equipment or training, and making changes to procedure where appropriate. Global engagement surveys are conducted annually and employees are invited to speak with and discuss topics with Senior Leadership within the organization. We hold quarterly town hall meetings where the Ex Comm share companywide updates with all employees, including the performance of the company and economic factors affecting our performance.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. 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. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Environmental report

Governance: The organization's governance and climate-related risks and opportunities.

Tapestry's Board of Directors has ultimate oversight over all sustainability initiatives and the strategy and program. The Board approves long-term sustainability goals, strategic moves or major plans of action and receives updates at least annually. The Governance and Nominations Committee of the Board received quarterly updates on our sustainability strategy.

In addition, the Audit Committee of the Board periodically reviews the company's risk management, including climate-related risk and policies to ensure it's consistent with the company's corporate strategy. The Board considers whether the company's risk program adequately identifies material risks facing the company in a timely fashion, implement appropriate responsive risk management strategies, and adequately transmit necessary information with respect to material risks within the organization.

Tapestry's Chief Executive Officer, General Counsel, and Chief Operations Officer have general oversight of our ESG & Sustainability program, and approve all material recommended to the Board of Directors for our climate-related strategy. Our Senior Director of ESG & Sustainability has direct day-to-day responsibility for managing our program, including the ESG Task Force, and assessing risks to report to Tapestry's Executive Committee and to the Board of Directors.

Tapestry's ESG Task Force meets monthly to set and drive company-wide ESG strategy, including our climate-related goals. The ESG Task Force includes members of Tapestry's Executive Committee and cross-functional membership from major business functions at Tapestry, including sustainability, legal, marketing & communications, digital & customer experience, HR, product & materials development, investor relations, and employees devoted to philanthropy, social impact, and equity, diversity and inclusion.

Tapestry's Enterprise Risk Management program annually assesses risk - including climate and ESG risk - to our business. Tapestry's Enterprise Risk Management program is reviewed quarterly with the management and the Audit Committee of the Board and at least annually with the full Board.

Tapestry has identified climate-related risks and opportunities across the short-term (0-2 years), medium-term (2-5 years), and long-term (5-10 years).

The Tapestry Group has identified the following global climate-related risks:

- An energy tax or emissions pricing scheme could have a significant impact on the cost of energy and cost of operations. Tapestry operates approximately 1400 stores globally and has several significant corporate offices (including in the UK). Additionally, the Tapestry Group endeavors to stay involved in the conversation to be prepared for any new regulations that come from US or international jurisdictions, as well as any potential regulation changes at the state or local level.
- Increased frequency and intensity of weather events (storms and floods) due to climate change could also lead to more frequent store closures and/or lost sales as customers prioritize basic needs. These impacts pose a risk to global supply chains whose function are important to the success of businesses such as ours.
- Changes in precipitation (extreme rain and droughts) due to climate change could also lead to longer-term shifts in climate patterns that can negatively impact our raw material sourcing, such as cotton, leather, wool, and other materials. For example, changes in precipitation could negatively affect cotton yields and herd size. Droughts could produce poor cotton yields (fabric) and reduced herd sizes (leather), increasing the cost of cotton and leather due to reduced supply. Conversely, major flooding could cause damage to fields, reducing cotton yields and leading to increased prices due to low supply.
- The impacts of climate change exacerbate natural disaster such as hurricanes, droughts, wildfires, and rising sea levels. Sea level rise could negatively affect stores, offices and production facilities in coastal, as well as, low lying regions in which we operate. For example, changes in sea level could negatively affect cotton yields and herd size, increasing the cost of cotton and leather due to reduced supply. We are also aware how climate change disproportionately falls on marginalized communities, exacerbating socio-economic inequalities and sea level rise caused by climate change can also affect the livelihood and mobility of people.
- There is an increased focus from our stakeholder, including consumers, employees and investors on corporate responsibility issues, particularly those associated with climate change. For example, Tapestry announced our 2025 Corporate Responsibility Goals in 2019, and believe that failure to implement our strategy or achieve our goals could damage our reputation, causing our investors or consumers to lose confidence in our company and brands, and negatively impact our operations. We face risk to our reputation if our stakeholders feel we are negligent in our business practices with respect to the environment and climate change.
- The retail and luxury market is susceptible to changes in consumer behavior. If our customers do not perceive Tapestry's brands as taking an active role in combating climate change, we could be at risk.

Tapestry has identified the following climate-related opportunities:

- The potential risk of an energy tax or regulation that would increase the cost of electricity (carbon tax) is an opportunity to proactively increase energy efficiency through the adoption of new technologies to maintain energy costs, and in some instances, save costs.
- The potential risk of fuel tax or regulation that would increase the cost of transporting our products is an opportunity to proactively improve our logistics and distribution strategy to reduce shipping and emissions and save costs from finished good factory to our distribution centers.
- There is an increased focus from our stakeholders, including consumers, employees and investors on corporate responsibility issues, particularly those associated with climate change. The retail and luxury market is susceptible to changes in consumer behavior. If our customers do not perceive Tapestry's brands as taking an active role in combating climate change, we could be at risk. If our stakeholders recognise that we respect the environment and are working to mitigate our impacts on climate change through our business practices, we could see an increase in our reputation and potentially revenues in the market.
- The potential risk of fuel tax or regulation that would increase the cost of transporting our products is an opportunity to proactively improve our logistics and distribution strategy to reduce shipping and emissions and save costs from our distribution centers to our end customers (DTC, wholesale, direct-retail).

Strategy: The actual and potential impacts of climate-related risks and opportunities on the organization's businesses

Tapestry identifies risks that may have substantive financial or strategic impacts according to the risk's expected impact of financial loss, potential negative reputational harm, and likelihood of causing a compliance aberration or failure. Tapestry evaluates sustainability and climate-related risks associated with operations, including, but not limited to, product safety and material compliance requirements, disruptions to the supply chain from adverse weather, and material scarcity. The identified risks and opportunities have potential to impact Tapestry's operations, products and services, supply chain, adaptation and mitigation activities, and investment in innovation.

Tapestry currently does not use a climate-related scenario analysis to inform its strategy; however, we believe committing to the Business Ambition for 1.5°C is on the right path to transitioning to a lower carbon economy and increasing our resilience against physical climate-related risks. We are conducting exploratory research to understand the best way to apply a climate-related scenario analysis to inform our business strategy. We continue to evaluate and find ways to introduce quantitative metrics around environmental impacts and climate change into our scenario planning.

The Tapestry Group's climate-related risks and opportunities have influenced its strategy in the following ways:

- *Products and Services* - Our design teams are looking at the environmental and climate impacts of materials and starting to transition to environmentally preferred materials. In 2019 we set a goal for 90% of our leather to come from Gold- and Silver-rated Leather Working Group tanneries, which are more energy and water efficient and have a lower environmental and climate-impact.
- *Supply Chain and/or Value Chain* - We have a goal to ensure 95% traceability and mapping of our raw materials to ensure a transparent and responsible supply chain by 2025. We plan to share additional information on this work in our next Corporate Responsibility Report for fiscal year 2021. Additionally, we require all of our suppliers to abide by our Supplier Code of Conduct, which sets expectations on both environmental and social issues. Within our upcoming review of the SAC's Higg FEM and FSLM, we will increase transparency on the environmental impact of our operations and influence our global sustainability strategy.

- *Investment in R&D* - We look for opportunities to impact and influence our suppliers, working in tandem to integrate sustainable business strategies into our relationships. Across Tapestry and our brands we're initiating the procurement of environmentally preferred materials and are continually looking for and developing lower environmental/carbon impact materials. (e.g. recycled polyester, regenerative leather, etc.).
- *Operations* - We have emissions reduction targets for Scope 1, and Scope 2 and have increased our adoption of renewable energy in our retail stores over the last few years and will continue to transition to renewable energy in our owned/operated locations. We have a goal to reduce Scope 1 and 2 emissions by 20% by 2025 over a 2017 baseline and we have a goal to reduce Scope 3 emissions from transportation by 20% by 2025. For example, in FY21 our Renewable energy certificate ("RECs") made up over 21% of our purchased electricity consumption across North America. We have committed to procure 100% renewable energy in the company's stores, offices and fulfillment centers by 2025.

Risk Management: The processes used by the organization to identify, assess and manage climate-related risks.

Tapestry's Enterprise Risk Management program annually assesses risks, including fraud risk, sustainability, corporate governance and ESG. As part of this process, Tapestry develops an Internal Audit Plan to identify risk and exposures and evaluates management's mitigation strategy. The enterprise risk management program is updated and reported to the Board at least annually and the Board works with senior management, as well as Tapestry's independent and internal auditors to ensure it's incorporated into the corporate strategy and business operations.

Additionally, we conducted a geo-political risk deep-dive within our supply chain that reviews the potential impacts of climate change across our operations. Tapestry considers changes in legal and regulatory requirements in relation to climate change when assessing risks.

Tapestry's audit plan identifies risks and exposures and evaluates management's risk mitigation strategy. In evaluating risk, the Board and its committees consider whether the company's risk programs adequately identify material risks facing the company in a timely fashion, implement appropriate responsive risk management strategies, and adequately transmit necessary information with respect to material risks within the organization.

Tapestry defines substantive financial or strategic impacts on its business according to the risk's expected impact of financial loss, potential negative reputational harm, and likelihood of causing a compliance aberration or failure.

Tapestry's climate-related strategy, including management and identification of risks, is driven by our ESG Task Force which is comprised of cross-functional members from major business functions at Tapestry to ensure that our strategy is integrated throughout the organization.

Individuals across our management teams also evaluate current events and expectations regarding any future developments. Tapestry assesses various climate-related factors across the company's products and services, supply chain, and operations. For example, our design teams look for ways to transition current materials to environmentally preferred materials.

Metrics and Targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities

In early FY2022 Tapestry committed to set science-based emissions reduction targets across all parts of our business by the end of 2022, in line with SBTi criteria and 1.5°C emissions scenarios. We have also committed to establishing a long-term science-based target to reach net-zero value chain GHG emissions by no later than 2050. We are currently working on setting increased targets for Scope 3 emissions and are expanding our Scope 3 emissions inventory to likely include upstream and downstream transportation, business travel, emissions from purchased goods and services, and other relevant categories as outlined by the GHG protocol. The Tapestry Group currently has three climate-related targets:

(1) 20% reduction in absolute Scope 1 and Scope 2 CO_2e emissions over a 2017 baseline by 2025.

(2) 20% reduction in absolute Scope 3 CO_2e emissions from freight shipping over a 2017 baseline by 2025.

(3) Procure 100% renewable energy in the company's stores, offices and fulfillment centers by 2025.

- In FY21, Tapestry globally reduced its scope 1 and 2 emissions 6% below 2017 levels and scope 3 emissions 28% below our 2017 baseline. Tapestry's emissions across Scope 2 and 3 increased from FY2020 to FY2021 as our business activities started to return to normal following the initial impacts of COVID-19.
- Joined the Sustainable Apparel Coalition (SAC) and requested for over 100 of our suppliers to complete the SAC's Higg Facility Environmental Module (Higg FEM) and Higg Facility Social Labor Module (Higg FSLM). We aim to increase transparency on the environmental impact of our operations and influence our global sustainability strategy.
- Tapestry is strengthening its dedication to environmental efforts to combat climate change by committing to procure 100% renewable electricity in the company's stores, offices, and fulfillment centers by 2025. In FY21 our RECs made up over 9% (FY20: 21%) of our purchased electricity globally. That is equivalent to 8,878 metric tonnes of CO23, or the same as taking 1,931 passenger vehicles off the road for a year.
- Tapestry's Scope 3 emissions in FY21 were 68,370 (FY20: 47,512) metric tonnes CO_2e, which is 28% below our 2017 baseline. Tapestry's emissions across Scope 2 and 3 increased from FY2020 to FY2021 as our business activities started to return to normal following the initial impacts of COVID-19.
- We use the Greenhouse Gas Protocol operational control boundary to calculate emissions. The emissions calculations include sites owned and operated by the company (i.e. retail stores, offices, distribution). We use a third-party software tool to input energy consumption data and using standard emissions factors to calculate emissions.

UK specific information

- Tapestry stores (Coach, Kate Spade, Stuart Weitzman) in the UK consumed 1,007,879 kWh electricity from July 2020 - June 2021 (FY21). That is equivalent to 436 metric tonnes of CO_2e (https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results). In FY20 Tapestry stores in the UK consumed 1,355, 716 kWh of electricity.
- Tapestry corporate offices in the UK's estimated consumption of energy was 151,678 kWh of electricity in FY21, equivalent to 65.6 metric tonnes of CO_2e. In FY20 Tapestry offices in the UK consumed 205,895 kWh of electricity.
- Tapestry's energy data is collected from utility companies in the locations where we have direct relationships with utility providers. For locations where we do not have access to data, we make an estimation based on the space type and area (square footage) of the site to determine total energy data.
- At this time, we are unable to allocate the portion of emissions from transportation of product to the UK as we only have visibility into Tapestry's numbers on a global scale, not broken down by region. However, Scope 3 emissions from transportation for Tapestry global in FY21 was 68,370 metric tonnes CO_2e.

Reappointment of auditor

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

Provision of information to auditor

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and

Coach Stores Limited

Directors' Report for the Period from 28 June 2020 to 3 July 2021 (continued)

- the directors have taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 29 March 2022 and signed on its behalf by:

....

Leonard T. Kahn
Director

Coach Stores Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report and 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Coach Stores Limited

Independent Auditor's Report to the Members of Coach Stores Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Coach Stores Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 3 July 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 28.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's 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 UK, including the Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Coach Stores Limited

Independent Auditor's Report to the Members of Coach Stores Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

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.

Auditor's 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 auditor's 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

Store impairments

- We have obtained management's assessment of the recoverable amount of each cash generating unit and assessed the methodology applied within the impairment model against the relevant accounting standards.
- We have evaluated and challenged the assumptions used within the forecast models. Our review included benchmarking the assumptions against independent market data available within the wider retail industry and whether the future cash flows aligned with expectations within the industry adjusted for Coach Stores Limited specific circumstances.
- Our internal valuations specialists have assessed the reasonableness of the discount rate applied in the value in use model.
- We have assessed the design and implementation of controls over the review of the impairment assessment.

Recoverability of investments recognised at cost

- We have obtained management's assessment of the recoverable amount and independently reviewed the model based on market data available.
- We have checked the mathematical accuracy of the model and challenged the assumptions used around discount rates and cash flow forecasts.
- We have assessed the design and implementation of controls over the review of the impairment assessment.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management with regards to concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

Coach Stores Limited

Independent Auditor's Report to the Members of Coach Stores Limited (continued)

- 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

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.

Adam Norman

....

Adam Norman (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

Date: 29 March 2022

Coach Stores Limited

Profit and Loss Account for the Period from 28 June 2020 to 3 July 2021

	Note	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Turnover	4	70,812	88,470
Cost of sales		(5,272)	(4,192)
Gross profit		65,540	84,278
Administrative expenses		(93,743)	(81,342)
Impairment loss		(366,848)	(192,460)
Other operating income	5	46,402	24,586
Operating loss	6	(348,649)	(164,938)
Interest received from group undertaking		441	577
Other interest receivable and similar income	11	1,966	1,402
Loss before tax		(346,242)	(162,959)
Taxation	12	5,228	383
Loss for the financial period		(341,014)	(162,576)
Other comprehensive income		-	-
Total comprehensive loss for the financial period		(341,014)	(162,576)

The above results were derived from continuing operations.

The company incurred no other comprehensive income during the year (2020: nil). Accordingly, the profit for the financial year is equivalent to the total comprehensive income of the company.

Coach Stores Limited

(Registration number: 07224597)
Balance Sheet as at 3 July 2021

	Note	03 July 2021 £ 000	27 June 2020 £ 000
Fixed assets			
Intangible assets	14	-	2,660
Tangible assets	15	9,231	12,983
Investments	16	969,267	1,357,042
		978,498	1,372,685
Current assets			
Stock	17	9,900	17,606
Debtors: amounts falling due within one year	18	40,127	51,040
Debtors: amounts falling due after one year	19	25,202	874
Cash at bank and in hand		8,958	19,883
		84,187	89,403
Creditors: Amounts falling due within one year	20	(65,445)	(41,954)
Net current assets		18,742	47,449
Net assets		997,240	1,420,134
Capital and reserves			
Called up share capital	21	15	15
Share premium reserve	22	455,425	455,425
Profit and loss account	22	541,800	964,694
Total equity		997,240	1,420,134

The financial statements of Coach Stores Limited (registered number 07224597) were approved by the Board of directors and authorised for issue on 29 March 2022 and signed on its behalf by:

....
Leonard T. Kahn
Director

....
David E. Howard
Director

The notes on pages 24 to 53 form an integral part of these financial statements.

Coach Stores Limited

Statement of Changes in Equity for the Period from 28 June 2020 to 3 July 2021

	Called up Share capital £ 000	Share Premium Reserve £ 000	Profit and loss account £ 000	Total Equity £ 000
At 28 June 2020	15	455,425	964,694	1,420,134
Loss for the period (note 6)	-	-	(341,014)	(341,014)
Total comprehensive expense	-	-	(341,014)	(341,014)
Dividends paid (note 13)	-	-	(80,998)	(80,998)
Other movements on reserves	-	-	(882)	(882)
At 3 July 2021	15	455,425	541,800	997,240

	Called up share capital £ 000	Share premium reserve £ 000	Profit and loss account £ 000	Total equity £ 000
At 30 June 2019	15	455,425	1,126,143	1,581,583
Loss for the period (note 6)	-	-	(162,576)	(162,576)
Total comprehensive expense	-	-	(162,576)	(162,576)
Share based payment transactions	-	-	1,122	1,122
Other movements on reserves	-	-	5	5
At 27 June 2020	15	455,425	964,694	1,420,134

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of its registered office is:
Brunel Building
Level 7
2 Canalside Walk
London
W2 1DG
England

Coach Stores Limited operates free standing retail, concession, and outlet locations in the UK. Coach Stores Limited also operates an ecommerce and wholesale business in the UK and EMEA. Coach's product offerings include women's and men's bags, accessories, business cases, footwear, wearables, jewelry, sun wear, travel bags, watches and fragrance.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest thousand pounds.

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Going concern

The outbreak of a novel strain of coronavirus continues to impact a significant majority of the regions in which Tapestry, Inc. and its subsidiaries' (of which the company is a member) operate. In March 2020, the outbreak was labelled a global pandemic by the World Health Organization. National, state and local governments responded to the Covid-19 pandemic in a variety of ways, including, but not limited to, declaring states of emergency, restricting people from gathering in groups or interacting within a certain physical distance (i.e. social distancing), requiring individuals to stay at home, and in most cases, ordering non-essential businesses to close or limit operations. The company's two stores were closed from 18 March to 14 June (inclusive). The company's stores were forced to close again from 8 November to 2 December 2020 and from 2 January 2021 to 17 May as part of a new government lockdown.

2 Accounting policies (continued)

In response to the Covid-19 pandemic, the Group took actions to reinforce its liquidity and financial flexibility. Specific actions included: suspending its quarterly dividend and all share repurchases, actively reducing non-essential SG&A expense, reducing its corporate and retail workforce, temporarily reducing corporate compensation, tightly managing inventory and reducing capital expenditures. During the second quarter of fiscal 2021, compensation resumed normal levels. Subsequent to the fiscal 2021 year end, the Group's Board of Directors approved the reinstatement of the Group's shareholder return program and declared a quarterly dividend of $0.25 per common share payable on September 27, 2021. The Group also intends to repurchase approximately $500.0 million worth of stock in fiscal 2022, of which $600.0 million is remaining under its current authorization. Furthermore, in fiscal 2020, the Company borrowed $700 million under its $900 million definitive credit agreement, as entered into on October 24, 2019 ("Revolving Credit Facility") as a precautionary measure. The $700 million borrowed was fully repaid in fiscal 2021. More details on the Group's position can be found in its SEC 10-K filing available here: www.tapestry.com/investors.

The global Covid-19 pandemic is rapidly evolving and the extent to which this impacts the Group - including unforeseen increased costs to the Group's business - will depend on future developments, which are highly uncertain and cannot be predicted, including the ultimate duration, severity and geographic spread of the virus and the success of actions to contain the virus or treat its impact, among others. The company has received a letter of support from its parent company, Tapestry Inc ("the Group"), confirming that the Group are willing and able to provide continued financial support to the company in order to meet their obligations for at least 12 months from the date of this financial report.

The directors adopted a going concern basis in the preparation of its financial statements. However, the Covid-19 pandemic has heightened the inherent uncertainty in its going concern assessment. The directors have assessed the liquidity and future cash generation of the company, the principal risks, and uncertainties the company is subject to. The company has reported losses in the current year due to impairment losses on its investments in subsidiaries which is considered to be of extraordinary nature and is not deemed to be recurring. Based on these assessments, the directors concluded that there are no material uncertainties that might cast significant doubt on the ability of the company to continue to operate as a going concern or the ability of the parent company to provide support. It concluded that the going concern assumption is appropriate for the next 12 months from the date of the approval of these financial statements.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Summary of disclosure exemptions

In preparing these financial statements, the company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12. The company has therefore complied with the applicable conditions, including providing notification of the use of exemptions to the company's shareholders who have not objected to the use of such disclosure exemptions.

The company's ultimate parent undertaking, Tapestry, Inc. includes the company in its consolidated financial statements. The consolidated financial statements of Tapestry, Inc. are prepared in accordance with US GAAP and are available to the public and may be obtained at www.tapestry.com or at 10 Hudson Yards, New York, NY, 10001 USA. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under section 401 of the Companies Act 2006.

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

- from preparing a Cash Flow Statement in accordance with Section 7 'Cash Flow Statements';
- from providing the financial instrument disclosures, required under paragraphs 11.42,11.44.11.45,11.48(a)(iii),11.48(a)(iv),11.48(b) and 11.48(c) and the requirements of section 12.26,12.27,12.29(a),12.29(b) and 12.29A of FRS 102, as this information is provided in the consolidated financial statements of the ultimate parent undertaking; and
- from disclosing the company's key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures'.

Revenue recognition
Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Dividends
Dividend income received in the form of in specie assets that are not readily realisable is recognised in reserves. Dividend income received in the form of cash is recognised in the Statement of comprehensive income. All dividend distributions are recognised in reserves.

Sale of goods
Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Government grants
The Group will benefit from the government's job retention scheme to help meet the cost of furloughed roles in stores. Where there are no performance conditions, or conditions have already been fulfilled, the grant is recognised as other income when the grant is receivable.

Intangible assets
Intangible assets include an acquired lease premium recorded at historical cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The estimated useful lives range as follows:

Key Money - Over the term of the lease

2 Accounting policies (continued)

Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Asset class	Depreciation method and rate
Leasehold improvements	lesser of 10 years/remaining life of lease
Property under construction	not subject to depreciation
Fixtures and fittings	straight line 5 years
Other tangible assets	straight line 3 years

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment

For financial assets measured at amortized cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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

Investments are assessed at each reporting date to determine whether there is objective evidence that it is impaired. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell.

2 Accounting policies (continued)

Determination of the value in use of an investment is based on management's assessment, considering independent third-party appraisals when necessary. Furthermore, this determination is judgmental in nature and often involves the use of significant estimates and assumptions, which includes projected future cash flows, discount rates, growth rates, and determination of appropriate market comparables and recent transactions. These judgements around the determination of the key assumptions could have a significant impact on whether or not an impairment charge is recognised and the amount of any such charge.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Profit and Loss Account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Stock

Inventory is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, inventory is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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 Accounting policies (continued)

Financial instruments

Classification

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.

Recognition and measurement

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 amortized 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 amortized cost.

Foreign currency 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. .

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income"

Finance income and costs policy

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2 Accounting policies (continued)

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with fair value of goods and services received.

Leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Deposits are paid to landlords upon commencement of an operating lease over a property. The full deposit will be returned plus interest thereon to the company at the termination of the lease term.

Defined contribution pension obligation

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Tax

The tax expense for the period comprises current and deferred tax. 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.

2 Accounting policies (continued)

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the 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;

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

3 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies as described in Note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3 Critical accounting judgements and estimation uncertainty (continued)

Impairment of investments in subsidiaries

Management reviews the carrying value of the investments in subsidiaries to determine if an impairment is required under FRS 102 section 27. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable value, which is defined as the higher of the asset's fair value less costs of disposal or its value in use. The fair value less costs of disposal is calculated is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. Judgement is used in assessing whether there has been a trigger event showing a potential decline in the value of the investment.

These may include evidence of financial difficulty or significance in under-performance against expectations, or potential restrictions in its local market. If such a trigger is identified, a review for impairment is conducted, with the recoverable amount of the asset being determined based on value-in-use calculations using approved forecasts/budget at the period end date and discounted using the weighted average cost of capital.

Impairment of Tangible Fixed Assets

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Judgement is used in assessing whether there has been a trigger event showing a potential decline in the asset value.

Events or changes in circumstances that could affect asset value include the following:

- A significant decrease in the market price of a long-lived asset.
- A change in how the company uses the asset.
- Changes in the business environment that will or could affect the asset's value.
- An expectation that the company will sell or otherwise dispose of a long-lived asset significantly before the end of its previously estimated useful life.

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Impairment of investments in subsidiaries

An impairment review is conducted based on the recoverable amount of the assets which is determined based on the value in use calculations. These calculations require the use of significant estimates relating to the forecast cash flows and the discounting of these cash flows. The value in use calculations for each cash generating unit is determined using board approved four year plan, discounted using the weighted average cost of capital applicable to the specific geography. The future forecasts are inherently judgmental, and the key sensitivity includes achieving the growth rates for a particular region or branch and relevant to the specific market. A change in these assumptions will impact the future forecasts and management's assessment of the profitability of each entity.

3 Critical accounting judgements and estimation uncertainty (continued)

As previously noted, Covid-19 was officially declared a global pandemic by the World Health Organization in March 2020. The virus impacted regions all around the world, resulting in restrictions and shutdowns implemented by national, state, and local authorities. These requirements resulted in full and partial store closures globally. The company's stores reopened after the lockdown measures in 2020 and 2021 and have largely continued to operate since then; However, COVID-19 can continue to disrupt the company's business.

The extent to which the coronavirus will affect our results will depend on future developments that are highly uncertain and unpredictable, including new information that may emerge about the severity of the coronavirus, its possible spread to other regions, and measures to contain the coronavirus or treat their effects, among other things.

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. During the period an impairment charge of £365,969,627 (2020: £182,911,773) was recognised on fixed asset investments, as the carrying amount exceeded the recoverable amount. Please refer to note 16 for further details.

Impairment of Tangible Fixed Assets
The company's tangible fixed assets are reviewed for impairment on a periodic basis and whenever events indicate that related carrying amounts may not be recoverable. In evaluating tangible fixed assets for recoverability, the company uses its best estimate of future cash flows expected to result from the use of the related asset group and its eventual disposition. To the extent that estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognised equal to the difference between the carrying value of such asset and its fair value, considering external market participant assumptions. During the period an impairment charge of £878,542 (2020: £9,548,326) was recognised on fixed asset, as the carrying amount exceeded the recoverable amount. Please refer to note 15 for further details.

4 Turnover

The analysis of the company's revenue for the period from continuing operations is as follows:

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Sale of goods	70,812	88,470

Turnover of £60,662,237 (2020: £74,046,572) arose within the United Kingdom and turnover of £10,149,592 (2020: £14,423,428) arose elsewhere within the EMEA.

5 Other operating income

The analysis of the company's other operating income for the period is as follows:

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Dividends received from subsidiaries	46,402	24,586

6 Operating loss

Arrived at after charging/(crediting)

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Depreciation expense	4,757	3,516
Amortisation expense	2,660	473
Impairment loss	366,848	192,460
Foreign exchange losses/(gains)	694	(625)
Operating lease expense - other	9,248	13,165
Share based payment expense	-	1,122

7 Auditor remuneration

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Audit of the financial statements	176	109
Other fees to auditor		
Audit-related assurance services	45	45

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Wages and salaries	24,706	24,390
Social security costs	3,427	2,970
Pension costs, defined contribution scheme	479	239
	28,612	27,599

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

	53 weeks to 03 July 2021 No.	52 weeks to 27 June 2020 No.
Administration and support	86	242
Sales, marketing and distribution	461	387
	547	629

9 Government grants

The company has benefitted from the government's job retention scheme to help meet the cost of furloughed roles in stores where they received £1,965,722 (2020: £1,401,766) in the period, presented within other interest receivable and similar income in the profit and loss account. Where there are no performance conditions, or conditions have already been fulfilled, the grant is recognized as a reduction to payroll expense when the grant is receivable.

10 Directors' remuneration

During the current and prior period, no director received any emoluments in respect of the services provided to the company. The directors' remuneration is borne by other companys within the Tapestry group.

During the current and prior period, there were not any retirement benefits accruing to any director in respect of any defined contribution pension schemes.

Directors are considered to be key management personnel.

11 Other interest receivable and similar income

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Furlough income	1,966	1,402

12 Taxation

Tax credited in the income statement

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Current taxation		
UK corporation tax	(1,023)	528
UK corporation tax adjustment to prior periods	64	62
Total current taxation	(959)	590
Deferred taxation		
Arising from origination and reversal of timing differences	(2,924)	(966)
Arising from changes in tax rates and laws	(1,370)	(50)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	25	43
Total deferred taxation	(4,269)	(973)
Tax receipt in the income statement	(5,228)	(383)

12 Taxation (continued)

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%). The UK Government announced in the March 2021 budget that corporation tax in the UK would be increased to 25% in April 2023.

The differences are reconciled below:

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Loss before tax	(346,242)	(162,959)
Corporation tax at standard rate (19% in FY2021, 19% in FY2020)	(65,786)	(30,962)
Income not taxable	(8,816)	(4,671)
Effect of expense not deductible in determining taxable profit (tax loss)	70,362	35,303
UK deferred tax credit relating to changes in tax rates or laws	(1,369)	(50)
Increase in UK and foreign current tax from adjustment for prior periods	89	105
Tax increase/(decrease) from effect of exercise of employee share options	224	(107)
Tax decrease arising from group relief	-	(1)
Other tax effects for reconciliation between accounting profit and tax expense (income)	68	-
Total tax credit	(5,228)	(383)

Deferred tax has been recognised at the rate at which it is expected the relevant timing differences will reverse.

Deferred taxation

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Provision at beginning of period	1,438	465
Adjustment in respect of prior periods	(26)	(43)
Deferred tax charge to income statement for the period	4,294	1,016
	5,706	1,438

12 Taxation (continued)

The deferred tax asset is made up as follows:

53 weeks to 03 July 2021	Asset £ 000
Fixed asset timing differences	5,706

52 weeks to 27 June 2020	Asset £ 000
Fixed asset timing differences	1,438

13 Dividends paid to the sole member

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Dividends paid to the sole member	80,998	-

14 Intangible assets

	Other intangible assets £ 000	Total £ 000
Cost or valuation		
At 28 June 2020	4,747	4,747
At 3 July 2021	4,747	4,747
Amortisation		
At 28 June 2020	2,087	2,087
Amortisation charge	2,660	2,660
At 3 July 2021	4,747	4,747
Carrying amount		
At 3 July 2021	-	-
At 27 June 2020	2,660	2,660

Key money comprise a lease premium paid on a retail locations.

Key money is capitalized and amortised over the life of the lease on a straight-line basis.

All amortisation is allocated to administrative expenses in the statement of comprehensive income.

Coach Stores Limited

Notes to the Financial Statements for the Period from 28 June 2020 to 3 July 2021 (continued)

15 Tangible assets

	Properties under construction £ 000	Leasehold Improvements £ 000	Fixtures and Fittings £ 000	Hardware £ 000	Total £ 000
Cost or valuation					
At 28 June 2020	2,423	19,715	5,428	8,193	35,759
Additions	1,855	297	34	22	2,208
Disposals	(153)	(193)	(26)	(28)	(400)
Transfers	(3,716)	1,567	801	1,348	-
At 3 July 2021	409	21,386	6,237	9,535	37,567
Depreciation					
At 28 June 2020	-	(16,343)	(3,137)	(3,295)	(22,775)
Charge for the period on owned assets	-	(2,782)	(937)	(1,038)	(4,757)
Eliminated on disposal	-	49	12	14	75
Impairment	-	3	(783)	(99)	(879)
At 3 July 2021	-	(19,073)	(4,845)	(4,418)	(28,336)
Carrying amount					
At 3 July 2021	409	2,313	1,392	5,117	9,231

15 Tangible assets (continued)

Transfers in the year are in respect of property in construction completed in the year and transferred into the relevant asset classes.

An impairment loss of £879,000 (2020: impairment loss of £9,549,000) was recognised in the period in respect of tangible assets that had a carrying value that was less than the recoverable amount.

16 Investments

	03 July 2021 £ 000	27 June 2020 £ 000
Investments in subsidiaries	969,267	1,357,042

Subsidiaries	**£ 000**
Cost or valuation	
At 28 June 2020	3,225,773
Disposals	(21,805)
At 3 July 2021	3,203,968
Provision	
At 28 June 2020	1,868,731
Provision	365,970
At 3 July 2021	2,234,701
Carrying amount	
At 3 July 2021	969,267
At 27 June 2020	1,357,042

An impairment loss of £365,969,627 (2020: £182,911,772) was recognised in the period in respect of Investments which had a carrying value that exceeded the fair market valuation.

Disposals of £21,806,086 are related to the liquidation of MFE Limited and the capital repayment from Coach Korea Limited.

Details of undertakings

Details of the investments in which the company holds interest are as follows:

16 Investments (continued)

Undertaking	Registered office	Class of shares	Holding	Principal activity
Subsidiary undertakings				
Lizzy Mae, LLC	1209 Orange Street Corporation Trust Center Wilmington Delaware 19801 United States	Ordinary	100%	Holding Company
Hope Diamon, SL*	c/ Primero de Mayo 15-A (Poli Industrial Les Pedreres) Alicante Spain	Ordinary	50%	Supply chain
Sunburst, SL*	c/ Empresaris 5 (Pol. Industrial Les Pedreres) 03, Alicante Spain	Ordinary	50%	Supply chain
Creaciones SW, SA*	Calle Primer de Maig (Pol. Industrial les Pedreres) 15 Petrer, 03610 Spain	Ordinary	50%	Supply chain
Mocaroni, SL*	c/ Primero de Mayo 15-A (Pol. Industrial Les Pedreres) Alicante Spain	Ordinary	50%	Supply chain
Preparaciones y Moldeados SL	c/ Empresaris 5 (Pol. Industrial Les Pedreres) 03, Alicante Spain	Ordinary	50%	Supply chain
SW-Italy, LLC	1209 Orange Street Corporation Trust Center Wilmington Delaware 19801 United States	Ordinary	100%	Holding Company
Stuart Weitzman (Monaco) SARL*	17, Avenue des Spelugues Galerie Commerciale du Metrople Monaco	Ordinary	100%	Retail

Coach Stores Limited

Notes to the Financial Statements for the Period from 28 June 2020 to 3 July 2021 (continued)

16 Investments (continued)

Undertaking	Registered office	Class of shares	Holding	Principal activity
Coach Stores France SARL	95 rue La Boétie, 75008 Paris France	Ordinary	100%	Retail
Coach Italy Srl	Piazza Filippo Meda 3 Milan, 20121 Italy	Ordinary	100%	Retail
Karucci LLC	1209 Orange Street, , Corporation Trust Center Wilmington Delaware 19801 United States	Ordinary	100%	Holding Company
Shoes by Stuart, SLU*	Calle El Arenal, 17-C, Petrer (Alicante) Spain	Ordinary	100%	Supply Chain
Shoe Heaven, SL*	Calle El Arenal, 17-C Petrer (Alicante) Spain	Ordinary	74%	Retail
MFE Limited	15/F, C-BONS International Centre, 108, Wai Yip Street, Kowloon Hong Kong	Ordinary	100%	Holding company
Coach Spain SL	Calle El Arenal, 17-C Petrer (Alicante) Spain	Ordinary	100%	Retail
Coach Stores Unipessoal LDA*	Campo Grande 137, 1 Dto Freguesia de Alvalade Lisboa Portugal	Ordinary	74%	Retail
Coach Netherlands B.V.	Hanzepoort 30 Oldenzaal Overijssel 7575DA Netherlands	Ordinary	100%	Retail
Liz Foreign BV*	Herikerbergweg 238 Amsterdam 1101CM Netherlands	Ordinary	100%	Retail

16 Investments (continued)

Undertaking	Registered office	Class of shares	Holding	Principal activity
Coach Hong Kong Limited	15/F International Trade Tower 348 Kwun Tong Road Kowloon Hong Kong	Ordinary	100%	Retail
Coach Shanghai Limited*	20F, Wheelock Square 1717 Nanjing Rd West Shanghai 200040 China	Ordinary	100%	Retail
Coach Singapore Pte. Ltd.*	77 Robinson Road #08-01 Robinson 77 Singapore 068896 Singapore	Ordinary	100%	Retail
Tapestry Japan, LLC * (formerly known as Coach Japan, LLC)	Roppongi Hills Mori Tower 6-10-1 Roppongi Minato-ku Tokyo Japan	Ordinary	100%	Retail
Coach Malaysia Sdn Bhd.*	Unit 30-01, Level 30 Tower A, Avenue 3 Vertical Business Suite Bangsar South, No. 8, Jalan Kerinchi Kuala Lumpur, 59200 Malaysia	Ordinary	100%	Retail
Coach Manufacturing Limited*	15/f c-Bons International Center 108 Wai yip street Kwun Tong Kowloon Hong Kong	Ordinary	100%	Holding company

16 Investments (continued)

Undertaking	Registered office	Class of shares	Holding	Principal activity
Coach International Limited*	15/f c-Bons International Center 108 Wai yip street Kwun Tong Kowloon Hong Kong	Ordinary	100%	Supply chain
Coach Management (Shanghai) Co. Limited*	Room 302-327 North Fute Road Pilot Free Trade Zone Shanghai China	Ordinary	100%	Services
Coach Consulting Dongguan Co. Ltd*	3/F, Zone D, 3rd Building Guang Hui Industry Area Dongcheng District Dongguan City China	Ordinary	100%	Supply chain
Coach Vietnam Limited*	6th & 7th Floor Capital Tower No. 6 Nguyen Khac Vien Street Tan Phu Ward District 7 Ho Chi Minh Vietnam	Ordinary	100%	Supply chain
Coach Stores Austria GmbH	Teinfaltstrabe 8/4 Vienna, 1010 Austria	Ordinary	100%	Retail
Coach Stores Belgium BVBA *	Bellevue 5b Box 1001 Gand, 9050 Belgium	Ordinary	100%	Retail
Coach Brasil Participacoes Ltda *	Avenue Doutor Chucri Zaidan Number 296, 23rd floor Vila Cordeiro São Paulo 04583-110 Brazil	Ordinary	100%	Services

16 Investments (continued)

Undertaking	Registered office	Class of shares	Holding	Principal activity
Coach Stores Switzerland GmbH	Holbeinstrasse 30 Zurich, 8008 Switzerland	Ordinary	100%	Retail
Coach Korea Limited	7Fl, YG Tower 156 Da-dong, Jung-gu Seoul South Korea	Ordinary	100%	Retail
Tapestry Myanmar Limited	Sule Square 221 Sule Pagoda Road Unit 18-03 Level 18L Yangon Myanmar	Ordinary	99%	Supply chain
Coach Stores Germany GmbH	FALK GmbH & Co KG Im Breitspiel 21 Heidelberg, 69126 Germany	Ordinary	100%	Retail
Coach Stores Ireland Limited	70 Sir John Rogerson's Quay Dublin, 2 D02 R296 Ireland	Ordinary	100%	Retail
Stuart Weitzman UK Holdings Limited	Seventh Floor, Brunel Building 2 Canalside Walk London W2 1DG United Kingdom	Ordinary	100%	Holding company
Coach Stores Canada Corporation*	Suite 900, 1959 Upper Water Street Halifax. Nova Scotia B3J 2X2 Canada	Ordinary	100%	Retail
Coach Stores Australia Pty. Ltd	Tower One - International Towers Sydney Level 46 Barangaroo NSW 2000 Australia	Ordinary	100%	Retail

16 Investments (continued)

Undertaking	Registered office	Class of shares	Holding	Principal activity
Coach New Zealand*	Quigg Partners Level 7, 36 Brandon Street Wellington Central Wellington 6011 New Zealand	Ordinary	100%	Retail
Coach Leatherware India Private Limited	Mena Kampala, 7A, First Block (A Block) Door No: 113, Old No. 42, Sri Thiyagaraya Road India		0%	Supply chain

* Indirect holdings

17 Stock

	03 July 2021 £ 000	27 June 2020 £ 000
Finished goods and goods for resale	9,900	17,606

18 Debtors

	Note	03 July 2021 £ 000	27 June 2020 £ 000
Trade debtors		156	2,870
Amounts owed by related parties		29,778	44,154
Other debtors		2,269	442
Prepayments		137	1,734
Deferred tax assets	12	5,706	1,438
Income tax asset		2,081	402
		40,127	51,040

The amounts owed by related parties are generally repayable within 60 days and bear interest from 2.14% to 2.86%.

19 Debtors: amounts falling due after one year

	03 July 2021 £ 000	27 June 2020 £ 000
Amounts owed by related parties	24,586	-
Other debtors	616	874
	25,202	874

20 Creditors

	03 July 2021 £ 000	27 June 2020 £ 000
Due within one year		
Trade creditors	3,261	3,477
Amounts due to related parties	13,745	20,005
Social security and other taxes	1,979	398
Other payables	35,051	7,715
Accruals	11,409	10,359
	65,445	41,954

The amounts owed to related parties are payable on demand and are not interest bearing.

The company is exposed to transaction risk from foreign currency exchange rate fluctuations with respect to various cross currency intercompany loans. For the company, this includes exposure to exchange rate fluctuations in British Pound Sterling. To manage the exchange rate risk related to these loans, the company started entering into forward currency contracts in fiscal 2020. As of 3 July 2021 and 27 June 2020, the total notional value of outstanding forward foreign currency contracts related to these loans was $0.5 million and $30.4 million, respectively.

The fair value of outstanding foreign currency contracts included in current assets at 3 July 2021 was $900. The fair value of outstanding foreign currency contracts included in current liabilities at 27 June 2020 was $0.4 million.

21 Share capital

Allotted, called up and fully paid shares

	03 July 2021 No. 000	£ 000	27 June 2020 No. 000	£ 000
Ordinary shares of £1 each	15	15	15	15

22 Reserves

Share premium account
This reserve represents the amount above the nominal value received for issued and called up share capital, less transaction costs.

Profit and loss account
This reserve represents the cumulative profits and losses.

23 Share-based payments

Equity-settled schemes

Scheme details and movements

The company's ultimate parent company has a share option scheme for employees of the group. Options are exercisable at a price equal to the estimated fair value of the company's shares on the date of grant. The vesting period is four years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the company before the options vest.

The movements in the number of share options during the period were as follows:

	03 July 2021 Number	27 June 2020 Number
Outstanding, start of period	258,572	158,924
True up	38,464	11,683
Granted during the period	27,808	276,824
Exercised during the period	(16,912)	-
Expired during the period	(62,082)	(188,859)
Outstanding, end of period	245,850	258,572

23 Share-based payments (continued)

The movements in the weighted average exercise price during the period were as follows, in United States Dollars (USD):

	03 July 2021 $	27 June 2020 $
Outstanding, start of period	32.76	43.86
Granted during the period	15.83	20.97
Exercised during the period	22.01	-
Expired during the period	34.25	25.16
Outstanding, end of period	35.78	32.76

There were 16,912 options exercised during fiscal year 2021 and no options exercised during fiscal year 2020. The weighted average share price at the date of exercise for share options exercised during the 2021 was $22.01. The options outstanding at 3 July 2021 had a weighted averaged exercise price of $35.78 (2020: $32.76) and a weighted average remaining contractual life of 5.8 years (2020: 6.2 years). The aggregate of the estimated fair values of the options granted on those dates is $440,201 (2020: $5,804,999).

The inputs into the Black Scholes model are as follows:

	03 July 2021	27 June 2020
Weighted average share price (pence)	$41.74	$39.00
Exercise price (pence)	$41.74	$39.00
Weighted average contractual life (days)	5.10 years	5.10 years
Expected volatility	48.77%	37.56%
Expected dividend growth rate	0%	6.34%
Risk-free interest rate	1.4%	1.50%

Expected volatility is based on historical volatility of Tapestry's stock as well as the implied volatility from publicly traded options on Tapestry's stock. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The company recognised £1,456,509 related to equity-settled share-based payment transactions in fiscal year 2021. There were no equity-settled share-based payment transactions in fiscal year 2020.

23 Share-based payments (continued)

Restricted Stock Unit Awards ("RSUs")

Scheme details and movements

The company's ultimate parent company grants RSU to key executives and directors, the vesting of which is subject to the executives' and directors' continuing employment and Tapestry's achievement of certain performance goals.

The movements in the number of non-vested share units during the period ended 2021 is as follows:

	03 July 2021 Number	27 June 2020 Number
Outstanding, start of period	172,379	81,962
True up	22,288	13,596
Granted during the period	198,044	128,752
Vested during the period	(56,498)	(31,196)
Forfeited during the period	(22,326)	(20,736)
Non-vested at period end	313,888	172,379

The movements in the weighted average exercise price during the period ended 2021 is as follows, in United States Dollars (USD):

	03 July 2021 $	27 June 2020 $
Outstanding, start of period	28.65	47.53
Granted during the period	15.83	21.01
Forfeited during the period	25.47	45.17
Vested during the period	31.79	33.03
Non-vested at period end	20.62	28.65

At 03 July 2021, $3,802,329 (2020: $2,994,028) of total unrecognised compensation cost related to non-vested share awards is expected to be recognised over a weighted-average period of 3 years.

The weighted-average grant-date fair value of share awards granted during fiscal 2021 and 2020 was $15.83 and $21.01, respectively. The total fair value of shares vested during fiscal 2021 and fiscal 2020 was $871,953 and $710,541, respectively.

The company recognised total expenses of £nil (2020: £1,122,000).

24 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £478,525 (2020: £238,608). The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £nil (2020: £nil) were payable to the scheme at the end of the period and are included in creditors.

25 Obligations under leases and hire purchase contracts

Operating leases

At 03 July 2021, the company had future minimum lease payments under non-cancellable operating leases as follows:

	03 July 2021 £ 000	27 June 2020 £ 000
Not later than one year	12,300	12,629
Later than one year and not later than five years	46,325	48,178
Later than five years	23,716	33,654
	82,341	94,461

26 Related party transactions

The company is a wholly owned subsidiary of Tapestry, Inc. and as such has taken advantage of the exemption permitted by Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group. The company and its subsidiary undertakings are included within the consolidated financial statements of Tapestry, Inc., which are publicly available and can be obtained at www.tapestry.com or at 10 Hudson Yards, New York, NY, 10001 USA.

The following amounts (shown net) were due (to)/from group companies:

	53 weeks to 03 July 2021 £ 000	52 weeks to 27 June 2020 £ 000
Coach Stores Unipessoal LDA	65	156

27 Parent and ultimate parent undertaking

The company's immediate parent is Coach Holding Partnership (UK) LP, incorporated in United Kingdom and is registered at Brunel Building, Level 7, 2 Canalside Walk, London, W2 1DG. The ultimate parent is Tapestry Inc, incorporated in United States.

The largest and smallest group in which these financial statements are consolidated is Tapestry, Inc., incorporated in United States.

Copies of the financial statements of Tapestry Inc. are available upon request from www.tapestry.com or at 10 Hudson Yards, New York, NY, 10001 USA.

The parent of the largest group in which these financial statements are consolidated is Tapestry Inc, incorporated in United States.

The address of Tapestry Inc is:
10 Hudson Yards, New York, NY, 10001 USA

The parent of the smallest group in which these financial statements are consolidated is Coach Holding Partnership (UK) LP, incorporated in United Kingdom.

The address of Coach Holding Partnership (UK) LP is:
Brunel Building, Level 7, 2 Canalside Walk, London, W2 1DG

28 Non adjusting events after the financial period

The following events occurred subsequent to the reporting period:

- On 28 September 2021, the company received interim dividends from Coach Netherlands BV amounting to $84,616,000.
- On 28 September 2021, the company received capital repayment in cash from Coach Korea Limited amounting to KRW 16,720,000.
- On 28 September 2021, the company paid final cash dividends in the amount of £84,831,000 and final dividend in specie in the amount of £20,000,000.
- Coach Stores France issued a loan of €15,000,000 to Coach Stores Limited effective September 28, 2021 for a period of one year. This loan will be remunerated at the annual interest rate of 0.84%.
- On 14th January 2022, a reverse premium of £3,000,000 plus VAT was paid to the landlord of the Kate Spade Regent Street location in order to terminate to the lease which resulted to an onerous provisions being recognized in the balance sheet. Kate Spade brand ceased trading in that location on 16th December 2021 and resumed trading in the Regent Street unit previously occupied by Stuart Weitzman brand on 17th December 2021.