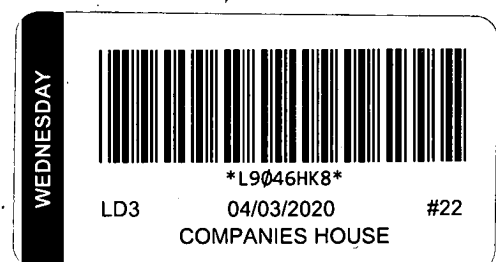


**Canada Goose Services Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 March 2019**

Registered number: 09601223



# **Canada Goose Services Limited**

**For the year ended 31 March 2019**

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# **Canada Goose Services Limited**

**For the year ended 31 March 2019**

## **OFFICERS AND PROFESSIONAL ADVISORS**

**Directors:** Mr. Raoul Jean-Marc Sidney Huët  
Mr. Jonathan Stuart Sinclair  
Mr. Patrick Sherlock

**Company Registration Number:** 09601223

**Registered Office:** Devonshire House  
Mayfair Place  
London, England  
W1J 8AJ

**Auditor:** Deloitte LLP  
Statutory Auditor  
Hill House  
1 Little New Street  
London, United Kingdom  
EC4A 3TR

**Bankers:** HSBC Bank plc  
8 Canada Square  
London, England  
E14 5HQ

# Canada Goose Services Limited

For the year ended 31 March 2019

## STRATEGIC REPORT

The directors present the Strategic Report for Canada Goose Services Limited (the 'Company').

The principal activity of the Company during the year was supplying marketing, sales support and raw material sourcing services for Canada Goose Holdings Inc. group companies outside of North America.

### Business review and future developments

During the year the Company has stabilized the flows among the branches in Hong Kong, China, Zug and Paris. The Canada Goose brand awareness has increased and continues to grow internationally supported by store expansion. Following the Company Asia branches set up and the new Showroom in Paris, the plan for next year is to remodel the Zug showroom. Due to its relative immateriality within the group of companies, KPIs are not considered relevant in managing the result of the Company. The position of the Company's business at the end of the year is as disclosed on the balance sheet.

### Principal risks and uncertainties

The directors consider the significance of the current situation regarding the economic and social impact of the Britain leaving the European Union (better known as 'Brexit'). The main concern is how trade between Britain and the EU may be affected by the negotiations with the European Union on new trade and customs rules for the import of products into the UK. Related to Brexit is the sensitivity of the Great British Pound that could affect local and tourist consumption patterns together with high currency volatility in certain key luxury industry currencies (including Chinese yuan and Japanese yen). The company is continually monitoring the situation in order to promptly react to any market changes. The Company's activities in various locations expose it primarily to the financial risks of changes in foreign currency exchange rates as discussed within the accounting policies.

Considering the seriousness of the current rapidly developing situation regarding the impacts of the Coronavirus and the uncertainty over its likely duration and impact, the directors are prudently reviewing the Company's forecasts, and implementing risk mitigation strategies to respond to the outbreak. Although the situation is emerging, the directors have not identified any issues resulting from Coronavirus which they consider at present could threaten the viability of the Company or its ability to continue operating for the foreseeable future.

Other risk factors which impact the company and the Canada Goose Holdings Inc group ('the group') are disclosed in the group annual report.

### Financial risk management objectives and policies

#### *Liquidity risk:*

The Company manages its cash requirements to ensure that it has sufficient liquid resources to meet the operating needs of the business through the support of group companies.

### Equal opportunity

The Company is committed to equal opportunities in employment. The policies and practices of the Company aim to promote an environment that is free from all forms of unlawful or unfair discrimination and values the diversity of all people.

This report was approved on behalf of the Board on 2 March 2020.



Mr. Jonathan Stuart Sinclair

Director

# **Canada Goose Services Limited**

## **For the year ended 31 March 2019**

### **DIRECTORS' REPORT**

The directors present the annual report and audited financial statements for the year ended 31 March 2019.

#### **Incorporation and branches**

The Company was incorporated as a private company in the United Kingdom on 20 May 2015 with registration number 09601223. The Company established a branch in Paris, France on 10 December 2015. The Company established a branch in Zug, Switzerland on 31 October 2016. The Company established a branch in Hong Kong on 15 May 2017.

#### **Principal activities**

The principal activity of the Company is to supply marketing and sales support services and raw material sourcing to group companies outside North America. Future developments and principal risks and uncertainties are discussed within the Strategic Report. Post balance sheet events are disclosed in note 14 to the financial statements.

#### **Going concern**

At the balance sheet date the Company has net current liabilities. The Directors are of the opinion that the shareholder of the Company will continue to support it and provide adequate funding when necessary to enable it to meet its obligations for the foreseeable future, having obtained a letter of support, for a period of at least twelve months for the date of approval of the financial statements.

#### **Directors**

The directors who served the Company during the year and up to the date of signing of this report are as follows:

Mr. Raoul Jean-Marc Sidney Huët  
Mr. Jonathan Stuart Sinclair – appointed on 21 December 2018  
Mr. Patrick Sherlock (appointed 6 February 2020)

#### **Results and dividends**

The Company's profit for the financial year was £202,891 (2018: £162,005).  
No dividends were proposed, declared or paid during the year or to the date of this report.

#### **Director's Responsibilities Statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

# **Canada Goose Services Limited**

**For the year ended 31 March 2019**

## **DIRECTORS' REPORT (continued)**

### **Directors' Responsibilities Statement (continued)**

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.

### **Disclosure of information to the auditor**

The Directors who held office at the date of approval of this Directors' Report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report was approved on behalf of the Board on 2 March 2020.



Mr. Jonathan Stuart Sinclair  
Director

# **Canada Goose Services Limited**

**For the year ended 31 March 2019**

## **Independent auditor's report to the members of Canada Goose Services Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Canada Goose Services Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of total comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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**

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

# Canada Goose Services Limited

## For the year ended 31 March 2019

### Independent auditor's report to the members of Canada Goose Services Limited (continued)

#### 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 director either intends 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Report on other legal and regulatory requirements

##### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year 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

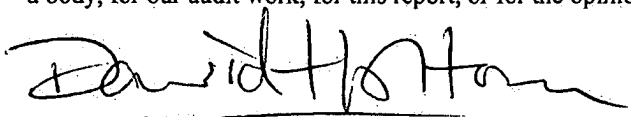
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



David Holtam (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
Date: 3 March 2020



## Canada Goose Services Limited

### Statement of total comprehensive income For the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	5,340,302	4,797,762
<b>Gross profit</b>		<b>5,340,302</b>	<b>4,797,762</b>
Administrative expenses		(5,081,124)	(4,567,919)
<b>Operating profit</b>		<b>259,178</b>	<b>229,843</b>
Interest payable and similar expenses		(20)	(9,344)
<b>Profit before tax</b>		<b>259,158</b>	<b>220,499</b>
Tax on profit	8	(56,267)	(58,494)
<b>Profit for the financial year</b>	5	<b>202,891</b>	<b>162,005</b>
<b>Comprehensive income:</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability		(39,505)	3,139
Tax relating to components of other comprehensive income	8	-	(458)
Items that may be reclassified subsequently to profit or loss:			
Translation of foreign operations		(10,653)	11,155
<b>Other comprehensive (expense) / income for the year net of tax</b>		<b>(50,158)</b>	<b>13,836</b>
<b>Total comprehensive income for the year attributable to the owners of the Company</b>		<b>152,733</b>	<b>175,841</b>

Turnover and operating profit are all derived from continuing operations.

# Canada Goose Services Limited

## Balance sheet

As at 31 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	814,359	338,251
<b>Current assets</b>			
Debtors: amounts due within one year	10	1,785,822	514,122
Cash at bank and in hand		244,560	627,013
<b>Total current assets</b>		2,030,382	1,141,135
<b>Creditors: Amounts falling due within one year</b>	11	(2,427,856)	(1,215,234)
<b>Net current liabilities</b>		(397,474)	(74,099)
<b>Total assets less current liabilities</b>		416,885	264,152
<b>Net assets</b>		<u>416,885</u>	<u>264,152</u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Translation reserve		2,585	13,238
Profit and loss account		414,200	250,814
		<u>416,885</u>	<u>264,152</u>

The financial statements of Canada Goose Services Limited (registered number 09601223) were approved on behalf of the Board and authorised for issue on 2 March 2020.



Mr. Jonathan Stuart Sinclair  
Director

## Canada Goose Services Limited

### Statement of changes in equity For the year ended 31 March 2019

	Share capital £	Translation reserve £	Profit and loss account £	Total £
<b>Balance at 1 April 2017</b>	<b>100</b>	<b>2,083</b>	<b>86,128</b>	<b>88,311</b>
Profit for the financial year	-	-	162,005	162,005
Translation of foreign operations	-	11,155	-	11,155
Remeasurement of net defined benefit liability	-	-	3,139	3,139
Tax relating to items of other comprehensive income	-	-	(458)	(458)
<b>Total comprehensive income</b>	<b>-</b>	<b>11,155</b>	<b>164,686</b>	<b>175,841</b>
<b>Balance at 31 March 2018</b>	<b>100</b>	<b>13,238</b>	<b>250,814</b>	<b>264,152</b>
Profit for the financial year	-	-	202,891	202,891
Translation of foreign operations	-	(10,653)	-	(10,653)
Remeasurement of net defined benefit liability	-	-	(39,505)	(39,505)
Tax relating to items of other comprehensive income	-	-	-	-
<b>Total comprehensive (expense) / income</b>	<b>-</b>	<b>(10,653)</b>	<b>163,386</b>	<b>152,733</b>
<b>Balance at 31 March 2019</b>	<b>100</b>	<b>2,585</b>	<b>414,200</b>	<b>416,885</b>

# **Canada Goose Services Limited**

## **Notes to the financial statements For the year ended 31 March 2019**

### **1. General information**

Canada Goose Services Limited (the Company) is a private Company, limited by shares, incorporated in the United Kingdom and registered in England under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 3.

These financial statements are presented in pounds sterling as the Company is registered in the UK. The functional currency of the London and Paris branch is Euros (2018: Euros) while the functional currency of the Zug branch is Swiss franc (2018: Swiss franc) and the functional currency of the Hong Kong branch is the Hong Kong dollar (2018: Hong Kong Dollar) as these are the currencies of the primary economic environment in which each branch of the Company operates.

These financial statements are stand-alone financial statements. The Company is included in the group financial statements of Canada Goose Holdings Inc. The group financial statements of Canada Goose Holdings Inc. are available to the public and can be obtained as set out in note 15.

Credit Suisse AG (Cayman Islands branch) and Canadian Imperial Bank of Commerce hold fixed and floating charges over the assets of the Company in relation to revolving loan and term facilities contracted by the Company's parent. Canada Goose Inc. was in compliance with all the covenants as of 31 March 2019.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC).

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, standards not yet effective, capital management, presentation of a cash-flow statement and related party transactions.

### **2. Significant accounting policies**

#### **Basis of accounting**

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

#### **Going concern**

The financial statements have been prepared using the going concern basis of accounting. At the balance sheet date the company has net current liabilities as a result of amounts owed to other group companies. The Director is of the opinion that the shareholder of the company will continue to support it and provide adequate funding when necessary to enable it to meet its obligations for the foreseeable future, having obtained a letter of support, for a period of at least twelve months for the date of approval of the financial statements.

#### **Changes in accounting policies**

Standards issued and adopted certain new standards became effective at the beginning of the current fiscal year. The impact from the adoption of these new standards is described below.

#### **Revenue**

Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2018, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15") which replaces the guidance on revenue recognition requirements that previously existed under IFRS. The new standard provides a comprehensive framework for the recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the accounting standards on leases, insurance contracts and financial instruments. IFRS 15 also contains enhanced disclosure requirements. The Company adopted the standard effective April 1, 2018 using the modified retrospective approach, which resulted in no adjustment to opening retained earnings. Comparative information has not been restated and continues to be reported under previous accounting standards. After completing the analysis of its customer contracts, the Company has determined that the implementation of IFRS 15 did not result in any adjustments to the opening balance of retained earnings or to the presentation of the financial statements.

As a result of adopting IFRS 15, the Company updated its accounting policies for the recognition of revenue.

## Canada Goose Services Limited

### Notes to the financial statements (continued) For the year ended 31 March 2019

#### 2. Significant accounting policies (continued)

##### Changes in accounting policies (continued)

##### Financial instruments

Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2018, the IASB issued IFRS 9, Financial Instruments ("IFRS 9") which replaces IAS 39, Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 introduces new requirements for classification and measurement, impairment, and hedge accounting and new impairment requirements that are based on a forward-looking expected credit loss model. IFRS 9 also amends other standards dealing with financial instruments such as IFRS 7, Financial Instruments: Disclosures. The Company adopted the standard effective April 1, 2018, resulting in no adjustment to retained earnings and no material effect on the financial statements. The Company assessed which business models apply to the financial assets and liabilities held and has classified its financial instruments into the appropriate IFRS 9 categories. Adoption of the new classification requirements under IFRS 9 did not result in significant changes in the measurement of financial assets and financial liabilities. The following table summarizes the original classification under IAS 39 and the new classification under IFRS 9 for the Company's financial assets and financial liabilities:

Asset/Liability	Original classification under IAS39	New classification under IFRS9
Cash	Loans and other receivables	Amortized cost
Trade and other receivables	Loans and other receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

Reclassification of financial assets is required if the objective of the business model in which they are held changes after initial recognition and if the change is significant to the entity's operations. No reclassification of financial liabilities is permitted. Application of the expected credit loss model for trade accounts receivable did not result in any changes in the Company's impairment allowance, with expected credit losses to be measured over the life of the asset. The Company updated its accounting policies as a result of adopting IFRS 9.

##### Revenue recognition

Revenue comprises of the consideration to which the Company expects to be entitled in exchange for the sale of goods in the ordinary course of the Company's activities. Revenue is presented net of sales tax, estimated returns, sales allowances, and discounts. The Company recognizes revenue when the Company has agreed terms with its customers, the contractual rights and payment terms have been identified, the contract has commercial substance, it is probable that consideration will be collected by the Company, and when specific criteria for transfer of control to the customer have been met.

##### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### *The Company as lessee*

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

# Canada Goose Services Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 2. Significant accounting policies (continued)

#### Foreign currencies

The financial statements are presented in pounds sterling. The functional currency of the company is pounds sterling as the majority of the Company's activity is in the UK and this is the main currency underlying the financing and management of operations.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise except for those recorded in the translation reserve.

#### Translation reserve

The assets and liabilities of foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the date of the transaction (2018: at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transaction are used).

Exchange differences relating to the translation of the net assets of foreign branch operations from their functional currency to the presentation currency of the Company are recognised in other comprehensive income and accumulated in the translation reserve.

#### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

#### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

# Canada Goose Services Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 2. Significant accounting policies (continued)

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Plant and equipment	10 years
Leasehold improvements	Lesser of the lease term or useful life of the asset
Fixtures and fittings	3 to 5 years
Computer and office equipment	3-5 years
Show displays	2 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

#### *Impairment of tangible fixed assets*

At each balance sheet date, the Company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

#### Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss. Financial assets and financial liabilities are measured subsequently as described below.

##### *i) Non-derivative financial assets*

Non-derivative financial assets include cash and trade receivables which are measured at amortized cost. The Company initially recognizes receivables and deposits on the date that they are originated. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Non-derivative financial liabilities include accounts payable, accrued liabilities, revolving facility, and term loan. The Company initially recognizes debt instruments issued on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

# Canada Goose Services Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### *Cash*

Cash consists of cash and cash equivalents, including cash on hand, deposits in banks, and short-term deposits with maturities of less than 3 months

##### *Trade receivables*

Trade receivables, including credit card receivables, consist of amounts owing where we have extended credit to customers on product sales and are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less expected credit loss and sales allowances. The allowance for expected credit loss is recorded against trade receivables and is based on historical experience.

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, 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.

As of the balance sheet date, there are no revisions necessary to the accounting estimates in this annual report. The directors do not consider there to be any key judgments or estimation uncertainty which are critical in applying the Company's accounting policies.

### 4. Turnover

	2019 £	2018 £
Management fees for services – United Kingdom	2,149,627	1,633,651
Management fees for services – other countries	3,190,675	3,164,111
Turnover	<u>5,340,302</u>	<u>4,797,762</u>

### 5. Profit for the financial year

Profit for the year has been arrived at after (crediting)/charging:

	2019 £	2018 £
Net foreign exchange (gains)/losses	44,818	20,277
Depreciation of tangible fixed assets	414,668	269,206
Staff costs (see note 7)	1,870,415	2,230,366



# Canada Goose Services Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 6. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £23,450 (2018: £22,500).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company amounted to £6,563 (2018: £6,000) in respect of tax compliance.

### 7. Staff costs

The average monthly number of employees (including executive directors) was:

	2019 Number	2018 Number
Marketing and sales staff (permanent or temporary)	30	25

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,516,103	1,749,651
Social security costs	313,649	409,624
Defined benefit pension costs	40,663	66,879
Defined contribution pension costs	-	4,212
	<u>1,870,415</u>	<u>2,230,366</u>

The Directors are remunerated by another group company. No amount of the CAD \$3,767,494 (2018: CAD \$190,148) total remuneration is recharged or attributable for qualifying services provided.

### 8. Tax

	2019 £	2018 £
Corporation tax:		
UK corporation tax	40,746	18,317
Foreign tax	31,333	40,177
Adjustments in respect of prior years		
- Foreign tax	(900)	-
Deferred tax:		
Origination and reversal of temporary differences	(14,912)	-
	<u>56,267</u>	<u>58,494</u>
Tax on profit		

## Canada Goose Services Limited

### Notes to the financial statements (continued) For the year ended 31 March 2019

#### 8. Tax (continued)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised in other comprehensive income:

	2019 £	2018 £
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit liability	-	458
	-	458

#### Deferred tax

The following are the major deferred tax assets recognised by the Company:

	Accelerated tax depreciation £	Retirement benefit obligations £	Total £
At 31 March 2019	18,030	6,754	24,784

Corporation tax is calculated at 19% of the estimated taxable profit for the year. Finance Act 2016, which was substantively enacted in September 2016, included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020. This will reduce the future corporation tax charges incurred by the Company.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the profit before tax as follows:

	2019 £	2018 £
Profit before tax	259,158	220,499
Tax at the UK corporation tax rate of 19% (2018: 19%)	49,240	41,895
Adjustments in respect of prior years	(900)	-
Expenses not deductible for tax purposes	1,869	208
Effect of different tax rates of operations in other jurisdictions	6,058	16,391
Tax expense for the year	56,267	58,494

## Canada Goose Services Limited

### Notes to the financial statements (continued) For the year ended 31 March 2019

#### 9. Tangible fixed assets

	Plant & Equipment £	Leasehold Improvements £	Fixtures and fittings £	Computer and Office Equipment £	Show Displays £	Total £
<b>Cost</b>						
At 1 April 2018	-	3,072	6,898	13,787	679,504	703,261
Additions	28,185	160,658	-	9,647	688,852	887,342
Disposals	-	-	-	-	-	-
Foreign exchange	-	(61)	(137)	(274)	(13,488)	(13,960)
At 31 March 2019	28,185	163,669	6,761	23,160	1,354,868	1,576,643
<b>Accumulated depreciation</b>						
At 1 April 2018	-	(1,383)	(1,861)	(5,910)	(355,856)	(365,010)
Charge for the year	(812)	(3,131)	(1,523)	(5,613)	(393,440)	(404,519)
On disposals	-	-	-	-	-	-
Foreign exchange	-	27	37	117	7,064	7,245
At 31 March 2019	(812)	(4,487)	(3,347)	(11,406)	(742,232)	(762,284)
<b>Carrying amount</b>						
At 31 March 2018	-	1,690	5,037	7,877	323,648	338,251
At 31 March 2019	27,373	159,182	3,414	11,754	612,636	814,359

#### 10. Debtors

Amounts falling due within one year:	2019 £	2018 £
Amounts owed by other group companies	1,507,703	401,042
Security deposit	64,369	47,389
Other debtors	101,229	45,592
Deferred tax	24,784	-
Prepayments and accrued income	87,737	20,099
<b>Total debtors</b>	<b>1,785,822</b>	<b>514,122</b>

Amounts owed by other group companies are unsecured and payable on demand.

# Canada Goose Services Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 11. Creditors

	2019 £	2018 £
Amounts falling due within one year:		
Trade creditors	474,962	144,660
Amounts owed to other group companies	1,379,391	511,250
Taxation and social security	43,775	44,490
Corporation tax	33,770	35,318
Defined benefit pension obligation	46,259	48,092
Other accrued expenses	449,699	431,424
<b>Total creditors</b>	<b>2,427,856</b>	<b>1,215,234</b>

Amounts owed to other group companies are unsecured, repayable on demand and bear interest at 1.75% (2018: 1.75%).

### 12. Share capital

	2019 £	2018 £
Authorised, issued and fully paid (2018: fully paid) 100 ordinary shares of £1 each	100	100

### 13. Operating lease arrangements

#### The Company as lessee

	2019 £	2018 £
Lease payments under operating leases recognised as an expense in the period	244,333	243,835

Lease payments represent rentals payable by the Company for its temporary showroom property in Paris, France and for the office properties in London and Hong Kong.

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	222,975	13,003
In the second to fifth years inclusive	512,565	-
After five years	386,558	-
	<b>1,122,098</b>	<b>13,003</b>

## **Canada Goose Services Limited**

### **Notes to the financial statements (continued) For the year ended 31 March 2019**

#### **14. Events after the balance sheet date**

There are no subsequent events requiring adjustments or disclosure to the financial statements.

#### **15. Controlling party**

The Company's ultimate parent Company and ultimate controlling party is Bain Capital Integral Investors 2008, L.P., a Company incorporated in Boston, MA, USA.

The parent undertaking of the smallest and largest group, which includes the Company and for which group financial statements are prepared, is Canada Goose Holdings Inc., a Company incorporated in British Columbia, Canada and registered at 250 Bowie Avenue, Toronto, Ontario, Canada M6E 4Y2.

The immediate parent undertaking is Canada Goose International Holdings Limited, a Company incorporated in Great Britain. Copies of the group financial statements of Canada Goose Holdings Inc. are available from <https://www.sec.gov/edgar> or from the registered office address.