

**Canada Goose Services Limited**  
**Annual Report and Financial Statements**  
**for the year ended 28 March 2021**

Registered number: 09601223



# Canada Goose Services Limited

For the year ended 28 March 2021

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# **Canada Goose Services Limited**

**For the year ended 28 March 2021**

## **OFFICERS AND PROFESSIONAL ADVISORS**

Directors: Raoul Jean-Marc Sidney Huët  
Jonathan Stuart Sinclair  
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, England  
EC4A 3TR

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

# Canada Goose Services Limited

## For the year ended 28 March 2021

### DIRECTORS' REPORT

The directors present the annual report and audited financial statements for Canada Goose Services Limited (the 'Company') for the year ended 28 March 2021 ('FY21').

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 further grown its business in the Asian market and consequently, expanded its branch in Hong Kong, China. The Canada Goose brand awareness has increased and continues to grow internationally. Due to its relative materiality within the group of companies, and being a service company within the group, 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.

Post balance sheet events are disclosed in note 15 to the financial statements.

#### Principal risks and uncertainties

The directors consider the principal risks and uncertainties faced by the Company to be the general market conditions outside North America in the premium outdoor apparel sector. The Company's success is dependent on the performance of the Canada Goose group companies trading outside of North America. Performance of these group companies and risk exposures are managed and mitigated on a group level.

While impacts from the Covid-19 pandemic become less severe due to increasing vaccination rates, the global pandemic remains a principal risk. A decline in economic conditions due to the pandemic may materially adversely impact the business, results of operations, financial condition and liquidity.

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.

Canada Goose continues to take substantial measures to reinforce financial flexibility by wisely managing operating costs, capital expenditures and working capital. The COVID-19 pandemic has materially impacted on the Company's business in FY21. Extended periods of lockdown have led to a considerable decrease of turnover which in turn led to additional funding from another group company. Further, payment terms with suppliers have been extended and we have made use of government incentives.

Further detail on the Group's COVID-19 response is discussed in the Canada Goose Holdings Inc. Annual Report and Accounts and Interim Financial Statements available at [www.sec.gov](http://www.sec.gov) which do not form part of this report.

Another risk is related to Britain having left the European Union (better known as 'Brexit') which led to a transition period that ended during FY21 on 31 December 2020. While negotiations during the transition period resulted in a trade deal, there are still various uncertainties around the future relationship between Britain and the EU and the impact on the group's business. The group is continually monitoring the situation and is making plans to mitigate the possible negative effects resulting from 'Brexit').

The Company is mainly impacted by Brexit from a workforce perspective, as various non-UK citizens are working at the Company's premises in London, and various UK citizens are working at the Company's branches in France and Switzerland. Mitigations have been taken early on and the Company supported our employees during the process (e.g., applications under the EU settlement scheme).

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.

# Canada Goose Services Limited

## For the year ended 28 March 2021

### DIRECTORS' REPORT (CONTINUED)

#### Going concern

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. Further detail can be found in Note 1 of the financial statements.

#### 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.

#### 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, China on 15 May 2017.

The Company registered a branch in Zhongshan, China, on 1 July 2019, which includes a representation office with limited activities only.

#### Directors

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

Raoul Jean-Marc Sidney Huët  
Jonathan Stuart Sinclair  
Patrick Sherlock

#### Directors' 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 judgements 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.

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.

# **Canada Goose Services Limited**

**For the year ended 28 March 2021**

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

### **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 a 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.

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

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 directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board of directors and signed on its behalf on 17 February 2022.



Patrick Sherlock

Director

## **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 28 March 2021 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; and
- the related notes 1 to 16.

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 ('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.

#### **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.

## **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 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](http://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 frameworks 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, United Kingdom Accounting Standards, employment legislation, 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. These included employment and pensions legislation and data protection legislation.

We discussed among the audit engagement team including relevant internal specialists such as tax, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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 and in-house legal counsel 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 relevant correspondence with HMRC and overseas tax authorities.



## **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

### **Matters on which we are required to report by exception**

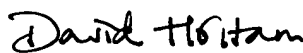
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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 FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

Date: 17 February 2022

## Canada Goose Services Limited

### Statement of total comprehensive income For the year ended 28 March 2021

	Note	2021 £	2020* £
Turnover	4	4,086,031	4,720,147
Cost of sales		(3,891,458)	(4,480,547)
<b>Gross profit</b>		<b>194,573</b>	<b>239,600</b>
Other income	5	138,920	-
<b>Operating profit</b>		<b>333,493</b>	<b>239,600</b>
Finance costs (net)	9	(3,515)	(33,540)
<b>Profit before tax</b>		<b>329,978</b>	<b>206,060</b>
Tax on profit	8	(23,055)	(55,083)
<b>Profit for the financial year</b>	5	<b>306,923</b>	<b>150,977</b>
<b>Comprehensive income:</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability		39,192	(12,096)
Tax relating to components of other comprehensive income	8	(10,402)	-
Items that may be reclassified subsequently to profit or loss:			
Translation of foreign operations		(42,234)	34,775
<b>Other comprehensive (expense)/income for the year net of tax</b>		<b>(13,444)</b>	<b>22,679</b>
<b>Total comprehensive income for the year attributable to the owners of the Company</b>		<b>293,479</b>	<b>173,656</b>

Profit for the financial year was derived from continuing operations. We have reclassified all expenses in the current and prior years from admin expenses to cost of sales to more appropriately reflect the function of these costs

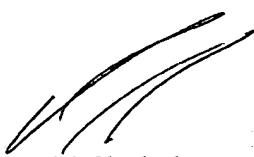
\*The 2020 comparative figures have been restated in accordance with IAS 8 for a transaction that impacted both turnover and administrative expenses, but did not have any impact on the Company's result. Further details are contained in note 1.

# Canada Goose Services Limited

## Balance sheet As at 28 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	10	581,831	884,048
<b>Current assets</b>			
Debtors: amounts due within one year	11	7,132,321	3,875,005
Cash at bank and in hand		1,239,050	184,995
<b>Total current assets</b>		8,371,371	4,060,000
<b>Creditors: Amounts falling due within one year</b>	12	(8,095,198)	(4,370,908)
<b>Net current assets/(liabilities)</b>		276,173	(310,908)
<b>Total assets less current liabilities</b>		858,004	573,140
<b>Creditors: Amounts falling due after more than one year</b>	12	-	(8,615)
<b>Net assets</b>		858,004	564,525
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Translation reserve		(4,874)	37,360
Profit and loss account		862,778	527,065
		858,004	564,525

The financial statements of Canada Goose Services Limited (registered number 09601223) were approved by the board of directors and authorised for issue on 17 February 2022. They were signed on its behalf by:

  
Patrick Sherlock  
Director

# Canada Goose Services Limited

## Statement of changes in equity For the year ended 28 March 2021

	Share capital £	Translation reserve £	Profit and loss account £	Total £
<b>Balance at 1 April 2019</b>	<b>100</b>	<b>2,585</b>	<b>414,200</b>	<b>416,885</b>
IFRS 16 initial application	-	-	(26,016)	(26,016)
Profit for the financial year	-	-	150,977	150,977
Translation of foreign operations	-	34,775	-	34,775
Remeasurement of net defined benefit liability	-	-	(12,096)	(12,096)
Tax relating to items of other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>34,775</b>	<b>138,881</b>	<b>173,656</b>
<b>Balance at 29 March 2020</b>	<b>100</b>	<b>37,360</b>	<b>527,065</b>	<b>564,525</b>
Profit for the financial year	-	-	306,923	306,923
Translation of foreign operations	-	(42,234)	-	(42,234)
Remeasurement of net defined benefit liability	-	-	39,192	39,192
Tax relating to items of other comprehensive income (Note 8)	-	-	(10,402)	(10,402)
<b>Total comprehensive income</b>	<b>-</b>	<b>(42,234)</b>	<b>335,713</b>	<b>293,479</b>
<b>Balance at 28 March 2021</b>	<b>100</b>	<b>(4,874)</b>	<b>862,778</b>	<b>858,004</b>

# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 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 Directors' 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 while the functional currency of the Zug branch is Swiss franc and the functional currency of the Hong Kong branch is the 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 16.

Credit Suisse AG (Cayman Islands branch) and Canadian Imperial Bank of Commerce hold fixed and floating charges over the assets of the Company.

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.

In the current financial year, the Company has restated FY20 turnover and administrative expenses to retrospectively adjust for transactions that related to that year in accordance with IAS 8. These transactions related to wholesale sales support activities and did not impact the Company's opening net results and retained earnings.

	2020 restated £	2020 as reported £
Turnover	4,720,147	4,429,347
Cost of sales	(4,480,547)	(4,189,747)
<b>Gross profit</b>	<b>239,600</b>	<b>239,600</b>

### 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 at the time of the transaction.

### 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 assets of £276,173. The company is funded by another group company and able to request additional funds in order to finance the Company's working capital needs.

The company is not considering any third-party financing and continues to generate net profits under the sales and marketing agreement with another group company. The development over recent years in the business and the real progress made during exceptional times, indicate a positive outlook for the future. Taking into account the current strength of the company and the group, and the directors' expectations for growth in both the short and medium term, the directors believe that the company is well placed to manage its business risks successfully despite the overall uncertain economic outlook for both the UK and world economies

Specifically, the directors have considered the group and the ultimate parent company's current and future prospects, risks and uncertainties, including a detailed assessment of the impact of the COVID-19 global pandemic.

# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### Going concern (continued)

The directors have considered the potential impact of the COVID-19 pandemic on the group's results by reviewing the group's liquidity plan analysis and adjusted future forecasts. This forecast does not raise significant doubt about the ability of the group or the ultimate parent company to meet their current obligations, and support the Company if necessary for at least 12 months from signature of the financial statements.

Therefore, the directors are satisfied that the ultimate parent company would have the ability to provide support to the company if required and therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the annual report and financial statements.

### Adoption of new and revised Standards

#### Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards	The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The standard which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.
Amendments to IAS 1 and IAS 8 Definition of material	<p>The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.</p> <p>The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.</p>

## 2. Significant accounting policies

### Revenue recognition

Turnover comprises of the consideration to which the Company expects to be entitled in exchange for the sale of services in the ordinary course of the Company's activities. Turnover is presented net of sales tax, 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.

### Government grants

Government grants and related subsidies are recognized in profit or loss on a systematic basis in accordance with IAS 20. Government grants are only recognized when there is reasonable assurance that the company:

- will comply with any requirements attached to the grant; and
- and the grant will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company

# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 2. Significant accounting policies (continued)

#### Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use asset and lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use asset is subsequently depreciated over the shorter period of the lease term and the useful life of the underlying asset.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

#### Foreign currencies

The financial statements are presented in pounds sterling as the Company is registered in the UK. Each branch of the Company has its own functional currency due to the fact that they operate in their own primary economic environment and use the main currency underlying the financing and management of its 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 average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Exchange differences relating to the translation of the net assets of foreign branch operations from their functional currency to the functional 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.

# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 2. Significant accounting policies (continued)

#### Taxation (continued)

##### *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.

##### **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:

Leasehold improvements	10% - 20 %
<i>Other fixed assets:</i>	
Fixtures and fittings	20% - 33.3%
Computer and office equipment	20% - 33.3%
Show displays	33.3% - 50%

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

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.



# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 2. Significant accounting policies (continued)

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

#### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition: existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable: information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

#### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### 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 judgements or estimation uncertainty which are critical in applying the Company's accounting policies.

## Canada Goose Services Limited

### Notes to the financial statements For the year ended 28 March 2021

#### 4. Turnover

	2021 £	2020 £
Management fees for services – United Kingdom	2,006,786	2,036,526
Management fees for services – Other countries	2,079,245	2,683,621
Turnover	4,086,031	4,720,147

The comparative FY20 turnover figures were restated. Further details can be found in note 1.

#### 5. Profit for the financial year

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

	2021 £	2020 £
Net foreign exchange losses/(gains)	98,677	(75,388)
Depreciation of tangible fixed assets (excl. right of use-assets, note 10)	361,253	523,271
Depreciation of right of use-assets (note 10)	8,560	108,979
Loss on disposal of tangible fixed assets	109,603	121,536
Staff costs (see note 7)	2,182,007	1,780,890
Other income	(139,919)	-

The other income amount of £139,919 almost exclusively relates to government consisting of wage subsidies received as part of a Government initiative to provide immediate financial support as a result of COVID-19. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year

#### 6. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £49,000 (2020: £30,000).

Fees payable to Deloitte LLP and their associates for non-audit services provided to the Company amounted to £24,615 (2020: £11,209) in respect of tax compliance.

# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 7. Staff costs

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

	2021 Number	2020 Number
Marketing and sales staff (permanent or temporary)	34	34

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,818,711	1,476,856
Social security costs	280,218	265,260
Defined benefit pension costs	66,570	23,236
Defined contribution pension costs	13,427	12,457
Other staff costs	3,081	3,081
	<u>2,182,007</u>	<u>1,780,890</u>

The Directors are remunerated by another group company. No amount of the CAD 4,396,161 (2020: CAD 2,138,167) total remuneration is recharged or attributable for qualifying services provided.

### 8. Tax

	2021 £	2020 £
Corporation tax:		
UK corporation tax	-	83,008
Foreign tax	3,340	37,990
Adjustments in respect of prior years		
- Foreign tax (current and deferred taxes)	1,399	(15,260)
- UK corporation tax (current and deferred taxes)	13,663	-
Deferred tax		
Origination and reversal of temporary difference	<u>4,653</u>	<u>(50,655)</u>
Tax on profit	<u>23,055</u>	<u>55,083</u>

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

#### Deferred tax:

#### Items that will not be reclassified subsequently to profit or loss:

Gains/(losses) on remeasurement of defined benefit pension	<u>10,402</u>	<u>-</u>
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# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 8. Tax (continued)

Corporation tax is calculated at 19% of the estimated taxable profit/ (loss) for the year. At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. At the Budget 2021 on 3 March 2021, the Government announced that the Corporation Tax rate will increase with effect from 1 April 2023 to 25% for companies with profits above £250,000 with a taper for companies earning between £50,000 and £250,000, as well as announcing a number of other changes to allowances and treatment of losses. These changes are not yet substantively enacted, and the company has not yet undertaken a full analysis of the impact of the changes.

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 in the profit and loss account as follows:

	2021 £	2020 £
Profit before tax	329,978	206,060
Tax at the UK corporation tax rate of 19% (2020: 19%)	62,696	39,151
Adjustments in respect of prior years	15,062	(15,260)
Expenses not deductible for tax purposes	(3,075)	(1,024)
Income not deductible for tax purposes	(51,052)	-
Non-deductible foreign exchange (gains)/losses	(717)	540
Effect of different tax rates of operations in other jurisdictions	(4,098)	31,676
Others	4,239	-
Tax charge for the year	23,055	55,083

### Deferred tax

The company recognised a deferred tax liability of £50,298 (2020: £75,439 deferred tax asset) which mainly relates to accelerated tax depreciation of fixed assets, leases and retirement benefit obligations.

	Accelerated tax depreciation £	Retirement benefit obligation £	IFRS 16 RoU-Assets £	Non- Operating Loss £	Other £	Total £
At 30 March 2020	56,280	10,321	7,453	-	1,385	75,439
Net income	(144,600)	-	(7,453)	37,550	(1,385)	(115,888)
Other comprehensive income	-	(9,849)	-	-	-	(9,849)
At 28 March 2021	(88,320)	472	-	37,550	-	(50,298)

# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 9. Interest payable and similar expenses (net)

	2021 £	2020 £
Interest on lease liabilities	2,637	33,540
Other expenses	877	-
Total interest payable and similar expenses (net)	<u>3,514</u>	<u>33,540</u>

### 10. Tangible fixed assets

	Show Displays £	Right of use-assets (capital leases) £	Other tangible fixed assets £	Total £
<b>Cost</b>				
At 30 March 2020	1,983,788	215,295	87,247	2,286,330
Additions	280,528	-	21,957	302,485
Disposals	(1,120,153)	(215,815)	(24,619)	(1,360,587)
Foreign exchange	(66,194)	520	(4,611)	(70,285)
<b>At 28 March 2021</b>	<b>1,077,969</b>	<b>-</b>	<b>79,974</b>	<b>1,157,943</b>
<b>Accumulated depreciation</b>				
At 30 March 2020	(1,264,004)	(111,466)	(26,812)	(1,402,282)
Charge for the year	(354,017)	(8,560)	(7,236)	(369,813)
On disposals	1,035,168	120,026	-	1,155,194
Foreign exchange	44,627	-	(3,838)	40,789
<b>At 28 March 2021</b>	<b>(538,226)</b>	<b>-</b>	<b>(37,886)</b>	<b>(576,112)</b>
<b>Carrying amount</b>				
At 29 March 2020	719,784	103,829	60,435	884,048
<b>At 28 March 2021</b>	<b>539,743</b>	<b>-</b>	<b>42,088</b>	<b>581,831</b>

# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 11. Debtors

Amounts falling due within one year:	2021 £	2020 £
Amounts owed by other group companies	6,969,562	3,511,050
Security deposit	56,250	74,326
Other debtors	105,819	110,088
Deferred tax assets	-	75,349
Prepayments and accrued income	690	104,192
<b>Total debtors</b>	<b>7,132,321</b>	<b>3,875,005</b>

Amounts owed by other group companies are unsecured and the Company may request repayment on demand, amounts past due are subject to interest at a prime lending rate.

### 12. Creditors

Amounts falling due within one year:	2021 £	2020 £
Trade creditors	327,109	197,500
Amounts owed to other group companies	7,110,924	3,262,541
Taxation and social security	45,027	59,767
Corporation tax	-	100,652
Defined benefit pension obligation	37,919	40,197
Other accrued expenses	517,203	574,489
Current lease liability	-	122,152
Pension contributions payable	6,718	13,610
Deferred tax liability	50,298	-
	<b>8,095,198</b>	<b>4,370,908</b>
Amounts falling due after more than one year:		
Non-current lease liability	-	8,615
<b>Total creditors</b>	<b>8,095,198</b>	<b>4,379,523</b>

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

### 13. Share capital

	2021 £	2020 £
Authorised, issued and fully paid 100 ordinary shares of £1 each	100	100

# Canada Goose Services Limited

## Notes to the financial statements For the year ended 28 March 2021

### 14. Lease arrangements

#### The Company as lessee

	2021 £	2020 £
Total cash outflow for leases – fixed payments	-	129,388

On 27 April 2020, the Company signed an agreement to early terminate its show room and office location in Paris in advance of the earliest expiry date of 14 April 2021. This resulted in a gain on termination of £38,090. As of 28 March 2021, the Company does not account for any right-of-use asset and lease liability.

#### Right-of-use assets

	2021 £	2020 £
<b>Amounts recognised in profit and loss</b>		
Depreciation expense on right-of-use assets	8,560	108,979
Interest expense on lease liabilities	2,637	33,540
Expense relating to short-term leases	100,767	136,099
Expense relating to leases of low value assets	-	-

The Company leases several assets including office properties and showrooms. The average lease term is 1 year for short term leases. The office property in Hong Kong is a short-term lease and was terminated during the prior year (FY20). The Hong Kong branch is now sharing the office facilities from another group company.

At 28 March 2021, the Company is committed to £6,900 (2020: £90,000) for short-term leases. In addition, the Company entered into a lease agreement in Berlin, Germany, on behalf of another group company which was not legally incorporated at the time of signing the agreement. The agreement has been transferred on 15 June 2021.

### 15. Events after the balance sheet date

No material events occurred subsequent to the reporting date before the financial statements were authorized.

### 16. 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.