Canada Goose UK Retail Limited

Annual Report and Financial Statements

for the year ended 29 March 2020

Registered number: 10568936

Canada Goose UK Retail Limited

For the year ended 29 March 2020

Canada Goose UK Retail Limited

For the year ended 29 March 2020

OFFICERS AND PROFESSIONAL ADVISORS

Directors:	Raoul Jean-Marc Sidney Huët Jonathan Stuart Sinclair Patrick Sherlock
Company Registration Number:	10568936
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 UK Retail Limited

For the year ended 29 March 2020

STRATEGIC REPORT

Principal activity
Canada Goose is one of the world's leading makers of luxury apparel specialising in extreme weather outerwear. The principal activity of Canada Goose UK Retail Limited is to establish and manage the retail trading activities in the UK through the flagship retail store in London.

Business review and future developments
As at 29 March 2020 the company has net assets of £240,799. The directors are pleased with the results for the year given the headwinds at the end of the year following the start of the Covid-19 pandemic. The company's key performance indicators are turnover and gross profit. Turnover has decreased by £929,733 to £15,373,922 in the year ended 29 March 2020 ('FY20') whilst gross profit has decreased by £2,275,334 to £6,501,823. The decrease in turnover and gross profit was mainly driven by the COVID-19 pandemic. Concerns around the virus and global travel restrictions resulted in significantly less traffic since January 2020. Additionally, the lockdown in Spring (starting 17 March 2020), negatively affected our business. Before the COVID-19 outbreak, the Company's revenue was trending slightly above FY19. Canada Goose UK Retail Limited has a net profit for the financial year of £143,731 in FY20 compared to a profit of £548,395 in FY19.

The company will continue to work to increase market share through expansion in its product range and consistent investments in store layouts. The position of the company's business at the end of the period is as disclosed on the balance sheet. As a result of the Covid-19 pandemic, various measures have been taken to protect the Company's balance sheet and liquidity - Among others, adapting staffing levels, extending payment terms with suppliers, furlough scheme and business rate reliefs. Further, we adapted our operations to the current circumstances and introduced a virtual appointment system which creates a seamless shopping experience for the customer also during lockdown.

Events after the balance sheet date
On 13 October 2020, the company registered a branch in Ireland, which encompasses retail activities in Ireland. The company opened up a retail store in Dublin which started operating in December 2020.

Principal risks and uncertainties
On March 11, 2020, as COVID-19 spread outside of China, the World Health Organization designated the outbreak as a global pandemic. Although the duration and ultimate impact of the COVID-19 pandemic is unknown at this time, a decline in economic conditions may materially adversely impact the business, results of operations, financial condition and liquidity.

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

The COVID-19 pandemic has serious impacts on the Group's business, especially on retail and wholesale. Canada Goose has taken 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 which do not form part of this report.

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Another risk is related to Britain leaving the European Union (better known as 'Brexit') which led to a transition period ending 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).

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

This report was approved by the board and signed on its behalf on 23 April 2021.

Patrick Sherlock

Director

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 29 March 2020. Details of events after the balance sheet date and future developments can be found in the Strategic Report and form part of this report by cross-reference.

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 (appointed 6 February 2020)

Results and dividends
The Company's net profit for the financial year was £143,731 (2019: £548,395).
No dividends were paid or declared during the year or subsequently to the date of this report.

Financial risk management objectives and policies
Liquidity risk:
The company has a working capital cycle that results in peak requirements during the year. The company manages its cash requirements to ensure that it has sufficient liquid resources to meet the operating needs of the business through working capital loans from group companies.

Going concern
At the balance sheet date the company has net current liabilities as a result of amounts owed to other group companies. 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 2 of the financial statements.

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.

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.

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to the auditor
The Directors who held office at the date of approval of this Directors' Report each confirm that, so far as they are 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 Director 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 report was approved by the board and signed on its behalf on 23 April 2021.

Patrick Sherlock

Director

Independent auditor's report to the members of Canada Goose UK Retail Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Canada Goose UK Retail Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 29 March 2020 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

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.

Independent auditor's report to the members of Canada Goose UK Retail 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. 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

David Holtam (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 23 April 2021

Canada Goose UK Retail Limited

Profit and loss account
For the year ended 29 March 2020

	Note	2020 £	2019 £
Turnover	4	15,373,922	16,303,655
Cost of sales		(8,872,099)	(7,526,498)
Gross profit		**6,501,823**	**8,777,157**
Administrative expenses		(5,688,996)	(7,962,247)
Operating profit		**812,827**	**814,910**
Interest payable and similar expenses	5	(621,172)	(85,283)
Profit before taxation		**191,655**	**729,627**
Tax on profit	9	(47,924)	(181,232)
Profit for the financial year	6	**143,731**	**548,395**

Turnover and operating profit are all derived from continuing operations.

There were no recognised income and expenses in either year other than the results shown above and, accordingly, no statement of other comprehensive income has been presented.

Canada Goose UK Retail Limited

Balance sheet
As at 29 March 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	-	1,870,414
Tangible assets	11	16,137,289	1,960,951
Total fixed assets		16,137,289	3,831,365
Current assets			
Stocks		1,894,392	1,531,693
Debtors: amounts due within one year	12	523,769	663,576
Debtors: amounts due in over one year	12	954,000	954,000
Cash at bank and in hand		28,662	528,916
Total current assets		3,400,823	3,678,185
Total assets		19,538,112	7,509,550
Current portion of capital lease obligation	15	(2,153,441)	-
Creditors: Amounts falling due within one year	13	(5,459,605)	(6,585,707)
Net current liabilities		(4,212,223)	(2,907,522)
Total assets less current liabilities		11,925,066	923,843
Non-current portion of capital lease obligation	15	(11,684,267)	-
Net assets		**240,799**	**923,843**
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		240,699	923,743
		240,799	**923,843**

The financial statements of Canada Goose UK Retail Limited (registered number 10568936) were approved by the directors and authorised for issue on 23 April 2021.

Patrick Sherlock

Director

Canada Goose UK Retail Limited

Statement of changes in equity
For the year ended 29 March 2020

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2018	**100**	375,348	375,448
Profit for the year and total comprehensive income	-	548,395	548,395
Balance at 31 March 2019	**100**	**923,743**	**923,843**
Balance at 1 April 2019	100	923,743	923,843
IFRS 16 initial application (Note 2)	-	(826,775)	(826,775)
Profit for the year and total comprehensive income	-	143,731	143,731
Balance at 29 March 2020	**100**	**240,699**	**240,799**

Notes to the financial statements
For the year ended 29 March 2020

1. General information

Canada Goose UK Retail 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 company is pounds sterling because that is the currency of the primary economic environment in which 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 17.

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 29 March 2020.

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, certain disclosure in respect of revenue from contracts with customers, related party transactions and certain disclosure requirements in respect of leases.

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 company is not considering any third party financing and continues to generate a positive operating profit margin. As at the most current monthly financial statement for management reporting purposes at the time of the preparation, the Company was showing cash and cash equivalents in the amount of £1,243,000 and continues to be profitable. The company is funded by another group company under an intercompany loan agreement and requests additional funds when required in order to finance the Company's working capital needs. However, the company is considered to be dependent overall on the financial support of the ultimate parent undertaking, which has undertaken to provide the funds necessary for the company to continue as a going concern for a minimum of 12 months from the date of approval of the financial statements. The Directors are satisfied with the intention and ability of the parent of the Company to continue to support it and provide adequate funding when necessary to enable it to meet its obligations for the foreseeable future.

The group and ultimate parent company meet their day-to-day working capital requirements through the group's bank facilities. The directors of the Company have considered both the performance of this entity but also that of the group when assessing going concern. 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.

The directors have considered the potential impact of the COVID-19 outbreak 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.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)
For the year ended 29 March 2020

2. Significant accounting policies (continued)

Adoption of new and revised Standards

Impact of initial application of IFRS 16 Leases

In the current year, the Company has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described further below under "Leases". The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The Company adopted IFRS 16 on April 1, 2019 using the modified retrospective approach with the cumulative effects of initial application recorded in opening retained earnings and no restatement of prior period financial information. Under the modified retrospective approach, the Company measured the right-of-use asset at the carrying value as if the standard had been applied since the commencement date of the lease (typically the possession date), but using the discount rate at the date of initial application.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the Company has applied a single discount rate to a portfolio of leases with reasonably similar underlying characteristics;
- the Company has excluded initial direct costs in the measurement of the right-of-use asset on initial application except to the extent that costs, such as lease rights, were recognized under the previous standard;
-

Impact on retained earnings and reconciliation of right-of-use assets and lease liability as at 1 April 2019

	As previously reported, March 31, 2019	Reclassification of initial direct costs	IFRS 16 initial application	Balance as at April 1, 2019 – IFRS 16
	£	£	£	£
Assets				
Intangible assets	1,870,414	(1,870,414)	-	-
Right-of-use assets	-	1,870,414	14,385,706	**16,256,120**
Deferred tax	-	-	193,935	**193,935**
Debtors due within one year - prepayments	525,000	-	(525,000)	-
Liabilities				
Current lease liabilities	-	-	1,044,325	**1,044,325**
Non-current lease liabilities	-	-	13,837,091	**13,837,091**
Shareholders' equity				
Retained earnings	923,743	-	(826,775)	**96,968**

2. Significant accounting policies (continued)

Impact of initial application of IFRS 16 Leases (continued)

The Company has recognised £16,256,120 of right-of-use assets and £14,881,416 of lease liabilities upon transition to IFRS 16. The transition impact of £(826,775) is recognised in retained earnings – profit and loss account.

The Company used its incremental borrowing rates as at April 1, 2019 to measure lease liabilities. The weighted average incremental borrowing rate was 3.75%. The weighted average lease term remaining as at April 1, 2019 was approximately 8.5 years.

The following table reconciles the lease liabilities recognized on 1 April 2019 and the operating lease commitments disclosed under IAS 17 as at 31 March 2019, discounted using the incremental borrowing rate as at the date of initial application:

	£
Operating lease commitments as at 31 March 2019	17,325,000
Operating leases	-
Undiscounted lease payments	17,325,000
Discount at incremental borrowing rate	(2,443,584))
Lease liability recognized at 1 April 2019	**14,881,416**
Current lease liability	1,044,325
Non-current lease liability	13,837,091
Total lease liability	**14,881,416**

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current period

In the current period, the Company has applied a number of other amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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.

Direct-to-Consumer revenue consists of sales through Company-owned retail stores. Revenue is recognized upon delivery to the customer at the point of sale, net of an estimated provision for sales returns. It is the Company's policy to sell merchandise through the Direct-to-Consumer channel with a limited right to return, typically within 30 days. Accumulated experience is used to estimate and provide for such returns.

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.

2. Significant accounting policies (continued)

Notes to the financial statements (continued)
For the year ended 29 March 2020

Leases (continued)

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.

Leases - Policies applicable prior to 1 April 2019

Leases were recognized in line with the requirements under IAS 17 in the prior year FY19.

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 profit or loss 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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Stocks

Stocks are stated at the lower of cost and net realisable value and comprise of finished goods for resale. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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.

Notes to the financial statements (continued)
For the year ended 29 March 2020

2. Significant accounting policies (continued)

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.

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	Lesser of the lease term or useful life of the asset
Fixtures and fittings	20%
Computer and Office equipment	20%

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 scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

2. Significant accounting policies (continued)

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.

Intangible fixed assets

Intangible fixed assets relate to amounts paid to secure property leases and are capitalised at cost and amortised straight-line over 10.5 years. The remaining amortisation period at 31 March 2019 was 8.5 years. Amortisation is included within administrative expenditure.

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 and other 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.

ii) Non-derivative financial liabilities

Non-derivative financial liabilities include accounts payable, other and accrued liabilities. 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.

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.

Notes to the financial statements (continued)
For the year ended 29 March 2020

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.

The directors do not consider there to be critical judgements, key assumptions concerning the future, or other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover and revenue

	2020 £	2019 £
Turnover - Sale of goods in the United Kingdom	15,373,922	16,303,655
Total revenue	15,373,922	16,303,655

5. Interest payable and similar expenses

	2020 £	2019 £
Interest payable to other group companies	89,730	85,283
Interest on lease liability	531,280	-
Other interest expenses	162	-
Total interest payable and similar expenses	621,172	85,283

6. Profit for the financial year

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

	2020 £	2019 £
Net foreign exchange losses/(gains)	6,351	10,854
Other income - commission	(213,045)	-
Depreciation of tangible fixed assets (Note 11)	195,032	534,281
Depreciation of tangible fixed assets - right of use assets (Note 11)	1,908,168	-
Amortisation of intangible fixed assets	-	219,549
Cost of stock recognised as expense	8,828,275	7,526,498
Write downs of stock recognised as expense	43,824	-
Staff costs (see note 8)	1,024,770	1,260,964

Other income is recognised within administrative expenses.

Notes to the financial statements (continued)
For the year ended 29 March 2020

7. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £41,725 (2019: £34,500).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company amounted to £6,750 (2019: £6,250) in respect of tax compliance.

8. Staff costs

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

	2020	2019
	Number	Number
Retail sales staff (permanent or temporary)	40	44

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	925,331	1,155,517
Social security costs	89,644	96,749
Other pension costs	9,795	8,698
	1,024,770	1,260,964

The Directors are remunerated by another group company. No amount of the CAD 2,138,167 (2019: CAD 3,767,494) total remuneration is recharged or attributable for qualifying services provided.

9. Tax

	2020	2019
	£	£
Corporation tax:		
UK corporation tax	(25,084)	181,232
Deferred tax:		
Origination and reversal of temporary differences	73,008	-
	47,924	181,232

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.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)
For the year ended 29 March 2020

9. Tax (continued)

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2020 £	2019 £
Profit before tax	191,655	729,627
Tax at the UK corporation effective tax rate of 19% (2019: 19%)	36,414	138,629
Expenses not deductible for tax purposes	11,510	42,603
Tax charge for the year	47,924	181,232

Deferred tax

The company recognised a deferred tax asset of £195,674 which mainly relates to accelerated tax depreciation of fixed assets and leases.

	Accelerated tax depreciation £	IFRS 16 RoU-Assets £	Other £	Total £
At 29 March 2020	67,427	116,978	11,269	**195,674**

10. Intangible fixed assets	**Lease Premiums £**
Cost	
At 1 April 2019	2,310,512
IFRS 16 Adoption	(2,310,512)
At 29 March 2020	-
Accumulated amortisation	
At 1 April 2019	(440,098)
IFRS 16 Adoption	440,098
At 29 March 2020	-
Carrying amount	
At 31 March 2019	1,870,414
At 29 March 2020	-

Intangible fixed assets relate to amounts paid to secure property leases. Following application of IFRS 16, they are considered to be direct costs which form part of the right of use asset for the property lease. This is presented within tangible fixed assets with effect from 1 April 2019.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)
For the year ended 29 March 2020

11. Tangible fixed assets

	Leasehold Improve-ments*	Fixtures and Fittings	Computer and Office Equipment	Right-of-use Assets	Total
Cost	£	£	£	£	£
At 1 April 2019	1,517,676	1,094,024	96,597	-	2,708,297
IFRS 16 Adoption	-	-	-	16,256,120	16,256,120
Additions	64,328	87,271	6,949	-	158,548
Disposals	(135,130)	-	-	-	(135,130)
At 29 March 2020	1,446,874	1,181,295	103,546	16,256,120	18,987,835
Accumulated depreciation					
At 1 April 2019	(413,109)	(307,405)	(26,832)	-	(747,346)
Charge for the period	(168,532)	(217,659)	(19,423)	(1,908,168)	(2,313,782)
Useful life adjustment*	210,582	-	-	-	210,582
On disposals	-	-	-	-	-
At 29 March 2020	(371,059)	(525,064)	(46,255)	(1,908,168)	(2,850,546)
Carrying amount					
At 31 March 2019	1,104,567	786,619	69,765	-	1,960,951
At 29 March 2020	1,075,815	656,231	57,291	14,347,952	16,137,289

*The estimated useful life for leasehold improvements has been adjusted during the year following a change from applying 20% straight line depreciation to lesser of the lease term or useful life of the asset, this led to a reduction in accumulated depreciation of £210,582 being recorded in FY20.

12. Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	107,970	46,440
Accrued income	213,045	-
Prepayments	7,080	617,136
Deferred tax	195,674	-
	523,769	**663,576**
Amounts due in over one year:		
Security deposit - leased property	954,000	954,000
	954,000	**954,000**

13. Creditors

Amounts falling due within one year:	2020	2019
	£	£
Trade creditors	385,921	240,218
Amounts owed to other group companies	4,019,250	5,298,326
Corporation tax	231,112	181,449
Other taxation and social security	617,671	615,228
Other accrued expenses	205,651	250,486
Total creditors	**5,459,605**	**6,585,707**

Amounts owed to other group companies are unsecured, repayable on demand and bear interest at 1.75% (2019: 1.75%)

14. Share capital

	2020	2019
Authorised, issued and fully paid:	£	£
100 ordinary shares of £1 each	100	100

15. Lease arrangements

The Company as lessee

Disclosure required by IFRS 16

	2020
	£
Total cash outflow for leases – fixed payments	1,575,000

Lease payments represent rentals payable by the Company for its flagship store in London, England. There are no extension or termination options on the lease.

Analysis of lease liabilities

	2020
	£
Amount due for settlement:	
Between one and five years	7,159,967
After five years	4,524,300
	11,684,267
On demand or within one year	2,153,441
	13,837,708

15. Lease arrangements (continued)

	2020
Amounts recognised in profit and loss	**£**
Depreciation expense on right-of-use assets	1,908,168
Interest expense on lease liabilities	531,280
Expense relating to short-term leases	-
Expense relating to leases of low value assets	-

The Company as lessee

Disclosure required by IAS 17

	2019
	£
Lease payments under operating leases recognised as an expense in the year	2,111,650

	2019
	£
Within one year	2,100,000
In the second to fifth years inclusive	8,400,000
After five years	6,825,000
	17,325,000

16. Events after the balance sheet date

There are no subsequent events requiring adjustments or disclosure to the financial statements other than as disclosed in the Strategic Report.

17. 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.