

Canada Goose UK Retail Limited
Annual Report and Financial Statements
for the year ended 3 April 2022

Registered number: 10568936



Canada Goose UK Retail Limited

For the year ended 3 April 2022

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Canada Goose UK Retail Limited

For the year ended 3 April 2022

OFFICERS AND PROFESSIONAL ADVISORS

Directors: Jonathan Stuart Sinclair
Patrick Sherlock

Jean-Marc Huet resigned on 25 April 2022

Company Registration Number: 10568936

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

Auditor: MHA MacIntyre Hudson

6th Floor, 2 London Wall Place
London, England
EC2Y 5AU

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

Canada Goose UK Retail Limited

For the year ended 3 April 2022

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 (the "Company") is to establish and manage the retail trading activities in the UK and Ireland through directly owned retail stores.

Business review and future developments

The Company's key performance indicators are turnover and gross profit. Turnover has increased by £13,871k from £5,763k to £19,634k in FY22 whilst gross profit has increased by £7,569k to £10,939k. The increase in turnover and gross profit was mainly driven by the opening of additional stores as well as the lifting of COVID-19 restrictions which resulted in a significant increase in foot traffic. While COVID-19 impacts were less severe in FY22, they still have an ongoing impact on the Company's results. During the end of FY22, other macroeconomic headwinds such as inflation and the war in Ukraine had an adverse impact on consumer spending behaviour.

In FY22, the Company opened a temporary store in Manchester as well as a permanent store in Edinburgh in addition to the Company's existing stores in London (permanent) and Dublin (temporary).

The Company's profit for the financial year amounted to £478k in FY22 compared to a loss of £(1,727k) in FY21.

As at 3 April 2022, the Company has net current assets of £754,568. The Company's financial position is materially impacted by a capital contribution in the amount of £7,333,779 from its direct shareholder, Canada Goose International Holdings Inc. The Company used these proceeds to settle its existing loan with an affiliate company. The financial position includes an interest-bearing loan with an affiliated company, which has decreased from £7,281k to £1,303k during FY22, driven by the loan repayment.

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.

While the Company experienced significant headwinds during FY22, the outlook remains positive and the directors are confident that the Company will bounce back in the mid-term to pre-pandemic levels and further continue to grow.

Events after the balance sheet date

In Q1 FY23, the temporary stores in Manchester and Dublin stopped trading. The Company has signed lease agreements in both cities to set up permanent stores which are anticipated to start trading later in FY23.

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 extreme weather outerwear sector.

The war in Ukraine and inflation on the rise are constituting macroeconomic headwinds that could pose significant risk to the Company's business since diminishing disposable income for majority of households could adversely affect consumer behaviour.

Although the COVID-19 pandemic continues to become significantly less severe due to increased vaccination rates, it continues to impact the Company's business. One specific concern is the current travel restrictions in China leading to a lower level of touristic spend compared to pre-pandemic levels. A decline in economic conditions may materially adversely impact the business, results of operations, financial condition and liquidity.

Canada Goose UK Retail Limited

For the year ended 3 April 2022

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

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.

This report was approved by the board and signed on its behalf on 4 October 2022.



Patrick Sherlock

Director

Canada Goose UK Retail Limited

For the year ended 3 April 2022

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 3 April 2022. 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:

Jonathan Stuart Sinclair
Patrick Sherlock

Jean-Marc Huët resigned on 25 April 2022.

Results and dividends

The Company's profit for the financial year was £478,286 (2021: loss of (£1,727,456)). 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

Cash is managed centrally within the group. The Company is getting funded by another group company which fully supplies Canada Goose UK Retail Limited with all working capital requirements. It achieved positive results in the current financial year and is projected to achieve positive results in the upcoming financial year.

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. Further information is included 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.

Incorporation and branches

The company was incorporated as a private company in the United Kingdom on 17 January 2017 with company registration number 10568936. The company established a branch in Ireland, Dublin, on 13 October 2020.

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.

Canada Goose UK Retail Limited

For the year ended 3 April 2022

DIRECTORS' REPORT (CONTINUED)

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

Other matters

Deloitte LLP resigned as auditors during the year and MHA MacIntyre Hudson were appointed. MHA MacIntyre Hudson will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

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.

This report was approved by the board and signed on its behalf on 4 October 2022.



Patrick Sherlock

Director

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

Opinion

We have audited the financial statements of Canada Goose UK Retail Limited (the 'company') for the year ended 3 April 2022, which comprise the statement of total comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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 parent 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 directors are responsible for the other 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.

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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

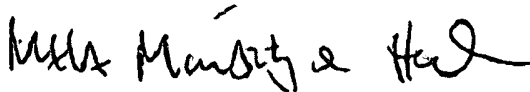
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

- Testing the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be of greater susceptibility to fraud;
- Performing targeted journal entry testing based on identified characteristics that the audit team considered to be indicative of fraud, for example credit entries to revenue without a corresponding entry to receivables;
- Critically assessing areas of the financial statements which include judgement and estimates, as set out in Note 3 of the financial statements;
- We obtained an understanding of the legal and regulatory frameworks applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Companies Act 2006 and relevant tax compliance regulations; and
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other corroborating evidence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



Stephen Poleykett BA (Hons) FCA
(Senior Statutory Auditor)
for and on behalf of MHA MacIntyre Hudson, Statutory Auditor
London
5 October 2022

Canada Goose UK Retail Limited

Statement of total comprehensive income For the year ended 3 April 2022

	Note	2022 £	2021 £
Turnover	4	19,633,997	5,762,933
Cost of sales		(8,695,160)	(2,393,351)
Gross profit		10,938,837	3,369,582
Administrative expenses		(9,611,603)	(5,156,471)
Other income	6	31,539	240,425
Other expenses	6	(38,251)	-
Operating profit/(loss)		1,320,522	(1,546,464)
Interest payable and similar expenses	5	(600,005)	(582,808)
Profit/(loss) before taxation		720,517	(2,129,273)
Tax on (loss)/profit	9	(242,231)	401,817
Profit/(loss) for the financial year	6	478,286	(1,727,456)
Comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Translation of foreign operations		(740)	2,283
Other comprehensive (loss)/income for the year net of tax		(740)	2,283
Total comprehensive income/(loss) for the year attributable to the owners of the company		477,546	(1,725,173)

Turnover and operating (loss)/profit are all derived from continuing operations.

Canada Goose UK Retail Limited

Balance sheet As at 3 April 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	11	15,624,284	14,211,962
Total fixed assets		<u>15,624,284</u>	<u>14,211,962</u>
Current assets			
Stocks		2,825,316	1,979,187
Debtors: amounts due within one year	12	122,202	684,018
Debtors: amounts due in over one year	12	954,000	954,000
Cash at bank and in hand		1,202,194	1,219,248
Total current assets		<u>5,103,712</u>	<u>4,836,453</u>
Total assets		<u>20,727,996</u>	<u>19,048,415</u>
Current portion of capital lease obligation	15	(2,062,746)	(2,215,574)
Creditors: Amounts falling due within one year	13	(2,286,397)	(8,149,496)
Total current liabilities		<u>(4,349,143)</u>	<u>(10,365,070)</u>
Net current assets/liabilities		<u>754,568</u>	<u>(5,528,617)</u>
Total assets less current liabilities		<u>16,378,853</u>	<u>8,683,345</u>
Creditors: Amounts falling due in more than one year	13	(225,600)	(174,170)
Non-current portion of capital lease obligation	15	(9,826,301)	(9,993,549)
Total non-current liabilities		<u>(10,051,901)</u>	<u>(10,167,719)</u>
Net assets		<u><u>6,326,952</u></u>	<u><u>(1,484,374)</u></u>
Capital and reserves			
Called up share capital	14	101	100
Share premium		7,333,779	-
Translation reserve		1,543	2,283
Profit and loss account		(1,008,471)	(1,486,757)
		<u><u>6,326,952</u></u>	<u><u>(1,484,374)</u></u>

The financial statements of Canada Goose UK Retail Limited (registered number 10568936) were approved by the directors and authorised for issue on 4 October 2022.


Patrick Sherlock

Director

Canada Goose UK Retail Limited

Statement of changes in equity For the year ended 3 April 2022

	Share capital £	Translation reserve £	Capital reserves £	Profit and loss account £	Total £
Balance at 30 March 2020	100			240,699	240,799
Profit for the period and total comprehensive income				(1,727,455)	(1,727,455)
Translation of foreign operations		2,283			2,283
Balance at 28 March 2021	100	2,283	-	(1,486,757)	(1,484,374)
Balance at 29 March 2021	100	2,283		(1,486,757)	(1,484,374)
Profit for the period and total comprehensive income				478,286	478,286
Translation of foreign operations		(740)			(740)
Capital increase	1		7,333,779		7,333,780
Balance at 3 April 2022	101	1,543	7,333,779	(1,008,471)	6,326,952

Canada Goose UK Retail Limited

Notes to the financial statements

For the year ended 3 April 2022

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 18.

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 3 April 2022.

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.

On 13 October 2020, the Company incorporated a branch in Dublin.

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 is in a net current asset position.

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 £517,404.

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 current macroeconomic conditions.

The Directors have considered the potential impacts of current difficult macroeconomic conditions 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.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

2. Significant accounting policies (continued)

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.

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.

The return provision is measured based on historical return rates for each store, considering the return period and seasonality of the business.

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. The Irish branch of the Company has its own functional currency (EUR) 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.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

2. Significant accounting policies (continued)

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.

Taxation

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

Current tax

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

Deferred tax

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

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

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

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

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

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

2. Significant accounting policies (continued)

Tangible fixed assets

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

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

Leasehold Improvements	Lesser of the lease term or useful life of the asset
Fixtures and fittings	20%
Computer and Office equipment	20% to 33%

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.

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.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

2. Significant accounting policies (continued)

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.

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 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 with no future related costs are recognised in profit or loss in the period in which they become receivable.

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.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

4. Turnover and revenue

	2022 £	2021 £
Turnover - Sale of goods in the United Kingdom	17,004,868	4,650,712
Turnover - Sale of goods in Ireland	2,629,129	1,112,221
	<hr/>	<hr/>
Total revenue	19,633,997	5,762,933

5. Interest payable and similar expenses

	2022 £	2021 £
Interest payable to other group companies	71,352	92,689
Interest on lease liability	444,604	471,431
Other expenses	84,049	18,688
	<hr/>	<hr/>
Total interest payable and similar expenses	600,005	582,808

6. Profit/(loss) for the financial year

Operating loss is stated after charging/(crediting) the following:

	2022 £	2021 £
Net foreign exchange (gains)	(21,473)	(12,357)
Other income	(31,539)	(240,424)
Depreciation of tangible fixed assets	519,000	442,408
Depreciation of tangible fixed assets - right of use asset (Note 11)	2,076,150	1,906,704
Cost of stock recognised as expense	8,695,160	2,393,351
Staff costs (see note 8)	1,550,373	986,854

7. Auditor's remuneration

In 2022, the Company's shareholder appointed MHA MacIntyre Hudson as statutory auditors. Fees payable to MHA MacIntyre Hudson for the audit of the Company's annual financial statements were £28,000. In 2021, Deloitte LLP were appointed as statutory auditors of the Company and fees payable amounted to £61,310.

MHA MacIntyre Hudson did not charge any amounts for non-audit services.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

8. Staff costs

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

	2022 Number	2021 Number
Retail sales staff (permanent or temporary)	60	36

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,427,300	910,434
Social security costs	108,752	73,304
Other pension costs	14,320	3,115
	<u>1,550,373</u>	<u>986,854</u>

The Directors are remunerated by another group. None of the total remuneration in amount of CAD 3,406,848 (2021: CAD 4,396,161) is recharged or attributable for qualifying services provided.

9. Other income, other expenses

Other income for FY22 amounts to £31,538 and mainly relates to property tax reliefs granted for property tax paid end expensed in the previous financial year.

Other expense for FY22 amounts to £38,251 and mainly relates to miscellaneous items.

10. Tax

	2022 £	2021 £
Corporation tax:		
UK corporation tax	(202,829)	(52,187)
Deferred tax:		
Origination and reversal of temporary differences	445,060	(349,630)
	<u>242,231</u>	<u>(401,817)</u>

Corporation tax is calculated at 19% of the estimated taxable profit/(loss) for the year.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

10. Tax (continued)

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

	2022 £	2021 £
Profit/(Loss) before tax	720,517	(2,129,273)
Tax at the UK corporation effective tax rate of 19% (2021: 19%)	136,898	(404,562)
Expenses not deductible for tax purposes	64,003	2,745
FX gain not subject to tax	(304)	
Rate differential	(9,938)	
Adjustments in respect of prior years	51,571	
Tax (credit)/charge for the year	242,231	(401,817)
Deferred tax		

The company recognised a deferred tax asset of £100,734 which mainly relates to capital lease assets.

	Accelerated tax depreciation £	IFRS 16 RoU-Assets £	Tax losses £	Asset retirement obligation £	Other £	Total £
At 28 March 2021	-	168,077	343,676	-	34,041	545,794
Net Income	(31,219)	(51,716)	(343,676)	5,911	(24,360)	(445,060)
At 3 April 2022	(31,219)	116,361	-	5,911	9,681	100,734

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

11. Tangible fixed assets

	Leasehold Improve- ments £	Fixtures and Fittings £	Computer and Office Equipment £	Right-of- use Assets £	Asset retirement obligation £	Constru- tion in progress £	Total £
Cost							
At 28 March 2021	1,535,012	1,184,875	133,890	16,256,671	151,170	150,000	19,411,618
Additions	1,722,059	72,263	187,344	1,957,347	68,459	-	4,007,472
Disposals	-	-	-	-	-	-	-
Transfers	24,633	-	-	-	-	(24,633)	-
At 3 April 2022	3,281,704	1,257,137	321,234	18,214,018	219,629	125,367	23,419,090
Accumulated depreciation							
At 28 March 2021	(514,291)	(761,698)	(85,539)	(3,814,871)	(23,257)	-	(5,199,656)
Charge for the period	(223,945)	(246,565)	(46,606)	(2,076,150)	(1,883)	-	(2,595,150)
On disposals	-	-	-	-	-	-	-
At 3 April 2022	(738,236)	(1,008,263)	(132,145)	(5,891,021)	(25,140)	-	(7,794,806)
Carrying amount							
At 28 March 2021	1,020,721	423,177	48,351	12,441,800	127,913	150,000	14,211,961
At 3 April 2022	2,543,468	248,874	189,089	12,322,997	194,489	125,367	15,624,284

12. Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	11,549	104,753
Prepayments	9,919	33,471
Deferred tax	100,734	545,794
	122,202	684,018
Amounts due in over one year:		
Security deposit - leased property	954,000	954,000
	954,000	954,000

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

13. Creditors

Amounts falling due within one year:	2022	2021
	£	£
Trade creditors	165,619	399,456
Amounts owed to other group companies	1,104,687	7,188,401
Corporation tax	(313,022)	(136,171)
Other taxation and social security	539,483	301,749
Other accrued expenses	789,630	396,061
Total creditors	2,286,397	8,149,496

Amounts owed to other group companies are unsecured, repayable on demand and bear interest at 1.75%. Majority of these balances were paid in the financial year.

	2022	2021
	£	£
Amounts falling due in more than one year:		
Asset retirement obligations	225,600	174,170

14. Share capital

Authorised, issued and fully paid:	2022	2021
	£	£
100 ordinary shares of £1 each	101	100

At incorporation the company allotted 100 shares of £1 for total consideration equal to the nominal amount of £100.

In FY22, the companies' shareholder Canada Goose International Holdings Ltd purchased one share with a nominal amount of £1 and share premium of £7,333,779.

15. Lease arrangements

The Company as lessee

Disclosure required by IFRS 16

	2022	2021
	£	£
Total cash outflow for leases – fixed payments	2,352,000	2,100,000

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

Lease payments represent rentals payable by the Company for its stores in London and Dublin for the fiscal year 2022. As the non-cancellable lease term for Dublin lease was below one year, the Company did not capitalize the lease in the balance sheet. The Company entered into lease agreements in the current year for a temporary store in Manchester and a permanent store in Edinburgh. However, there were no cash outflows in FY22 in conjunction with these leases due to a rent free period at the beginning of the lease. The liability has therefore started in the following fiscal year.

15. Lease arrangements (continued)

Analysis of lease liabilities

	2022 £	2021 £
Amount due for settlement:		
Between one and five years	9,306,889	7,433,058
After five years	519,412	2,560,491
	<u>9,826,301</u>	<u>9,993,549</u>
On demand or within one year	2,062,746	2,215,574
	<u><u>11,889,047</u></u>	<u><u>12,209,123</u></u>

	2022 £	2021 £
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	2,076,150	1,906,704
Interest expense on lease liabilities	444,604	471,431
Expense relating to short-term leases	176,256	152,069

Short-term leases

Effective October 2020, the company has entered into a lease agreement for a pop-up store in Dublin with a lease term below one year at inception. In May 2021, the lease was extended until end of FY22. The lease payments in FY22 included a net rent of €150,000 exclusive of service charges.

16. Other commitments

There were no commitments for the fiscal year as of the reporting date that are not recorded on the Company's balance sheet.

17. Events after the balance sheet date

On 25 April 2022, Jean-Marc Huet resigned as director of the Company.

On 6 June 2022, the Company has entered into a long-term lease agreement in Dublin.

On 29 June 2022, the Company has entered into a long-term lease agreement in Manchester.

Canada Goose UK Retail Limited

Notes to the financial statements (continued)

For the year ended 3 April 2022

18. 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.