



WATCHES OF SWITZERLAND GROUP PLC

FAIR TAX MARK STATEMENT

FEBRUARY 2025

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The Watches of Switzerland Group (the 'Group') is the UK's largest luxury watch retailer, operating in the UK, US and Europe comprising six prestigious brands; Watches of Switzerland (UK and US), Mappin & Webb (UK), Goldsmiths (UK), Mayors (US), Betteridge (US) and Analog:Shift (US), with a complementary jewellery offering. From 8 May 2024, the Group also owns the exclusive distribution rights for Roberto Coin in the USA, Canada, Central America and the Caribbean.

As at 28 April 2024, the Watches of Switzerland Group had 223 showrooms across the UK, US and Europe including 99 dedicated mono-brand boutiques in partnership with Rolex, OMEGA, TAG Heuer, Breitling, TUDOR, Audemars Piguet, Grand Seiko, BVLGARI and FOPE and has a leading presence in Heathrow Airport with representation in Terminals 2, 3, 4 and 5 as well as seven retail websites.

The Watches of Switzerland Group is proud to be the UK's largest retailer for Rolex, OMEGA, Cartier, TAG Heuer and Breitling watches.

The Group Registered Office is in the UK at Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT. This address is used for warehousing and logistics activities and the main UK support offices are located at Carlton Park, King Edward Avenue, Narborough, Leicester, LE19 0AL.

TAX STRATEGY

As a global luxury retailer, the Group takes its corporate, social, and environmental responsibilities very seriously and is committed to acting with honesty and integrity in all business dealings. With respect to taxation, the Group acts in accordance with the separately published Annual Tax Strategy which includes the following fundamental principles:

1. The Group acts with integrity and transparency in all tax matters and complies fully with both the letter and spirit of all relevant tax laws. The Group will not use marketed or abusive tax avoidance schemes.
2. Any transactions undertaken by the Group have a legitimate commercial purpose and are not led by artificial tax planning considerations. The Group does not utilise tax havens for the purposes of tax avoidance or financial secrecy.
3. The Group complies with the OECD Transfer Pricing Guidelines, following the arm's length principle and seeks to ensure that profits are declared in the jurisdictions where the economic substance arises.
4. The Group does not accept the facilitation of tax evasion.
5. The Group pro-actively engages with Tax Authorities in a constructive, honest, timely and professional manner.

Responsibility for ensuring adherence to the Tax Strategy rests with the Chief Financial Officer, Anders Romberg, supported by the Head of Tax, Rebecca Hurford. The Group confirms in this Statement that it has complied with the published Tax Strategy during the financial year ended 28 April 2024, and during the year to date of financial year ended 28 April 2025.

REPORTING

The Annual Report and Financial Statements of the Watches of Switzerland Group PLC are freely available at UK Companies House, or on our corporate website.

All subsidiary companies are included in the consolidated financial statements of the Watches of Switzerland Group PLC and are tax resident in their country of incorporation.

An extract from the UK Country-By-Country Reporting (CbCR) for the year ended 30 April 2024 is included below showing the tax jurisdictions where revenues, profits and current tax arise, and employees and tangible assets are located:

TAX JURISDICTION	REVENUES (GBP)	PROFIT/ (LOSS) BEFORE TAX (GBP)	CURRENT TAX PAID (GBP)	CURRENT TAX ACCRUED (GBP)	NUMBER OF EMPLOYEES*	TANGIBLE ASSETS** (GBP)
United Kingdom of Great Britain and Northern Ireland	842,735,522	35,434,116	10,962,438	8,721,202	2,142	364,972,000
United States of America	692,364,256	66,323,212	22,555,404	16,909,236	574	209,272,996
Guernsey ***	6,036,391	4,407,142	0***	0***	0	0
Sweden	4,476,505	-4,948,676	0	0	29	7,124,693
Denmark	2,400,500	-1,808,623	0	0	11	3,269,758
Ireland	752,996	-1,858,735	0	0	8	358,155
Netherlands	0	-2,667,453	0	0	0	0
Germany	597,942	-2732,095	0	0	5	427,591
Finland	0	0	0	0	0	0
Norway	0	0	0	0	0	0

* FTE average number of employees

** Tangible assets and stock excluding cash and cash equivalents

*** Current tax on Guernsey profits is included in the UK row above (as a CFC charge)

All amounts disclosed above are calculated using the CbCR definitions and therefore Revenues include the sale of products, interest income and dividend income.

The Group announced in the Q4 FY24 Trading Update in May 2024 that it was exiting the mainland European market to refocus investment on the UK and US. As a result, the subsidiary companies in the Netherlands, Finland and Norway did not include any Revenues in the year ended 30 April 2024 as they were in the process of closure and liquidation.

No taxes are accrued or paid in the European companies due to their significant pre-tax trading losses.

The entities disclosed as 'non-trading' on page 251 of the 2024 Annual Report are disclosed as such as a result of this European exit and the intention is that they will be liquidated.

All overseas entities (excluding the Guernsey entity) are incorporated for legitimate retail trading activities (with physical stores open or planned for opening at the point of incorporation).

The Guernsey company is the Group captive insurance company which is used for self-insurance activities and is incorporated in Guernsey for regulatory and cost reasons. The profits of this company are subject to full taxation at 25% in the UK under the Controlled Foreign Company regime (see Current Tax Reconciliation). There is no tax benefit arising from this company being located in Guernsey.

The Group has legal entities in Guernsey and Ireland which are considered 'Low Tax Jurisdictions' as their standard corporation tax rate is lower than 15%. As outlined above, these entities are incorporated for legitimate commercial purposes and not to take advantage of the low tax rate in the country.

Current Tax Reconciliation

	UK £	US £	TOTAL £
Profit before Tax	35,434,117	66,323,212	101,757,329
Expected Tax at Standard Rate for Territory (25% UK and 21% US)	8,858,529	13,927,875	22,786,404
Impact of:			
1. Non-deductible expenses – recurring	1,524,428	203,565	1,727,992
2. Non-deductible expenses – exceptional	136,903	346,264	483,167
3. Non-qualifying depreciation and impairment of fixed assets	1,080,142	0	1,080,142
4. UK CFC charge on Guernsey profits	1,101,786	0	1,101,786
5. Use of brought forward tax losses	0	(109,474)	(109,474)
6. State corporate income taxes	0	3,997,767	3,997,767
7. Current tax benefit of deferred tax temporary differences	(3,980,586)	(1,456,761)	(5,437,347)
Current Tax per Country-by-country report	8,721,202	16,909,236	25,630,439

1. Non-deductible customer hospitality and non-deductible legal fees.
2. Non-deductible exceptional costs related to acquisitions and the exit from Europe.
3. Depreciation and impairment on fixed assets not qualifying for capital allowances in the UK.
4. UK Controlled Foreign Company Tax Charge on Guernsey profits (being Guernsey profits of £4,407,142 at the UK corporation tax rate of 25%).
5. Brought forward trading losses on acquired US businesses allowable against future profits.
6. State corporate income taxes payable in addition to the 21% Federal Tax.