



WATCHES OF SWITZERLAND GROUP PLC  
WATCHES OF SWITZERLAND OPERATIONS LIMITED  
WATCHES OF SWITZERLAND COMPANY LIMITED

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# THE WATCHES OF SWITZERLAND GROUP TAX STRATEGY – FINANCIAL YEAR TO 26 APRIL 2020

# INTRODUCTION

The following tax strategy outlines how the Watches of Switzerland Group of companies adheres to the Finance Act 2016 requirements of preparing and publishing their tax strategy.

## OUR BUSINESS

The Watches of Switzerland Group is the UK's largest luxury watch retailer, operating in both the UK and US comprising four prestigious brands; Goldsmiths (UK), Mappin & Webb (UK), Watches of Switzerland (UK and US) and Mayors (US), with a complementary jewellery offering. The Group also operates mono-brand stores under a single luxury watch brand as well as five transactional websites.

The Watches of Switzerland Group employs approximately 2,000 people globally.

## TAX STRATEGY

Our tax strategy comprises four key components:

### 1. The Watches of Switzerland Group's approach to governance arrangements and risk management in relation to UK taxation

The Watches of Switzerland Group maintains internal tax procedures to support its tax controls and has dedicated in-house tax resource as well as a team of in-house qualified accounting professionals who report through to the Chief Financial Officer.

#### Governance Arrangements

The Chief Financial Officer is fully aware of his duty and has executive responsibility for all tax matters. The day-to-day management of the Group's tax affairs is handled by an in-house team of tax and accounting professionals reporting into the Head of Finance.

The Head of Finance apprises the Chief Financial Officer of any complex tax areas and any new areas of tax legislation relevant to the Group. In addition, regular meetings are held with the Group's tax advisers to discuss ongoing matters and changes in tax legislation.

#### Risk Management and Internal Controls

The Watches of Switzerland Group ensures strong risk management and Internal Controls are embedded throughout the business by ensuring reasonable care is applied in relation to all processes which could materially affect its tax obligations.

Our team, along with our advisers, review any new legislation and possible risks which could affect the business and ensure that appropriate controls are in place to mitigate key risks. Any significant matters are communicated to the Chief Financial Officer.

### 2. The Watches of Switzerland Group's attitude towards tax planning

The Watches of Switzerland Group aims to comply with all applicable tax rules and regulations.

Any transactions undertaken by The Watches of Switzerland Group have a commercial purpose and are not led by artificial tax planning considerations.

Advice may be sought from external tax advisers to support the in-house professionals in evaluating risk areas, adhering to complex tax laws and implementing best practice.

### 3. The Watches of Switzerland Group's view on the level of risk in relation to UK taxation that the Group is prepared to accept

The Watches of Switzerland Group is committed to paying the right amount of tax, in the right place and at the right time.

The Watches of Switzerland Group endeavours to ensure both the integrity of all reported tax numbers and compliance with all our tax obligations across all Group companies.

The Watches of Switzerland Group monitors new tax legislative changes and realigns internal tax processes to be compliant where necessary.

The Watches of Switzerland Group aims to ensure the timely filing of all relevant tax returns and the timely payment of all tax liabilities.

Our approach to tax risk governance, as highlighted above, assists in ensuring that any tax risks are identified and managed in a timely, proactive and transparent manner.

### 4. The Watches of Switzerland Group's approach towards its dealings with HMRC

We engage with HMRC constructively, honestly and in a timely and professional manner. We will seek to resolve disputed matters through active and transparent engagement.

Regular contact is made with our Customer Compliance Manager at HMRC by our in-house tax resource and Business Risk Review meetings are scheduled to discuss the overall tax approach.

The Watches of Switzerland Group has an in-house team of qualified tax and accounting professionals. The team has knowledge across tax areas relevant to the Group and liaises with professional advisers when the need arises.

**Note:** The Watches of Switzerland Group regards this publication as complying with the duty under paragraph 16(2), Schedule 19 Finance Act 2016.

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