THE WATCHES OF SWITZERLAND GROUP

A Business Built on Delivering Excellence

ANNUAL REPORT AND ACCOUNTS 2024

A Year of Strategic Progress

Entering FY25 with cautious optimism

We made strong strategic progress during the year, despite the challenging market conditions in the UK and we continued to gain market share in our key markets.

The categories we operate in continue to provide us with significant growth opportunities. Demand continues to exceed supply for key luxury watch brands, and the performance of the pre-owned luxury watch category, supported by Rolex Certified Pre-Owned, has exceeded expectations.

We made significant investments in our showrooms during the year, including opening 22 and refurbishing 15 showrooms, whilst also acquiring 15 luxury watch Ernest Jones showrooms.

The inherent strength of the luxury watch categories we operate in, coupled with our superior business model and retail expertise continues to set us apart. We remain focused on executing our Long Range Plan, with targets to more than double sales and Adjusted EBIT by the end of FY28.

STRATEGIC REPORT

CORPORATE GOVERNANCE REPORT

FINANCIAL STATEMENTS

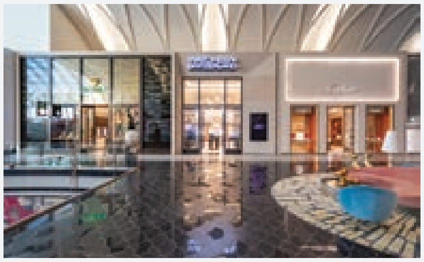
AT A GLANCE

ABOUT US

The Watches of Switzerland Group is an international retailer of world leading luxury watch brands with a growing complement of luxury jewellery brands.

The Watches of Switzerland Group provides clients with the finest selection of luxury timepieces from all of the major groups and independent brands together with an impressive presentation of smaller independent brands.

OUR SHOWROOMS



WATCHES OF SWITZERLAND

Mappin & Webb

GOLDSMITHS

MAYORS

BETTERIDGE

MONO-BRAND BOUTIQUES

Analog:Shift

ONLINE

TRAVEL RETAIL

WELL-INVESTED SHOWROOM NETWORK

158
UK SHOWROOMS
AT 28 APRIL 2024

56
US SHOWROOMS
AT 28 APRIL 2024

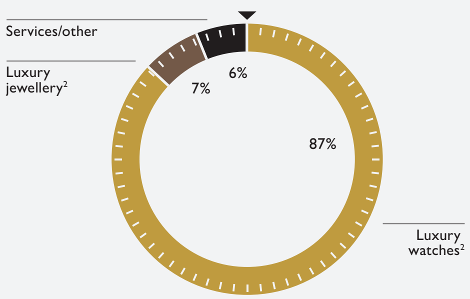
223
TOTAL SHOWROOMS
AT 28 APRIL 2024

2,900+
NUMBER OF COLLEAGUES
AT 28 APRIL 2024

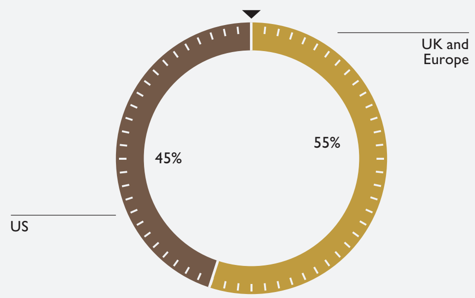
FINANCIAL HIGHLIGHTS

REVENUE	RETURN ON CAPITAL EMPLOYED[1]	ADJUSTED EBIT[1]	OPERATING PROFIT
£1,538m	19.5%	£135m	£120m
CHANGE VS FY23 (AT CONSTANT CURRENCY)[1]:	CHANGE VS FY23:	CHANGE VS FY23:	CHANGE VS FY23:
+2%	-840bps	-18%	-33%

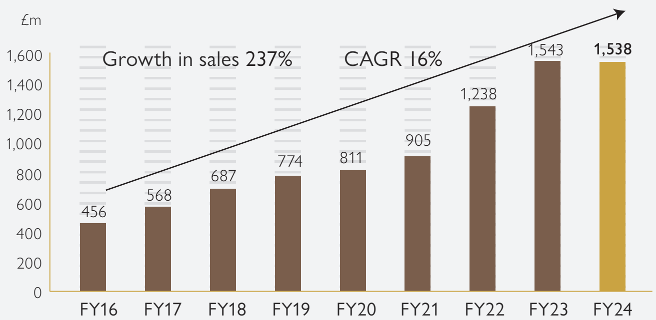
SALES BY CATEGORY (%)



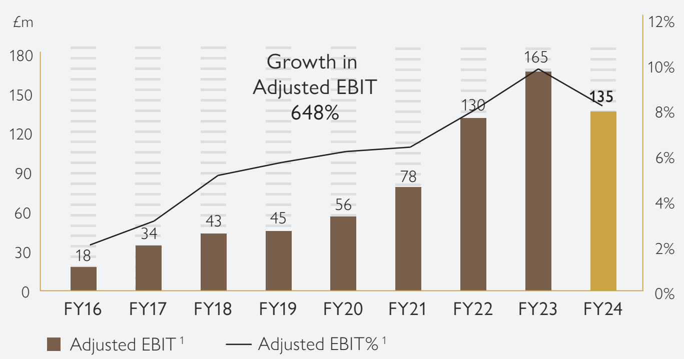
SALES BY REGION (%)



HISTORICAL SALES PERFORMANCE



PROFITABILITY AND LEVERAGE



1 This is an Alternative Performance Measure. Refer to the Glossary on pages 254 to 257 for definition and reconciliation to statutory measures where relevant.

2 Please refer to the Glossary on pages 254 to 257 for a definition.

OUR BRAND PARTNERSHIPS

ROLEX · PATEK PHILIPPE GENEVE · AUDEMARS PIGUET Le Brassus · OMEGA · Cartier · TAGHeuer · BREITLING 1884 · TUDOR

ROBERTO COIN · BVLGARI · VICENZA FOPE DAL 1929 · MESSIKA PARIS · Jenny Packham · GUCCI

OUR INVESTMENT CASE

KEY REASONS TO INVEST

1 Proven track record of delivering a strong financial performance with robust sales, sustained profitable growth, elevated returns on capital employed and strong cash generation.

2 Long-standing, collaborative partnerships with the most prestigious and recognised luxury watch and jewellery brands.

3 Multi-channel specialist operating in markets with high barriers to entry, luxury watch demand, proven value creation and supply-driven dynamics.

4 National coverage in the UK, a significant growing presence in the US.

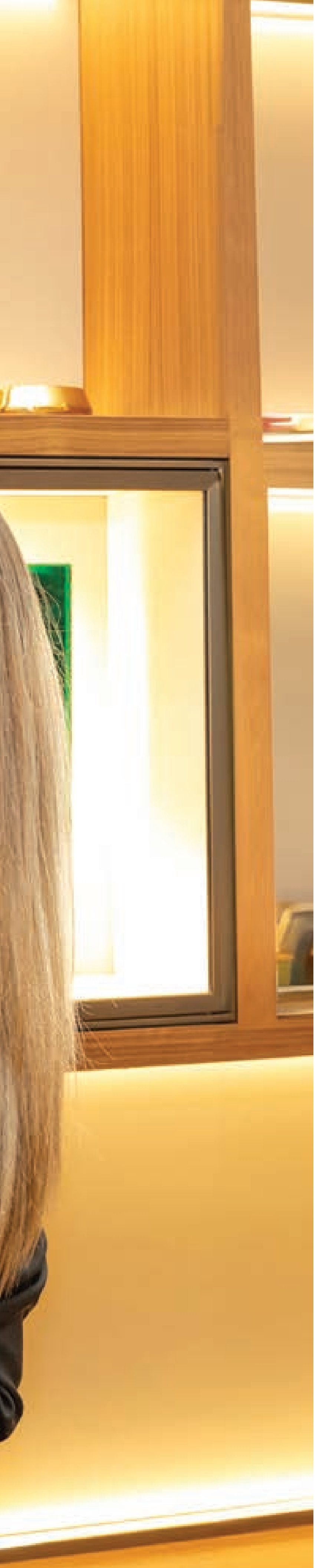
5 Well-invested showrooms providing an exceptional client experience through welcoming and expert service and luxurious, contemporary, spacious browsable environments.

6 Impactful marketing focused on digital communications, Client Relationship Management (CRM), client experience events and co-operative activity with brand partners.

7 Fully integrated SAP based IT systems supporting all showrooms and websites in the UK and US.

8 Investing in a more sustainable future through strategic ESG pillars: People, Planet and Product.


Paris
London



1 STRATEGIC REPORT

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This has been a good year for the Group despite a more challenging macroeconomic environment in the second half of FY24. Our US business continues to perform strongly with double digit revenue growth in constant currency whilst in the UK, where the market has been tougher and sales have declined, we continue to gain market share due to the strength of our differentiated business model. 2024 also sees the start of our celebrations for the centenary of the Watches of Switzerland brand, a testament to our longstanding heritage and expertise within the luxury watch market.

We continue to pursue our high-quality growth strategy through a combination of targeted capital investment in showrooms, and selective acquisitions. During FY24, we opened 22 showrooms, with highlights including the Rolex and Cartier anchored Watches of Switzerland in American Dream, New Jersey and Watches of Switzerland, One Vanderbilt, New York. Additionally, the significant elevation of our existing portfolio of showrooms continued in both the UK and US with 15 projects completed, including the launch of our Mappin & Webb contemporary design. We would also like to welcome our new colleagues from the showrooms we acquired from Ernest Jones in the year.

We were excited to be one of the first to offer Rolex Certified Pre-Owned, which launched in July 2023 in the US followed, shortly afterwards, in the UK in September 2023. Trading has been very encouraging, and this programme has introduced a new client base for this product. During FY25, we will expand this offering across Rolex agency network in the UK and US and elevate the in-store presence of pre-owned product. We believe pre-owned will be a strong driver of growth for the Group.

The acquisition of Roberto Coin Inc. post year-end, accelerates our luxury branded jewellery strategy. Roberto Coin is a globally renowned brand, with a particularly strong position in the North American market and has high-quality, exquisite designs. We will apply our proven elevation strategy in retail and luxury to the Roberto Coin brand across the US, Canada, Central America and the Caribbean. We are looking forward to working with our new colleagues in expanding the business further.

We are known for our best-in-class client experience and our continual pursuit of further elevating the luxury experience for our clients. This year we focused on embedding Xenia, our elevated Client Experience Programme, across our broader organisation, including Support Centres. Based on the excellent feedback we have received to date from clients, the programme continues to impress and differentiate us from our competitors.

SUSTAINABILITY

During the year we have further delivered on our ESG pillars of People, Planet and Product, with a real focus on the circular economy. We successfully expanded our repairs and servicing capacity which included an additional facility based in Leicester.

We are proud to have been accredited as a Living Wage Employer in the UK and we continue to receive strong colleague engagement scores across our business.

GOVERNANCE

We continue to make advances in relation to diversity and inclusion in the boardroom, with senior management, and throughout the organisation. The Group not only meets the recommendations of the FTSE Women Leaders Review but was ranked 10th within the FTSE 250 Women Leaders Review. We also maintained the recommendations of the Parker Review for the Board.

LOOKING AHEAD

We enter FY25 in a position of strength, one in which we continue to invest in our proven model and gain market share. We have an exciting pipeline of showroom projects, including the flagship Rolex boutique on Old Bond Street, London and I am confident that through our proven and distinctive business model we are well positioned to deliver sustained growth.

I want to personally thank Brian, our executive team and colleagues throughout the organisation for their hard work and dedication, as well as my fellow Board members for their active role in supporting the work of the team.

I would also like to take this opportunity to thank you, our shareholders, for your continued support.

IAN CARTER
CHAIR
26 June 2024


WAT
SWIT

“I am proud of the performance that our team has delivered this year in what was undoubtedly a more challenging market.”

BRIAN DUFFY
CEO

FY24 was a more challenging year for the Group, but despite this we delivered revenue growth of +2% in constant currency. Profitability was impacted by the lack of leverage and the headwinds of Interest Free Credit costs. Our US performance was particularly strong, at +11% in constant currency, demonstrating the strength and opportunity of the US market. In both the UK and US markets we have been pleased to see growth in our Registration of Interest lists for key products in limited supply.

The macro-economic backdrop in the UK resulted in a more unpredictable year for the Group, and sales in the UK and Europe declined -5% year on year. The UK luxury watch market is going through a period of normalisation following the COVID boom, where consumers had more disposal income to spend on watches and jewellery. High inflation and interest rates resulted in increased cost-of-living for the UK consumer and this coupled with significant price increases, mainly due to the strength of the Swiss Franc, from luxury watch brands meant that the aspirational customer was more squeezed and inclined to defer purchases. The UK market is now almost entirely domestic, following the withdrawal of VAT free shopping for tourists following Brexit, resulting in very low levels of overseas shoppers.

In both the US and the UK we have continued to gain market share, driven by our proven, differentiated business model which sets us apart in the industry. We have continued to drive high quality growth including showroom enhancement, strategic acquisitions and building infrastructure across our markets but particularly in our US business, which now makes up 45% of Group sales.

As outlined in our Long Range Plan, luxury branded jewellery has become a key part of our strategy for growth. We have built strategic partnerships defined at the Global level to support our ambitious growth plans. We are continuing to add prestigious luxury jewellery brands to our portfolio, including David Yurman, Pomellato, FRED, Repossi, Pasquale Bruni and Faberge. In addition we are expanding key existing brands within our portfolio of Roberto Coin, Chopard, Messika and Fope.

We have also made significant progress with our Mappin & Webb luxury jewellery boutique in Manchester, which opens in FY25 and includes the first DeBeers mono-brand boutique in the UK outside of London.

Post year end, we completed our acquisition of Roberto Coin Inc. – the exclusive North American distributor of Roberto Coin – dramatically accelerating our luxury jewellery branded strategy, and we see enormous potential in bringing together this iconic brand with our retailing expertise and resources. Going forward we will work with our new retail partners to improve the point-of-sale experience through shop-in-shop design, develop mono-brand retailing and invest in online and marketing.

This year saw the launch of the Rolex Certified Pre-Owned programme and we are highly encouraged by the extremely strong performance. During FY25 we will continue to roll this out to further locations and we expect that our sales will benefit from dedicated shop-in-shop formats, window displays and increased marketing. Pre-owned sales of other brands also performed well and we are extending this offering in our showroom portfolio in FY25.

Over the year, we have continued to invest for high quality growth across showroom projects and strategic acquisitions, whilst building resources and infrastructure within our US business. We have made excellent progress on our showroom expansion and refurbishment programme, with 22 new showrooms opened and 15 refurbished. Our showroom design is a key part of our client appeal, where we focus on welcoming, browsable, modern showrooms. In the US we opened two multi-brand showrooms in American Dream, New Jersey and One Vanderbilt, New York. We also relocated our Mayors Dadeland, Florida showroom and expanded the Rolex Millenia mono-brand boutique, Orlando, Florida. In the UK, we continued our roll out of the Goldsmiths Luxury concept with seven showrooms either expanded or refurbished including some of our larger showrooms such as Liverpool, Birmingham Bullring and Manchester Trafford Centre. We expanded our new Mappin & Webb contemporary concept with refurbishments of Glasgow, York, Guernsey and Bluewater. This new concept modernises the showroom environment, whilst maintaining the sense of heritage with the Mappin & Webb brand. We also completed the major expansion of the Patek Philippe space in Watches of Switzerland 155 Regents Street, London.

We are excited about the strong pipeline of showroom projects we have planned in FY25, including the flagship Rolex boutique on Old Bond Street, London, Audemars Piguet Townhouse, Manchester, introduction of Rolex into Watches of Switzerland Plano, Texas and relocations of Mayors Tampa, St Johns and Sarasota, Florida and expansion of Betteridge Vail, Colorado. We have also recently secured the conversion of our existing multi-brand Mayors Lenox, Atlanta into a Rolex mono-brand boutique, which will open in FY25 and are expanding the Patek Philippe space in Betteridge Greenwich, Connecticut.

In November 2023, we completed the acquisition of 15 luxury watch showrooms from Ernest Jones. The rebranding, colleague training and system conversions are now complete, and these showrooms are trading in line with our expectations.

One of our key strengths is client experience, which is underpinned by our 'Xenia' client service programme. Xenia is heart of everything that we do and is based on three pillars Know Me; WOW Me; Remember Me. This year we have maintained our focus on embedding these fundamental pillars across our showrooms and online proposition. We also recognise that client service goes beyond our external clients, and this year we started to embed Xenia into our Support Centre, driving client service at the centre of all stakeholder interactions.

Our partnerships with the most recognised and prestigious luxury watch brands have continued to strengthen throughout FY24. In 2024, Watches of Switzerland celebrates its centenary year and with it we have showcased a number of exclusive products with key brands such as Cartier, Girard-Perregaux and BVLGARI.

We were delighted to host a Grand Prix d'Horologie De Genève (GPHG) exhibition in New York at our Soho flagship for the second year running. This event, which took place in October 2023, aimed to highlight the most remarkable contemporary watch designs in the world, while celebrating horology culture and excellence.

In April 2024, we secured a three-year partnership with Académie Hologère des Créateurs Indépendants (AHCI), which exists to preserve traditional watchmaking, support talented watch makers and promote quality, innovation and creativity. This non-profit organisation provides watchmaking's rising stars with a platform, as well as support and guidance, as they hone their craft and begin their careers.

In February 2024, we commenced our new partnership with American Express Centurion in the US, which offers an exclusive concierge programme to US Centurion members. The partnership was celebrated with a launch party at the Amex Centurion Club at One Vanderbilt, New York.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have continued to stay true to our ESG pillars of people, planet and product throughout FY24. Highlights during the year include:

– Expanded our repairs and servicing capacity in the UK and US as part of our focus on the circular economy. This has doubled watchmaking capability in the UK. We also increased our circularity KPI of the number of watches of repaired, serviced or resold as a percentage of new watch sales to 46% from 44% in the prior year
– UK accredited as Real Living Wage Employer
– Met the recommendations of the FTSE Women Leaders Review and ranked number 10 for the FTSE 250
– Maintained the recommendations for the Parker Review for the Board
– Improved our CDP Climate Change score year-on-year from a 'C' to a 'B'
– Launched a colleague incentive to encourage and reward eco-friendly behaviours
– Mappin & Webb named as CSR Jewellery Retailer of the Year in the 2023 Professional Jeweller Awards
– £7.5 million to date donated to The Watches of Switzerland Group Foundation, the aim of which is to provide essential support to charities located in the communities in which we operate, focusing on poverty, the advancement of education and relief to those in need
– We have strengthened our relationship with the Prince's Trust and the Group was the headline sponsor for the Prince's Trust Palace to Palace Bike Ride for the second year
– Linked our existing loan facility to the achievement of our near-term science-based emission reduction targets and circularity goals

LONG RANGE PLAN

Looking forward, we remain confident in the LRP targets to more than double sales and Adjusted EBIT by the end of FY28, from an FY23 base. Going into FY25, we have the strongest ever pipeline of committed Rolex and other key brand projects through to FY28. The initial performance of Rolex Certified Pre-Owned has been ahead of our expectations, and we expect Rolex Certified Pre-Owned to outperform the targets previously outlined in the LRP in November 2023. The recent acquisition of Roberto Coin Inc. will spearhead our luxury branded jewellery strategy and we see further potential above and beyond what was incorporated in our LRP.

In line with our disciplined approach to capital allocation and given the pipeline of high ROI opportunities in the UK and US, we have announced our intention to reallocate investment from the European market into these higher returning regions over the period of the LRP. We are in negotiations with our brand partners for the transfer of our existing European mono-brand boutiques. The additional growth from Rolex Certified Pre-Owned and Roberto Coin Inc., together with acquisition opportunities in the US, is expected to offset the reduction from European sales within the life of the LRP.

GUIDANCE FOR FY25

Following the more challenging trading conditions of FY24, we are cautiously optimistic about trading in FY25. The industry as a whole is more conservative on production given the current volatility in the market, which we believe is a responsible approach to the long-term growth trend of the luxury watch market. Our FY25 guidance, as issued on 16 May 2024, projects full year revenue of between £1.67 and £1.73 billion, reflecting constant currency sales growth of 9%-12%. We expect Adjusted EBIT margin expansion of +0.2 to +0.6 percentage points from FY24. We will continue to invest in our showroom portfolio, with a capex spend of £60 – £70 million.

Given the strength of our model and continued investment in the right areas for growth, I am confident that our business can come out of a difficult trading period stronger and well positioned to capitalise when the market conditions improve. We believe fundamentally in the resilience and long-term strength of the luxury watch and jewellery markets.

Finally, we have over 2,900 colleagues at the Watches of Switzerland Group and I would like to thank all of them for their continued hard work and dedication, which is definitely the key to our success. I would also like to welcome our new colleagues from Roberto Coin Inc. and look forward to working with them on the future growth of this iconic brand.

BRIAN DUFFY
CHIEF EXECUTIVE OFFICER

WHAT DIFFERENTIATES THE LUXURY WATCH CATEGORY?

A UNIQUE MARKET

Led by the most prestigious global brands focused on investment, product quality and innovation and brand marketing, achieving a higher average selling price than most luxury consumer goods categories.

SUPPORTS A MORE CIRCULAR ECONOMY

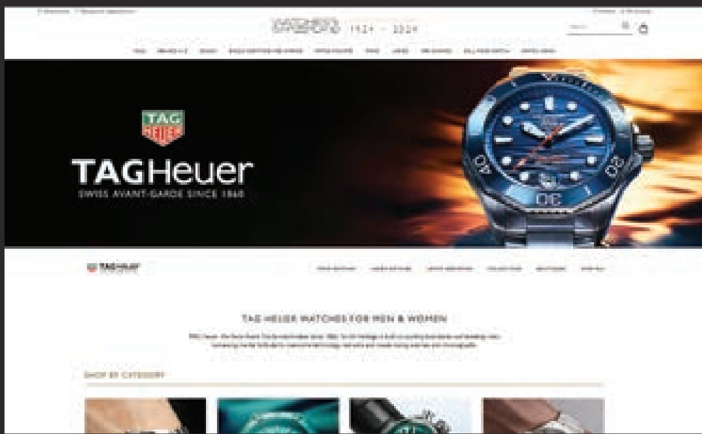
High-quality mechanical luxury watches can be passed down for generations, traded in or resold. Most can be repaired indefinitely and many of the materials they contain are recyclable.

DEMAND EXCEEDS SUPPLY FOR KEY BRANDS

The overall market demand for Swiss watches exceeds production levels and supply. Clients are required to ‘register interest’ for key products.

SWISS CONCENTRATION

Limited threat from technology or geography.



LITTLE THREAT OF DIGITAL PUREPLAY DEVELOPMENT

Brands generally require prior showroom approval as a prerequisite for online selling; multi-channel is a preferred direction.

STRONG VALUE RETENTION

Rarity, heritage, craftsmanship and precious materials support brand image and value; some products considered investment asset class.

HIGH BARRIERS TO ENTRY

Strong brand partnerships are based on many years of experience and category expertise.

Brands actively manage distribution through Selective Distribution Agreements.

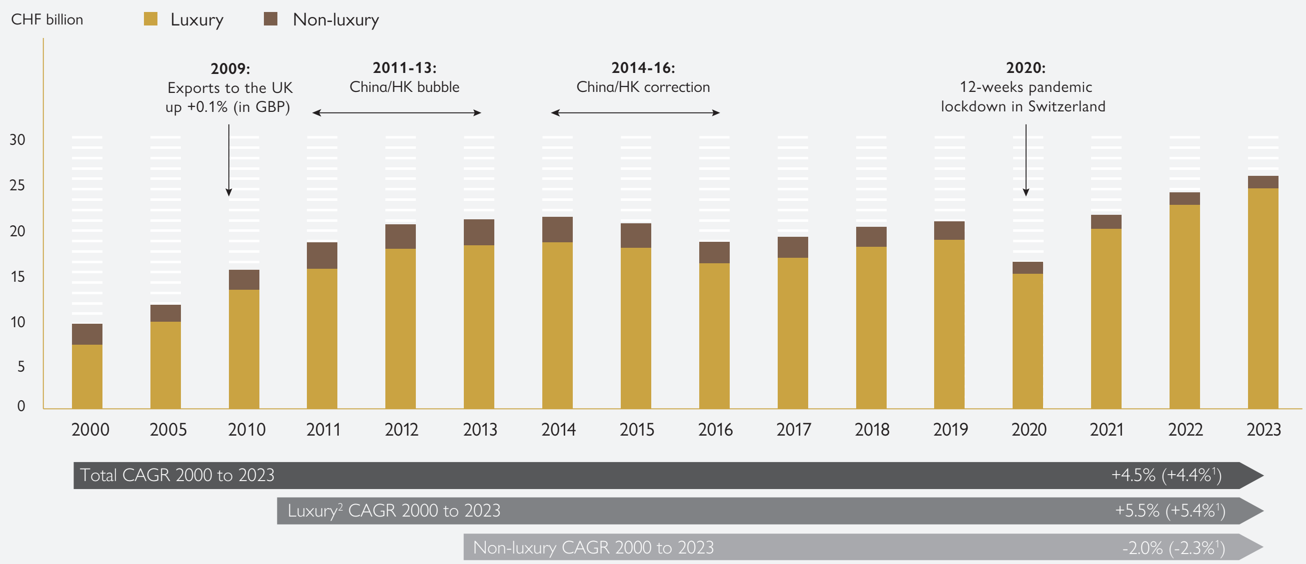
SPECIALIST CATEGORY

Specialist for both the manufacturer and the retailer; consumers respond to expertise, authority and heritage.

THE LUXURY WATCH MARKET HAS A STRONG TRACK RECORD OF GROWTH

The luxury watch industry is well protected with high barriers to entry and a track record of consistent long-term growth, underpinned by sustained investment and elevated innovation.

RESILIENT LONG-TERM GROWTH IN SWISS WATCH EXPORTS (CALENDAR YEARS)



Source: Company information, Swiss Watch Federation statistics

1 CAGR shown through 2022
2 Luxury is defined as exports >CHF 500

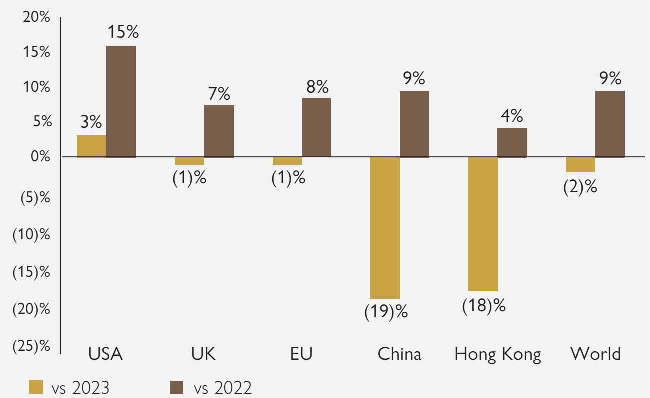
The Group estimates global retail sales of luxury watches were approximately £50.8 billion in calendar year 2023 (2022: £44.1 billion). This is based on the estimated retail value of Swiss luxury watches (Swiss exports and the Swiss market), repairs and services and the contribution from non-Swiss luxury watch brands.

Luxury watches have continued to be supported by long-term increases in prices, with the average selling price (ASP) of Swiss watch exports (wholesale) generating a 23-year CAGR of +5.5% (2023 vs 2000).

Watches at the luxury end of the market have outperformed lower priced segments and represent 94% of the value of global Swiss watch exports in calendar year 2023.

In recent years the US market has been leading in terms of Swiss watch exports growth, as can be seen in the graph opposite. The UK market has seen a slight decline in the first four months of 2024, but is significantly up on a two-year basis.

SWISS WATCH EXPORTS (WRISTWATCHES PRICED ABOVE 500 CHF) JANUARY TO MAY 2024



Source: Swiss Watch Federation

DISCIPLINED DISTRIBUTION MANAGEMENT THROUGH SELECTIVE DISTRIBUTION AGREEMENTS

Distribution of luxury watches takes place under Selective Distribution Agreements, strict legally binding contracts entered into with brands on a point-of-sale basis. These are ordinarily limited by geography and ensure retailers maintain strict presentation standards. Selective Distribution Agreements enable brands to manage the number of points of sale and qualitative criteria on retailer approval. Product presentation and client experience are closely monitored by the brand owners.

Globally, the retail market for luxury watches is fragmented, predominantly comprised of a large volume of small retailers.

LOYAL, DIVERSE, MULTI-GENERATIONAL CLIENT BASE

Luxury watches attract a set of shoppers, who can become repeat clients, spanning age, income groups and genders. The internet has, over the years, had an increasingly positive impact on digital and social media appealing to a younger market.

Our showroom design, location, marketing and the Group's unique client service appeals to a broad demographic audience.

Market trends have benefitted more recently from price increases and consumer trends towards higher price point products.

GLOBAL BRANDS HAVE SUPPLY-DRIVEN GROWTH

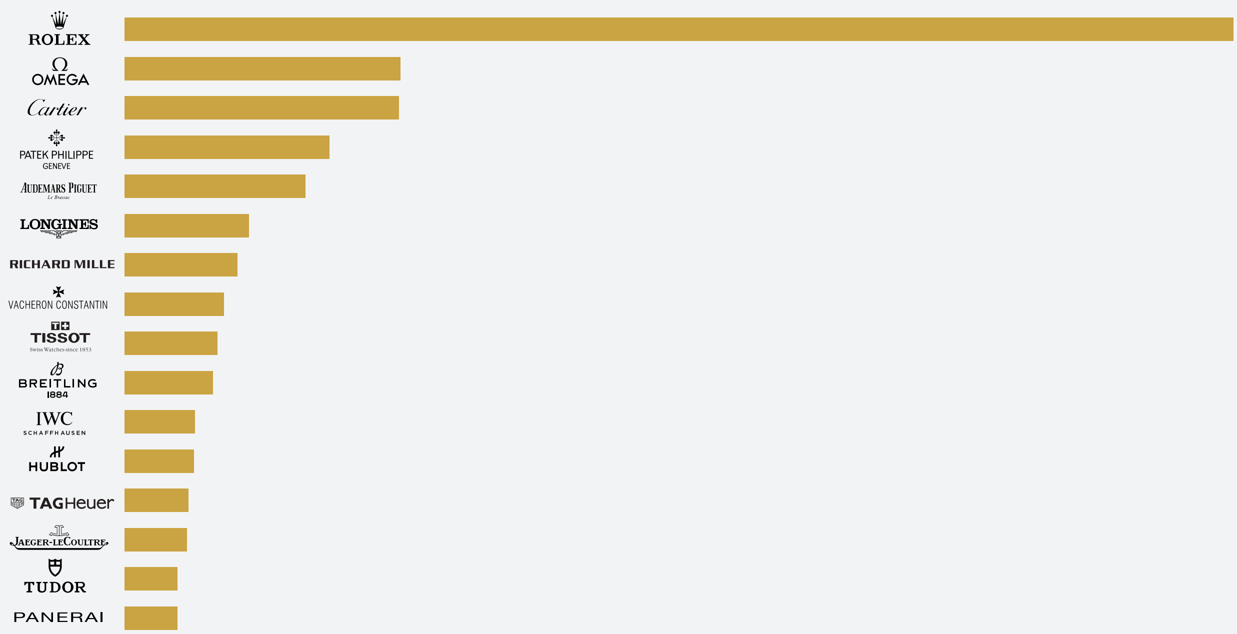
For the total luxury watch industry, demand has increased at a faster rate than production, in part reflecting the labour-intensive nature of watchmaking and its dependence on highly skilled watchmakers in Switzerland. Long-term growth has been underpinned by increased ASP, positive mix effects and limited volume increases.

Luxury watch brand owners are made up of major independents, large groups and smaller independents, as can be seen opposite. Our Group provides the largest selection of luxury watches covering a wide range of prices and consumer preferences, including the largest and best-known brands alongside smaller independent brands.

We stock confidently, which provides our clients with a greater width and depth of availability. The table opposite shows the breakdown of the Group's brand partners.

Major independents	Swatch Group	Richemont	LVMH	Independents
ROLEX	OMEGA	Cartier	TAGHeuer	Grand Seiko
PATEK PHILIPPE GENEVE	LONGINES	IWC SCHAFFHAUSEN	HUBLOT	MB&F
AUDEMARS PIGUET Le Brassus	BLANCPAIN	PANERAI	ZENITH	BOVET
BREITLING 1884	Breguet	JAEGER-LECOULTRE	BVLGARI	ULYSSE NARDIN
TUDOR	Glashütte ORIGINAL	VACHERON CONSTANTIN		GIRARD-PERREGAUX
	RADO SWITZERLAND	PIAGET		SPEAKE MARIN
	TISSOT Swiss Watches since 1853			JACOB & CO
				Chopard
				ARMIN STROM
				ARNOLD & SON
				ANGELUS
				CHANEL
				H. Moser & Cie
				DOXA
				BREMONT
				ORIS

The graph below shows estimated 2023 calendar year global retail sales for the major Swiss watch brands.



Source: Morgan Stanley, Sixth Annual Swiss Watcher (28 February 2024)

CONTINUOUS PRODUCT INNOVATION AND ADVANCEMENT

Luxury watches are characterised by a focus on product innovation and advancement and are normally introduced at prestigious watch fairs in Switzerland. In the UK and the US, there is a strong preference for sports models with the key brands consistently investing to ensure the highest degree of technical specifications.

This year we attended Watches and Wonders 2024, the largest watchmaking gathering ever to take place in Geneva, where exciting new products were launched, accompanied by relevant marketing support.

Watchmakers are making greater use of strap and dial combinations to increase consumer interest.

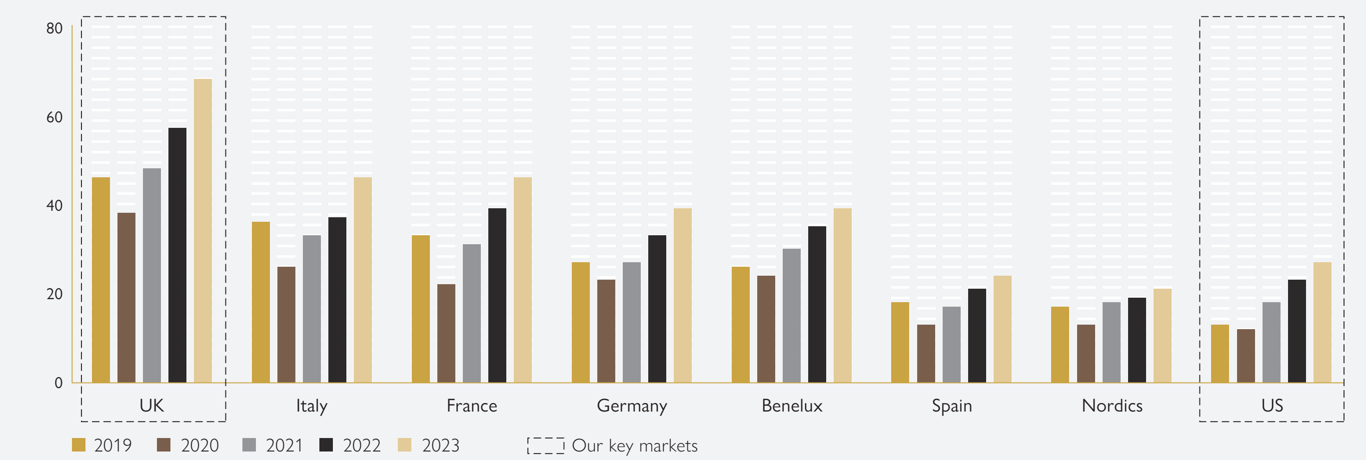
The luxury watch industry is benefitting from greater flexibility over production and reduced product development timeframes due to the advancements in 3D printing.

GEOGRAPHICAL MARKETS

The Group operates in the UK and US markets, two of the major Swiss watch markets. The following chart shows the luxury watch retail sales per capita over the last five years.

On a per capita basis, the UK market has outperformed the US market and all major European markets since 2000. The UK market has the highest per capita retail spend by domestic clients on luxury watches; we believe the differential to other markets reflects retail investment, not consumer behaviour, creating an opportunity to successfully replicate our model in other geographies and building on the success we have delivered in the US to date.

LUXURY WATCH PER CAPITA RETAIL SALES (US$)



Source: Company estimates


CARTIER
AUTOMATIC

THE UK LUXURY WATCH MARKET

UK MARKET HIGHLIGHTS

5

CALENDAR YEAR 2023 RANKING IN GLOBAL MARKETS FOR SWISS WATCH EXPORTS

£3.4bn

ESTIMATED 2023 LUXURY WATCH RETAIL SALES (2022: £2.9bn)

The UK is the fifth largest market globally for Swiss luxury watch exports. The Group estimates retail sales of luxury watches amounted to £3.4 billion in calendar year 2023 (£2.9 billion in 2022).

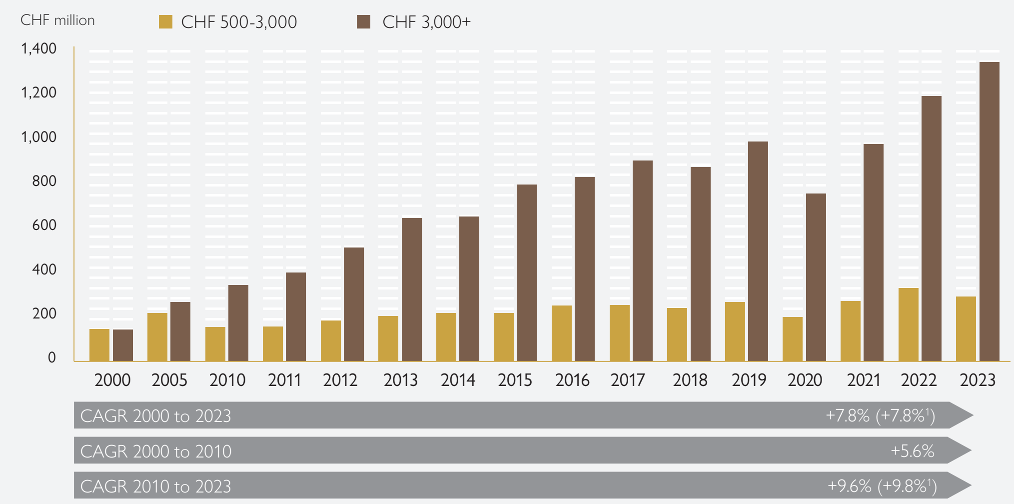
The UK market remains a well-invested multi-channel market and highly engaged and sophisticated domestic clientele which has typically had a preference for the sports luxury watch category.

In the period 2000 to 2023, Swiss watch exports to the UK increased by a CAGR of 7.8%. 2024 has started slower, with UK Swiss watch exports -1% year-on-year to April 2024.

The UK market is made up of national groups, independent jewellers, luxury department stores and boutiques directly operated by the brands.

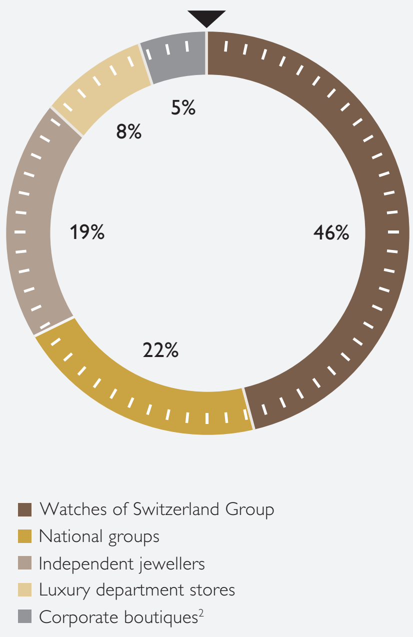
The UK market is led by Rolex, with strong market positions of Patek Philippe, OMEGA, Cartier, Breitling, TAG Heuer and TUDOR.

LUXURY SWISS WATCH EXPORTS TO THE UK (CALENDAR YEARS)



Source: Swiss Watch Federation
1 CAGR shown through 2022.

UK LUXURY WATCH MARKET 2023



Source: GFK
2 Directly operated by the brands.

Watches of Switzerland, Battersea Power Station, London

THE US LUXURY WATCH MARKET

US MARKET HIGHLIGHTS

1

CALENDAR YEAR 2023 RANKING IN GLOBAL MARKETS FOR SWISS WATCH EXPORTS

$9.9bn

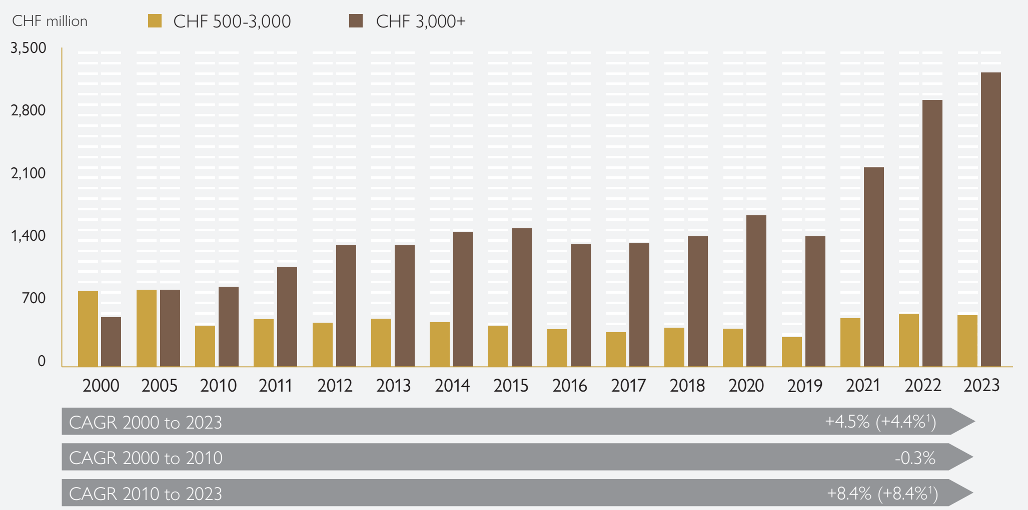
ESTIMATED 2023 LUXURY WATCH RETAIL SALES (2022: $8.2bn)

After a period of underinvestment in the market leading up to 2018, the US performed strongly and is today the largest global market for Swiss watch exports, overtaking China in 2021. The Group estimates retail sales of luxury watches reached $9.9 billion in calendar year 2023 (2022: $8.2 billion).

The US market is led by Rolex with strong market positions of Cartier, Patek Philippe, Audemars Piguet, OMEGA, TUDOR, Breitling, Officine Panerai and TAG Heuer. Additionally, there are also relatively strong market positions for smaller independent brands such as MB&F, Bovet and H. Moser & Cie.

US retail distribution is in the process of consolidation towards larger showroom formats in major shopping centres and retail investment from the Watches of Switzerland Group and others has increased. The US market is predominantly domestic, although domestic tourism (e.g. to Florida or Las Vegas) is significant. In recent years Rolex, Patek Philippe and other brands have been rationalising distribution, reducing the number of agencies to a smaller number of higher quality retailers.

LUXURY SWISS WATCH EXPORTS TO THE US (CALENDAR YEARS)



Source: Swiss Watch Federation
1 CAGR shown through 2022.

Watches of Switzerland, Hudson Yards, New York

LUXURY JEWELLERY MARKET

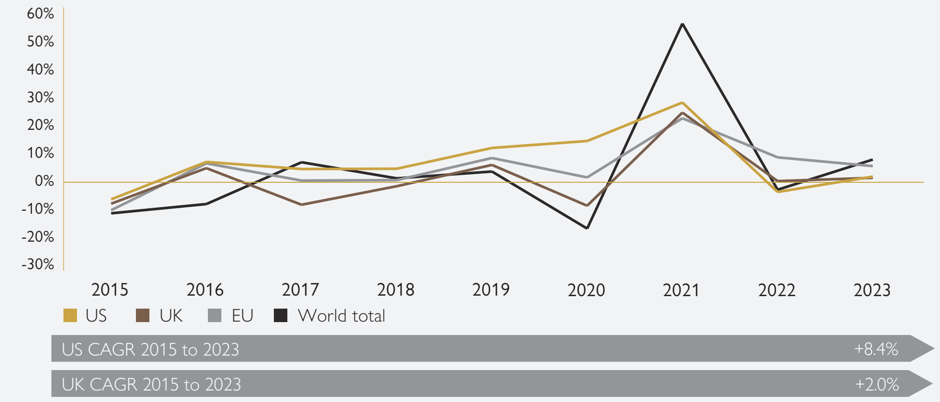
Our luxury watch business is complemented by a strong luxury jewellery offering.

The US and UK markets are among the largest globally on a per capita basis for luxury jewellery (Source: World Gold Council).

The US is the strongest market in the Western world for luxury jewellery per capita.

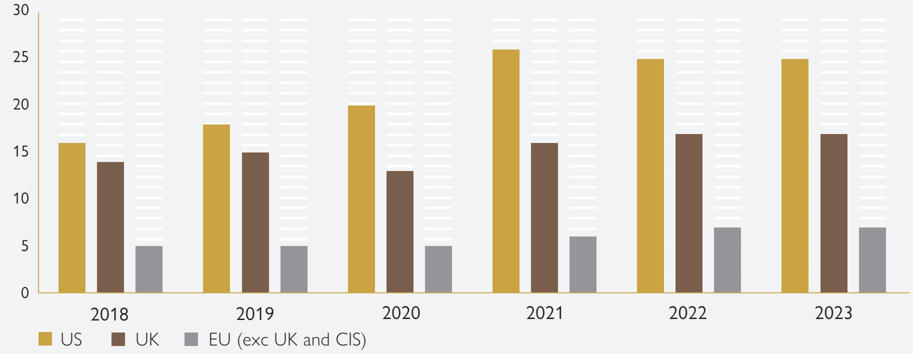
The global luxury jewellery market has seen global trends towards the branded component of the market, as demonstrated in the graph opposite. Luxury branded jewellery typically has a higher Average Selling Price (ASP) and frequency of purchase along with higher levels of self-purchase, leading it to be less promotional and less cyclical than commodity jewellery. We see this as a significant area of growth for the Group going forward, where we can apply our expertise gained in luxury watches to the luxury branded jewellery sector.

JEWELLERY DEMAND: CUMULATIVE YOY% (CALENDAR YEARS)



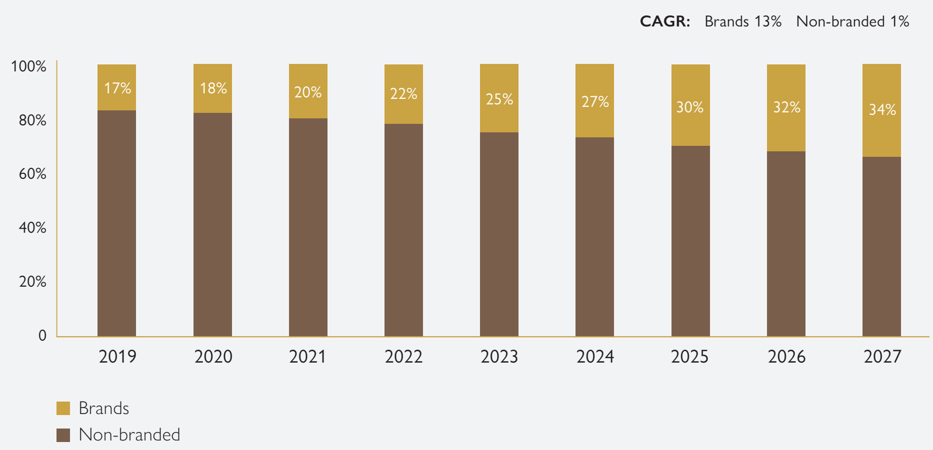
Source: Metals Focus, Refinitive GFMS, ICE Benchmark Administration, World Gold Council

LUXURY JEWELLERY DEMAND PER CAPITA (US$)



Source: Metals Focus, Refinitive GFMS, ICE Benchmark Administration, World Gold Council

JEWELLERY MARKET WORLDWIDE – TREND IS INEXORABLY TOWARDS BRANDS

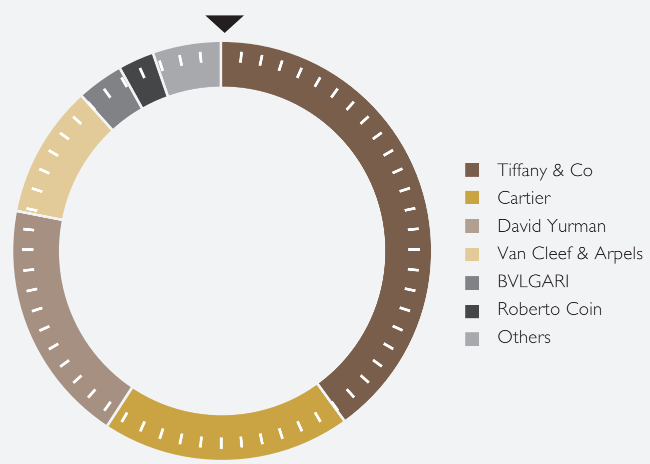


Source: McKinsey, Euromonitor

ROBERTO COIN INC. IS A MAJOR PLAYER IN THE US LUXURY BRANDED JEWELLERY MARKET

The acquisition of Roberto Coin Inc., the exclusive distributor of Roberto Coin in North America, on 8 May 2024, further develops the Group's opportunities within the luxury branded jewellery market. Robert Coin is the sixth largest luxury jewellery brand (by retail sales) in the US as can be seen in the graph (opposite), competing with other top 10 industry leading brands such as Cartier, Tiffany, Van Cleef & Arpels, BVLGARI and David Yurman. For more details on our Roberto Coin Inc. acquisition please refer to pages 46 to 49.

US MARKET SHARE AT RETAIL SALES VALUE (2023 CALENDAR YEAR)



Source: WOSG estimates

PRE-OWNED WATCH MARKET

We believe the pre-owned market is a positive development for the retail market. It provides liquidity and value preservation for luxury watches. This is a growing sector due to the supply of certain products being inadequate to meet demand in the first hand market and for collectors given nearly 95%[1] of watches are no longer in production. The pre-owned market today has a dependence on product sold at prices above retail due to unavailability and scarcity.

The market is made up of pre-owned (purchase or trade-in watches to sell on) and online marketplace players.

During the year, Rolex launched the Rolex Certified Pre-Owned programme offering the opportunity to purchase from its official authorised retailers pre-owned watches that are certified as authentic and provide a Rolex-backed two-year international guarantee. This has opened the pre-owned market up to a customer who may have previously been concerned about purchasing pre-owned items. We see Rolex Certified Pre-Owned as a significant opportunity for the Group and at the year-end we showcased Rolex Certified Pre-Owned in 19 showrooms in the UK and 17 in the US, alongside our online offering.

1 Source: BCG Luxury Preowned Watches, Your Time Has Come (March 2023)

PRE-OWNED AND ONLINE MARKETPLACE KEY PLAYERS

Watchfinder & Co.
Acquired by Richemont in 2018

Bucherer

WatchBox
Now part of the 1916 Company

Hodinkee

Crown & Caliber
Acquired by Hodinkee in 2021

Bob's Watches

Analog:Shift
Acquired by the Watches of Switzerland Group in 2020

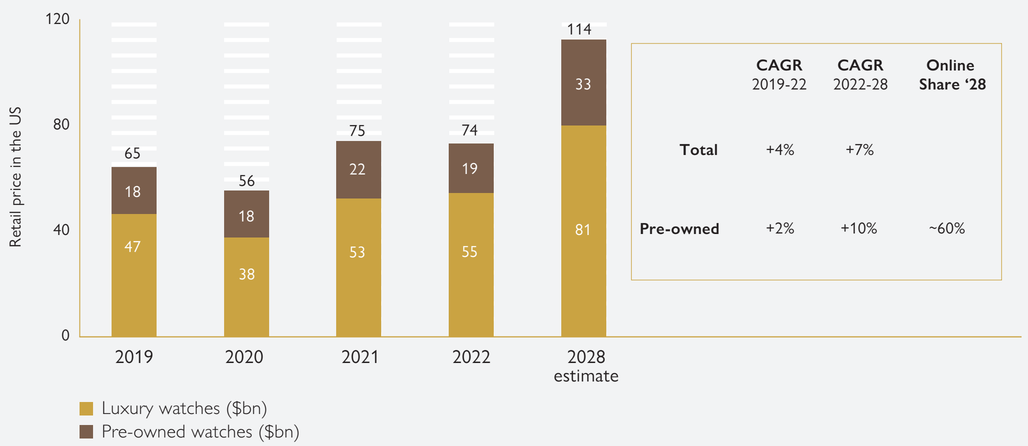
Watches of Switzerland Group

Chrono24

eBay

Auction Houses

PRE-OWNED GLOBAL MARKET, GROWING STRONGER IN WESTERN MARKETS AND ONLINE



Sources: FHS, Altagamma, Euromonitor, expert interview, BCG Analysis, WOSG

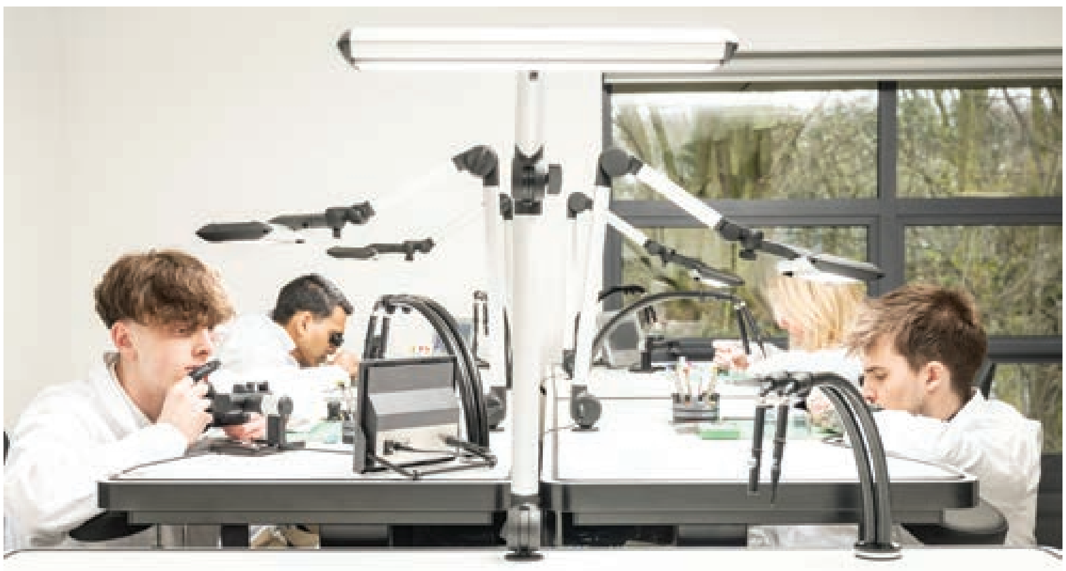
REPAIRS AND SERVICING

The Group believes repairs and servicing complements the first-hand market for luxury watches and is critical in protecting and prolonging the life and value of the products.

The market is primarily supported by traditional multiple and independent retailers and brand in-house resources. The Group estimates repairs and servicing represents approximately 5% of the market and is very important in terms of providing a luxury client experience.

Repairs and servicing has not kept pace with the growth in new watch sales. The Group continues to invest in expanding its capacity to repair and service timepieces in both the UK and US.

Repairs and servicing contribute to the circular economy; refer to page 102 to 105 to learn more.




THE
WATCHE
OF SWITZER
GROU

HOW THE GROUP CREATES VALUE

DRIVEN BY

OUR PURPOSE

To WOW our clients while caring for our colleagues, our communities and our planet.

WHAT WE DO

We partner with the most prestigious luxury watch and jewellery brands to provide the highest level of client service by well-trained, expert colleagues in modern, luxurious and welcoming showroom environments and leading-edge online sites. This is all supported by our international scale, fully integrated technology and impactful marketing.

Our key markets are the UK and US.

INPUTS

BRAND PARTNERSHIPS

Our strong and long-standing relationships with the most recognised and prestigious luxury watch and jewellery brands. These relationships have been forged over many years and include new relationships with developing brands.

Please see pages 28 to 33 for more details on the prestigious brands we partner with.

COLLEAGUES

The Watches of Switzerland Group is committed to building a great place to work by giving colleagues every reason to join, grow and stay with our Group. We recognise the many benefits a diverse and inclusive workforce can bring and embrace all talent.

CLIENTS

We offer the greatest choice of brands and products in the world of luxury watches and jewellery. We aim to make our clients feel welcome through unintimidating, inviting, browsable, modern and luxurious environments in our showrooms and online.

DESTINATION SHOWROOMS

Our clients purchase our products through our retail network of directly operated showrooms. These include multi-brand showrooms, a presence in travel retail, online and a growing portfolio of mono-brand boutiques in partnership with our brands.

FINANCIAL INVESTMENT

Watches of Switzerland Group PLC is listed on the London Stock Exchange. Through focused investment we drive growth, generate shareholder value and ensure the long-term sustainable future of the Group.

HOW WE CREATE VALUE

BRAND PARTNERSHIPS

We collaborate with our long-standing brand partners to elevate and expand their distribution and partner on demand forecasting, product launches, showroom projects, online, clienteling, marketing events and learning and development for our colleagues.

CLIENT EXPERIENCE

Our showroom colleagues provide expertise and knowledge to ensure an exceptional client experience through extensive learning and development.

We have developed our industry-leading Xenia Client Experience Programme. Refer to page 40 for further details.

SHOWROOM ENVIRONMENT

Our well-invested showrooms are luxurious, open, welcoming, contemporary, spacious, non-intimidating and browsable. The design concept is regularly assessed in order to ensure we continue to appeal to a broad client demographic and drive high levels of productivity across our estate.

MULTI-CHANNEL

Our multi-channel model spans a well-invested showroom network, with flagships, regional showrooms, travel retail and mono-brand boutiques complemented by market-leading ecommerce platforms. The Group has a truly multi-channel approach, which includes click and collect, an appointment system and the Luxury Watch and Jewellery Virtual Boutique.

MARKETING

We deliver impactful marketing focused on digital communications, Client Relationship Management, PR, client experiences and co-operative activity with brand partners. Our editorial content across watches and jewellery provides an authoritative voice within our market. Refer to page 35 for further details.

SCALE

High barriers to entry created through national coverage in the UK with a portfolio of 158 showrooms in the UK and a growing and significant presence in the US with 56 showrooms (at 28 April 2024).

OPERATIONAL EXCELLENCE

Technology: Our fully integrated IT systems are based on a single SAP platform powering showroom point of sale, CRM, reporting solutions, live inventory availability and operations. This single platform enables rapid expansion capabilities in new markets or through acquisitions.

Merchandising: Dynamic inventory management optimises stock availability, enhances showroom productivity and in the UK, allows for nationwide coverage, giving us a key competitive advantage.

Retail operations: We aim to continually drive productivity and profitability, with a high level of accountability and performance management.

FINANCIAL DISCIPLINE

Financial performance: We run all our showrooms to be profitable, leveraging showroom and central overheads through top line growth with strict investment criteria on projects or investment opportunities.

Cash generation: The strong, consistent generation of cash is fuelled by strict working capital management, with sufficient liquidity to fund growth and to provide for potential acquisition opportunities. We take a disciplined and data-led approach to return on investment, aiming to deliver long-term sustainable earnings growth whilst retaining financial capability to invest in our business and to execute our strategic priorities.

COLLEAGUES AND COMMUNITIES

We develop our colleagues through significant investment in training and development. This is supported by promoting an open and inclusive environment through listening to our colleagues.

The Watches of Switzerland Group Foundation which supports a number of causes, with an emphasis on helping poor and vulnerable people out of poverty. Refer to pages 86 to 91 for further details.

PLANET AND PRODUCT

We are determined to operate to high levels of environmental stewardship, while safeguarding against climate related risk and supporting a more circular economy, through our repairs and pre-owned businesses.

We are committed to making sure our supply chain operates responsibly and that everyone we do business with, respects and protects the lives of workers, their communities and the planet.

We have reinforced our commitment to caring for our planet, by linking our existing loan facility to the achievement of our near-term science-based emission reduction targets and circularity goals.

VALUE CREATED

£1,538m
FY24 REVENUE

£135m
FY24 ADJUSTED EBIT[1]

19.5%
FY24 RETURN ON CAPITAL EMPLOYED[1]

£226m
FY24 CASH GENERATED FROM OPERATIONS

158
UK SHOWROOMS AT 28 APRIL 2024

56
US SHOWROOMS AT 28 APRIL 2024

223
TOTAL SHOWROOMS AT 28 APRIL 2024

2,900+
NUMBER OF COLLEAGUES

£7.5m
PAID BY THE GROUP TO THE WATCHES OF SWITZERLAND GROUP FOUNDATION SINCE LAUNCH

1 This is an Alternative Performance Measure. Refer to the Glossary on pages 254 to 257 for definition and reconciliation to statutory measures where relevant.

Our Brand Partnerships

Our long-standing association with the most recognised and prestigious luxury watch and jewellery brands is a key point of distinction and a cornerstone of our unique client experience.

LUXURY WATCHES

We have developed strong, long-standing and collaborative partnership's with the most prestigious luxury watch brands over the years. We constantly strive to represent our brand partners in the best possible way to our clients, working together to identify distribution opportunities, partner on demand forecasting and product development, and collaborating closely on all showroom projects, across our online platform, clienteling initiatives and marketing activities. We also collaborate on training our colleagues with our brand partners to ensure we have experts across all brands within our business.

ROLEX

Founded in 1905 in London by Hans Wilsdorf, Rolex watches are crafted from the finest raw materials and assembled with scrupulous attention to detail.

PATEK PHILIPPE
GENEVE

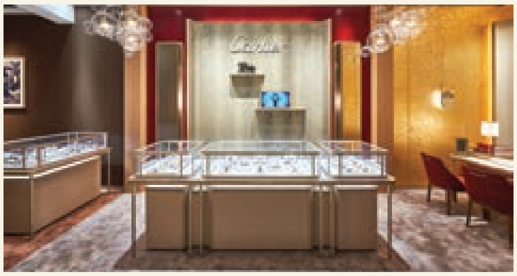
Utilising over 180 years of experience and perpetuating the tradition of Genevan watchmaking, Patek Philippe has always been at the forefront of the luxury watch industry.

AUDEMARS PIGUET
Le Brassus

Audemars Piguet is the oldest fine watchmaking manufacturer still in the hands of its founding families (Audemars and Piguet).

OMEGA

Space, James Bond and the Olympics – when it comes to co-associations, OMEGA certainly beats most watch brands in terms of cool, but above that is their absolute mastery of technology and ability to produce some of the finest movements available today.

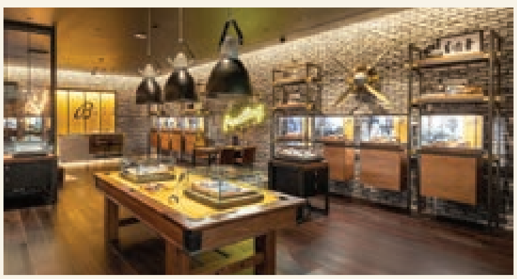


Cartier

Widely regarded as the inventor of the first watch designed to be worn on the wrist, Cartier was established in Paris in 1847 and is arguably one of the most recognisable Maisons in the world.

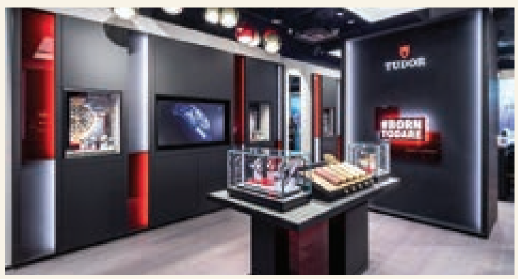
TAG Heuer

TAG Heuer creates watches that will take you anywhere – into the ocean's depths, up a mountain, behind the wheel of a car. TAG Heuer timepieces are reliable, innovative and versatile.



BREITLING
1884

Léon Breitling started his eponymous brand in 1884 and it has specialised in complicated timepieces and chronographs from the beginning, going on to pioneer the wrist-worn chronograph, which was hugely popular with pilots.



TUDOR

Since its founding in 1926, TUDOR has endeavoured to produce the best possible watches at the best possible price. This mission, bold then as it is now, is inspired by the vision of the brand's founder Hans Wilsdorf.

OUR BRAND PARTNERSHIPS

IWC SCHAFFHAUSEN

VACHERON CONSTANTIN GENÈVE

PANERAI

HUBLOT

JAEGER-LECOULTRE

ZENITH

Grand Seiko

LONGINES

MB&F

BOVET

ULYSSE NARDIN

GIRARD-PERREGAUX

Breguet

H. Moser & Cie VERY RARE

Chopard

JACOB & CO GENÈVE

BLANCPAIN

SPEAKE MARIN

ARMIN STROM SWISS WATCH MANUFACTURE

BREMONT

BVLGARI

CHANEL

Glashütte ORIGINAL

PIAGET

DOXA

HAMILTON

ORIS

RADO SWITZERLAND

TISSOT Swiss Watches since 1853

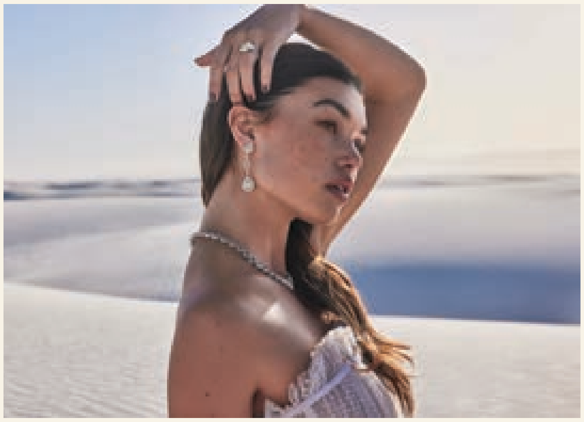
GREUBEL FORSEY ART of INVENTION

ARNOLD & SON 1764

BAUME & MERCIER

LUXURY JEWELLERY

At the Watches of Switzerland Group, our brands Mappin & Webb, Goldsmiths, Mayors and Betteridge offer their very own collections of jewellery all steeped in a rich history and heritage, making our showrooms and websites the destination for fine luxury jewellery. We are also privileged to partner with the best luxury jewellery brands in the world, including Roberto Coin, BVLGARI, FOPE, Messika, Jenny Packham and Gucci.



DELIVERING OUR STRATEGY

Within the framework of our seven strategic priorities, we made progress during FY24 through elevated levels of investment and focus on further developing our client-centric business model.

1. GROW REVENUE, PROFIT AND RETURN ON CAPITAL EMPLOYED

WHAT IT MEANS

To drive revenue growth across our markets of the UK and the US and deliver further operational leverage. Generate strong free cash flow conversion to support growth leading to enhanced Return on Capital Employed (ROCE). Delivered through consistent, sustained capital investment and selective acquisitions to support growth.

HOW WE PERFORMED IN FY24

- Group revenue +2% at constant currency and flat at reported rates vs FY23, Adjusted EBIT of £135 million (-18% vs FY23) and ROCE of 19.5% (-840bps vs FY23)
- Opened three multi-brand showrooms including the One Vanderbilt, New York and the Rolex-anchored American Dream, New Jersey
- Acquired 15 luxury watch showrooms from Ernest Jones in November 2023
- 15 showrooms refurbished including the launch of the Mappin & Webb contemporary concept in four showrooms
- 19 new mono-brand boutiques in the UK, US and Europe in partnership with TAG Heuer, Breitling and Grand Seiko
- Rolex Certified Pre-Owned launched in Summer 2023 and is expected to be a high growth area for the Group

OBJECTIVES FOR FY25

- Invest in our showroom portfolio with an exciting pipeline including:
  - Flagship Rolex boutique, Old Bond Street London
  - New Mappin & Webb luxury jewellery boutique, Manchester
  - New Audemars Piguet Townhouse, Manchester operating as a joint venture
  - Relocation of Watches of Switzerland Plano, Texas and introduction of Rolex
  - New Mappin & Webb multi-brand in Edinburgh
  - New Watches of Switzerland Ross Park, Pittsburgh
  - Relocation/expansion of Mayors Tampa, Mayors St Johns and Mayors Sarasota, Florida
- Continue to grow pre-owned and Rolex Certified Pre-Owned
- Expansion of luxury branded jewellery within our portfolio of showrooms and online
- Completed the acquisition of Roberto Coin Inc., the exclusive distributor of Roberto Coin in North America in May 2024

LINK TO KPIs

1 2 3 4 5 6 7 8 9 12

LINK TO PRINCIPAL RISKS AND UNCERTAINTIES

1 2 3 4 6 8 9 10

Read more on pages 134 to 139

2. ENHANCE STRONG BRAND PARTNERSHIPS

WHAT IT MEANS

Our strong and long-standing relationships with the most recognised and prestigious luxury watch and jewellery brands have remained a point of distinction. Many of these relationships have been forged over many years, but also include new relationships with some exciting brands. We have also developed exclusive partnerships and representations for some of our brand partners.

We work with a long-term view on elevating our brand partners' equity in the markets we serve and operate in full collaboration and transparency across all aspects of the product, marketing and distribution mix.

HOW WE PERFORMED IN FY24

- Attended multiple watch and jewellery events, including Watches and Wonders Geneva, Geneva Watch Days, Vicenza Jewellery show and JCK/Couture in Las Vegas
- Formulation of long-term development plans with our strategic brand partners
- Commenced acceleration of luxury branded jewellery with new brand partners
- Investment in client events included hosting of high-end jewellery events in London, Manchester and Glasgow in the UK and across several Mayors and Betteridge showrooms in the US
- Increased our collaboration with brands on all aspects of co-operative marketing, including digital communication, events and advertising
- Working with the brands on significant training programmes for our colleagues
- Watches of Switzerland hosted the 2023 Grand Prix d'Horlogerie de Genève (GPHG) award-winning watches at Soho, New York
- Started to celebrate the Watches of Switzerland 100 year anniversary (2024) with exclusive brand collaborations and special watch releases
- Three-year partnership with Académie Horlogère des Créateurs Indépendants

OBJECTIVES FOR FY25

- Continue to grow our brand partners' equity, through network elevation and excellence in merchandising and retail
- Develop strategic joint business plans focused on distribution, product launches, training and marketing
- Execute our luxury branded jewellery strategy
- Further accelerate our development on pre-owned and Rolex Certified Pre-Owned
- Increased collaboration with both local market brand management, and relevant global teams
- Ensure a high level of transparency and integrity in our business practices
- Strengthen partnerships with our brands on our ESG agenda

LINK TO KPIs

5 8 9 12

LINK TO PRINCIPAL RISKS AND UNCERTAINTIES

1 3 5 6 7 8 9

Read more on pages 134 to 139

KEY PERFORMANCE INDICATORS

1 Revenue	7 Cash generated from operations
2 Operating profit/EBIT	8 Average selling price
3 Adjusted EBIT	9 Number of showrooms
4 Basic EPS	10 Colleague Engagement Survey
5 Adjusted EPS	11 ESG – Carbon emissions
6 Return on Capital Employed	12 ESG – Circularity

PRINCIPAL RISKS AND UNCERTAINTIES

1 Business strategy execution and development	7 Regulatory and compliance
2 Key suppliers and supply chain	8 Economic and political
3 Client experience and market risks	9 Brand and reputational damage
4 Colleague talent and capability	10 Financial and treasury
5 Data protection and cyber security	11 Climate change
6 Business interruption	

3. DELIVER AN EXCEPTIONAL CLIENT EXPERIENCE

WHAT IT MEANS

Our Xenia Client Experience Programme is an opportunity to create a unique differentiator to our competition. Everything we do is driven by our client experience and our colleagues who are either serving a client or serving someone who is. Our three Xenia pillars of Know Me, WOW Me and Remember Me enable all colleagues to focus on how we make our clients feel throughout every interaction with our brands.

HOW WE PERFORMED IN FY24

- Continued to deliver Xenia across our showrooms and Luxury Watch and Jewellery Virtual Boutique and launched our Xenia principles in our Support Centres – please refer to page 40 for more details
- Our Luxury Watch and Jewellery Virtual Boutique continues to bridge the gap between online and showrooms, offering unparalleled client service under a truly multi-channel approach. We continued to increase resource this year in both the UK and US allowing more clients access and improving turnaround time on enquiries
- In the UK, we hosted 280 events and entertained nearly 9,000 clients in both showrooms and key prestigious locations around the UK with our key brand partners across watches and jewellery along with pre-owned events
- In the US, we hosted over 220 events and entertained over 4,400 clients across showrooms and external venues with our key brand partners including launch events for our AMEX Centurion partnership and client event in partnership with GPHG

OBJECTIVES FOR FY25

- Continue to focus on the Xenia client experience across our showrooms and embed throughout all our processes and support teams
- Further expansion and centralisation of processes into the Luxury Watch and Jewellery Virtual Boutique in the UK and US
- Continue to elevate and widen our client event programme – with focus on strong commercial client events
- Focus on clienteling the Collector with relevant activations and personalised relationships
- Enhanced training programme to deliver exceptional services supported by a new global Learning Management System

LINK TO KPIs

8 9

LINK TO PRINCIPAL RISKS AND UNCERTAINTIES

1 2 3 4 5 6 7 8 9 11

Read more on pages 134 to 139

4. DRIVE CLIENT AWARENESS AND BRAND IMAGE THROUGH MULTIMEDIA WITH IMPACTFUL MARKETING

WHAT IT MEANS

Creative, effective and relevant marketing content targeted towards a broad aspirational audience, to support our showrooms and showcase our breadth of range and expertise. We adopt a multi-channel marketing approach to maximise awareness, invest in performance marketing to drive sales both online and offline, and work with brand partners on co-op marketing campaigns, clienteling and events.

HOW WE PERFORMED IN FY24

- Continued focus on performance marketing with market-leading digital campaigns across Google, optimised for multi-channel return
- Our presence on social media continues to be an important channel to inspire, engage and target a new, younger audience:
- In the UK total campaign impressions (including search and shopping) were over 5.0 billion
- In the US total campaign impressions (including search and shopping) were over 1.0 billion
- Investment in print media and outdoor advertising with our key brand partners, along with bursts of activity to support our Watches of Switzerland Group exclusives and new agencies
- Investment in local activations, ensuring each new or refurbished showroom has a localised support plan to help drive awareness and footfall
- Extensive PR activity in the US with activations such as the launch of the partnership with AMEX Centurion and the GPHG

OBJECTIVES FOR FY25

- Continue to drive awareness through a multi-channel strategy with bold, impactful content creation
- Ongoing investment in performance marketing to drive sales both online and offline
- Focus on pre-owned and the circular economy of selling and buying in pre-owned watches
- Implement co-operative plans to support new brand partners in luxury jewellery
- Devise and implement localised marketing plans to support City Destinations of WOSG dominance
- Continue to focus on PR activations in the US to drive brand awareness
- Full funnel omnichannel approach to drive Watches of Switzerland and Mayors brand awareness and convert clients when and where they are best optimised

LINK TO KPIs

9

LINK TO PRINCIPAL RISKS AND UNCERTAINTIES

1 3 4 6 8 9

Read more on pages 134 to 139

5. LEVERAGE BEST-IN-CLASS OPERATIONS

WHAT IT MEANS

Merchandising

Dynamic inventory management optimises stock availability, enhances showroom productivity and in the UK, allows for nationwide coverage, giving us a key competitive advantage.

We have optimised our online business across the US and the UK.

Retail operations

We aim to continually drive productivity and profitability, with a high level of accountability and performance management.

IT systems

Our fully integrated IT systems are based on a single SAP platform powering showroom point of sale, Client Relationship Management, reporting solutions, live inventory availability and operations. This single platform enables rapid expansion capabilities in new markets or through acquisitions.

HOW WE PERFORMED IN FY24

Merchandising

– Improved product availability across the majority of our brands and showroom productivity
– Extended the level of SKUs we have for key brands for our ecommerce platform, to ensure we have the full range of products available by brand
– Reviewed inventory composition and turn to optimise open-to-buy, cost to assort and bestsellers and novelties coverage

Retail operations

– Launched a 12 month look ahead retail calendar into the business to ensure all retail activities are balanced and key initiatives launch with a positive impact
– Refined all retail procurement policies and processes, streaming workload for retail colleagues and reducing costs
– A dedicated retail support contact team introduced to improve efficiencies in showrooms
– Fully integrated the Ernest Jones acquisition into the Group's operations

IT systems

– Continuing to refresh and expand our in-store technology, ensuring showroom teams have the best technology to hand in support of every client transaction
– Enhancing the Group's cyber security protection

OBJECTIVES FOR FY25

– Optimal brand presentation in our showrooms with stock availability and depth and width of assortment, calibration according to business needs and space capacity
– Inventory composition to further improve to ensure faster inventory turn
– Speed to market and system agility
– Continued refurbishment and expansion of showroom network
– Opening our first joint venture Audemars Piguet Townhouse in Manchester
– Embedding the retail transformation programme
– Data accuracy and trends reporting to power effective business decisions
– Continue to enhance our cyber security programme
– Open new US Support Centre in Fort Lauderdale, Florida

LINK TO KPIs

2 3 4 5 6 7 8 9 12

LINK TO PRINCIPAL RISKS AND UNCERTAINTIES

1 2 3 4 6 7 8 10 11

Read more on pages 134 to 139

6. EXPAND OUR MULTI-CHANNEL LEADERSHIP

WHAT IT MEANS

Our multi-channel business model is a key competitive advantage and underscores our ability to react with speed and agility to a rapidly evolving consumer environment whilst offering our clients an exceptional experience. We continue to invest in expanding and enhancing our platform, consisting of multi-brand showrooms, online, travel retail and mono-brand boutiques.

HOW WE PERFORMED IN FY24

Multi-brand showrooms

– Acquisition of 15 luxury watch showrooms from Ernest Jones
– Opening three new showrooms, one of which is anchored by Rolex
– Completed the significant refurbishments/expansions of 14 multi-brand showrooms, including the launch of our new Mappin & Webb contemporary concept

Online

– Continued to leverage our market-leading position in the UK and accelerate our market share in the US, through our competitive advantage in digital marketing and omnichannel excellence

Mono-brand boutiques

– Developed and enhanced the channel, opened 19 new mono-brand boutiques, bringing our global network to a total of 99 boutiques (UK: 59, US: 31, Europe: 9) as at 28 April 2024

Travel retail

– Travel retail in the UK continues to improve as traffic continues to recover from the pandemic
– Opened two mono-brand boutiques for TUDOR and TAG Heuer in Gatwick Airport

OBJECTIVES FOR FY25

– Ongoing investment in elevating and upgrading the existing network as well as opening in new, strategic locations such as the flagship Rolex boutique on London's Old Bond Street
– Growing sector leadership online with a focus on luxury watches, jewellery and luxury branded jewellery with continual improvement of user experience
– Working closely with our brand partners to further develop our multi-channel partnerships
– Withdraw from our European mono-brand operations to refocus capital on the higher-returning territories of the US and UK

LINK TO KPIs

9

LINK TO PRINCIPAL RISKS AND UNCERTAINTIES

1 3 4 6 8 10

Read more on pages 134 to 139

7. CONTINUE TO ADVANCE THE ESG AGENDA

WHAT IT MEANS

We continue to progress towards Environmental, Social and Governance best practices, with the aim of future-proofing our business and driving long-term value and stakeholder satisfaction.

HOW WE PERFORMED IN FY24

- Achieved Real Living Wage employer status
- Colleague engagement score of 76%
- Further closure of the UK Gender Pay Gap by 1% to 20%
- Ranked #10 in the FTSE Women Leaders Review
- Donated £1,080,000 to UK charities and $175,000 to US charities through The Watches of Switzerland Group Foundation
- As at May 2024, rated '1' by ISS Social Quality Score
- Improved our CDP score year-on-year from a C to a B
- Launch of Rolex Certified Pre-Owned which is now offered in 19 showrooms in the UK and 17 in the US
- Increased repairs and pre-owned capacity and doubled our pre-owned revenue year-on-year by Q4
- Launched colleague incentive scheme to reward 'green' behaviours
- Undertook a review of our approach to procurement and supply chain management to strengthen engagement and achieve ESG goals
- Linked our existing loan facility to the achievement of our near-term science-based emission reduction targets and circularity goals. Performance against ESG KPIs can be found on page 55

OBJECTIVES FOR FY25

- Improve colleague engagement year-on-year
- Measure diversity and inclusion and deliver progress year on year
- Progress towards Great Place to Work accreditation
- Set long-term, science-based targets to reach net-zero GHG emissions by 2050 and evolve our climate transition planning
- Centralise our procurement and supply chain management functions to strengthen engagement and due diligence
- Leverage AI to support FY25 ESG reporting and supply chain engagement
- Continue to increase the use of renewable energy across our Group
- Grow our range of products with positive environmental and social attributes
- Support circularity by promoting repairs and pre-owned

LINK TO KPIs

10 11 12

LINK TO PRINCIPAL RISKS AND UNCERTAINTIES

1 2 6 9 10 11

Read more on pages 134 to 139

SUSTAINABILITY

Our strategy is underpinned by our ESG Pillars

PEOPLE

Give our colleagues every reason to join, grow and stay
Attract and retain talent
Build an organisation fit for the future
Leverage our unique culture
Support our local communities

Read more on page 72

PLANET

Achieve net-zero carbon by 2050
Help preserve natural resources

Read more on page 92

PRODUCT

Improve our traceability and sourcing standards
Highlight industry progress
Support circularity through repairs, servicing and our pre-owned business

Read more on page 123

ROLEX CERTIFIED PRE-OWNED PROGRAMME

Rolex launched its Certified Pre-Owned programme in 2022 and we were pleased to commence this offering to our clients in July 2023 in the US and September 2023 in the UK.

LINK TO STRATEGY

The Rolex Certified Pre-Owned programme vouches for the authenticity of previously owned Rolex watches. Each watch is meticulously serviced and authenticated by Rolex. Every watch comes with a Rolex Certified Pre-Owned seal, symbolising its status as certified, and comes with an international two-year guarantee.

The Rolex Certified Pre-Owned offering is only available within the authorised distribution network for Rolex. This ensures that clients who are interested in purchasing a pre-owned Rolex will get the best in client service, advice and hospitality during their purchasing journey.

Following the initial launch, Rolex Certified Pre-Owned is now offered in 19 showrooms in the UK and 17 in the US. Our new flagship Rolex boutique on Old Bond Street, London, which opens in FY25, will have a dedicated floor for Rolex Certified Pre-Owned. Rolex Certified Pre-Owned is also sold through our online websites.

We are excited by our initial trading in Rolex Certified Pre-Owned, which has surpassed our expectations. It is clear that this offering is bringing in a new client to pre-owned, one who appreciates the certainty around the authenticity that the Rolex Certified Pre-Owned seal brings. As we move into FY25, the offering will be further enhanced through a dedicated shop-in-shop design and a refreshed marketing campaign.

We expect Rolex Certified Pre-Owned to be an important growth driver for the Group.

Rolex Certified Pre-Owned is another example of the Group's focus on supporting the circular economy. For more information on other initiatives, please refer to pages 102 to 104.

"Our Rolex Certified Pre-Owned programme has proven itself a success with positive results in short order. With continual growth since launch, our showrooms are leading the way with sales, offering our clients an unmatched assortment and top-tier experiences. Demand continues to build, and we are delighted to be partnered with Rolex in the further development of this programme."

JAMES LAMDIN
US VICE PRESIDENT VINTAGE & PRE-OWNED TIMEPIECES


ROLEX
GMT-MASTER II

XENIA

Following the successful launch of our Xenia Client Experience Programme in October 2021, the focus in FY24 has been to continue to deliver Xenia in our showrooms and to launch the concept in our Support Centres.

"I recently had the pleasure of visiting Mappin & Webb and my experience was nothing short of exceptional. The team are truly outstanding. They are not only knowledgeable about their products but also attentive and friendly. The team went above and beyond to ensure that I found the perfect piece that matched both my style and preference."

TAKEN FROM THE VOICE OF THE CLIENT SURVEY

LINK TO STRATEGY

Xenia is our elevated Client Experience Programme, which has been embedded throughout the Watches of Switzerland Group. It is at the heart of everything we do but is especially important when it comes to providing exceptional experiences for our clients – both external and internal.

Our Xenia initiative is based on three pillars: Know Me; WOW Me; Remember Me and provides the universal standard for all our retail and support services. Xenia is based on the power of WOW and is how we can build an advantage over our competitors. The opportunity to WOW starts before the client steps through the door of one of our showrooms and our retail teams strive to go above and beyond to deliver an exceptional client experience.

This year we have maintained our focus on embedding the fundamental pillars of Xenia across the entire Group and the continued investment in training and leadership has aided in maintaining our Xenia standards. In addition, we have regularly assessed our client experience and satisfaction across multiple touch points in the UK and the US in line with Xenia principles.

In the UK, our Voice of the Client survey provides us with valuable real-life feedback about clients' experiences. 91% of our surveyed clients rate their interactions with our showroom colleagues as either 9 or 10 out of 10 in their feedback. 7 out of 10 surveyed clients felt their visits went above and beyond their expectations, which is an essential pillar of our client experience ethos.

We further measure our client experience success through emotional drivers where we achieved an outstanding over 91% connection with our clients in emotional forces 'Status', 'Certainty' and 'Fair Treatment'. Our UK Net Promoter Score (NPS)® also remains consistently world class at over 82%.

We carry out multiple mystery shop programmes to measure the consistency in delivering on our Xenia client experience principles and brand standards for luxury service. Results from these programmes show that on over 93% of occasions, our clients are made to feel at ease before the consultation had commenced. Clients are engaged with the showroom teams demonstrating expertise, confidence, and passion in over 90% of occasions. Also, an exceptional first impression was made for 8 out of 10 clients during their initial visits, with a conscious effort to build a personal rapport made by our colleagues and felt by our clients on 77% of occasions.

Our mystery shopping success in the UK has been mirrored in the US with 8 out of 10 clients feeling a rapport was built with the colleague during their visit and 98% of clients made to feel at ease before the consultation commenced.

We actively promote reviews through Trustpilot for online clients. In the UK our Trustpilot scores average 4.7 out of 5.0, and our organically generated Google reviews have achieved an average rating of 4.5 out of 5.0 across all our UK fascia brands.

In the US, we actively track Google reviews using Podium software in our boutiques, where we have achieved an excellent 4.9 out of 5.0 rating, and our US Trustpilot scores average 4.7 out of 5.0.

The success of these measures is at the core of the delivery of our Client Experience Programme as we continue to evolve in line with our clients' changing needs. Our clients remain at the centre of everything we do.

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THE JEWEL IN OUR CROWN

The past year has been a momentous one, marked by significant events that have underscored the invaluable role of the Crown Jeweller in our nation's traditions and ceremonies.

LINK TO STRATEGY

From the solemn dignity of Her Majesty Queen Elizabeth II's state funeral to the majestic splendour of the Coronation of King Charles III, the Crown Jeweller played a pivotal role in preserving and enhancing the grandeur of these historic occasions. As we reflect upon the past year, we are reminded of the timeless craftsmanship, meticulous attention to detail, and unwavering dedication that the Crown Jeweller brings to each ceremonial setting.

The Crown Jeweller, Mark Appleby LVO, is an integral part of our business as the Head of Jewellery Services for Mappin & Webb and oversees all the craftsmanship that is produced in our jewellery workshop and studios. Mappin & Webb has been Warrant Holders to all the United Kingdom's sovereigns since 1897, having served five monarchs over a continuous period of 125 years. Today we continue as Jewellers, Goldsmiths, and Silversmiths to His Royal Highness King Charles III.

Mark Appleby was appointed to the position of Crown Jeweller in 2017, having also held the position of Personal Jeweller to the sovereign since 2012. This further cemented the Company's long-standing royal connection, being the 10th person ever to be awarded this incredible honour. The Crown Jeweller is the custodian of the Crown Jewels which are held in the Tower of London. Mark's responsibilities are cleaning the jewels once a year for the viewing public and attending the Royal Maundy service (most recently at Worcester) ensuring the 17th century Maundy plates that bear the alms are transported safely and look their best. The presence of the Crown Jeweller is required at the annual State Opening of Parliament, being responsible for the monarch's Instruments of State; the Imperial State Crown, two heavy ornamental masses and the English Sword of State. The Crown Jeweller is also responsible for ensuring the Royal lily font and Royal christening Ewer are in place at the chapel for Royal christenings, as these are part of the Crown Jewels.

The last year has been unprecedented for the first time in 70 years, due to the end of the magnificent reign of Her Majesty Queen Elizabeth II and the role of the Crown Jeweller was called upon to play an important role in the committal service. In his role as Crown Jeweller, Mark was responsible for the placement and subsequent removal of the Imperial State Crown, the Sovereign's Sceptre and Orb from the late Queen's coffin before the internment at Windsor Castle in September 2022.

Subsequently, the Crown Jeweller then played an important role during the preparation for and at the Coronation by ensuring that the regalia, including the Crowns, Sceptre, and many other ceremonial items, were in pristine condition and ready for the ceremony. One of Mark's responsibilities during this time was to modify the St Edward's Crown (the crowning crown), the Imperial State Crown and make major modifications to the Queen Mary Crown, which was worn by Her Majesty, Queen Camilla. The attention to detail and craftsmanship in the work Mark does in his role as the Crown Jeweller is essential in upholding the traditions and rituals of the Coronation, which made it a seamless and majestic occasion.

Over 20 million people in the UK alone watched as King Charles III was crowned and it was the most watched broadcast of the year. This does not account for the millions also watching these historic events around the world.

The role of the Crown Jeweller is an honour bestowed to so few and yet as recognition of his work and dedication, Mark Appleby, Crown Jeweller was honoured by King Charles III in his 2024 New Year honours list, appointing him to the Royal Victorian Order by awarding him an LVO.

Whilst we proudly display the Royal Warrants awarded to the business in our Mappin & Webb showrooms, additionally, the expertise that we have in-house within our jewellery workshop is unprecedented. Working alongside Mark Appleby LVO is the former Crown Jeweller, Martin Swift. The two work together, under one roof, with a dedicated team around them. Mappin & Webb clients are presented with collections not only overseen by the Crown Jeweller but actual one-off pieces that are handcrafted in the jewellery workshop which adds regal prestige to the luxury of each piece.

Mark Appleby LVO, Crown Jeweller

WATCHES OF SWITZERLAND CENTENARY

One hundred years ago, Maurice Lane set up the first iteration of the Watches of Switzerland business and began selling fine Swiss watches via mail order, making 2024 a special year for the Group as we proudly celebrate our centenary year.

LINK TO STRATEGY

By the early 1930s, our first showroom opened in Ludgate Hill, London, under the name G&M Lane & Co. The business thrived in this location and continued to supply some of the finest timepieces to prestigious clients until a devastating World War II attack on London.

Maurice Lane set up once again and secured the premises of another showroom in the same location. By the 1940s, the business had survived the war by dealing mostly in precision engineering components that contributed to the war effort. By the end of the war, business was thriving again and G&M Lane & Co. started trading as Watches of Switzerland. By the mid-1950s, seven showrooms were operating. These were Bond Street, Regent Street, Piccadilly, Edinburgh, Manchester, Birmingham and Cardiff and we continue to operate from several of these locations today.

During the 1970s, Watches of Switzerland opened single-brand boutiques for Patek Philippe, Piaget and in 1978, opened our first Rolex boutique on Old Bond Street.

Watches of Switzerland continued to grow and in 2014, we celebrated our 90th anniversary with the opening of a new London-based flagship showroom at 155 Regent Street, the largest luxury watch showroom in Europe, spanning across three floors. The opening of the new Regent Street showroom was celebrated with a full 360 marketing campaign including out-of-home advertising and print across several key titles around London as well as a number of events with key clients, influencers and celebrities.

In October 2015, we relocated our Oxford Street showroom in order to create a significant presence in London's key affluential areas. In 2016, we completed this strategy by relocating our Knightsbridge showroom to Brompton Road, and so our 'Golden Triangle' as it is fondly referred to, was complete.

In 2017, Watches of Switzerland ventured overseas with the opening of a showroom in the Wynn Resort, Las Vegas and in 2018 opened a flagship showroom in Greene Street, Soho, New York. This was followed by openings of Watches of Switzerland showrooms in Hudson Yards, New York and The Encore Boston Harbor, Massachusetts. In 2021 we acquired new Watches of Switzerland showrooms in the Mall of America, Minneapolis, Minnesota, from Ben Bridge Jewellers and in Legacy West, Plano, Texas from Timeless Luxury Watches. In addition, in 2022, we opened showrooms in Kenwood, Cincinnati, Ohio and acquired a Bernie Robbins showroom in Marlton, New Jersey and converted it to Watches of Switzerland.

In the last few years, we are proud to have opened new Watches of Switzerland showrooms in key locations such as American Dream, New Jersey, One Vanderbilt, New York and Gatwick Airport, Broadgate and Battersea Power Station, London.

To celebrate 100 years of experience, dedication and partnerships, working alongside key partner brands, we decided to commemorate not only our 100 years, but 100 years of horology with a new marketing campaign and ten exclusive collaborations.

To kick off this exciting year, we have worked with Cartier on an exclusive Tank Louis which was launched to key clients in February 2024. This timepiece features a sophisticated and elevated design to appeal to everyone, with a brushed gold dial offering a subtle radiant effect. The elegant dark-navy alligator strap offers a timelessly elegant pairing whilst drawing attention to the deep blue of the sapphire cabochon in the crown and its blued-steel hands.

In March 2024 we launched our overarching centenary campaign featuring some iconic key and core pieces that have been solidified as some of the most noted over the last century, with creative drawing inspiration from 1920s inspired Art Deco. Each new exclusive piece has its own creative treatment echoing the era it was first introduced and layered into the main campaign. This rolls out as a full funnel marketing campaign across both traditional and digital touchpoints and includes performance marketing, paid social, CRM, in-showroom activations, 1-2-1 appointments to view these pieces, as well as the exclusives and so much more. A truly memorable year for us indeed!

WATCHES OF SWITZERLAND | CELEBRATING 100 YEARS
1924 – 2024

Top: Watches of Switzerland Group Limited Edition Girard-Perregaux Laureato
Bottom: Watches of Switzerland Group Limited Edition BVLGARI Serpenti Seduttori

ROBERTO COIN ACQUISITION

On 8 May 2024 the Group acquired Roberto Coin Inc., an associated company of Roberto Coin S.p.A., which has exclusive distribution rights for the Roberto Coin brand in North America, Canada, Central America and the Caribbean for a total consideration of $130 million[1].

LINK TO STRATEGY

On 8 May 2024, we announced that the Group had acquired the exclusive distribution rights for the Roberto Coin brand in North American markets, the USA, Canada, Central America and the Caribbean, through the acquisition of Roberto Coin's US associated company, Roberto Coin Inc., for a total consideration of $130 million.

The acquisition of Roberto Coin Inc. builds on the Group's proven capabilities in showcasing luxury brands and represents a significant milestone in our stated strategy to accelerate growth in the luxury branded jewellery category in the US, the world's largest and fastest growing luxury jewellery market. The transaction marks a step change in Roberto Coin's retail and distribution strategy, underpinned by our retail and digital expertise and portfolio of 56 showrooms across the US.

ROBERTO COIN

ROBERTO COIN HIGHLIGHTS

- Roberto Coin S.p.A. was founded in 1996 and is headquartered in Vicenza, Italy, the home of Italian jewellery
- The globally renowned brand is admired for its unique designs, high-quality craftsmanship, and attention to detail. Each handcrafted piece features a hidden ruby, showcasing the brand's commitment to excellence
- The US precious jewellery market is by far the world's largest jewellery market, and the Roberto Coin brand has developed a strong position in it, competing successfully with other top 10 industry leading brands such as Cartier, Tiffany, Van Cleef & Arpels, BVLGARI and David Yurman
- Roberto Coin Inc. has exclusive perpetual rights to import and distribute Roberto Coin jewellery throughout the US, Canada, Central America and the Caribbean
- Roberto Coin Inc. sells to major department stores, jewellery groups, and independent jewellers in more than 400 points of sale
- Roberto Coin Inc. achieved sales of approximately $139 million in 2023
- Roberto Coin Inc. continues to operate as an independent, standalone company within the Watches of Switzerland Group
- The Coin family have retained a seat on the Roberto Coin Inc. board of directors and Peter Webster remains as President of Roberto Coin Inc., supported by the exceptional experienced and dedicated team he has built over the past 30 years
- The acquisition builds on our successful partnership with Roberto Coin, which spans over a decade; Roberto Coin is currently available in 16 Group showrooms in the US

1 $10 million is deferred and contingent on the future profitability of the business, subject to working capital adjustments.

STRATEGIC RATIONALE FOR THE ACQUISITION OF ROBERTO COIN INC

Luxury branded jewellery is a core pillar of the Group's growth strategy; the trend within the global luxury jewellery market is towards branded jewellery which made up 27% of the market in 2024, up from 17% in 2019.

The acquisition builds on the Group's proven capabilities in showcasing luxury brands across both watches and jewellery and will significantly enhance our strategic positioning in the luxury branded jewellery category in the US, the world's largest luxury jewellery market on a per capita basis.

The Group will leverage its operational and retailing expertise to drive incremental growth in the Roberto Coin Inc. business, both across Robert Coin Inc.'s wholesale distribution and well as Direct To Consumer (DTC) in the Group's retail boutiques and online:

Expansion opportunities in wholesale

- Grow the wholesale business under the leadership of Peter Webster
- Expand the wholesale network with independent retailers
- Develop joint business plans with wholesale partners
- Grow the export market outside of the US

DTC through the Group's showroom portfolio and online

- Vertical margin gains through securing product direct from Roberto Coin S.p.A.
- Increasing the number of points of sale within the showroom portfolio
- Using the Group's CRM and clienteling capabilities to drive sales
- Growing the high-end Roberto Coin Collection

Opportunities for both DTC and wholesale

- Elevating the showroom presentation of the brand through the development of market-leading shop-in-shop display formats
- Opening mono-brand boutiques and franchise stores
- Investing in brand marketing, including digital, to drive brand awareness
- Developing the online proposition

Brian Duffy, Chief Executive Officer of the Watches of Switzerland Group, commented on the day of the acquisition:

"We have partnered with Roberto Coin for over a decade in the US, retailing its elegant jewellery in a number of our Mayors' showrooms. It is a hugely popular, growing brand, occupying a strong position in the market, underpinned by product quality, design creativity and imagination.

We believe there is significant opportunity to leverage our proven retail expertise in luxury branded jewellery. The luxury branded jewellery category has consistently outperformed the wider jewellery sector, and we see further strategic and operational opportunities for the business within the broader Group. We are committed to our new wholesale partners and excited to work with them and help them grow with Roberto Coin.

Today's strategically and financially attractive acquisition is indicative of our ambition and the momentum we are building in this exciting category. It will allow us to take one of the fastest growing jewellery brands in the US and use our retail and operational expertise to accelerate growth and further elevate the Roberto Coin proposition in North and Central America.

It has been a great pleasure getting to know Roberto and Peter over the last 18 months while we have been discussing this exciting opportunity. We are enormously appreciative of the trust Roberto, his family and Peter Webster have placed in us for this important next stage of the brand's development. We are delighted to welcome Roberto Coin Inc. colleagues into the Group and look forward to working closely with Roberto and Peter."

In addition, Roberto Coin, Founder and CEO of Roberto Coin, commented on the day:

"Today's announcement marks a significant step change in the development of Roberto Coin Inc. Roberto Coin is synonymous with design creativity, diversity, innovation and imagination. We are delighted to have partnered with the Watches of Switzerland Group, who have a real understanding and appreciation of our unique, world-class brand and products, and can accelerate our retail strategy in North and Central America. We look forward to benefitting from their wealth of luxury retail and digital experience to unleash the growth potential of the Roberto Coin brand across our chosen markets."

ABOUT THE ROBERTO COIN BRAND

Roberto Coin is a brand of fine jewellery whose operational and production headquarters are located in the heart of Vicenza, otherwise known as the City of Gold because of the proliferation of goldsmiths. Roberto Coin jewellery champions the traditional values of Italian artisanship, with Coin's immense creativity and his love of fashion and the arts being channelled through every piece.

The brand has become famous throughout the world for its collections' design and technological innovation, which pay homage to, and revolutionise ancient Italian manufacturing techniques, as well as for its particular "art of creating new authenticity".

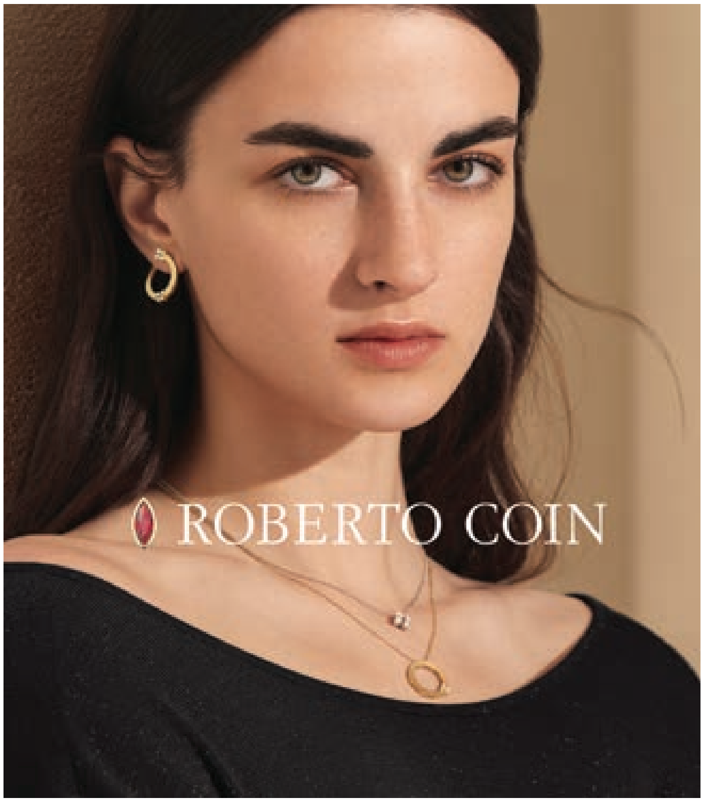
Roberto Coin, the brand's founder, designer and eclectic businessman, defines his desire to make collections that are always distinct and to guarantee that each piece of jewellery is perceived as unique. Far from standardised, the brand avoids aesthetic traits that would make it easily recognisable.

Roberto Coin prefers that the details of artisanship tell the story of his mission to create beauty – mixing the past with the present and the codes of elegance with the forms of art and architecture that inspire him, particularly as he's walking through the alleyways of Venice, the city where he was born.

Another fundamental element that ties the collections together and has made the brand an icon of refinement throughout the world, is a small signature ruby found inside every piece. It's positioned so that it's in contact with the wearer's skin, respecting the ancient legend that rubies could confer a long and happy life. This precious signature has always been the message that the brand dedicates to each of its clients. Loved by movie and fashion stars, Roberto Coin's jewellery takes centre stage on international red carpets and countless editorial pages. In part, this is a result of the brand's tireless ethical commitment, a beacon that has illuminated Roberto Coin since its foundation; a commitment that includes the activities of the Kimberley Process, World Diamond Council, Dodd Frank Act, Responsible Jewellery Council, CIBJO and carbon offsetting.

Today Roberto Coin is universally recognised as a pioneering talent in conceiving new trends and as a man capable of balancing creativity and commerce in the name of a success that is as brilliant as it is responsible.

Roberto's creations have conquered more than 60 countries around the world, the United States being the largest market, where the brand is a leader in the jewellery industry along with the most important brands.



ABOUT MR ROBERTO COIN

After a first successful career in the world of hospitality in Great Britain, at the age of 32, Roberto Coin decides to return to his home country, Italy and turn a new page in his life. Driven by his natural passion for style and exclusivity, he approaches the jewellery world accompanied by a great will to learn and to dialogue with the main international entrepreneurs and the Italian artisanal maestros who teach him all the secrets of the industry.

In 1996, the crucial decision: creating his own jewellery brand. At this point Roberto Coin's vision and creativity manifest themselves freely creating collections that are as exclusive and multifaceted as the women who wear them. In a very short time the brand becomes recognised and esteemed worldwide.

Since the beginning, Roberto Coin has signed each one of his creations with a small ruby set inside; a secret message of good wishes dedicated to his clients that over the years has conferred him the nickname of 'The Collector of Rubies'.

Beyond the grand success of his creations, in 2009 and in 2013 Roberto Coin was invested by the Italian Republic with the titles of Grand Officer and Commander Order of Merit. He is also a member of the board of directors of the World Diamond Council, the organisation that collaborated with UN to create the Kimberly Process.

In the last 20 years he has been awarded with many different prizes, relating to the beauty of his collections and also to his direct efforts in corporate social responsibility.

Today Roberto Coin lives between Vicenza and Venice and continues his travels around the world where he takes inspiration for five new collections every year.

THE MAGICAL RUBY SIGNATURE

The idea of the ruby as a symbolic signature comes from an ancient time and the pages of antique books. A passion for history and mythology led Roberto Coin to discover three very special stories. Three tales that mixed reality and imagination, as is the nature of every true legend, which led him to a fundamental choice for his future.

The first legend belongs to the world of ancient Egypt. The pharaohs believed that the ruby was a sort of talisman capable of, if kept in contact with the skin, guaranteeing love, joy and everlasting health.

The second legend narrates the tale of Burmese warriors who wore the ruby for protection on the battlefield. And lastly, the third legend comes from an old Hindu myth in which rubies were considered to be the precious fruits of the sacred Kalpa tree – the tree of hopes and desires.

Roberto Coin found a passionate, meaningful symbol in the ruby and decided to identify the soul and the mission of his creative world with this little precious stone.

In 1996, the launch of the Appassionata collection marked not only the beginning of the brand's history, but also the first time that the magical signature, a small ruby with an immense story, was set in the inside of every piece of the collection.

The now famous hidden ruby conveys a message of goodwill from Roberto Coin, combining the ardour of courage, the passion of love and the vitality of hope.

REPAIRS AND SERVICING

We continue to invest in repairs and servicing, which is critical to the success of our pre-owned businesses and achieving our circularity goals, while contributing to client loyalty and repeat business.

LINK TO STRATEGY

The Group estimates repairs and servicing represents approximately 5% of the market, which is primarily supported by traditional multiple and independent retailers and brand in-house resources.

Our in-house expertise differentiates us from competitors and positions us as a trusted authority, allowing us to provide clients with a convenient and reliable service, maintain greater control over the quality of repairs and keep more watches and jewellery at their highest use and value for as long as possible.

In FY24, our investment included the addition of a 6,000 sq. ft state-of-the-art Repairs and Servicing Centre in Leicester, allowing our UK teams to accommodate a further 14,000 repairs over the next three years, while providing repairs and servicing support for strategic brand partners. This important addition to the existing Manchester service centre and nine showroom-based watch workshops, gives us the largest luxury watch services provision of any retailer in the UK.

We also relocated our Newcastle watch workshop to facilitate another six repairs and servicing specialists. Phase one of a new client facing repairs system was rolled out across all UK showrooms, with phase two being developed which will allow clients to track their repairs

In the US, our Repairs and Servicing Group (RSG) comprises two strategically located service centres to support the full repairs and servicing needs of our Mayors, Watches of Switzerland, Betteridge, mono-brands and Analog:Shift businesses. In FY24, we grew our RSG capacity by almost 2,700 sq. ft to accommodate a further 28 watch makers and technicians, and meet demand, with repairs increasing 85% from FY22 to FY24.

See page 103 for more information on how we are growing our team of highly skilled and accredited watchmakers, accelerating repair and servicing turnaround times and supporting the growth of Rolex Certified Pre-Owned.

New Repairs and Service Centre, Leicester, opened in FY24


THE WATCHES OF SWITZERLAND GROUP

KEY PERFORMANCE INDICATORS

HOW THE GROUP MEASURES PERFORMANCE

Key Performance Indicators (KPIs) are designed to measure the development, performance and position of the business. Certain KPIs are Alternative Performance Measures (APMs). The Directors use these measures as they provide additional useful information and analyses on the underlying trends, performance and position of the Group. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS measures.

FINANCIAL PERFORMANCE

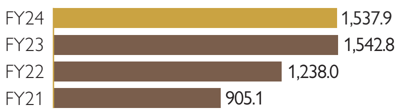
REVENUE

DEFINITION AND PURPOSE

Revenue is stated exclusive of sales taxes and is measured in accordance with IFRS 15 'Revenue from contracts with customers'.

Growing revenue is a key pillar of our business strategy.

PERFORMANCE (£ MILLION)



Group revenue is in line with the prior year and market guidance provided in January 2024.

Further details on the revenue performance in the year can be found in the Financial Review on pages 56 to 61.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

1 2 3 4 8 9

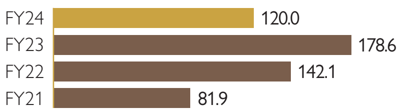
OPERATING PROFIT/EBIT

DEFINITION AND PURPOSE

Statutory measure under IFRS representing Profit/Earnings Before Interest and Taxation.

Growing profit is a key pillar of our business strategy.

PERFORMANCE (£ MILLION)



Operating profit reduced by 33% in the year, behind revenue growth. The reported number is after the impact of £33.2 million of exceptional costs (see note 4 in the Consolidated Financial Statements for details).

Further details on profit performance in the year can be found in the Financial Review on pages 56 to 61.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

1 2 3 4 8 9 10

ADJUSTED EBIT

DEFINITION AND PURPOSE

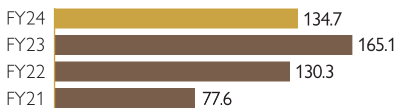
Operating profit before exceptional items and IFRS 16 impact. This is a measure of profitability that excludes one-off exceptional items and IFRS 16 adjustments to allow for comparability between years.

This measure is defined as segment profit under IFRS 8 'Operating segments' and is reconciled to Profit Before Taxation on an IFRS basis in note 2 to the Financial Statements.

Growing profit is a key pillar of our business strategy.

This measure was linked to the Executive performance target for the FY24 annual bonus. Further detail can be found in the Remuneration Committee Report on page 176.

PERFORMANCE (£ MILLION)



Adjusted EBIT reduced by 18% on the prior year, behind revenue growth driven by higher costs. This is in line with market guidance provided in January 2024.

Further details on profit performance in the year can be found in the Financial Review on pages 56 to 61.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

1 2 3 4 8 9

PRINCIPAL RISKS AND UNCERTAINTIES

1. Business strategy execution and development
2. Key suppliers and supply chain
3. Client experience and market risks
4. Colleague talent and capability
5. Data protection and cyber security
6. Business interruption
7. Regulatory and compliance
8. Economic and political
9. Brand and reputational damage
10. Financial and treasury
11. Climate change

STRATEGIC PRIORITIES

- Grow revenue, profit and Return on Capital Employed
- Enhance strong brand partnerships
- Deliver an exceptional client service
- Drive client awareness and brand image
- Leverage best-in-class operations
- Expand multi-channel leadership
- Continue to advance the ESG agenda

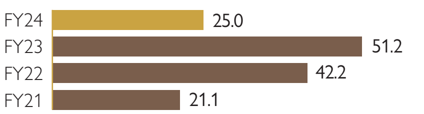
BASIC EPS

DEFINITION AND PURPOSE

Basic EPS is a statutory measure defined by IAS 33 'Earnings Per Share'. EPS is a direct measure of profitability per share held in the Group.

Growing Basic EPS is a key pillar of our business strategy.

PERFORMANCE (p)



Basic EPS has reduced from 51.2p to 25.0p in the year, reflecting the decreased profitability in the year.

For further detail please refer to note 9 in the Consolidated Financial Statements on page 228.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

1 2 3 4 8 9 10

ADJUSTED EPS

DEFINITION AND PURPOSE

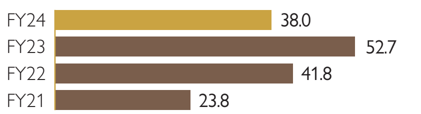
Basic Earnings Per Share adjusted for exceptional items as disclosed in note 4 to the Financial Statements. This measure is reconciled to statutory measures in note 9 to the Financial Statements.

This is a measure of profit per share held in the Group, excluding exceptional items and IFRS 16 adjustments. This presents the Group's underlying performance without distortion from one-off or non-trading events to provide comparability between years.

Growing Adjusted EPS is a key pillar of our business strategy. This measure is linked to the Executive performance target for the LTIP incentives.

Further detail can be found in the Remuneration Committee Report on page 176.

PERFORMANCE (p)



FY24 Adjusted EPS reduced by 28% relative to the prior year, reflecting the decrease in profitability during the year.

For further detail please refer to note 9 in the Consolidated Financial Statements on page 228.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

1 2 3 4 8 9 10

RETURN ON CAPITAL EMPLOYED

DEFINITION AND PURPOSE

Return on Capital Employed (ROCE) is defined as Adjusted EBIT divided by average capital employed. Average capital employed is total assets less current liabilities on a pre-IFRS 16 basis. The calculation for ROCE is included in the Glossary on page 256.

ROCE demonstrates the efficiency with which the Group utilises capital, and is a key pillar of our business strategy.

This measure is linked to the Executive performance target for the LTIP incentives. Further detail can be found in the Remuneration Committee Report on page 176.

PERFORMANCE (%)

ROCE has reduced by 840bps to 19.5% in the year. The decrease largely reflects the decrease in Adjusted EBIT.

Further details on the performance in the year can be found in the Financial Review on pages 56 to 61.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

1 2 8 10

FINANCIAL PERFORMANCE

NON-FINANCIAL PERFORMANCE

CASH GENERATED FROM OPERATIONS

DEFINITION AND PURPOSE

Cash generated from operations is defined under IAS 7 'Statement of Cash Flows'. This is a direct measure of cash generation from the operations of the business excluding financing, investing, tax and defined benefit pension contributions.

PERFORMANCE (£ MILLION)

Cash generated from operations decreased by £13.7 million but remains strong in the year.

Further details on cash flow performance in the year can be found in the Financial Review on pages 56 to 61.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

1 2 8 10

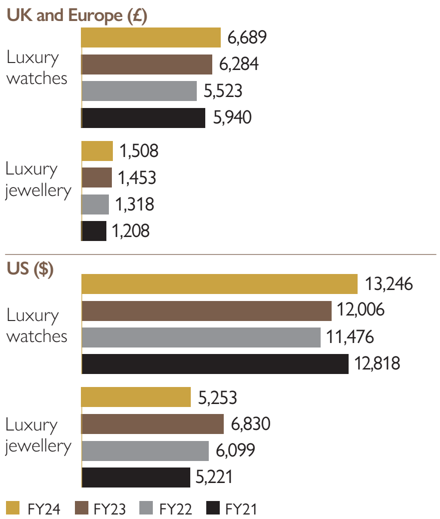
AVERAGE SELLING PRICE

DEFINITION AND PURPOSE

Average selling price (ASP) represents revenue generated (including sales-related taxes) in a period from sales of the category, divided by the total number of units of such products sold during the period. This metric is a measure of sales performance.

Luxury watches are defined as those that have a Recommended Retail Price greater than £1,000. Luxury jewellery is defined as those that have a Recommended Retail Price greater than £500.

PERFORMANCE



The total luxury watches ASP has increased in all geographies due to pricing and the mix of products sold. Luxury jewellery ASP increased in the UK and Europe, but decreased in the US due to the mix of products sold.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

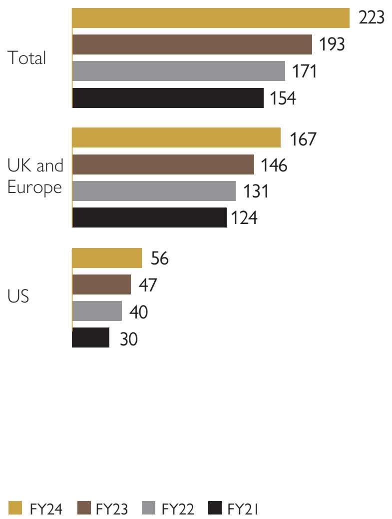
1 2 8

NUMBER OF SHOWROOMS

DEFINITION AND PURPOSE

Number of showrooms at the end of the financial year. This metric demonstrates the Group's size and scale.

NUMBER OF SHOWROOMS



In the UK and Europe, the Group opened 12 showrooms, acquired 15 and closed six. In the US, the Group opened ten showrooms and closed one showroom.

Our 223 showrooms includes 99 dedicated mono-brand boutiques.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

1 2 4 11

PRINCIPAL RISKS AND UNCERTAINTIES

1. Business strategy execution and development
2. Key suppliers and supply chain
3. Client experience and market risks
4. Colleague talent and capability
5. Data protection and cyber security
6. Business interruption
7. Regulatory and compliance
8. Economic and political
9. Brand and reputational damage
10. Financial and treasury
11. Climate change

STRATEGIC PRIORITIES

- Grow revenue, profit and Return on Capital Employed
- Enhance strong brand partnerships
- Deliver an exceptional client service
- Drive client awareness and brand image
- Leverage best-in-class operations
- Expand multi-channel leadership
- Continue to advance the ESG agenda

COLLEAGUE ENGAGEMENT SURVEY

DEFINITION AND PURPOSE

Strong engagement is an important indicator of culture, retention, productivity and ultimately business performance. In line with our commitment to complete an annual Colleague Engagement Survey, our most recent survey was completed in January 2024.

COLLEAGUE ENGAGEMENT (%)

Colleague engagement in the year was measured at 76%, a decrease from the prior year, but remains significantly higher than the average for the retail sector. Further detail can be found in the Environmental, Social and Governance section on page 82.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

4 11

ESG – CARBON EMISSIONS

ESG – CIRCULARITY

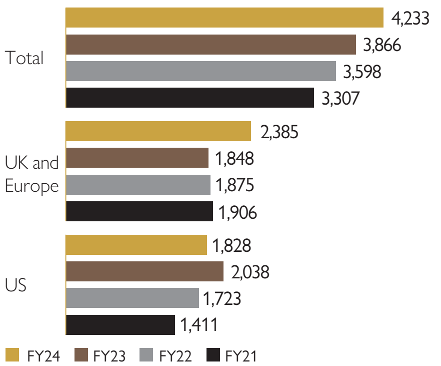
ESG KPIs linked to new multicurrency revolving loan facility in the year.

DEFINITION AND PURPOSE

The Board has made a commitment to achieve net-zero emissions by 2050. This KPI reflects the Group's near-term commitment to reduce Scope 1 and 2 carbon emissions by 50% by 2030. The KPI reported is the total gross Scope 1 and Scope 2 emissions (tCO_2e).

In March 2023, the Science Based Targets initiative (SBTi) have provided external validation of our near-term emissions reduction target.

PERFORMANCE (tCO_2e)



Scope 1 and 2 intensity ratio (tCO_2e per £'000 revenue)

Absolute carbon emissions have increased in line with increased showroom numbers.

Further detail can be found in the Environmental, Social and Governance section on page 121.

LINK TO STRATEGY

LINK TO PRINCIPAL RISKS AND UNCERTAINTIES

7 8 9 11

DEFINITION AND PURPOSE

Supporting circularity of luxury watches, measured by the number of watches repaired, serviced or resold as a percentage of the number of new watch sales. This metric aligns to our ESG pillars.

PERFORMANCE

This indicator pertains to our goal to extend the life of luxury watches. FY24 was ahead of the prior year, and we intend to increase circularity year-on-year, driven by Rolex Certified Pre-Owned.

LINK TO STRATEGY

LINK TO KEY PRINCIPAL RISKS AND UNCERTAINTIES

8 9 11

The Group's Consolidated Income Statement is shown below which is presented including IFRS 16 'Leases' and includes exceptional items.

All growth rates in this report are calculated on unrounded numbers.

Income Statement – post-IFRS 16 and exceptional items (£million)	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023	YoY variance
Revenue	**1,537.9**	**1,542.8**	**-%**
Operating profit	**120.0**	**178.6**	**-33%**
Net finance cost	(27.9)	(23.8)	-17%
Profit before taxation	**92.1**	**154.8**	**-40%**
Taxation	(33.0)	(33.0)	-%
Profit for the financial period	**59.1**	**121.8**	**-51%**
Basic Earnings Per Share	**25.0p**	**51.2p**	**-51%**

Management monitors and assesses the business performance on a pre-IFRS 16 and exceptional items basis, which is shown below. This aligns to the reporting used to inform business decisions, investment appraisals, incentive schemes and debt covenants. A full reconciliation between the pre- and post-IFRS 16 results is shown in the Glossary on page 257.

Income Statement – pre-IFRS 16 and exceptional items (£million)	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023	YoY variance
Revenue	**1,537.9**	**1,542.8**	**-%**
Net margin[1]	**562.2**	**576.3**	**-2%**
Showroom costs	(289.1)	(279.2)	4%
4-Wall EBITDA[1]	**273.1**	**297.1**	**-8%**
Overheads	(85.3)	(84.1)	-1%
EBITDA[1]	**187.8**	**213.0**	**-12%**
Showroom opening and closing costs	(8.9)	(11.6)	-24%
Adjusted EBITDA[1]	**178.9**	**201.4**	**-11%**
Depreciation, amortisation and loss on disposal of fixed assets	(44.2)	(36.3)	-22%
Adjusted EBIT[1] (Segment profit)	**134.7**	**165.1**	**-18%**
Net finance costs	(5.8)	(5.9)	-2%
Adjusted profit before taxation[1]	**128.9**	**159.2**	**-19%**
Adjusted Earnings Per Share[1]	**38.0p**	**52.7p**	**-28%**

REVENUE

Revenue by geography and category

52 weeks ended 28 April 2024 (£million)	UK and Europe	US	Total	Mix
Luxury watches[2]	709.4	635.3	1,344.7	87%
Luxury jewellery[3]	62.1	40.3	102.4	7%
Services/other	74.6	16.2	90.8	6%
Total revenue	**846.1**	**691.8**	**1,537.9**	**100%**

52 weeks ended 30 April 2023 (£million)	UK and Europe	US	Total	Mix
Luxury watches	749.6	586.5	1,336.1	87%
Luxury jewellery	67.8	51.4	119.2	7%
Services/other	72.5	15.0	87.5	6%
Total revenue	**889.9**	**652.9**	**1,542.8**	**100%**

Group revenue was flat on last year at £1,537.9 million (+2% on a constant currency basis).

Group revenue from luxury watches grew by +1% (+3% in constant currency) on the prior year and made up 87% of revenue in line with the prior year. Demand for our key brands, particularly products on Registration of Interest lists, continues to be strong, with consistent additions and conversions. Recent price increases across luxury watch brands, driven by cost inflation and foreign currency movements, have impacted affordability for some consumers, particularly in the UK, where the challenging macroeconomic backdrop was more pronounced as inflation remained higher throughout the year. We believe this has led to a deferral of purchases amongst a certain cohort of consumers.

The Rolex Certified Pre-Owned programme was launched in the US in July 2023 and in the UK in September 2023. Rolex Certified Pre-Owned is currently available in 19 agencies in the UK and 17 in the US and also available online. The performance of this programme has exceeded our expectations, and we will be rolling it into more showrooms during FY25. The sourcing of product for the UK market has become easier as we have continued to look for opportunities to grow. Total pre-owned and vintage (including Rolex Certified Pre-Owned) sales doubled year-on-year by Q4 FY24 and we see pre-owned as being a major growth factor for the Group.

Group luxury jewellery revenue declined by -14% (-13% in constant currency) on the prior year. This reflected market trends impacted by overall consumer sentiment, particularly within the bridal category, although we did see improving trends in Q4 FY24 with Group luxury jewellery revenue -1%. The majority of luxury jewellery sold by the Group is retailed under our house brands of Goldsmiths, Mappin & Webb, Mayors and Betteridge. Our strategy is to grow our luxury branded jewellery offering, where we partner with other major luxury jewellery brands. Luxury branded jewellery sales continue to significantly outperform non-branded jewellery.

1 This is an Alternative Performance Measure and is shown on a pre-IFRS 16 basis. Refer to the Glossary on pages 254 to 257 for definition, purpose and reconciliation to statutory measures where relevant.

2 Luxury watches are defined as those that have a Recommended Retail Price greater than £1,000.

3 Luxury jewellery is defined as those that have a Recommended Retail Price greater than £500.

Services/other revenue, consisting of servicing, repairs, insurance services and the sale of fashion and classic watches and other non-luxury jewellery grew by +4%. During the year we expanded our Manchester servicing and repairs centre, which is now dedicated to Rolex, and opened a new servicing and repairs centre in Leicester.

Group ecommerce[4] sales declined by -11% compared to the prior year, impacted by the mix of products sold through this channel and performance of the UK market. We continue to be the market leader in ecommerce for luxury watches and jewellery in the UK and are growing our proposition in the US.

US revenue increased by +6% year-on-year (+11% on a constant currency basis) and the US business made up 45% of the Group's revenue in FY24 (FY23: 42%). Underlying growth was strong across all locations with continued consumer appetite for high demand products. New York and the Wynn Resort, Las Vegas performed particularly strongly. This was accomplished through a combination of our quality product offering and superior client experience and backed up by strong marketing campaigns which had significant reach across offline and online channels.

During the year, the US opened ten showrooms. This included eight mono-brand boutiques in three locations: Topanga, California; New Orleans, Louisiana; and Murray, Utah. A further two multi-brand showrooms were opened, being a Rolex-anchored multi-brand Watches of Switzerland showroom at American Dream, New Jersey which was fully completed in October 2023 with the opening of a large Cartier space, and our third Watches of Switzerland showroom in Manhattan, at One Vanderbilt in March 2024.

UK and Europe revenue declined by -5% during the year. Sales in the UK were driven by a domestic clientele and the Group continued to grow market share. Tourist sales continue to remain low, particularly on account of the removal of VAT free shopping for tourists. Interest in the category remains high and showroom colleagues continued to build strong client relationships, but the overall market was challenging with a reduction in spend across the category.

During the year, we opened eight mono-brand boutiques in the UK, and a further multi-brand Goldsmiths showroom in Bromley. In November 2023, the Group completed the acquisition of 15 luxury watch showrooms from Ernest Jones, comprised of fourteen multi-brand and one mono-brand showrooms. Since acquisition the showrooms have been rebranded and updated with new systems and merchandising, with training and marketing taking place to gain the full beneficial impact of the acquisition in FY25. Six non-core showrooms were closed giving a net increase of 18 in the UK.

In the period, 15 projects were completed enhancing our existing estate to further elevate the partner brands we display in those showrooms and advance our client experience; this included a number of high-turnover Goldsmith showrooms in the Trafford Centre, Manchester; the Bullring, Birmingham; and Metrocentre, Newcastle. The new contemporary concept Mappin & Webb showrooms were opened in York, Guernsey, Bluewater and Glasgow.

Three showrooms were opened in Europe taking the total number to nine. In line with our disciplined approach to capital allocation and given the pipeline of high returning opportunities in the UK and US, the Group announced on 16 May 2024 that it intends to reallocate investment from the European market into these higher returning regions. We are in negotiations with our brand partners for the transfer of our existing mono-brand boutiques.

4 Ecommerce sales are sales which are transacted online.

PROFITABILITY

Income Statement – pre-IFRS 16 and exceptional items (£million)	Profitability as a % of revenue		
	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023	YoY variance
Net margin[1]	36.6%	37.4%	(80bps)
Showroom costs	18.8%	18.1%	70bps
4-Wall EBITDA[1]	17.8%	19.3%	(150bps)
Adjusted EBITDA[1]	11.6%	13.1%	(150bps)
Adjusted EBIT[1]	8.8%	10.7%	(190bps)

Net margin as a % of revenue was 36.6% in the year. This was 80bps lower than the prior year driven by product mix and the higher cost of Interest Free Credit due to the annualisation of interest rate rises.

Showroom costs increased by £9.9 million (+3.5%) from the prior year, to £289.1 million. Showroom costs as a percentage of revenue increased by 70bps from 18.1% to 18.8%. This reflects the opening of new showrooms, the annualisation of prior year openings, showroom costs relating to the Ernest Jones acquisition and annual pay rises to colleagues. This was partly offset by a reduction in business rates and efficiencies found within showroom payroll, and digital marketing investment which continues to maximise traffic and conversion versus cost.

Overheads increased by £1.2 million (+1%) due to IT investment to support future growth, annual pay rises to colleagues along with the opening of our new support centre in Leicester. This was partly offset by efficiencies within marketing and a reduction in colleague incentive payments.

Showroom opening and closing costs include the cost of rent (pre-IFRS 16), rates and payroll prior to the opening or closing of showrooms, or during closures when refurbishments are taking place. This cost will vary annually depending on the scale of expansion in the year. Total costs for the year were £8.9 million versus £11.6 million in FY23, reflecting the decreased number of refurbishments and openings undertaken.

Exceptional items

Exceptional items are defined by the Group as those which are significant in magnitude or are linked to events which are expected to be infrequent in nature. The majority of the items below do not have a cash impact.

Exceptional items (£million)	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023
Business acquisitions costs	3.3	0.9
Rolex Old Bond Street	2.5	–
European showroom impairment	8.6	–
Showroom impairment		
– Impairment of property, plant and equipment	7.2	–
– Impairment of right-of-use assets	13.0	–
– Other onerous contracts	1.0	–
– Reversal of impairment	–	(0.7)
Reversal of inventory provision created on acquisition	(2.4)	–
Amortisation of capitalised transaction costs	–	0.7
Total exceptional items	**33.2**	**0.9**
Of which impacts:		
Adjusted EBIT	31.9	0.2
Finance costs	1.3	0.7

Business acquisition costs
Professional and legal expenses and integration costs on business combinations have been expensed to the Consolidated Income Statement as an exceptional cost as they are regarded as non-trading, non-underlying costs and are considered to be material by nature. The total cost shown here also includes expenses incurred in the year in relation to the Roberto Coin Inc. acquisition which completed post year end.

Rolex Old Bond Street
A new 7,200 sq. ft showroom is being built in partnership with Rolex. This new flagship will be our largest Rolex showroom and reflects the importance of the London market and the special relevance of London to the history of Rolex. The cost shown here is the IFRS 16 depreciation charge and other costs whilst the showroom is being constructed. They are deemed to be exceptional in nature given that this unique proposition results in a project size and complexity significantly outside of a standard build, coupled with documented project delays outside of the Group's control.

European showroom impairment
The exceptional costs are reflective of both asset write downs and onerous contracts in relation to the European showrooms. In line with our disciplined approach to capital allocation and given the pipeline of high returning opportunities in the UK and US, the Group announced after the year end date, it intends to reallocate investment from the European market into these higher returning regions. We are in negotiations with our brand partners for the transfer of a number of our existing European mono-brand boutiques.

Showroom impairment
The current macroeconomic environment, increased interest rates, and inflationary trends gave rise to indicators of impairment in the current period. Consequently, discounted cashflows were performed on all cash generating units (CGUs) with indicators of impairment. This resulted in a non-cash impairment charge of £26.2 million, of which £16.4 million related to right-of-use assets (ROU assets). A significant proportion of the ROU assets impairment arose due to the differences between the interest rates used to initially recognise the ROU asset and the much higher interest rates in place at the year-end used in formulating the discount rates to value the future cash flows. A further provision of £1.0 million relates to associated onerous contracts. See note 4 of the Consolidated Financial Statements for further details.

Reversal of inventory provision created on acquisition
In the prior period, for the Betteridge acquisition, an estimate was made of the fair value of inventory acquired with a provision recorded in goodwill. During the year, the Group achieved higher product margins on a number of these inventory lines through maximisation of our CRM database. The gain is deemed to be exceptional in nature.

ADJUSTED EBIT AND STATUTORY OPERATING PROFIT
As a result of the items noted above, Adjusted EBIT was £134.7 million, a decrease of £30.4 million -18% on the prior year.

After accounting for exceptional costs of £31.9 million and IFRS 16 adjustments of +£17.2 million, statutory operating profit (EBIT) was £120.0 million, a decrease of 33% on the prior year.

FINANCE COSTS

Net finance costs (£million)	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023
Pre-IFRS 16 net finance costs, excluding exceptionals	**5.8**	**5.9**
IFRS 16 interest on lease liabilities	20.8	17.2
Total net finance costs, excluding exceptionals	**26.6**	**23.1**

Interest payable on borrowings increased in the period, reflecting higher market lending rates and further borrowing to fund the acquisition of 15 showrooms from Ernest Jones. This was offset by higher interest rates earned on cash balances held, and the ability to be more flexible throughout the year with the new multicurrency revolving credit facility. The impact was a net reduction in the pre-IFRS 16 interest charge of £0.1 million to £5.8 million. The IFRS 16 interest on lease liabilities increased by £3.6 million due to recent additions to the lease portfolio as we continue to invest in showroom portfolio expansion.

Details of a further £1.3 million of exceptional finance costs are given in note 4 of the Consolidated Financial Statements.

TAXATION
The pre-IFRS 16 Effective Tax Rate (ETR) for the period before exceptional items was 30.3%. The increase versus our guided ETR is partly driven by the impact of the reduced share price on the share based payments charge. Full detail can be found in note 8 within the Consolidated Financial Statements.

The statutory (post-IFRS 16 and including exceptionals) effective tax rate was 35.8%. This is higher than the applicable UK corporation tax rate for the year of 25.0% as a result of higher chargeable taxes on US profits, the impact of expenses disallowed for corporation tax, and non-recognition of deferred taxes in Europe.

BALANCE SHEET

Balance Sheet (£million)	28 April 2024	30 April 2023
Goodwill and intangibles	215.7	200.4
Property, plant and equipment	191.4	154.4
Right-of-use assets	381.8	359.1
Inventories	393.3	356.0
Trade and other receivables	24.6	19.8
Trade and other payables	(216.5)	(219.6)
Lease liabilities	(460.4)	(410.4)
Net cash[1]	0.7	16.4
Other	(7.6)	(6.8)
Net assets	**523.0**	**469.3**

Goodwill increased as a result of the Ernest Jones showroom acquisition in the year which gave rise to £16.0 million of goodwill, together with a £0.5 million favourable exchange impact. A further £2.4 million of computer software additions were made in the year as part of ongoing IT developments, offset by amortisation of £2.8 million.

Property, plant and equipment increased by £37.0 million in the year. Additions of £87.4 million (including £5.8 million from the Ernest Jones acquisition) were offset by depreciation of £39.7 million, impairments of £9.8 million, and a loss on disposal and foreign exchange movements of £0.9 million.

Including software costs, which are disclosed as intangibles, capital additions (including accruals) were £84.0 million in the year of which £81.3 million (FY23: £73.0 million) was expansionary. Expansionary capex relates to new showrooms, relocations or major refurbishments (defined as costing over £0.25 million). In the year, the Group opened 22 new showrooms, and refurbished 15 showrooms. Investment in our portfolio is paramount to our strategy and the Group follows a disciplined payback policy when making capital investment decisions.

Right-of-use assets increased by £22.7 million in the year, to £381.8 million. Additions to the lease portfolio along with lease renewals or other lease changes were £94.5 million. This has been offset by depreciation of £56.0 million and impairments of £16.4 million. The remaining movement is a £0.6 million favourable foreign exchange impact.

Lease liabilities increased by £50.0 million in the year. The portfolio changes noted above increased the lease liability by £95.5 million. Interest charged on the lease liability was £22.1 million and there was a £0.5 million adverse foreign exchange impact. Lease payments were £68.1 million, giving a final lease liability balance of £460.4 million.

Inventory levels increased by £37.3 million (+10%) compared to the prior year. £25.3 million of inventory was acquired as part of the Ernest Jones acquisition, and the Group increased pre-owned watches and Rolex Certified Pre-Owned volume by £26.9 million. This has been offset through a reduction in underlying inventory to maintain stock turn at appropriate levels. The inventory obsolescence risk remains low for the Group.

Trade and other receivables increased by £4.8 million compared to FY23. Overall the balance remains relatively low and represents prepayments, rebate receivables, rent deposits and other ad hoc receivables such as property contributions.

Trade and other payables decreased by £3.1 million. The balance remains in line with FY23 as a result of focus on inventory management and ongoing cost control.

Other includes taxation balances, defined benefit pension and capitalised finance costs.

NET CASH/DEBT AND FINANCING

Net cash on 28 April 2024 was £0.7 million, a decrease of £15.7 million since 30 April 2023. The strong free cash flow[1] of £117.6 million being utilised for £78.0 million of expansionary capex[1], £44.2 million relating to the Ernest Jones acquisition and £7.2 million for the purchase of own shares to satisfy future management incentives.

Net debt post-IFRS 16 was £458.0 million. The value comprises the pre-IFRS 16 net cash of £0.7 million and the £460.4 million lease liability, offset by capitalised transaction costs of £1.7 million. The balance increased by £64.0 million (from £394.0 million) in the period, principally driven by additions to the lease portfolio.

The Group's maximum amount available under its committed facility was £225.0 million at 28 April 2024.

Facility from 9 May 2023	Expiring	Amount (million)
Multicurrency revolving loan facility – UK SONIA +1.50% to +2.55%	May 2028	£225.0

During the year, on 9 May 2023, the Group signed a new five-year £225.0 million multicurrency revolving loan facility with lenders. The new facility uses UK SONIA +1.50% to +2.55%. The existing facilities were repaid and extinguished on this date. £115.0 million of these facilities were drawn down at 28 April 2024. Liquidity headroom (defined as unrestricted cash plus undrawn available facilities) was £209.3 million. Further detail with regards to covenant tests and liquidity headroom can be found in borrowings note 18 within the Consolidated Financial Statements.

Post year-end, the Group drew down on a new loan facility to fund the acquisition of Roberto Coin Inc. This $115.0 million loan facility has the same interest rate and covenants as our existing RCF facility and has a term of one year, with two six-month extension periods taking the maximum term length to two years. In taking out this additional facility we have maintained our financial flexibility to pursue further acquisitions in the future.

CASH FLOW

Cash flow (£million)	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023
Adjusted EBITDA[1]	**178.9**	**201.4**
Share-based payments	2.1	3.5
Working capital	(20.3)	(22.5)
Pension contributions	(0.7)	(0.7)
Tax	(33.5)	(26.6)
Cash generated from operating activities	**126.5**	**155.1**
Maintenance capex	(2.7)	(4.6)
Net interest	(6.2)	(4.7)
Free cash flow[1]	**117.6**	**145.8**
Free cash flow conversion[1]	**66%**	**72%**
Expansionary capex	(78.0)	(67.5)
Acquisitions	(44.2)	(24.9)
Purchase of own shares	(7.2)	(21.3)
Refinancing costs	(2.2)	–
Exceptional items – expenses on business acquisitions	(2.5)	(0.9)
Cash flow	**(16.5)**	**31.2**
Net repayment of borrowings	(5.0)	–
Net (decrease)/increase in cash and cash equivalents	**(21.5)**	**31.2**

Free cash flow decreased by £28.2 million to £117.6 million in the year to 28 April 2024 and free cash flow conversion was 66% compared to 72% in the prior year.

Cash flow from trading reduced (Adjusted EBITDA decreased by £22.5 million), in addition to a £20.3 million adverse working capital movement, driven by the inventory increase in the year as noted above. Tax cash payments increased to £33.5 million in line with the tax charge in the year.

Expansionary cash capex of £78.0 million was higher than the prior year due to an increase in new showroom openings and refurbishments. FY24 had a higher proportion of capex spend in the first half of the year, as we looked to complete significant projects ahead of the holiday season. Showrooms will therefore benefit from a full year of opening in FY25.

£7.2 million of shares were purchased in the period to satisfy management incentive schemes, which will vest in the future periods.

Exceptional cash items of £2.5 million principally relates to professional and legal expenses in relation to actual and future acquisitions, including the acquisition of Roberto Coin Inc. which took place post year end.

RETURN ON CAPITAL EMPLOYED (ROCE)[1]

	52 weeks ended 28 April 2024	52 weeks ended 30 April 2023
ROCE	19.5%	27.9%

FY24 ROCE is 19.5%, a decrease of 840bps in comparison to the prior year. This is as a consequence of Adjusted EBIT decreasing by -18% compared to the prior period.

ROBERTO COIN INC. ACQUISITION

On 8 May 2024, the Group signed and completed the acquisition of the entire share capital of Roberto Coin Inc., the exclusive distributor of Roberto Coin in the US, Canada, Central America and the Caribbean (the Acquisition).

The Acquisition completed for a total cash consideration of $130.0 million (of which $10.0 million is deferred for one year and contingent on the future profitability of the acquired business), subject to working capital adjustments.

Roberto Coin Inc. achieved annual revenue of $137.2 million and profit before taxation of $29.8 million for the audited financial year ended 31 December 2023. Gross assets at that date were $102.4 million.

The Acquisition was financed via a new $115.0 million term loan facility. At the date of the Acquisition, the transaction increased the Group's leverage to c.0.8x Net Debt/Adjusted EBITDA at the year end date and c0.6x on a pro-forma basis.

The Acquisition will be margin enhancing and EPS accretive from the date of acquisition.

CAPITAL ALLOCATION

The Group has a clear framework of capital allocation and is focused on optimising capital deployment for the benefit of all our stakeholders, with a focus on long-term sustainable growth in the business. It is also important for the Group to maintain financial and operational flexibility to be able to react tactically to opportunities, such as strategic acquisitions, at speed. Our capital allocation framework is as follows:

1. Showroom investments – given the attractive returns from showroom investments, this is our key focus area to allocate capital to
2. Strategic acquisitions – this is a key pillar of our growth strategy, as outlined in our Long Range Plan to FY28. Acquisitions must deliver return on investment in line with our disciplined financial criteria, within an appropriate timeframe
3. Returns to shareholders – in the event of surplus capital/cash flow above and beyond the requirements of the business for investment into showrooms or strategic acquisitions, we would consider returns to shareholders either through ordinary dividends or share buy backs, with the appropriate mechanism to be decided at the appropriate time by the Board

SHOWROOM PORTFOLIO

As at the 28 April 2024, the Group had 223 showrooms. The movement in showroom numbers is included below:

	UK multi-brand showrooms	UK mono-brand boutiques	Europe mono-brand boutiques	Total UK and Europe	US multi-brand showrooms	US mono-brand boutiques	Total US	Total Group
30 April 2023	**89**	**51**	**6**	**146**	**24**	**23**	**47**	**193**
Openings	1	8	3	**12**	2	8	**10**	**22**
Acquisitions	14	1	–	**15**	–	–	**–**	**15**
Closures	(5)	(1)	–	**(6)**	(1)	–	**(1)**	**(7)**
28 April 2024	**99**	**59**	**9**	**167**	**25**	**31**	**56**	**223**

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The following table sets out where stakeholders of Watches of Switzerland Group PLC can find relevant non-financial and sustainability information within this Annual Report and Accounts further to the Financial Reporting Directive requirements contained in Sections 414CA and 414CB of the Companies Act 2006.

This Non-Financial and Sustainability Information Statement highlights information necessary for an understanding of the Company's development, performance, position and impact of its activity, information relating to environmental, colleagues, social matters, respect for human rights, anti-bribery, corruption and fraud matters. The information listed below is incorporated by cross references to other areas of the Annual Report and Accounts and the Company website where further information can be found.

ENVIRONMENT

Key matters	Relevant policies and procedures which govern our approach	Pages
Climate related financial disclosures	Task Force on climate related Financial Disclosures Report Analysis of resilience Risk Management Companies Act 2006	106 to 122 114 to 117 130 to 132 106 to 122
Taking action on climate change	Our ESG Partner Standards set out our net-zero GHG emissions goal and the actions we need to take within our value chain to achieve them.	94 and 95
Reducing our impact on the environment*	Our Environment Policy, Vendor Code of Conduct and ESG Partner Standards promote the efficient use of resources and energy in our supply chain and ensures a Group-wide commitment to continual improvement and compliance with environmental legislations and regulations.	92 to 100
Providing sustainable solutions*	Our Modern Slavery Statement includes key performance indicators.	125

COLLEAGUES

Key matters	Relevant policies and procedures	Pages
Encouraging colleagues to raise matters of concern*	Where colleagues have concerns about suspected wrongdoing, misconduct or malpractice connected to the Group they can report such concerns on a confidential and anonymous basis, and without fear of retaliation, using our Whistleblowing Policy and procedures.	129
Investing in our people and a diverse workforce	Our Diversity & Inclusion Policy ensures that colleagues are treated fairly and equally and that diversity and inclusion is embraced.	74 and 75
Providing our colleagues with a safe working environment	We are committed to maintaining safety standards that comply with legislation and enable colleagues to be confident that their workplace is safe.	83

SOCIAL MATTERS

Key matters	Relevant policies and procedures	Pages
Developing responsible supply chains*	Our Vendor Code of Conduct and ESG Partner Standards include measures taken to ensure that products are sourced responsibly and that adequate standards are maintained throughout our supply chain.	124
Promoting a healthy corporate culture	Our values underline the way we conduct business and recognise we will only continue to be successful if we grow profitability and conduct our business in a way which impacts all of our stakeholders in a positive way.	66
Business standards of behaviour*	Our Code of Ethics ensures that all business is conducted in a fair and ethical manner with the highest levels of integrity and professional standards globally.	129

ANTI-BRIBERY, CORRUPTION AND FRAUD

Key matters	Relevant policies and procedures	Pages
Prevention of bribery, corruption and fraud*	Our Anti-Bribery, Corruption & Fraud Policy outlines the behaviours and principles required of colleagues to prevent any form of bribery, corruption or fraud.	129
Promoting ethical supply chains*	Our Vendor Code of Conduct defines the principles and standards we expect suppliers to understand and adhere to.	124

RESPECT FOR HUMAN RIGHTS

Key matters	Relevant policies and procedures	Pages
Approach to human rights and modern slavery*	Approved annually, by the Board, our Modern Slavery Statement sets out the steps that we take to ensure, as far as possible, that slavery and trafficking do not exist in our supply chain or in any part of our business. Human Rights Policy.	125

A description of our business model can be found on pages 26 and 27.

Where principal risks have been identified in relation to any of the matters listed above, these can be found on pages 134 to 139.

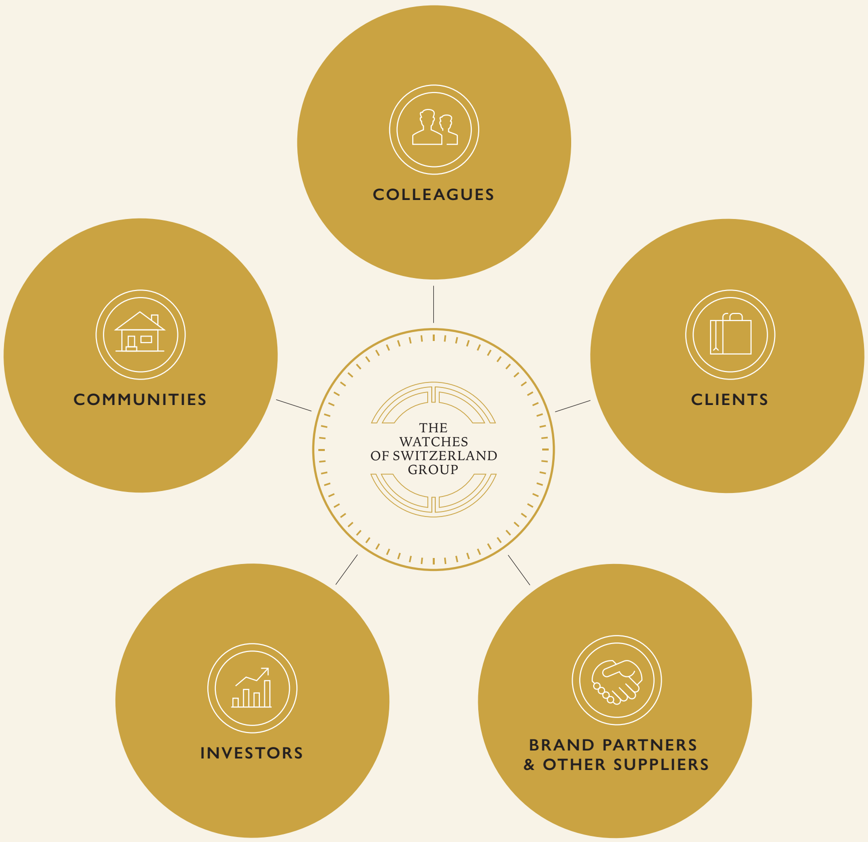
Our non-financial key performance indicators can be found on pages 53 and 54.

* **Find out more** about our policies in the Governance section on our corporate website thewosgroupplc.com

HOW WE ENGAGE WITH OUR STAKEHOLDERS

Our key stakeholders are all those parties with an interest in the outcome of our Group's actions. To deliver our strategy in line with our Purpose, we need to understand the priorities of our stakeholders and how to engage with each of them effectively. The Board considers the parties listed here to be those which are identified as most likely to be affected by its principal decisions.

STAKEHOLDER MAPPING



The Board believes that in order to maximise value and deliver long-term success, it is critical that we understand who our key stakeholders are, This will enable us to build relationships, engage in proactive and constructive dialogue, and to ensure we deliver on what is important to them. To that end, engagement with all of our stakeholders plays a vital role in delivering our Group strategy.

Section 172(1) of the Companies Act 2006 requires that the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to each of its stakeholders and taking into account the factors listed in Section 172(1) (a) to (f). The Board therefore considers the views of each of its stakeholders as part of the decision-making process. Details of governance in action can be found on page 153.

COLLEAGUES

WHY WE ENGAGE

At the Watches of Switzerland Group, we are committed to giving our colleagues every reason to join, grow and stay with our Group.

Our colleagues care about:

- Job security, future prospects with learning and development opportunities
- Regular and relevant communications and engagement with management
- Fair compensation and benefits
- Being part of a diverse, equitable and inclusive workplace
- Taking a position on the environment, sustainability and giving back to the community
- Meritocracy and equal access to opportunity, support and development

HOW WE ENGAGE

- Regular development reviews, performance discussions and face-to-face training
- Annual Colleague Engagement Surveys, understanding what matters and development of action plans
- Feedback from the Diversity Council and Employee Resource Groups (ERGs)
- Colleague representation at local and global Listening Forum meetings
- Having an innovative, accessible and collaborative two-way communication platform
- Presentations by senior management, providing business updates with the opportunity for questions and discussions
- Ensuring all colleagues have sight of vacancies and opportunities within the Group
- Encouraging participation in charitable activities through fundraising and volunteering

MONITORING THE IMPACT OF OUR ENGAGEMENT

- The Board receives feedback from the Designated Non-Executive Director for Workforce Engagement and senior management after each Listening Forums
- Results of the annual Colleague Engagement Survey and proposed action plans are presented to the Board
- The Board reviews the gender pay gap and discusses the year-on-year results
- Achievement of the certification as a Real Living Wage employer in the UK
- Meeting the prescribed FTSE 350 Women Leaders Review gender balance, and achieving 10th place in the UK FTSE 250 Women Leaders Index (up from 15th last year)
- Meeting the Board's Parker Review ethnicity targets early

CLIENTS

WHY WE ENGAGE

Our clients are central to all we do, building relationships and understanding clients is key.

We engage with our clients to:

- Provide our expert knowledge and advice
- Ensure we always give them a memorable experience
- Provide an exceptional client experience through Xenia, our Client Experience Programme
- Ensure we provide a major point of experience which positively differs from our peers

HOW WE ENGAGE

- Through Xenia, both in retail and the Support Centre
- 1:1 clienteling between showroom colleagues and clients to engage on product launches and services
- Supporting clients with their buying journeys, both in showrooms and online with the Luxury Watch and Jewellery Virtual Boutique
- Engaging through multiple social media platforms
- Continuing with strong client event programmes throughout the UK and US
- Engaging if something goes wrong through our Client Recovery Team

MONITORING THE IMPACT OF OUR ENGAGEMENT

The Board receives updates on client experience through a number of performance indicators including:

- UK Voice of the Client shows 91% of surveyed clients, rate interactions with retail colleagues as 9 or 10 out of 10
- Client experience success is measured through emotional drivers with 92% of clients feeling valued
- UK Net Promoter Score (NPS) is world class at over 82%
- UK and US Trustpilot, for online clients, scores an average 4.7, out of 5
- UK and US Google reviews score an average 4.5 and 4.9 out of 5, respectively

BRAND PARTNERS & OTHER SUPPLIERS

WHY WE ENGAGE

Relationships are built on mutual trust and respect, we recognise the responsibility we undertake to represent the brands and contribute to their long-term value appreciation. We maintain and continue to develop long-standing partnerships through:

- Working in partnership with our brands on co-op marketing activities, incentives and training opportunities
- Offering a comprehensive range of brand partner products to our clients
- Long-term collaboration on all areas of our business
- Ensuring and developing a socially and environmentally responsible supply chain
- Ongoing meetings and dialogues including clienteling events

HOW WE ENGAGE

- Regular top to top meetings locally and in brand partner head offices in Switzerland
- Regional and local brand partner and supplier events
- Ongoing dialogue, including the launch of exclusive ranges
- Actively identifying distribution opportunities
- Collaborating to provide our colleagues with extensive training
- Range planning through sharing market trend data, defining product assortment and providing long-term planning data at micro and macro level
- Attendance of industry fairs, including Watches of Wonder

MONITORING THE IMPACT OF OUR ENGAGEMENT

- Efficient and timely flow of product into the showrooms, including limited editions, exclusives and first to market
- Each Board meeting includes a report on how the business is expanding by assessing and improving market share, and developing and expanding our luxury jewellery brands
- Continued uptake to our Supply Chain Management system, EcoVadis
- 100% of our key watches and jewellery suppliers have accepted the terms of the Vendor Code of Conduct or have an equivalent standard
- Ensuring our ESG Partner Standards are distributed to all new suppliers
- Statistics regarding compliance training are presented to the Board after each Audit & Risk Committee meeting

INVESTORS

WHY WE ENGAGE

Continuous engagement with investors helps us to understand their views and priorities, it builds trust and helps secure ongoing support. In turn, investors rely on us to protect and manage their investments in a responsible and sustainable way that generates value over the long-term. We engage with our investors to:

- Achieve sustainable growth and superior returns in the share price
- Ensure current and potential investors understand our business, Long Range Plan to FY28 and strategic objectives
- Promote the strong and robust corporate governance framework that exists

HOW WE ENGAGE

- Ongoing dialogue between investors and the CEO and CFO including investor roadshows
- Meetings and calls between major shareholders and the Chair
- Hosting investor days with guided showroom tours in the UK and in the US along with other in-person events
- The Board attends the Annual General Meeting in-person
- Stock Exchange announcements, press releases, results briefings and participation in investor conferences
- Publication of presentations and reports on the corporate website

MONITORING THE IMPACT OF OUR ENGAGEMENT

- The Chair reports to the Board following direct dialogue with investors
- Analysts and broker feedback provided to the Board after each public announcement detailing market reaction and investor views
- Corporate brokers attended, in-person, two scheduled Board meetings
- The CEO, CFO and the Group Finance and Investor Director provide regular updates to the Board
- The Group Finance and Investor Relations Director participated in over 250 investor meetings and events

COMMUNITIES

WHY WE ENGAGE

One of our core values is that we care for our communities by engaging and actively supporting those in need. Both The Watches of Switzerland Group Foundation for the UK and the US and the Company support a range of causes including partnerships with The Prince's Trust, Crisis, Habitat for Humanity and the Fuel Bank Foundation as well as a network of food banks in large city centres where colleagues and clients live.

HOW WE ENGAGE

- We support The Watches of Switzerland Group Foundation to drive positive change within the communities we operate
- Donated £1.5 million to the Foundation (£7.5 million donated since formation)
- Donations to other charities in particular, headline sponsor for the Prince's Trust Palace to Palace Bike Ride and sponsor of the annual Prince's Trust Changemaker award
- Developing volunteering programmes in the UK and the US
- Being signatories to British Retail Consortium's, 'Better Jobs' Diversity & Inclusion Charter
- Being members of Business in the Community, the responsible business network established by King Charles III when he was Prince of Wales, and the Race at Work Charter
- Successful participation in charitable activities through fundraising and volunteering, including the CEO completing The Palace to Palace Bike Ride

MONITORING THE IMPACT OF OUR ENGAGEMENT

Through regular feedback particularly focusing on:

- Updates from the ESG Committee
- Updates from the UK and US Foundation are provided to the Board at each meeting and a separate presentation is given annually
- Direct feedback from charities
- Feedback from the local and global Listening Forums
- An increase of 23% in colleague volunteering hours compared to FY23
- Continued financial support from the Group to the UK and US Foundation

> "Engagement with all of our stakeholders plays a vital role in delivering our Group strategy. The Board considers all stakeholders as part of our decision-making process."

IAN CARTER
CHAIR OF THE BOARD

OUR ESG STRATEGY

OUR PURPOSE AND VALUES

OUR PURPOSE

To WOW our clients, while caring for our colleagues, our communities and our planet

Our Purpose is an inextricable part of how we do business. Environmental and social factors are considered in our decision-making processes, at every level of our business.

OUR VALUES

Our values shape our culture and behaviour, driving performance and purposeful action. They are the cornerstone of our Code of Ethics and truly represent who we are.

WE EARN TRUST & CONFIDENCE

By being true to ourselves and honest and transparent with our colleagues, our clients and our brand partners

WE TREAT EVERYONE WITH RESPECT

By working together to cultivate a secure and supportive workplace, with equal opportunities and respect

WE DO THE RIGHT THING, ALWAYS

By making the right decisions for the benefit of our colleagues, stakeholders and wider society

WE CARE FOR OUR COMMUNITIES

By actively engaging in our community and supporting those in need

WE PROTECT OUR PLANET

By working with our industry and other stakeholders to minimise our impact on the environment

WE ADVOCATE FOR OUR INDUSTRY

By proactively promoting the interests and responsibilities of the luxury watch and jewellery sectors in our markets

OUR ESG STRATEGY

Guided by our Purpose, our strategy is to build a more sustainable, valuable business

With our highly engaged colleagues, brand partners, scale and expertise, we are uniquely positioned to achieve this.

Our ESG strategy is evolving to focus on key material issues in line with best practice and global reporting frameworks, with input from key stakeholder groups.

This strategy is underpinned by clear priorities and ambitious targets to safeguard against environmental, social and governance risk, while leveraging opportunities to secure a more sustainable future.

OUR ESG PILLARS

Our foundational pillars provide a strategic framework and guiding principles to help streamline our decision-making and ensure everyone across our Group works towards common goals

PEOPLE

GOALS

- Give colleagues every reason to join, grow and stay with our Group through attracting and retaining talent, building an organisation fit for the future and leveraging our unique culture
- Support our local communities

SUPPORTING UN SDGS[1]

PLANET

GOALS

- Achieve net-zero GHG emissions by 2050
- Preserve natural resources

SUPPORTING UN SDGS

PRODUCT

GOALS

- Improve our traceability and sourcing standards and highlight the sustainable attributes of our watches and jewellery
- Support circularity in watches and jewellery through repairs, servicing and our pre-owned business

SUPPORTING UN SDGS

1 UN Sustainable Development Goals

DELIVERING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

We WOW clients with the finest selection of watches and jewellery, together with world class service.

We provide colleagues with rewarding careers, support a thriving economy, and care for our communities through rigorous ESG standards and via The Watches of Switzerland Group Foundation.

COLLEAGUES

CLIENTS

BRAND PARTNERS & OTHER SUPPLIERS

COMMUNITIES

INVESTORS

DRIVING SUCCESS

We track our progress holistically, across non-financial and financial performance.

Progress towards our ESG goals are considered as part of our colleague bonus scheme, reinforcing our commitment to a more sustainable future (refer to page 177).

In addition, our existing loan facility is linked to the achievement of our near-term science-based emission reduction targets and circularity goals.

As of June 2024, the Group holds ISS Prime Rating and the top QualityScore of '1' for Environment and Social. As of April 2024, we also hold the top MSCI ESG Rating of AAA.

The MSCI index is widely recognised as the leader for global equity benchmarks. The use by Watches of Switzerland Group PLC of any MSCI ESG Research LLC or its affiliates ('MSCI') data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of WOSG by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

KEY TARGETS AND HIGHLIGHTS

PEOPLE

At the Watches of Switzerland Group, we are committed to giving our colleagues every reason to join, grow and stay with our Group. FY24 has been a year of investment and consolidation as we delivered the first full year of our new People Strategy. The focus has been on talent management, building a stronger organisation with the right skills for the future. Despite the macroeconomic climate, we remain committed to our Purpose and Values, which underpin our strong culture.

KEY TARGETS & COMMITMENTS

- Participate in annual Colleague engagement survey and deliver progress year-on-year
- Measure diversity and inclusion and deliver progress year-on-year
- External accreditation by Great Place to Work by 2026

HIGHLIGHTS FOR FY24

- Further closure of UK Gender Pay Gap by 1% to 20%
- Group inclusion score of 77%
- Real Living Wage accredited in the UK and all US colleagues paid above state minimum
- Ranked #10 in the FTSE 250 Women Leaders Review
- Donated £1.5 million in FY24 (£7.5 million in total) to The Watches of Switzerland Group Foundation to support local communities
- 23% increase in colleague volunteering hours to 821
- As at June 2024 rated '1' by ISS Social Quality Score

76%

COLLEAGUE ENGAGEMENT SCORE WITH AN 85% RESPONSE RATE

Read more from **page 74**

PLANET

We are determined to operate to the highest levels of environmental stewardship, while safeguarding against climate related risk and supporting a more circular economy, through our after-sales and servicing and pre-owned businesses.

We are taking action to achieve net-zero GHG emissions by 2050, in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement and pursue efforts to limit warming to 1.5°C.

KEY TARGETS & COMMITMENTS

- Reduce Scope 1 and 2 GHG emissions by 50% and Scope 3 emissions by 42% by 2030 from a FY20 baseline
- Improve or maintain our CDP Climate Change score year-on-year

HIGHLIGHTS FOR FY24

- Reduced our Group GHG emissions by 3.1% year-on-year
- Improved our CDP Climate Change score year-on-year from 'C' to 'B'
- Launched an internal incentive to reward colleagues for positive environmental behaviours
- As at June 2024 rated '1' by ISS Environmental Quality Score

100%

UK PROPERTIES UNDER OUR CONTROL POWERED BY RENEWABLE ENERGY

Read more from **page 93**

PRODUCT

We are committed to making sure our supply chain operates responsibly and that everyone we do business with, respects and protects the lives of workers, their communities, and the planet.

We are helping clients to make more sustainable choices, by promoting the longevity of well-made watches and jewellery, highlighting innovation and advancement in circular design, and growing our range of products with positive environmental and social attributes.

KEY TARGETS & COMMITMENTS

- Year-on-year increase in the number of watches repaired, serviced or resold, measured as a percentage of new watch sales
- Improve our traceability and sourcing standards and highlight the sustainable attributes of our watches and jewellery

HIGHLIGHTS FOR FY24

- Expanded our Group repairs and servicing capacity by almost 10,000 sq. ft to support the circularity of watches and jewellery
- Increased the number of watches repaired, serviced or resold year-on-year as a percentage of the sale of new watches by 2%
- Scored a Supplier Engagement Rating of 'A-' from CDP
- As at June 2024 rated '1' by ISS Quality Score

14,000

ADDITONAL REPAIRS OUR NEW UK SERVICE CENTRE CAN ACCOMMODATE OVER NEXT THREE YEARS

Read more from **page 124**

ESG GOVERNANCE

APPROACH

Guided by our purpose and values to 'do the right thing, always', we operate a responsible and ethical business by aspiring to best practice and understanding stakeholder expectations, then making sure this is reflected in our business decisions.

The Board is committed to delivering continuous improvements across our environmental and social activities through collaboration, innovation and directly or indirectly investing in initiatives that benefit our colleagues, clients and local communities, while adding value for our brand partners and other suppliers, and investors.

Our ESG risk register ensures a systematic approach to ESG risk management, which allows us to formally monitor our risk profile and manage change at the appropriate levels, while mitigating or removing risks to our business operations before they materialise. Our risk management framework also allows us to identify and act on opportunities arising from a changing climate. More information on how we are identifying and managing climate related risks and opportunities, can be found in our Task Force on Climate Related Financial Disclosures (TCFD) Statement on page 106.

MATERIALITY ASSESSMENT

Early in 2024, we carried out a materiality assessment to refine our ESG reporting framework and further engage our stakeholder groups.

During this assessment, we engaged with internal and external stakeholders to help us understand what issues are important to them and prioritise current and emerging issues impacting on our business, as well as understanding the risks and opportunities they present.

The results support our progress towards a more focused and performance-driven ESG strategy, structured around shared and material priorities.

Our process

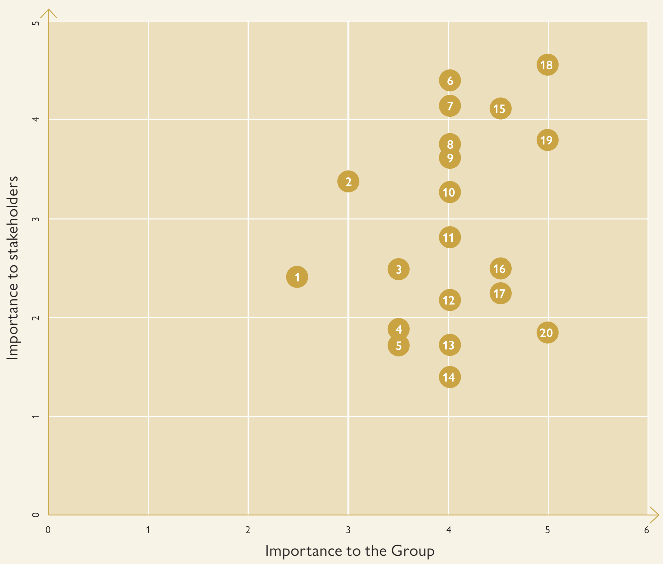
1. Following approval by the Board of the approach and stakeholder selection, a 'long list' of 80 ESG issues was compiled using global reporting standards, investor rating agency analysis and peer benchmarking
2. The Group's ESG Steering Group selected 20 key issues that were felt most appropriate to the Group and its values
3. Stakeholders were invited to rate which of these 20 ESG issues were most appropriate to them
4. The results of the assessment were mapped onto a matrix

Issues identified as 'most relevant' were then subject to a gap analysis to determine the levels of alignment with the Group's core business operations and ESG strategy. These issues were also mapped against the Group's ESG risk register to ensure consistency of risk ratings with priority.

During FY25, the ESG Steering Group will ensure that, where any gaps exist between stakeholder priority and the Group's view, there are either defined actions to close the gap, or a robust rationale for maintaining a difference in priority.

Our approach to determining the materiality will be reviewed on an annual basis.

MATERIALITY ASSESSMENT



Key:

1 Packaging
2 Biodiversity & nature
3 Social impact
4 Transparency & reporting
5 Traceability of raw materials
6 Anti-bribery, corruption & fraud
7 Anti-money laundering
8 Health, safety and wellbeing
9 Achieving GHG reduction targets
10 Climate action
11 Energy management
12 Sustainable procurement
13 Diversity & inclusion
14 Whistleblowing & grievance procedures
15 Colleague engagement
16 Training & education
17 Supply chain engagement
18 Brand & reputation
19 Data protection & cyber security
20 Circularity via repairs & pre-owned

> "Fundamentally, our approach to ESG is to do the right thing, always."

ANDERS ROMBERG
CHIEF FINANCIAL OFFICER

ESG GOVERNANCE

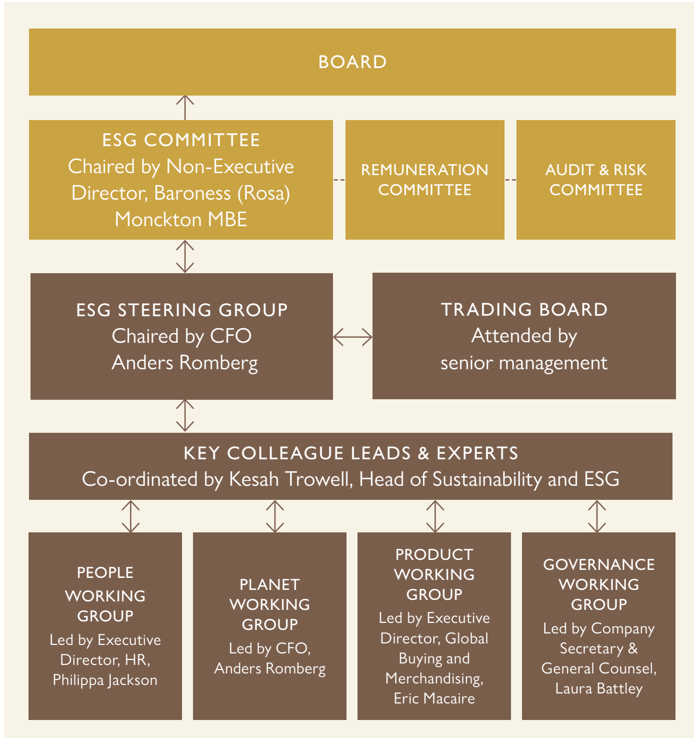
The Group is committed to high standards of environmental and social governance and our Board governance structure can be found on page 132.

The Board has overall responsibility for sustainability and is supported by the dedicated ESG Committee, chaired by Baroness (Rosa) Monckton MBE, Non-Executive Director.

Our ESG Committee meets a minimum of three times a year, plus, where appropriate, additional meetings are held dedicated to training and awareness. The Committee plays an active role in the development and delivery of the Group's ESG Strategy by considering best practice, ratifying key decisions, and providing accountability against KPIs in relation to our three ESG Pillars of People, Planet and Product.

The ESG Committee is supported by an ESG Steering Group, which is comprised of members of senior management, each with formal operational responsibility for the management of environmental, social and governance issues. The ESG Steering Group is chaired by our CFO, Anders Romberg, and driven by our experienced Head of Sustainability and ESG, Kesah Trowell.

The ESG Steering Group aims to meet once a month and exists primarily to help mitigate risk, and to oversee the development of a progressive ESG Strategy and ensure its successful delivery across the Group.



COLLABORATION WITH PARTNERS

The Group's business strategy is aligned with the United Nations Sustainable Development Goals (UNSDGs) and we support the principles of the UN Global Compact, which aims to prioritise and mobilise efforts to drive business action to achieve these goals by 2030.

We are active members of the British Retail Consortium and the UK Government's All-Party Corporate Responsibility Group, as well as Business in the Community, which is the largest and most influential responsible business network dedicated to building a fairer, greener world. We also partner with international social enterprise, Slave-Free Alliance, to support the delivery of our human rights and modern slavery roadmap.

In FY24, we announced a three-year partnership with the Association of Creative Independent Watchmakers, to help provide talented watchmakers with a platform, guidance and support, as they hone their skills and shape their careers.

Through our business and The Watches of Switzerland Group Foundation, we continue to enjoy long-standing partnerships with charities including local food banks in the UK and Habitat for Humanity in the US, as well as The Prince's Trust in both the UK and US. More information on how we are caring for our communities through the Foundation can be found on pages 86 to 91.

We strongly encourage all supplier partners to align with relevant, well-recognised sustainability standards and certifications, as well as adhere to external initiatives or sets of principals. More information on our supply chain management and due diligence can be found on pages 125 to 126.

LEVERAGING AI TECHNOLOGY TO IMPROVE OUR DISCLOSURE

In November 2023, the Group was selected to participate in a digital transformation project, to explore how machine-learning technology can be used to enhance ESG reporting.

Led by generative artificial intelligence (AI) specialists, seeva.ai, and supported by Sheffield University, this 13-month project, which began in January 2024, aims to develop and deploy AI Agents and Co-pilots, to carry out real-time sustainability assessments and improve the accuracy and transparency of our reporting. It is funded by Innovate UK, the UK innovation agency, as part of their work to understand how AI can support business in achieving sustainability goals.

If successful, this ground-breaking project will allow us to efficiently gather and analyse data in line with key ESG frameworks and global reporting standards, identify gaps in our disclosure, benchmark against peers, enhance the content and accuracy of our FY25 reporting, and ultimately sharpen the focus of our ESG Strategy.

See page 95 for more information on how this project is helping us to improve our supply chain data and reporting.

OUR PEOPLE

"The showroom is a joy to go to daily, with a long-established team with a wealth of experiences. Every day we strive for excellence, and this I am proud of. "

ANDREW WILSON
DEPUTY MANAGER, MAPPIN & WEBB
MANCHESTER

INTRODUCTION

At the Watches of Switzerland Group, we have created an inclusive culture which gives our colleagues every reason to join and develop long-term careers within our Group. FY24 has been a year of investment and consolidation as we have focused on high performance, productivity and efficiency. Although the external context has been challenging, we have continued to invest in our people who remain key to our success.

As a purpose-led business, our values are at the centre of everything we do.

OUR PURPOSE

To WOW our clients while caring for our colleagues, our communities and our planet.

OUR VALUES

- WE EARN TRUST & CONFIDENCE
- WE TREAT EVERYONE WITH RESPECT
- WE DO THE RIGHT THING, ALWAYS
- WE CARE FOR OUR COMMUNITIES
- WE PROTECT OUR PLANET
- WE ADVOCATE FOR OUR INDUSTRY

OUR PEOPLE STRATEGY

We are committed to our goal of giving our colleagues ‘every reason to join, grow and stay’ with our Group and each of our supporting strategies is underpinned with clear tactics and measures set over a three-year horizon between FY24 and FY26.

GOAL

To give colleagues every reason to join, grow and stay with our Group.

STRATEGIES

- ATTRACT AND RETAIN TALENT
- BUILD AN ORGANISATION FIT FOR THE FUTURE
- LEVERAGE OUR UNIQUE CULTURE

ATTRACT AND RETAIN TALENT

Attracting, retaining and developing talent is a strategic priority and this year, we have continued to focus on building a meritocracy and strengthening our teams.

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

FY24 PERFORMANCE HIGHLIGHTS

- Over 2,900 colleagues employed globally
- Total Group attrition decreased to 22%
- High Performance Leadership development programme launched in the UK
- US Watchmaker Apprenticeship Programme and 17% increase in UK Watchmakers
- Gender pay gap closed by 1% to 20%
- 9% of Group colleagues promoted in last 12 months
- 49% of Group promotions are female and 30% of those promoted identified as coming from minority ethnic backgrounds
- 54% of new hires are female (UK) and 41% female (US)
- 98% of new starters are 100% satisfied with UK hiring experience

QUALITYSCORE 1

FY25 AREAS OF FOCUS

- Onboarding colleagues post acquisition
- Further enhance Xenia colleague experience by boosting line manager capability
- Double watchmaker capability to support repairs and pre-owned
- New UK Apprenticeship Programme

"I am from a lower socio-economic background and proud of where I come from. My advice to young people is, do not make your background your excuse. Turn your disadvantage into your future advantage."

BRIAN DUFFY
CEO

DIVERSITY AND INCLUSION

Respect is a core value in our Group. We continue to work together to cultivate a secure and supportive workplace with equal opportunities and inclusion at the centre. We actively promote diversity of thought and opinions, and we recruit, develop and promote colleagues from different backgrounds.

WE ARE BUILDING A MERITOCRACY WHICH IS SUPPORTED BY

INCLUSION
77% inclusivity score in FY24

GENDER BALANCE
All leadership teams are gender balanced

REPRESENTATION
Teams represent the national identity and the race/ethnic mix of the markets in which they operate

Progress against our strategy to date:

- **Inclusion:** 77% of our Group colleagues in our annual Colleague Engagement Survey agree that they 'work in an environment where everyone can be included, respected and accepted for who they are'.
- **Gender balance:** Our percentage of females in our Executive Team[1] and their direct reports is 51%, broadly consistent with FY23 and gives us gender balance at the senior levels of the organisation. We define gender balance as at least 40% male or female at leadership team level.
- **Representation:** We have achieved the target for ethnic diversity at Board level as set out in the Parker Review.

In addition, following our commitment to focus further on succession planning this year, we have seen the following results across our regions.

UK HIGHLIGHTS

- 27% of new hires class themselves as coming from an minority ethnic background
- Increase of 4% females in the top talent quartiles meaning females make up 41% of our UK succession pipeline
- Participation on internal UK leadership programme: 69% participants were female and 42% minority ethnic background, meaning we are levelling the field to support our commitment to meritocracy
- Our New UK inclusion survey shows that we have a higher percentage of female, minority ethnic, disability and LGBT+ colleagues when compared to the 2021 UK census. In addition, 26% of those who completed the survey are from lower income families (compared to the national average of 24%)
- Achieved 10th place in the UK FTSE 250 Women Leaders Review (up from 15th last year)
- Training and education: Leadership Teams have received diversity and inclusion training; and new inclusion training is accessible to all on our new Global Learning Hub

US HIGHLIGHTS

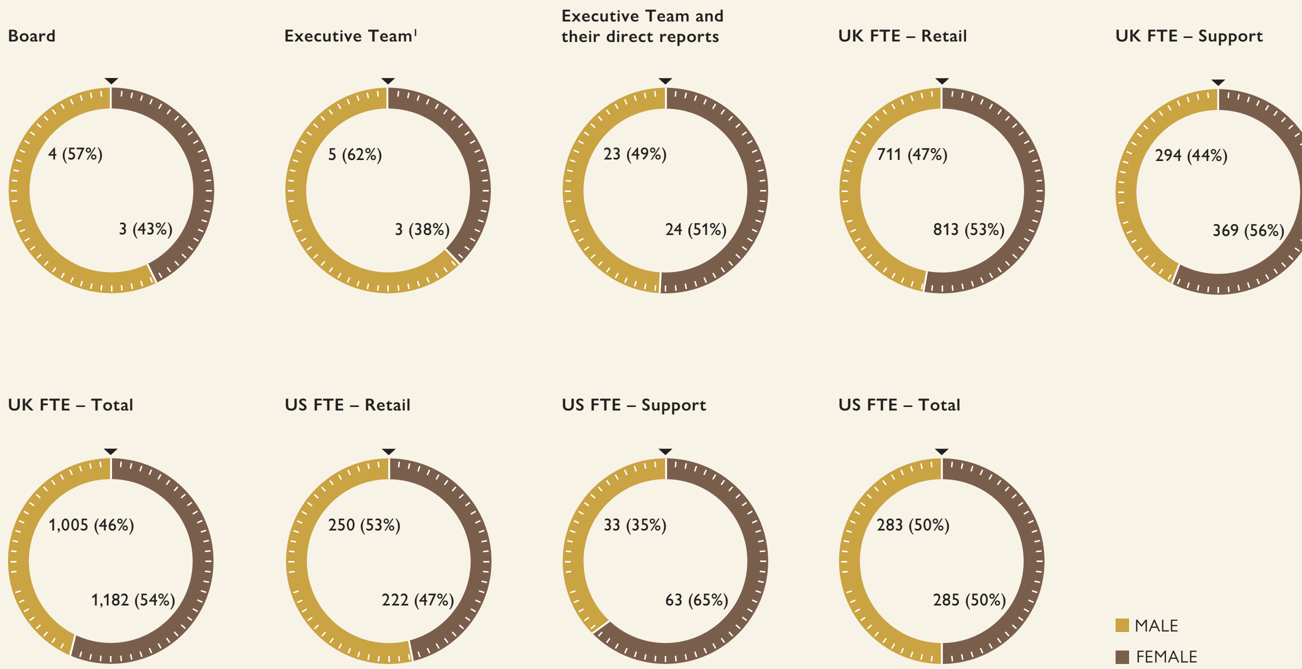
- Evolved our Global Diversity Council and have created Employee Resource Groups in the US and the UK which represent cultural awareness, disability and wellbeing, gender equality and LGBT+ colleagues.
- Drove monthly campaigns celebrating different facets of diversity, led by our colleagues
- Quarterly meetings sharing best practices and ideas to share within teams
- The US Diversity Council met four times in FY24. In addition US representatives attended one Global meeting

We were also pleased with our Institutional Shareholder Services ('ISS') 'social' rating in FY24, which improved from a 4 to a 1, the highest possible rating. This measures human rights, health and labour processes and gives scores of 1 through to 10, with 1 being the highest.

STRATEGIC PILLARS TO DEVELOP OUR MERITOCRACY

CARE	RESPECT	HARNESS	EQUIP
Leaders visibly champion diversity and inclusion	Strengthen our inclusive culture	The power of our brands and communities	End-to-end policy and process alignment

COLLEAGUE GENDER STATISTICS AS AT 28 APRIL 2024



1 Executive Team is defined on page 158 of the Corporate Governance Statement

ATTRACTION AND RETENTION

Our focus on talent attraction and retention remained a priority throughout FY24 and we significantly reduced our attrition rates throughout the year. We have over 2,900 colleagues and remain proud of our high calibre workforce across the UK and US. Our workforce remains highly attractive to other employers and therefore, we prioritise engaging our colleagues by training them to the highest standards and giving them every reason to join, grow and stay with our Group. Our key areas of focus remain:

- Highest quality product and brand training
- Excellence in recruitment for line managers
- Comprehensive onboarding programmes in all regions focused on building an emotional connection and loyalty for the Group.

We have thorough recruitment processes and, where needed, use a preferred supplier list to source talent which is reviewed annually. We have also invested and developed our UK careers website (internally and externally) which better reflects our colleague base to encourage a diverse pool of applicants and showcase our wide range of career opportunities. The US will upgrade the US careers website in FY25.

HIGHLIGHTS

- All new US starters receive a personalised new hire process
- 80 US promotions and transfers demonstrating internal career progression
- US Watchmaker Apprenticeship Programme and 17% increase in Watchmakers in the UK
- Improved Group communications and highlighted ‘Brilliant Careers’ stories covering personal and professional achievements and published internally and externally on social media platforms
- We have embarked upon a retail transformation journey which elevates leadership, creates clear career paths and drives enhanced collaboration
- We provide a strong colleague experience as ‘stay surveys’ reveal that the three main reasons people stay with the Group are people, culture and great leadership

“We work in a competitive industry, where clients can choose the same products in different places. The biggest difference and what makes us unique is precisely us, our people. We are the reason why our clients are wowed.”

JUAN PABLO PANDO
GRAND SEIKO BOUTIQUE DIRECTOR, NEW YORK

BUILD AN ORGANISATION FIT FOR THE FUTURE

We recognise that one of the key differentiators to our future success is our people. Therefore we continue to focus on building the right skills and capabilities for the future as well as rewarding and recognising our colleagues today.

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

FY24 PERFORMANCE HIGHLIGHTS

- Onboarding new hires post acquisition
- New Group Technology Director and US Ecommerce Director
- 1,292 colleagues completed repairs training
- Continued focus on Xenia skills and training
- Accredited by the UK Real Living Wage Foundation
- Launched new UK Retail structure with clearer pay progression, incentives and career paths

FY25 AREAS OF FOCUS

- Enhanced branded jewellery training in partnership with brand partners
- In-person Rolex repair training to enhance client experience
- Continued focus on high performance training
- Introduction of a UK Apprentice Programme

GLOBALLY AND LOCAL CAPABILITY

Our Long Range Plan to FY28 sets out the skills and capabilities we need to build for the future and we continue to attract high calibre talent despite market pressures. This year, we have prioritised showrooms and Luxury Watch and Jewellery Virtual Boutique skills, service and repair capability and ecommerce and technology.

We have a history of successful acquisitions and we welcomed nearly 200 Ernest Jones colleagues into our business this year and supported them through consultation, onboarding and training programmes. We will extend the same support to colleagues at Roberto Coin Inc.

HIGH PERFORMANCE CULTURE

We have signature processes in place to support performance at the highest levels. Our annual development performance review process in the UK achieved an 89% completion rate in retail in FY24. This process ensures objective setting occurs and 82% of colleagues confirmed in our annual Colleague Engagement Survey that they feel committed to the Company's goals.

As part of our leadership development commitment, we have rolled out High Performance Culture training to our Leadership Teams as well as a new six-month Emerging Leaders Programme in the UK. This is supplemented by Group self-led learning modules on our new global learning platform, providing access to a range of personal development topics linked to high performance. This approach will be followed by the US in FY25.

Finally, we have supported five colleagues on external talent programmes: three in Diversity in Retail's Future Ethnic Leaders and two on Women in Leadership.

Graduates from FY24 Emerging Leaders Programme

REWARD AND RECOGNITION

The Watches of Switzerland Group is a business built on relationships. It is important to us that our colleagues are engaged, healthy, happy and motivated to make our aspirations a reality. In return, we provide high levels of support and reward to our valued people. We have built a far-reaching and competitive benefits package, which has been enhanced further. In conjunction with feedback from colleagues, we have improved our offer in the following ways:

- We continue to comply with the Real Living Wage recommendations in the UK
- New commission and bonus schemes in UK retail including top seller incentives
- 79% of colleagues participate in the UK pension scheme
- 79% of colleagues participate in the US 401k pension scheme
- Colleagues are shareholders through voluntary participation in our sharesave scheme
- A comprehensive Employee Assistance Programme is available in the UK and US which provides free and confidential 24 hour services to colleagues for work related and personal problems
- The Watches of Switzerland Group UK Support Fund remains available to colleagues to provide interest free loans for those facing difficulties meeting their household expenditure. The cumulative total by the end of FY24 stands at 38 applications received and £43,000 approved
- Implemented a benefits concierge in the US to assist with benefit plan enrolments and questions
- Improved health benefits in the US to include group accident, critical illness, hospital indemnity, voluntary life insurance, identity protection and pet insurance

45,334

RECOGNITIONS IN THE UK ON OUR VIBE AND BRILLIANCE PLATFORMS

LEARNING AND DEVELOPMENT (MANAGEMENT AND LEADERSHIP)

Our focus on learning and development is key to our strength in the market. This year, we boosted face-to-face training to cement strong relationships and knowledge sharing as well as to maximise our new learning and education facilities. Our brands value continuity of managers in our showrooms and therefore to support our goal to reduce attrition in retail, we developed our new UK Manager Residential induction which has received a satisfaction score of 100% in FY24. In the US, new managers also receive a bespoke induction programme which covers brand, product, compliance and culture.

During and post induction, managers have access to toolkits and training which provide continual learning opportunities through brand training days, management training, funded courses and Xenia training.

This year, we invested in a new global learning system to manage all training including brand training on one platform. This also provides personal development courses for all colleagues, flexibility for tailored learning plans and in-depth reporting. This has enabled us to access learning in different languages and ensure cultural sensitivities are respected. Since the launch of the new platform in February 2024, global engagement has remained high with 1,700 colleagues completing learning each month. Over the course of FY24, 35,000 hours of learning were completed globally. Colleagues can now access 34 self-development courses linked to our competency frameworks.

In line with our strategy, we launched new training to support the growth of our pre-owned business with 96% of our retail colleagues completing the programme. Management training continued with 1,764 hours of classroom training received on goal setting, coaching, team building and 1:1 support. As we prepare for FY25, we have invested in a new online learning module for all new managers joining the business and we will continue to build on these strong foundations in supporting a greater focus on future talent management.

UK HIGHLIGHTS

93%
OF MANAGERS RETAINED FOLLOWING NEW INDUCTIONS

363
COLLEAGUES ATTENDED XENIA TRAINING

108
BRAND TRAINING EVENTS DELIVERED

1,764
HOURS OF TRAINING DELIVERED TO MANAGERS

US HIGHLIGHTS

2,600
HOURS OF MANAGEMENT AND INDUCTION TRAINING FOR NEW COLLEAGUES

90
COLLEAGUES ENROLLED IN THE GIA PROGRAMME AND 59 RECEIVED THEIR ADVANCED JEWELLERY PROFESSIONAL CERTIFICATION

136
HOURS OF XENIA TRAINING THROUGH 40 XENIA TRAINING EVENTS

4,434
HOURS OF BRAND PARTNER TRAINING

LEARNING & DEVELOPMENT (TECHNICAL)

Technical expertise is critical to our success and we apply relentless focus to brand, product and functional skills. Specifically for UK retail, we have created the UK retail organisation of the future, reducing layers and driving empowered showrooms with clear pay, new commissions and clarified career progression opportunities.

BRAND AND PRODUCT

We continue to provide a robust product knowledge training offer through in-person, virtual and digital learning opportunities. These are a blend of our in-house e-learning modules and academy programmes and strong partnerships with our watch and jewellery partners. To build upon our jewellery training strategy, we carried out a skills gap analysis with our colleagues to form the strategy for FY25 where we will see a focus on elevating the client experience with jewellery-focused consultations and a robust product training programme.

XENIA

FY24 saw the Xenia programme shift to face-to-face with a dedicated training delivery team established to ensure consistency across all showroom formats and geographical locations. 1,264 colleagues in the UK retail teams have attended the training and 40 in the US. To strengthen our offering we have created virtual inductions where the Xenia Pillars are brought alive to our new colleagues, and plan to embed this further in 2025.

NEW SHOWROOMS – ALL REGIONS

Prior to opening, each new showroom goes through a comprehensive induction of a minimum of 56 hours of in-showroom and classroom based learning. Those showrooms undergoing major refits are taken through our modular programme to elevate the knowledge and experience of colleagues. New showroom colleagues experience intense inductions in their first weeks including our Group culture, operations, Xenia, compliance, brand and product training.

REPAIRS AND PRE-OWNED

In the UK, we launched a new blended training programme on our Repairs system to enable our retail colleagues to provide a Xenia experience to our clients. In addition, our in-person repairs workshop was attended by 177 colleagues and we supplemented this with e-learning which 1,292 colleagues have completed. In relation to pre-owned, 1,165 colleagues have completed this training which includes a Rolex education focus highlighting product knowledge, key brand messages and considerations.

JEWELLERY

In the US, we have continued to develop Gemological Institute of America (GIA) expertise and will deepen this further in FY25 with the Applied Jewellery Professional Diploma which will be extended to Roberto Coin colleagues. Further jewellery training includes the launch of a Branded Jewellery learning section on our Learning Hub platform in partnership with our brand partners and professional qualifications for our Luxury Watch and Jewellery Virtual Boutique colleagues. In FY25, linked to our new UK Mappin and Webb Luxury Jewellery Boutique, we are developing advanced training modules to support this exciting development. In addition, advanced training is planned for our Betteridge and Mayors US retail teams.

WATCHMAKER SKILLS

In both regions, we have comprehensive technical training for watchmakers. We will develop this further in FY25 focusing on jewellery and watch repairs, pre-owned processing, stock repairs, trade-in processing, polishing and other supporting skills such as quality control and parts management.

LEAN SIX SIGMA CONTINUOUS IMPROVEMENT

We are building these skills with investment into training our colleagues. In addition, we have prioritised key projects and continue to build continuous improvement in our Group processes.

“As a placement student, I have been provided with amazing work experience and developed many new skills helping me to grow professionally. I am surrounded by a great team who have welcomed me from day one in an amazing work environment.”

JASNEET SANGHA
MERCHANDISER WATCHES UK

LEVERAGE OUR UNIQUE CULTURE

We are proud of our culture at the Watches of Switzerland Group, which is underpinned by our Purpose and Values. Following the UK Support Centre relocation last year, our move to our new US Support Centre is a catalyst for enhancing our culture.

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

FY24 PERFORMANCE HIGHLIGHTS

- Annual Colleague Engagement Survey response rate of 85%
- Annual Colleague Engagement Survey score of 76%
- Annual Colleague Engagement Survey Inclusion score of 77%
- Annual colleague Engagement Survey reveals 82% colleagues feel proud to work for us

FY25 AREAS OF FOCUS

- Integrating acquired colleagues into our culture
- Continued focus on career progression
- Empowering managers to drive engagement and performance
- Better balance and flexibility in retail

COLLEAGUE COMMUNICATION AND ENGAGEMENT

In direct response to our annual Colleague Engagement Survey, we undertook a review of all platforms used for communication and streamlined Support Centre led messaging, reintroduced regular business updates and introduced a calendar of activity to streamline communication to our showrooms. Our new UK Head of Communications joined the business in April 2024, to help drive our communications strategy.

We have invested in career progression and it will remain a significant focus for FY25. The UK Retail Transformation Programme has realigned showrooms, refreshed and simplified roles and responsibilities and made it much simpler for colleagues to see their career pathway and be rewarded through pay progression and commission. We have also introduced ‘Brilliant Careers’, celebrating internal promotions and a careers toolkit.

We held a number of colleague focus groups during the year to understand how to improve our learning and training offer and the following actions were taken:

- Improved induction training underpinned by a digital toolkit
- We have re-introduced face-to-face training for Xenia and manager residentials as well as streamlining the e-learning offering with our new platform
- We invested in a suite of personal development e-learning modules and in FY25 will launch a UK Apprenticeship Programme

82%

OF COLLEAGUES SAY THEY ARE PROUD TO WORK FOR THE WATCHES OF SWITZERLAND GROUP

PURPOSE, VALUES AND ENGAGEMENT

Colleague engagement is measured in our annual Colleague Engagement Survey. This year, our survey took place in January 2024 and whilst the overall results are slightly lower, we were pleased with progress in some areas and that they remain strong in a challenging performance year: In FY25, we move to the Great Place to Work survey which will provide further insight and benchmarking data.

Colleague engagement	Group score FY24
I would recommend this Company as a great place to work	76%
I feel committed to the Company goals	82%
I am proud to work for this Company	82%
Working here makes me want to do the best work I can	79%
I feel a strong sense of belonging to this Company	62%
I work in an environment where everyone can feel included, respected and accepted for 'who they are'	77%

77%

OF COLLEAGUES IN THE WATCHES OF SWITZERLAND GROUP CONFIRM THAT THEY FEEL INCLUDED, RESPECTED AND ACCEPTED

We engage with colleagues through our regional Listening Forums chaired by senior management and co-chaired by Baroness (Rosa) Monckton MBE, Designated Non-Executive Director for Workforce Engagement. In March 2024, we held our Global Listening Forum with 35 representatives from across the Company and Rosa reported back to the Board. As a result of the feedback received through the year, a number of enhancements were introduced such as new retail commission schemes in the UK and design and development of new colleague facilities in the US. The Board also met with senior managers in December 2023 to discuss key themes.

COLLEAGUE RELATIONS AND HEALTH & SAFETY

We place a high regard in treating our colleagues fairly and have well established procedures to ensure we listen to our colleagues on issues that matter to them. These also enable colleagues to raise grievances and concerns, both informally and formally. Key highlights for this year include:

– Support for colleagues who have joined us through acquisition includes clear communication and engagement activities
– Four Listening Forums per region and one Global Listening Forum in March 2024
– One Global and at least two Diversity Council meetings held throughout the year in each of the UK and US
– Regional creation of Employee Resource Groups to represent underrepresented groups

On the few occasions we have needed to enter into redundancy conversations, for example, due to the ending of a showroom lease, we make every effort to retrain and redeploy colleagues, and we offer other career opportunities wherever possible. Such conversations take place in the spirit of our values of respect and trust and we ensure consultation discussions are transparent and supportive. This year, where we entered into UK redundancy conversations, we were pleased to confirm redeployment of 48% of colleagues.

HEALTH & SAFETY AND WELLBEING

We are committed to maintaining safety standards that comply with legislation and enable colleagues to be confident that their workplace is safe. Our Health & Safety Policy applies to all business activities and premises to ensure the health, safety and welfare of our colleagues, clients and visitors. A Health & Safety Committee comprising senior leaders from our UK and US operations meets regularly and a rolling review and audit programme is in place. A formal mechanism for reporting accidents is in place and we work closely with a third-party provider.

– Annual UK and US raid training delivered in partnership with our security partners
– Low colleague accident rate of 1.39 accidents in 200,000 hours globally, marginally lower than FY23 rate of 1.5
– Low sickness absence of <1% in the UK
– Trained mental health first aiders in US and UK assisting education and colleague advocacy

SUPPORT CENTRES

Following the successful launch of the new Carlton Park UK Support Centre, the move to our Support Centre in Sunrise, Florida is driven by the fact that we had outgrown our previous building and it was no longer fit for purpose. The investment into our new buildings is a message to current and future colleagues that the working environment in our Support Centres should be of an equal standard to that of showrooms. These spaces enable better collaboration for the day-to-day and both offer a comprehensive training suite and creative spaces to learn and grow. In the US, we also retain our Repairs and Services Centres in both Fort Lauderdale and Connecticut which is the central hub for all US after-sales service needs.

Our colleagues in the US were consulted throughout the relocation process including selecting the location, the design concept and implementation, through to a fully consulted transition plan from our old offices. Key highlights include:

– Collaboration space for 60 colleagues
– State-of-the-art learning and education facility designed to be welcoming and support internal and brand partner training on programs such as service standards, leadership excellence and brand specific content
– Media centre equipped with state-of-the-art technology and interactive displays
– Space/designed to create a warm and welcoming Xenia experience
– Access to gym and fitness facilities such as yoga for enhanced wellbeing

We offer flexible working practices within our Support Centres and current figures are as follows:

Types of contract	Current figures
Hybrid working	We offer flexible working for all support colleagues in US and UK
Part time	19% of our UK workforce are part time workers 2% of our US workforce are part time workers

In retail, we have continued to consider and improve our colleagues' work environment through our showroom refurbishment plans.

The working environment for our colleagues and their wellbeing continues to be of paramount importance to us.

Colleagues area in our new Support Centre, Sunrise, Florida

Top: Colleagues area, Support Centre, Sunrise, Florida
Bottom: Colleague recreation areas, Support Centre, Sunrise, Florida

THE WATCHES OF SWITZERLAND GROUP FOUNDATION

At the Watches of Switzerland Group, we are passionate about supporting the communities in which we operate. It is a vital cornerstone of our culture, based on our ingrained caring spirit and a dedication to giving back.

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

FY24 PERFORMANCE HIGHLIGHTS

- £7.5 million donated from the Watches of Switzerland Group to the Foundation
- The Foundation donated £1,080,000 to UK charities and $175,000 to US charities in FY24
- 23% increase in Group colleague volunteering hours (864 total hours)
- £94,000 raised by Group colleagues as part of The Prince's Trust Palace to Palace Bike Ride
- £270,000 donated to UK charities through payroll giving

FY25 AREAS OF FOCUS

- Maximising the partnership and opportunity with our strategic partners
- Continuing to ensure our donations create maximum impact
- Engaging and communicating to our internal colleagues the work of The Watches of Switzerland Group Foundation
- Continuing to develop our colleague volunteering programme

We have long been committed to philanthropic endeavour, building strong partnerships with charities like The Prince's Trust which spans a period of over 10 years. However, in 2021, we made things official, launching The Watches of Switzerland Group Foundation.

The Foundation brings most of the Group's charitable activities under one umbrella and has so far received a total of £7.5 million in donations from the Watches of Switzerland Group to support three pillars: the prevention or relief of poverty; the advancement of education; and the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage. This focus has led us to confirm key strategic partners in both the UK and US to help us support the Foundation's UNSDG goals and purpose pillars.

UK strategic partners	US strategic partners
The Prince's Trust	The Prince's Trust
Local food banks and Trussell Trust	Habitat for Humanity
Fuel Bank Foundation	Feeding South Florida
Crisis	New York and Las Vegas Food Banks

The Foundation has donated a total of £4.1 million to charity partners to date, with a total of £1.2 million donated in FY24. The money is positively impacting our local communities. Through the strengthening of our relationships with our key partners, we have re-engaged our workforce with volunteering, as well as focused our funding on more deeply impactful initiatives. This deepens our connection with our strategic partners and our communities.

The UK Foundation has a board of Trustees who bring drive and talent, including model and fashion expert David Gandy, BAFTA-nominated actor John Hannah, radio presenter Johnathan Joseph (otherwise known as DJ Spoony) and sports, brands and diversity expert Terence Parris. They are joined on the board of trustees by our Group CEO, Brian Duffy who acts as the Chair and Ruth Benford, Executive Director, Marketing.

"We are immensely grateful to the Watches of Switzerland Group for their volunteering commitment to inspiring young minds through our education programmes. Their support not only enriches the lives of countless young people but also lays the foundation for a brighter, more promising future."

SOPHIE MORELL
DIRECTOR OF PARTNERSHIPS, THE PRINCE'S TRUST

Top: The Foundation has supported the Crisis at Christmas services since 2021
Bottom: Brian Duffy, CEO, completes The Prince's Trust Palace to Palace Bike Ride

THE FOUNDATION – TRUSTEES OF THE BOARD

The Trustees meet at least quarterly and have committed to an engagement calendar with our strategic partners for FY25. In FY24, Brian Duffy and Johnathan Joseph took part in the Palace to Palace Bike Ride for The Prince's Trust.

Brian Duffy
Watches of Switzerland Group CEO, Chair of the Foundation

Ruth Benford
Watches of Switzerland Group Executive Director of Marketing

David Gandy
Model and fashion expert

John Hannah
BAFTA-nominated actor

Terence Parris
Sports, brands and diversity expert

Johnathan Joseph
(also known as DJ Spoony)
DJ and radio presenter

The Prince's Trust	Crisis	UK Food banks	The Fuel Bank Foundation	Habitat for Humanity	US Food banks
The Foundation's continued funding for The Trust's education programmes has directly supported over 7,570 young people to date with a further 1,000 helped through the Young Person's Relief Fund. This includes the funding for Prince's Trust USA's first education programme pilot across New York which is pivotal to the charity's growth in the region.	The Foundation supported the funding of Crisis general services, Christmas Appeal and their clinical psychologists. This year we re-focused our funding to support their structured lead coaches.	Funding has made a significant impact to the Foundation's local food bank partners supporting new initiatives such as: partnering with schools to fund new school jumpers, new vans for donation collections, the opening of a regional distribution centre and the pilot of a mobile pantry.	The Foundation's funding has helped support thousands of people through the Winter fuel crisis. Food bank partners continue to benefit from the Foundation's Fuel Bank network initiated in FY21.	Habitat for Humanity works together with families, local communities, volunteers and partners from around the world so that more people are able to live in affordable and safe homes. We supported new build projects for families across New York, Atlanta and Westchester.	Our US food bank network has supported hundreds of thousands of people across South Florida, New York and Las Vegas to access emergency food.
8,570 YOUNG PEOPLE HELPED THROUGH COMBINED PROGRAMMES	213 PEOPLE HELPED BY OUR FUNDING	168,726 PEOPLE FED THROUGH OUR SUPPORT OF UK FOOD BANKS*	26,370 PEOPLE ABLE TO 'SWITCH THE LIGHTS BACK ON'	5 HOUSING PROJECTS SUPPORTED	30,000 PEOPLE FED THROUGH FEEDING SOUTH FLORIDA

* Includes Leicester, Glasgow, Euston, Manchester, Newcastle, Liverpool, Bristol, Edinburgh and Kingston

The Foundation's unwavering support for its strategic charity partners has had a significant impact on their beneficiaries and our local communities. Our food bank partners continued to report an increased demand for their services with some reporting up to a 90% increase vs FY23 in the UK. The ongoing impact of the cost-of-living crisis has seen an average rise of 37% in food bank users in the UK. The Prince's Trust 2024 Youth Index report highlighted that happiness with work, education, qualifications and money are at their lowest levels since reporting began in 2009.

In FY24, the Foundation's funding has continued to provide vital support to its strategic partners, helping to tackle poverty, improve education, and provide opportunities for those in times of desperate need.

Combined with our financial support, the Group's passionate colleagues have also donated their time to support key initiatives in their local communities across the UK and US. Over 110 colleagues have delivered 864 hours of volunteering.

864

TOTAL NUMBER OF GROUP VOLUNTEERING HOURS

DJ Spoony, Foundation Trustee, completes The Prince's Trust Palace to Palace Bike Ride

Brian Duffy, CEO, and Foundation Trustee David Gandy support The Prince's Trust Enterprise Programme

THE PRINCE'S TRUST

The Prince's Trust helps people aged 11 to 30 to build confidence, get a job or launch a business. It continues to be the Foundation's key education partner, improving access to quality education in our communities. Since launching our partnership over ten years ago, 8,570 young people have been helped. This has been through a combination of education programmes over time such as the Young People Relief Fund and the launch of the Education Hub. Over the years, The Group has also sponsored the Young Changemaker Award at The Prince's Trust Awards, and has acted as headline sponsor for the Palace to Palace Bike Ride.

Having previously supported the launch of The Prince's Trust USA, the Foundation was delighted to fund the charity's first Education Programme pilot in New York City, 'The Enterprise Challenge', in FY23. Following the success of the pilot, which supported 30 young people, the Foundation approved a further proposal in FY24 to continue the expansion of the programme supporting a total of 170 young people in the US. The programme runs in partnership with City Year, an education non-profit organisation, and is an inter-schools competition promoting entrepreneurship, and raising aspirations and confidence and the launch of the Education Hub. The final was judged by the Group's President North America and Deputy CEO David Hurley.

This year to celebrate our 10th year in partnership, the Foundation increased its funding significantly with a donation of £750,000 across the UK and US. The Foundation became the first global partner for The Enterprise Challenge Programme – an interschool competition promoting entrepreneurship, raising aspirations and confidence. Colleagues got involved with the programme, from volunteering during the competition stage, to judging the regional finals. The final was judged by the Foundation's Trustee David Gandy.

3,841

HELPED THROUGH EDUCATION PROGRAMMES

1,000

HELPED THROUGH RELIEF FUND

3,000

HELPED THROUGH EDUCATION HUB

CRISIS

Crisis is a national UK charity for people experiencing homelessness. In 2021, the Foundation began its partnership with Crisis by supporting the Crisis at Christmas campaign with an initial donation of £25,000, helping Crisis support over 500 guests with somewhere safe to stay over Christmas. The Foundation subsequently approved a proposal to support Crisis' recruitment of clinical psychologists with the aim to end homelessness and increase social mobility. Crisis clinical psychologists provide intensive 1:1 specialist support to members, whilst supporting frontline staff. In FY23 and FY24, the Foundation has continued to support the Crisis at Christmas campaign, whilst focusing funding on case manager and lead worker salaries. Crisis' services work holistically together; by supporting their core workers, we are directly helping Crisis to change lives and empower individuals to help create sustainable routes out of homelessness.

FUEL BANK FOUNDATION

The Fuel Bank Foundation was created to help people in fuel crisis by providing people with financial support and practical advice to get them back on their feet. In 2022, the Foundation launched its strategic partnership with the Fuel Bank Foundation to complement the food bank programme. Initially supporting 12 centres, the Foundation expanded its support to ten additional centres in FY23 and donated a further £300,000. 95% of those supported by the Fuel Bank Foundation reported having to choose between heating or eating this winter. The Foundation split its donation across FY23 and FY24 which has supported 26,370 (approximately 10,500 were children) people to turn their lights and/or heating 'back on'. 91% of users reported being able to better cope financially, and 61% reported an improvement in mental wellbeing.

"

"Your support of lead workers will mean long-term impact on people's lives. Thank you to the Watches of Switzerland Group for their ongoing support for our core services."

MATT DOWNIE
CEO CRISIS

THE FOOD BANK PROGRAMME UK

The Foundation has enabled the food bank programme to have greater engagement and impact over the last year. In FY23, the Foundation's flexible funding for food banks allowed its partners to expand their support in their local communities. Leicester South Food Bank were able to move to a new location which also acts as the Leicester distribution centre supporting 17 other food banks in the area, and Newcastle were able to open a mobile pantry to allow beneficiaries to move away from needing a food bank. Following the success of this, FY24 saw the Foundation develop its relationships further to provide more strategic funding that would support its food banks to develop projects they otherwise wouldn't be able too. The donation to Kingston food bank has helped them to expand their Employment Worx service, a vital initiative empowering service users into the workforce and therefore moving away from needing emergency food provisions.

Beyond financial support, the Foundation has set up monthly calls with its network to keep up to date on trends, allow space for learning and to hear directly from its network what type of additional support is needed and challenges they might be facing. For example, food banks are increasingly needing to purchase food to be able to meet the emergency food needs in their communities. Out of the 11 UK food banks, six are reporting a spend of £5,000 - £30,000 per month on food alone. The monthly calls have allowed Leicester South to spearhead an initiative looking at reducing this spend through strategic partnerships with food retailers. In addition, the donation to Glasgow South East Food Bank provided 200 with food retailers. The Chair and Trustees have committed to supporting this project through their own networks outside of the donation from the Foundation. With the success of the food bank network calls, the Foundation has set up regular touch points for both UK and US partners, with the first call happening in June 2024.

The Foundation supported households with £100 food vouchers at Christmas. These households were nominated by the food banks key referral agencies for those most in need. An additional 100 x £30 vouchers were also distributed to service users in the week leading up to Christmas.

During the year, we donated a total of £353,000 to our UK food bank partners:
Trussell Trust
Leicester South Food Bank
Glasgow SE Food Bank
Euston Food Bank
Manchester Central Food Bank
Newcastle West End Food Bank
Birmingham Central Food Bank
Liverpool St Andrew's Community Network Food Bank
Bristol InHope Food Bank
Edinburgh North West Food Bank
Kingston Food Bank

THE FOOD BANK PROGRAMME US

Last year, the Foundation expanded its support of food banks to the US supporting Feeding South Florida, Three Square Meals (Las Vegas) and the New York Food Bank. The Foundation has connected colleagues with volunteering opportunities such as delivering meals to those in need. The initial donation to Feeding South Florida had significant impact to local communities in the region, supporting eight food banks across South Florida, and feeding nearly 30,000 people. The Foundation's donation of $176,500 in Spring 2023 has allowed the charity to fund a school pantry, which provides emergency food for the school for a full 12 months as well as a culinary program with stipends for participants.

HABITAT FOR HUMANITY

Habitat for Humanity is a non-profit organisation that helps families build and improve places to call home. It believes that affordable housing plays a critical role in strong and stable communities. The charity works together with families, local communities, volunteers and partners from around the world so that more people are able to live in affordable and safe homes. In FY23, the Foundation donated $294,000 to sponsor three house builds for families in Miami, Atlanta and Westchester – with colleagues supporting a further two house builds through volunteering in FY24. The Foundation are hoping to strengthen its partnership with Habitat for Humanity over the next year by providing more volunteers and vital funding through the Foundation to provide safe homes for those who need them.

> "By funding our stipends for our culinary programme, unemployed students will have the means to complete the training and the opportunity to move into employment."
>
> ALLYSON VAULX
> AVP PHILANTHROPY, FEEDING SOUTH FLORIDA

Top: Beneficiaries of Feeding South Florida, supported by the Foundation
Bottom: Trussell Trust Food Bank, supported by the Foundation

OUR PLANET

CARING FOR OUR PLANET

The Group is committed to operating to high levels of environmental stewardship, while safeguarding against climate related risk and supporting a more circular economy through our repairs and pre-owned businesses.

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

FY24 PERFORMANCE HIGHLIGHTS

- Reduced our Group GHG emissions by 3.1% year-on-year
- Improved our CDP Climate Change score year-on-year from a ‘C’ to a ‘B’
- Increased the number of watches kept in circulation via our repairs and pre-owned businesses year-on-year by 2% measured as a percentage of new watch sales
- 31% of client home deliveries by EV vehicles
- 92% of vehicle fleet EV or hybrid
- Launched internal incentive to reward positive environmental behaviours and advocacy
- Highlighting industry progress through ecommerce platforms
- As at June 2024 hold ISS Environmental QualityScore ‘1’

FY25 AREAS OF FOCUS

- Set long-term, science-based targets to reach net-zero GHG emissions by 2050 using market-based emission factors
- Align our reporting to the Transition Plan Taskforce framework and work internally to build out our climate transition plan
- Enhance our procurement and supply chain management capability to further strengthen engagement with environmental goals
- Leverage AI to support supply chain engagement and improve emission data quality and reporting
- Source renewable energy across our Group and continue our roll out of LED lighting
- Continue to support circularity by investing in our repairs and pre-owned businesses

OUR APPROACH

How our business impacts the environment and how the environment impacts our business, are fundamental considerations in our decision-making processes.

BUSINESS IMPACTS

We understand our business and supply chain have the potential to negatively impact our planet through the mining of metals and gemstones, the production and retailing of products, energy use, transportation, water and waste.

We strive to minimise these impacts and improve our overall environmental performance through ongoing stakeholder engagement, innovation and technological advancement and initiatives to build climate change resilience and protect nature and biodiversity.

ENVIRONMENT POLICY

The Environment Policy sets out our commitment to the continual improvement of the management and operation of our activities to minimise any adverse effects on the environment and public health.

This Policy applies to all Group operations worldwide and every colleague and contractor we employ. It refers to compliance with relevant environmental laws and regulations, ensuring environmental awareness and training, transparent dealings, the conservation of resources, sustainable procurement, aiming to mitigate against climate change, and managing risk.

Our Vendor Code of Conduct includes our requirements in relation to environmental management and the prevention, mitigation and control of serious environmental and health impacts resulting from our supplier partners’ operations, including, but not limited to, raw materials, energy and greenhouse gas (GHG) emissions, water, waste, chemical and hazardous substance use, air quality and nature and biodiversity. It is supported by comprehensive ESG Partner Standards, designed to engage supplier partners with the achievement of environmental goals.

CLIMATE ACTION

The Group is committed to building climate resilience and achieving net-zero GHG emissions by 2050. We are taking prioritised action to reduce our emissions in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement and pursue efforts to limit warming to 1.5°C. In March 2023, our near-term emission targets were verified by the Science Based Targets initiative (SBTi), which is a global body and collaboration between CDP, the UN Global Compact, World Resources Institute (WRI) and the Worldwide Fund for Nature (WWF).

In FY25, the Group will set long-term emission reduction targets and apply to the Science Based Targets initiative for verification.

Public commitments	Near-term SBTs aligned to 1.5°C under Paris Climate Agreement	Net-zero
Scope 1 and 2	50% reduction in absolute emissions by 2030 from a FY20 base year	2050
Scope 3	42% reduction in absolute emissions by 2030 from a FY20 base year	2050

TOTAL SCOPE 1, 2 AND 3 EMISSIONS

Overall, in FY24 our total gross GHG emissions across our Group decreased by 3.1% and our Emissions Intensity Ratio reduced from 0.1125 to 0.1094 tCO_2e per £'000 revenue

SCOPE 1 & 2 EMISSIONS

The Group reports a 9.5% increase in our Scope 1 & 2 emissions from 3,866 to 4,233 tCO_2e year-on-year, which increased our Intensity Ratio from 0.0025 to 0.0028 tCO_2e per £'000 revenue.

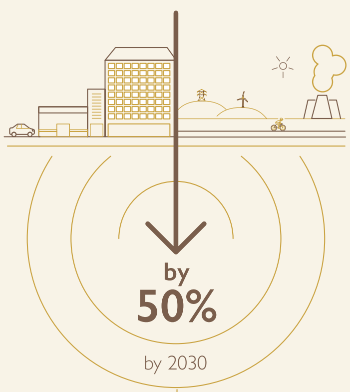
This increase is a consequence of the year-on-year growth in our property portfolio, including the showrooms acquired in November 2023.

Another key factor was the relocation of UK support centre colleagues from Aurum House, to new premises at Carlton Park in May 2023. We continued to operate both buildings during FY24, with Aurum House accommodating strategic functions such as our Hallmark insurance business, following the closure of their office at Millfield House and its conversion into a new 6,000 sq. ft Repairs and Servicing Centre.

While this year-on-year increase in Scope 1 and 2 emissions is disappointing, our total emissions intensity ratio per sq. ft has decreased from 0.2619 to 0.2320, and we remain committed to achieving our near-term science-based targets.

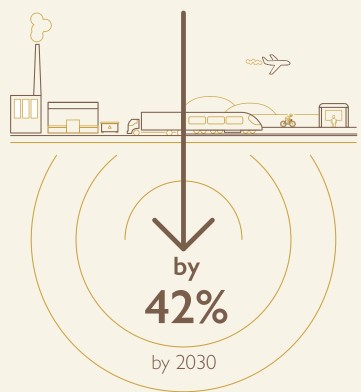
OUR EMISSIONS REDUCTION TARGETS

Our target is to reduce
'Scope 1 and 2' emissions



TOTAL GROSS SCOPE 1 and 2 (TCO_2E)	FY20 BASE YEAR	FY24
Estimated 'direct' emissions resulting from our Group Operation	4,128 tCO_2e	4,233 tCO_2e

Scope 3 emissions



TOTAL GROSS SCOPE 3 (TCO_2E)	FY20 BASE YEAR	FY24
Estimated 'indirect' emissions resulting primarily from 'Purchased Goods and Services'.	100,899 tCO_2e	163,937 tCO_2e

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Our focus remains on reducing energy consumption, as well as generating our own energy, through the planned installation of solar panels on our Carlton Park Support Centre in FY25. Also in FY25, we plan to align with market factors when setting long-term science-based emission reduction targets to leverage the benefits of purchasing clean energy.

Following a project to consolidate our gas suppliers in the UK, we saw a reduction in purchased gas and continue to seek further efficiencies.

More information on our energy efficiency initiatives and performance can be found on pages 96 to 99.

SCOPE 3 EMISSIONS

The Group is pleased to report a 3.1% reduction in Scope 3 emissions year-on-year from 169,698 tCO_2 to 163,938 tCO_2e. This decrease is the result of a combination of reduced Category 1 spend, enhanced primary data, and improved data collection processes. Better data collection, including the use of AI technology, also allowed us to adopt the Greenhouse Gas Protocol's hybrid reporting methodology, which was applied to 10% of our FY24 spend in our Category 1, 2 and 4 emission calculation.

The hybrid approach reflects the use of supplier specific data in conjunction with a spend-based approach, and is more robust in comparison to previous spend-based approach calculations, as it allows more accurate reporting and a focus on actions, which can support Scope 3 emission reduction.

Our FY20 and FY23 datasets were also recalculated using the hybrid approach to give comparable results and are disclosed with our reporting categories on page 121.

The table on page 121 provides a detailed breakdown of our Scope 1, 2 and 3 greenhouse gas (GHG) emissions by activity, calculated with reference to the GHG Protocol.

LEVERAGING AI TO SUPPORT OUR EMISSIONS REDUCTION STRATEGY

With an estimated 97% of our total emissions within Scope 3, we are taking action to gain a more accurate understanding of our supply chain emissions and, where possible, support our supplier partners with their emissions reduction strategies.

In FY24, as part of our project to leverage artificial intelligence (AI) to enhance our ESG reporting, we used AI outputs from semi-automated tools in our Scope 3 Category 1, 2 & 4 supplier specific emission calculations to validate verified emission values. and financial revenues retrieved from publicly available sources. AI outputs also supported our due diligence processes when mapping the Group's unique supplier entities against publicly available datasets such as CDP.

In FY25, we will build on the success of this data collection and verification process to further streamline our reporting and, where necessary, support supplier partners with their own data collection process.

SUPPLY CHAIN ENGAGEMENT

Collaboration with brand partners and other suppliers is key to achieving our climate ambitions and addressing growing areas of public concern, such as ensuring robust traceability mechanisms and protecting and preserving nature and biodiversity.

Through our supply chain engagement, we are working to better understand the environmental impact of the products we sell and services we use, while supporting the achievement of our near-term science-based target to reduce Scope 3 carbon emissions by 42% by 2030.

Our ESG Partner Standards set out our environmental goals, and the actions needed throughout our value chain to achieve them. Priorities include the sustainable procurement of raw materials, transport and logistics, circularity, eco-innovation, biodiversity and nature, product information, packaging and marketing and events.

Supplier partners are strongly encouraged to set science-based emission reduction targets and proactively share emissions data with us, either directly by completing a questionnaire, publicly through CDP, or through other reporting platforms, such as EcoVadis.

We partner with EcoVadis, the global sustainability ratings platform, and advocate the use of their user-friendly carbon action module through our ESG Partner Standards. Brand partners and other suppliers are also asked to align with well-recognised sustainability certifications that are relevant to the product or service they provide.

Our brand partners are highly active in reducing their impact on the environment and continue to introduce more sustainable processes and materials into their research and product design. For example, the Watch & Jewellery Initiative 2030 (WJI 2030) founded in 2022 by Cartier and Kering, has 60 member companies from the watch and jewellery industry, including many of our brands such as Cartier, Chanel, IWC Schaffhausen and Panerai. The Group advocates membership of WJI 2030 and its goals to achieve a more sustainable industry through collaborative initiatives in relation to climate action, preserving resources and fostering inclusiveness.

ENERGY MANAGEMENT

We strive to use energy in the most efficient, cost effective and responsible way and comply with all relevant local and international environmental laws and regulations.

Our energy management system includes enhancing data collection and implementing energy efficient technologies such as LED lighting and motion sensors throughout our estate to reduce energy waste. We invest in the most efficient and reliable Heating, Ventilation, and Air Conditioning (HVAC) systems, which are regularly serviced in line with manufacturers' guidelines. Temperatures are regulated and we use R32 refrigerant gas and R410 A, where there is no alternative. During FY24, a fault in our Knightsbridge showroom necessitated a full system repair, resulting in a significant year-on-year increase in our UK refrigerant emissions, which underlined the importance of our investment in our HVAC systems.

When searching for new premises and negotiating leases, we prefer locations with green building certifications such as BREEAM or LEED, demonstrating a landlord's commitment to assessing and improving a building's environmental performance, including energy efficiency, water use and the sustainability of raw materials.

Energy efficiency is a priority within our redevelopment plans, which is evident within our Carlton Park Support Centre. In addition to standard energy-efficient technologies, the building has been fitted with a Variable Refrigerant Flow (VRF) system, which uses heat pumps to provide hot water. In the UK, energy consumption is monitored on a site-by-site basis in collaboration with a specialist energy partner, and from July 2024, we will be compliant with Phase 3 of the Energy Savings Opportunity Scheme.

In FY25, we will continue to work towards achieving ISO 50001 international energy management certification, in order to formalise and build on work already done to optimise energy use across our Group and further reduce costs and GHG emissions.

AFFORDABLE AND CLEAN ENERGY

We continue to work with new and existing landlords with the goal of powering all properties within our control from renewable energy sources by 2025.

Many of our shopping centre landlords are transitioning to clean energy, allowing showrooms to directly benefit from clean energy sources and more stable rates. These include Meadowhall, White Rose and Metrocentre in the UK, and Simon Property Group in the US.

In the UK, 100% of all properties we control are backed by Renewable Energy Guarantees of Origin (REGOs), and in FY25, we will purchase Renewable Energy Certificates (RECs) in the US and Europe to achieve our target of sourcing 100% renewable energy across our Group by 2025.

In February 2024, our Carlton Park landlord gave permission for on-site renewable energy production, through the installation of solar panels. This project will commence early in 2025, with the CO_2 offset estimated to be 70 tonnes*, resulting in over £3 million in energy savings over the next 25 years.

The Group's efforts to conserve energy and reduce GHG emissions are continually reviewed and supported by colleague awareness initiatives and training programmes. Our energy use and GHG emissions are reported on page 121.

*2020 emission factors

Properties we control and where installation is financially and practically viable	FY22			FY23				FY24				2025
	UK	US	Group	UK	US	Europe	Group	UK	US	Europe	Group	Target
LED lighting	82%	41%	70%	90%	51%	100%	84%	85%	67%	100%	81%	**100%**
Renewable energy	100%	0%	77%	100%	0%	0%	77%	100%	0%	0%	70%	**100%**

William Wood Watches: Valiant Collection – The Red Watch

A stainless-steel automatic diving watch featuring a vintage fire bell seconds hand, fire engine pattern seconds track with a crown made from a 100-year-old melted-down British brass firefighter's helmet and straps which are made from upcycled fire hoses.

Get the Green VibE

REWARDING COLLEAGUES FOR 'GREEN' BEHAVIOURS

In October 2023, we launched a new colleague initiative to reward positive behaviours in support of our Purpose, and caring for our communities and our planet.

Our GreenVibE incentive, operates through our award-winning recognition platform, VibE, and is promoted groupwide via our interactive colleague engagement platform, Workplace.

Colleagues are encouraged to suggest ideas to help improve our environmental performance or share 'green deeds', performed by themselves or other team members. Each week, the best ideas or deeds are communicated to the business and the winning colleague or colleagues are rewarded with points that can be redeemed for retail or experience vouchers.

This initiative is proving to be a successful way of engaging colleagues with complex climate goals and empowering them to help make a tangible difference, whatever their role and sphere of influence.

To date, over 50 colleagues have been recognised through GreenVibE and many ideas have been implemented, such as enhancements to operational processes to reduce packaging and transit, as well as technological improvements, including digital business cards and paperless timesheets.

BUILDING MANAGEMENT

Maintaining strong relationships with our landlords is fundamental to the smooth running of our showrooms and achieving environmental goals.

In keeping with our historic brand image, our property portfolio includes a small number of older premises that require particular attention in order to operate at optimum performance.

Our in-house facilities management teams proactively engage landlords to ensure our properties are well maintained, are energy efficient and have the appropriate fire, gas and electrical safety certifications in place.

For an inclusive shopping environment, we meticulously plan our showroom layouts to ensure accessibility, including space for wheelchair manoeuvrability and unobstructed pathways. Where necessary, we also provide physical accommodations, supported by colleague training to assist clients with disabilities.

All sites are subject to regular, internal and independent audits to ensure conformance with all relevant national and international laws, as well as our own environmental standards.

WATER

Maintaining a reliable and hygienic water supply requires a significant amount of energy, at the same time, climate change and extreme weather conditions increasingly impact the predictability of water availability.

As a retailer, our water usage is relatively low. We promote water-saving measures across our Group and continue to take steps to reduce our freshwater intensity, for example, our new Carlton Park Support Centre is equipped with water efficient washroom facilities, which reduces the volume of water required to wash and flush by up to 50% compared with regular faucets and cisterns.

Water meter data is used to identify sites with excessive water use and resolve any problems, and we continue to work with experts to gather baseline data to further reduce water use.

Through our ESG Partner Standards, we ask supplier partners to minimise water waste and conduct industrial wastewater quality testing and/or monitoring as required by local law. No incidents of non-compliance with water quality or quantity permits, standards, or regulations were reported in FY24.

WASTE MANAGEMENT

We recognise the benefits of effective waste management systems to conserve natural resources, reduce costs and support a more circular economy, and are committed to achieving zero waste to landfill across our Group, through avoidance, recycling and reuse.

Across our Group, we have waste management arrangements in place with landlords and certified waste management companies, to ensure the responsible collection, transportation, monitoring, disposal and recycling of waste.

In FY24, we continued our efforts to streamline waste management processes and improve data collection, to more accurately quantify our waste volumes and gain a better understanding of the types of materials recycled and resources diverted from landfill.

The majority of our shopping centre landlords report low or nil waste to landfill volumes. With shared waste management facilities making it difficult for us to accurately record and monitor waste streams and volumes, all UK showrooms have been issued with weighing scales and colleagues are asked to separate, weigh and record waste volumes. This initiative is supported by waste management awareness training and colleagues report that they are now more conscious about what they dispose of, and how.

WASTE INTENSITY

	FY22		FY23		FY24	
	Waste in tonnes	% to landfill	Waste in tonnes	% to landfill	Waste in tonnes	% to landfill
UK	375	1	889	1	301	1
US	59	1	210	1	4	1
Europe	n/a	n/a	53	1	61	n/a
Total	**434**		**1,152**		**366**	
Intensity ratio (sq. ft)	**0.0008**		**0.0017**		**0.0005**	

WASTE ELECTRONIC AND ELECTRICAL EQUIPMENT

We strive to deliver continuous improvements to our recycling and sustainability programme and comply with the Waste Electronic and Electrical Equipment (WEEE) Directive, which forms part of our Group policies and procedures in Europe. We enable and encourage WEEE recycling and in the US, recycle all electronics to the standards of the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), and federal and state laws. Due to the mechanical nature of the majority of our watches and the small size of watch batteries, the volume of WEEE we handle is very low.

HAZARDOUS WASTE

We comply with all applicable national and international environmental laws and regulations, including the collection, treatment and disposal of hazardous waste, for which we partner with licensed contractors who operate an infrastructure of ISO 9001, ISO 14001 and OHSAS accredited hazardous waste treatment sites.

TRANSPORTATION AND LOGISTICS

We are working to reduce carbon emissions as a result of downstream transportation, business travel and colleague commuting. These journeys can take place by road, rail, sea and air.

By the end of the year, 92% of our UK fleet are electric or hybrid and we do not currently operate company cars in the US or Europe. To encourage the wider use of personal electric vehicles, an initial 20 charging points have been installed at our new Carlton Park Support Centre, with provision for a further 20. An additional 8 charging points are available at two other UK sites, all of which are on a preferential tariff for colleagues.

	FY22			FY23				FY24				2030
	UK	US	Group	UK	US	Europe	Group	UK	US	Europe	Group	Target
Electric or hybrid company fleet	58%	n/a	58%	83%	n/a	n/a	83%	92%	n/a	n/a	92%	100%

Our UK and Europe and US Travel Policies require colleagues to apply sound judgement before arranging business travel. Air travel is limited to journeys necessary to progress business objectives and digital technologies are widely encouraged as an effective means of enabling collaborative working and maintaining engagement across our Group.

Colleagues are encouraged to cycle to work through our cycle to work scheme, which allows them the opportunity of purchasing a tax efficient bicycle and accessories. All Support Centre sites are also equipped with showering facilities and secure cycle parking.

Our Luxury Watch and Jewellery Virtual Boutique provides clients with an online concierge service, without the need for them to travel. To further support a cleaner, greener, online experience, we continued to increase the number of home deliveries made by EVs in the UK and are working across our Group to offer clients more environmentally friendly delivery options.

	FY22			FY23				FY24				2030
	UK	US	Group	UK	US	Europe	Group	UK	US	Europe	Group	Target
Home deliveries by electric vehicles	13%	0%	0%	22%	0%	n/a	17%	32%	0%	n/a	31%	100%

Through our ESG Partner Standards, we encourage supplier partners to continually improve the efficiency of their transportation and logistics and participate in joint industry initiatives, such as EV100, which is a global initiative committed to accelerating the transition to electric vehicles by 2030. The Group's vehicle fleet is considered too small to join this initiative.

PACKAGING

High-quality, durable packaging is necessary to protect the products we sell, however, the Group is committed to limiting excess packaging and introducing more sustainable materials wherever possible to help reduce waste, conserve resources and minimise pollution.

In FY24, we worked with own brand packaging suppliers to secure fit-for-purpose jewellery presentation boxes that appeal to luxury clientele and are recyclable. It is envisaged that current packaging stocks will be used by the end of 2025, enabling us to transition a 100% fully recyclable own brand packaging solution, well ahead of our 2030 target.

	FY23				FY24				2030
	UK	US	Europe	Group	UK	US	Europe	Group	Target
Recyclable packaging (own brand)*	66%	100%	n/a	71%	66%	100%	n/a	71%	100%

* Excludes small magnets and foam which must be separated before recycling.

Our principal packaging suppliers operate to ISO 9001 and ISO 14001 quality standards, and in the UK, we are fully compliant with The Producer Responsibility Obligations (Packaging Waste) Regulations 2007, through the registered compliance scheme.

We are continually looking for ways to make it easier for clients to be greener, including printing reminders to recycle on packaging and gift boxes. Where appropriate, we also ask clients if they would like to reuse presentation boxes to minimise any negative 'end-of-life' environmental impact.

The majority of our branded watch boxes are considered part of the product itself and kept as storage, however, we continue to see innovations in packaging design and production, including fully recyclable, biodegradable, and compostable materials such as mycelium and soluble seaweed that can be reused as plant fertiliser.

BIODIVERSITY AND OUR IMPACT ON NATURE

We recognise nature and biodiversity form the foundation of the world's economy, yet they are deteriorating and declining faster than at any time in human history.

The Group supports the recommendations from the Taskforce on Nature-Related Financial Disclosures and is working to understand risks and opportunities in relation to nature-related issues within our value chain, in order to ensure they are incorporated into our strategic planning, risk management and asset allocation decisions.

Biodiversity and the impact on nature is considered as a factor when procuring products and services, as well as in the design and modification of showrooms, offices, equipment, and processes.

We will not tolerate any harsh or inhumane treatment of animals and all suppliers must conform to relevant international laws and have processes in place to protect endangered species and habitats.

Our Vendor Code of Conduct includes a specific requirement for brand partners and other suppliers to prevent, mitigate and control any impacts from their operations on biodiversity. Our ESG Partner Standards also ask supplier partners to share relevant data and report progress in relation to preserving resources and the rehabilitation of impacted ecosystems. These standards also highlight our goal to offer more socially and environmentally preferable product options.

Clients can choose from a growing number of product options, including watch straps and packaging made from a variety of waste materials, including recycled stainless steel, plastic, rubber and cloth, and we are starting to see more biodegradable packaging options, made from organic matter, such as mushrooms, seaweed and green waste.

Hard woods or hard wood veneers found within items such as jewellery boxes and watch cases, are sourced from reputable, sustainably managed sources and we only allow certified timber in new showrooms, workshops and office designs.

Our Carlton Park Support Centre is set within 32 acres of maintained woodlands and green space, which are home to a variety of plant life and insects. After a series of negotiations with our landlords and local apiarists, we will introduce several beehives in FY25, which will be leased and managed by a local beekeeper, further supporting our ecosystem and the biodiversity of plant and animal life.

WOLF watch winders, watch cases and travel rolls are crafted from a variety of sustainable materials including vegan leather, recycled plastics and sustainably grown Portuguese cork. Their gift boxes and packing materials are also plastic-free and made using FSC paper and recyclable cardboard.

To mark Earth Day on 22 April 2024, our Hallmark Team gifted hundreds of sunflower seedlings to colleagues working in our Carlton Park Support Centre.

The seedlings were accompanied by instructions on how to nurture and grow them into pollination powerhouses to attract butterflies and bees.

This initiative to support local biodiversity is one of many inspired by our GreenVibE colleague incentive scheme.

SUPPORTING A CIRCULAR ECONOMY

The Group is committed to promoting innovation and advancement in circular design, while keeping more watches and jewellery in circulation through our repairs and pre-owned businesses. In FY24, we continued to increase the number of watches kept in circulation through our repairs and pre-owned businesses year-on-year.

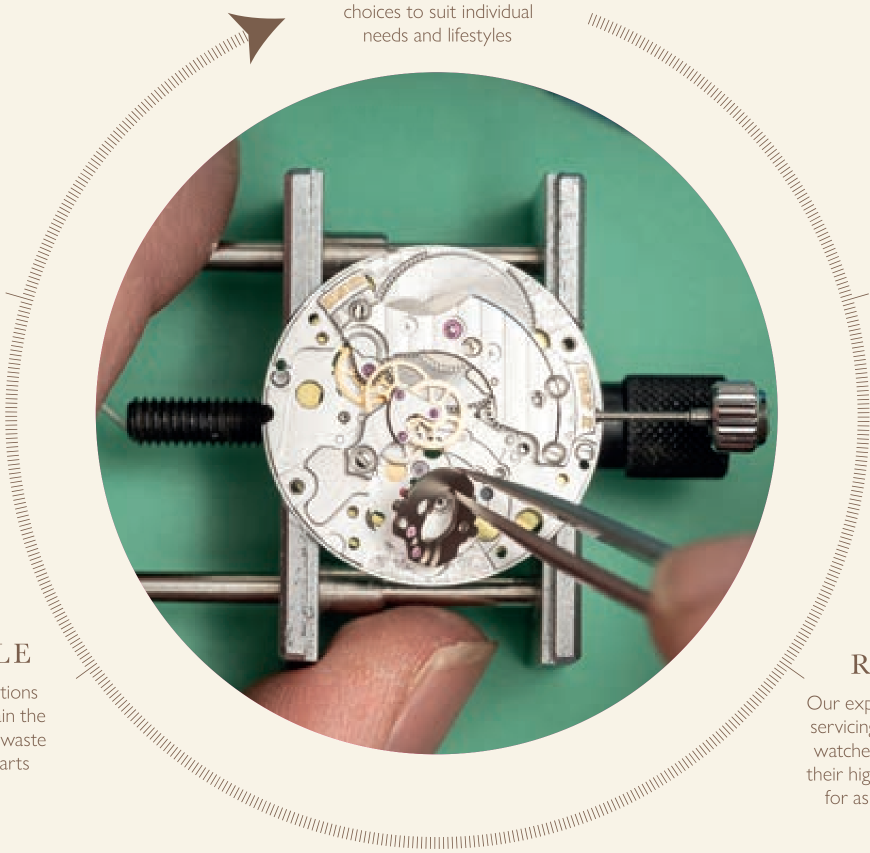
SUPPORTING CIRCULARITY ACROSS OUR GROUP

AVOID

Our expert sales teams are highly trained to help clients make once-in-a-lifetime choices to suit individual needs and lifestyles

REUSE

Our pre-owned business reduces the demand for raw materials and carbon emissions from the manufacturing process



REDUCE

Our high-quality watches and jewellery are designed to last, helping clients to buy less, by buying well

RECYCLE

Our product options increasingly contain the innovative use of waste materials and parts

REPAIR

Our expert after-care and servicing teams help keep watches and jewellery at their highest value and use for as long as possible

REPAIRS AND SERVICING

To help keep more luxury watches at their highest value and utilisation for longer, in FY24, we opened a new Repairs and Servicing Centre in Leicester. This centre is meticulously designed to the highest Swiss standards and will allow our UK teams to accommodate a further 14,000 repairs over the next three years, while providing additional repairs and servicing support for strategic brand partners. It also provides an opportunity to attract and train more watchmakers and technicians, accelerate repair and servicing turnaround times, and support the growth of pre-owned watch sales.

To further expand our repairs and servicing capacity in the UK, we are relocating our Newcastle Watch Workshop from its current location into a larger neighbouring location. This allows for the installation of a state-of-the-art workshop, which will allow us to quadruple the workshop's repairs and servicing capacity once recruited. The Group has the largest luxury watch services provision of any UK retailer.

Despite our continued investment in additional capacity, repairs by expert technicians have been known to take several months to complete. In response to a need to enhance this client journey, in FY24 we launched the first phase of a client-facing repairs system, which allows UK clients to track and monitor the progress of their repairs. A trial of this user-friendly digital interface will launch in our US showrooms in FY25.

In the US, our Repairs and Servicing Group (RSG) comprises two strategically located service centres in Florida and Connecticut. In FY24, we grew our RSG capacity by almost 3,800 sq. ft to accommodate a further 28 watch makers and technicians, and meet demand, with US repairs sales increasing 85% from FY22 to FY24.

PRE-OWNED

Opting for a high-quality pre-owned watch reduces the demand for raw materials and results in less overall energy and waste.

Through our sales channels, we offer clients a curated collection of luxury pre-owned watches and vintage timepieces, including Jaeger-LeCoultre, Patek Philippe, Cartier, Breitling, OMEGA, and TAG Heuer.

In FY24, the Group was proud to become part of the network of Official Rolex Retailers, authorised to sell Rolex Certified Pre-Owned watches in the US and UK.

Our US-based pre-owned watch business, Analog:Shift, is a key contributor to achieving our circularity goal.

Our Rolex Certified Pre-Owned programme is attracting new clients, many of whom see brand-certified, fully warrantied and guaranteed pre-owned timepieces as a more sustainable, accessible alternative to new models. In FY25, we will seek to attract more new clients and tempt current clients, with the introduction of a dedicated shop-in-shop display, supported by targeted marketing campaigns.

SUPPORTING GROWTH

We continue to grow our team of highly skilled and accredited watchmakers; creating work opportunities and supporting local economies, while helping us to keep more watches at their highest utilisation and value for as long as possible.

All three students we sponsored to study at the British School of Watchmaking, successfully completed their course in FY23, and in January 2024, we supported a fourth candidate by paying their course fees in full. Our three US students who participated in accelerated watchmaking training in partnership with the Lititz Watch Technicum under the Swiss American Watchmakers Training Alliance (SAWTA) certification programme, will undergo their final assessment in August 2024 before joining our team of certified watchmakers.

In FY25, a number of trainees will achieve their full brand certifications and join our team of accredited watchmakers. We continue to actively recruit and develop talented individuals into these specialist roles, supported by our considerable investment into training and creating service centres of excellence.

ACADÉMIE HORLOGÈRE DES CRÉATEURS INDÉPENDANTS (AHCI)

In April 2024, we secured a three-year partnership with the AHCI, which exists to preserve traditional watchmaking, support talented watchmakers and promote quality, innovation and creativity.

This non-profit organisation provides watchmaking's rising stars with a platform, as well as support and guidance, as they hone their craft and begin their careers. As an official partner, the Group can support young watchmakers and call on a network of well-established, prestigious watchmakers to help elevate the craftsmanship, precision and allure of luxury watches through events and other promotional activities.

NEW JEWELLERY, OLD MEMORIES

Through our Mappin & Webb business, we have been combining timeless craftmanship with superior quality and contemporary design for over 235 years.

Mappin & Webb's skilled craftsmen and women can restore jewellery items of any age, make, or design to their original glory, and we offer clients a range of repair, cleaning, restoration, and renovation services, alongside the latest branded and fine jewellery collections.

From family heirlooms to flea market finds, items can be skilfully modernised and customised to be enjoyed by future generations or fashionistas, who want to make a statement with jewellery that complements their tastes and lifestyle, while reducing the reliance on raw materials.

In May 2024, our Mappin & Webb business was granted Royal Warrant status to His Majesty the King for the full five-year term. The Group's commitment to sustainability, and reducing our impact on the environment, was a determining factor in our application process.

Our support of a more circular economy is further boosted by our Susan Caplan offering and Betteridge business in the US, which specialise in the restoration of vintage designer jewellery.

SPOTLIGHT ON CIRCULAR DESIGN

After Watches of Switzerland celebrated the exclusive UK launch of the first fully eco-innovative luxury watch, ID Genève, in March 2023, the Financial Times reported in October 2023, that Hollywood actor and environmentalist, Leonardo DiCaprio, had personally invested in the Swiss start-up. It was also reported that the brand had become Switzerland's first luxury watch company to be awarded a 'B Corp' certification.

B Corp is an independent certification awarded to companies demonstrating enhanced commitments to environmental and social goals.

ID Genève's circular model is founded on the principles of the circular economy and based entirely on the reuse of materials, the elimination of waste and pollution, and the regeneration of nature.

DiCaprio said he had invested in ID Genève because the brand was "disrupting the luxury watch industry" and "championing ethically sourced and recycled materials and low-carbon footprint processes in a circular economy".

We will continue to improve colleague knowledge on the principles and practicalities of the circular economy, in order to highlight circular attributes in the products we sell and services we offer and help clients make more sustainable choices.

ID GENEVE

Certified B Corporation

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

We fully support the recommendations of the Financial Stability Board's Task Force on Climate Related Financial Disclosures (TCFD) and continue to evolve our ESG Strategy to ensure potential climate related risks and opportunities are identified and managed in a structured, transparent and measurable way.

During the year, we have continued to make progress in identifying, managing and mitigating material climate related risks and opportunities, and this is reflected in our enhanced CDP score, which improved from a 'C' to a 'B' in 2023. In addition, our determination to provide decision-makers with consistent, comprehensive, standardised information, was underlined by our participation in a trial, funded by Innovate UK, the UK Innovation Agency, to leverage cutting-edge AI technology, to improve our FY25 environmental reporting and support the achievement of sustainability goals.

We are committed to reducing absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030 from a FY20 baseline. We also commit to reducing absolute Scope 3 GHG emissions by 42% within the same timeframe. These near-term targets are aligned to a 1.5°C trajectory and have been verified by the Science Based Targets initiative (SBTi).

In September 2023, we cemented our commitment to caring for our planet, by linking our existing loan facility to the achievement of our science-based emissions reductions targets (SBTs). This provides us with a clearly defined pathway to reduce GHG emissions, help prevent the worst impacts of climate change and future-proof business growth.

We continue to engage strategic brand partners and other suppliers with our climate goals, and in December 2023, Rolex published their commitment to supporting partners in their sustainability efforts and ensuring transparency and exemplary conduct across their entire value chain.

COMPLIANCE STATEMENT

In meeting the requirements of the Listing Rules 14.3.27 R we have concluded that we fully aligned with the TCFD reporting recommendations for the accounting period ending 28 April 2024. In addition, the Group complies with the UK Government's Climate-Related Financial Disclosure (CFD) regulations.

In the table below we set out details of the TCFD reporting recommendations against the eleven disclosure requirements and the CFD disclosure requirements. In assessing our alignment, we referenced the guidance documents referred to in the Listing Rules guidance notes, taking into account the 2021 TCFD all sector guidance.

TCFD disclosure	CFD requirements	Summary of disclosure	More information
		GOVERNANCE	
Describe the Board's oversight of climate related risks and opportunities	**Describe the company's governance arrangements in relation to assessing and managing climate related risks and opportunities**	The Board, led by the Chair, Ian Carter, has overall responsibility for managing climate-related risks, as well as ensuring our strategy creates value and achieves our Purpose: to WOW our clients, while caring for our colleagues, our communities and our planet. Our Board considers climate related issues when reviewing and guiding our strategy, setting business performance objectives and agreeing annual budgets, including major capital expenditures, such as the roll out and maintenance of new HVAC systems across all showrooms. The ESG Committee, chaired by Independent Non-Executive Director, Baroness (Rosa) Monckton MBE, meets at least three times a year and addresses climate related issues. As a Board Committee, it ensures our main Board has supporting information and context when making strategic decisions in relation to key climate related issues. Such issues are officially reported to the main Board as and when key decisions are required, for example, the approval of our ESG Strategy, associated targets and supporting documents, such as our Environment Policy, Vendor Code of Conduct and ESG Partner Standards. The ESG Committee monitors performance against climate related goals and targets, using frameworks such as the CDP questionnaire on climate change, and challenges our ESG Steering Group on progress. The Committee also ensures the Group has an effective risk management system in place, with key climate related risks being principally governed between both our ESG Committee and Audit & Risk Committee, which meets on a quarterly basis.	Climate Governance Framework on page 110 Principal Risks and Uncertainties on pages 130 to 138

TCFD disclosure	CFD requirements	Summary of disclosure	More information
		GOVERNANCE	
Describe management's role in assessing and managing climate related risks and opportunities	Describe the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	Brian Duffy, CEO, has overall operational responsibility for our Climate Strategy and the mitigation of related risks. Anders Romberg, CFO, has day-to-day operational responsibility for identifying and addressing climate related risks and opportunities and chairs a monthly ESG Steering Group. This Steering Group reports into the ESG Committee and is comprised of senior leaders who each have responsibility for assessing and managing climate related risks and opportunities against KPIs aligned to our ESG Pillars of 'People, Planet and Product'. The ESG Steering Group is advised by Kesah Trowell, Head of Sustainability and ESG, who has significant experience in climate related matters. It ensures all operational matters in respect to our ESG Strategy are fully embedded into our wider business strategy and operation, through weekly engagement with our Trading Board and ad hoc, as required. Our Finance Team also plays a key role in ensuring climate related risks and opportunities are embedded into our core business strategy, by making sure they are considered within our budget planning and approval processes. Climate related issues are monitored by the Audit & Risk Committee as part of the review of principal and emerging risks. Each ESG pillar is supported by Working Groups, who also have a responsibility for identifying climate related risks and opportunities. Our Working Groups include senior operational managers who are assisted by input from the Head of Sustainability and ESG and external consultants. These Working Groups meet every four to six weeks and are chaired by specialist ESG Steering Group members. Our Planet Working Group has responsibility for developing and implementing the Group's Climate Strategy, which includes reducing Scope 1 and 2 carbon emissions resulting from buildings and logistics, energy and waste management. Our Product Working Group is responsible for developing and executing our Supply Chain Engagement Strategy, including managing the environmental and ethical impacts of products within our value chain, such as the impact of raw material extraction, manufacturing, packaging and transportation. Each Working Group has joint responsibility for reducing Scope 3 emissions.	ESG Governance on page 71 Climate Governance Framework on page 110
		STRATEGY	
Describe the climate related risks and opportunities the organisation has identified over the short, medium, and long term	Description of 1) the principal climate related risks and opportunities arising in connection with the company's operations, and 2) the time periods by reference to which those risks and opportunities are assessed	We consider climate related risks and opportunities across the short (<5 years), medium (5-10 years) and long-term (>10 years) and these time horizons were considered according to our sector, the life span of our assets, the type of the climate related risks and opportunities we face and the geographies in which we operate. The severity of the impacts we experience is determined by the extent to which the world warms. We therefore considered potential impacts for possible scenarios: • 1.5°C above pre-industrial levels, in line with what the latest climate science says is necessary to avoid the worst physical impacts of climate change with increased transition risk • Below 2°C above pre-industrial levels, in line with gradually increasing stringency of climate policy to limit the physical impacts of climate change • 2-3°C disorderly transition above pre-industrial levels, where the transition to a low-carbon economy is delayed increasing the risk associated with the transition • 4°C above pre-industrial levels, which is our current warming pathway if the world does not take climate action, potentially exposing us to the most extreme physical impacts of climate change We consider risks in terms of both impact and probability. Impact refers to the severity of the consequences that may arise from a risk event, while probability refers to the likelihood or chance of the risk event occurring within the considered climate scenarios. Likelihood is dependent on the scenario considered and is determined through the outputs of the scenario modelling.	Assumptions can be found on page 112 Financial boundaries can be found on page 111

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES
continued

TCFD disclosure	CFD requirements	Summary of disclosure	More information
Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning	**Description of the actual and potential impacts of the principal climate related risks and opportunities on the company's business model and strategy**	Following a strategic review, we assigned financial impacts to identified climate related risks and opportunities, before integrating them into our budget and long-range planning process. Our strategic review process also focused on target setting and issues such as energy efficiency and supply chain transparency, resulting in them being incorporated into our long-term strategy and standard business processes. Strategic opportunities progressed so far include future proofing our Support Centres, and in FY25 we will invest in strengthening our procurement and supply chain management functions to further improve supply chain engagement. We have assessed the potential impacts of identified climate related risks on key suppliers and assigned final risk scores based on: – Exposure to the hazard, derived through modelling the likelihood of the hazard in low and high-carbon scenarios – Vulnerability, assessing the potential impact of the hazard and mitigation actions through interviews and discussions with internal stakeholders and key suppliers The table on pages 114 to 117 includes identified high-rated risks. All identified climate related risks and opportunities were publicly disclosed within our response to the 2023 CDP questionnaire on climate change.	Pages 114 to 117
Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	**An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios**	The Group recognises the importance of taking steps to ensure our assets and business strategy are resilient to the inevitable effects of a changing climate. To test the robustness of our business strategy, we conducted a qualitative and quantitative climate scenario analysis of our business operation in FY22 and on our supply chain in FY23, considering an orderly (1.5°C and 2°C), disorderly (2-3°C) and business-as-usual (4°C) scenario up to 2050. This analysis enabled us to identify key climate related risks and opportunities faced by the Group and understand where in our operations we may be vulnerable. These risks are reviewed on an annual basis. As a result of our analysis, we have enhanced our business processes, for example, we assess climate related risks when negotiating leases and our procurement process asks suppliers to set carbon reduction targets and encourages them to aspire to the objectives of the Paris Climate Agreement to limit global warming to 1.5°C.	Pages 112 to 113
		RISK MANAGEMENT	
Describe the organisation's processes for identifying and assessing climate related risks	**Description of how the company identifies, assesses, and manages climate related risks and opportunities**	Our climate related risks and opportunities sit within detailed risk classification frameworks. The Group defines risk as uncertainty around the organisation's ability to achieve its objectives and execute its strategy effectively. As we consider climate change as a principal risk, related risks are identified and assessed following the same established framework as other significant risks impacting the business. Stakeholder consultation and qualitative climate scenario analysis are used, as well as an analysis of existing and emerging regulatory requirements, to identify key physical and transition climate related risks and opportunities affecting our business operation. We also carried out a mapping exercise of our supply chain, followed by a quantitative Climate Scenario Analysis (CSA) and a series of workshops with internal and external stakeholders, to identify, manage and mitigate climate related supply chain risks. Climate risks are monitored on an ongoing basis, allowing us to identify any changes and make the necessary adaptations.	Climate Risk Management Process on pages 132 to 133

TCFD disclosure	CFD requirements	Summary of disclosure	More information
Describe the organisation's processes for managing climate related risks	Description of how the company identifies, assesses, and manages climate related risks and opportunities	We take the necessary mitigation or adaptation actions to prepare for identified climate related risks, depending on the severity of the risk. Similarly, where opportunities associated with physical or transitional risks are identified, we work to leverage them. The Group has embedded a robust risk management process across all principal risks. Identified risks are incorporated into our Group risk register and risks classified as major or severe are escalated to the Board, whereas minor and moderate risks are handled by the appropriate committee or risk owners.	Principal Risks and Uncertainties on pages 134 to 139
Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management	Description of how processes for identifying, assessing, and managing climate related risks are integrated into the company's overall risk management process	The Group identifies, assesses, and manages climate change as a principal risk through our overall risk management approach. We consider climate related risks and opportunities using the TCFD categories, which cover transition risks (political and legal, market, technology and reputation), and physical risks (acute and chronic), as well as opportunities posed by a transition to a low-carbon economy (resource efficiency, energy source, products and services, market opportunity). Identified risks are mitigated through our established risk management process.	Climate Risk Management Process on pages 132 to 133
METRICS AND TARGETS			
Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	KPIs used to assess progress of targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	We have mapped our supply chain risks identified in our quantitative CSA to metrics, which allow us to track our progress managing these risks. During a workshop with internal stakeholders, we reviewed and approved additional metrics to monitor our supply chain risks such as extreme weather events, extraction of raw materials, introduction of carbon prices and electric vehicle legal requirements. The Group has collected data against these metrics and assigned responsible data owners to monitor them in line with our strategy and risk management process.	Metrics and Targets on page 119
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	N/A	The Group reports Scope 1, 2 and 3 GHG emissions, which are calculated in line with the GHG Protocol methodology. Our figures are externally assured and reported over a three-year period within our Annual Report and Accounts. The methodologies used to calculate our metrics are also reported. As well as the absolute figure, we report our intensity ratios, which allow us to understand the impact of our growing business.	GHG Emissions on page 121
Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	Description targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	Our emissions reduction targets to achieve net-zero GHG emissions by 2050 in line with a 1.5°C trajectory have been validated by the SBTi. The Group commits to reduce absolute Scope 1 and 2 GHG emissions 50% by 2030 from a FY20 baseline. The Group also commits to reduce absolute Scope 3 GHG emissions 42% within the same time frame. These targets are underpinned by a series of goals to help us manage risks and opportunities and these are reported on pages 96 to 99.	Metrics and Targets on page 119

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES
continued

GOVERNANCE OF CLIMATE RELATED RISKS AND OPPORTUNITIES

As part of our continual improvement and in acknowledgement of the serious threat posed by climate change, we regularly review our processes to ensure the management of climate related risks and opportunities is optimised across our Group and value chain. The Board, led by Ian Carter, has overall responsibility for climate related issues and stays informed on current best practice in climate governance by maintaining dialogue with peers, policy makers, investors and other key stakeholders and works to ensure material climate related risks, opportunities and strategic decisions are transparently reported to stakeholders.

The CEO, Brian Duffy, has overall operational responsibility for our climate strategy, including the mitigation of climate related risks and leveraging opportunities identified as a result of a changing climate. Climate related risks and opportunities identified over the short, medium and long term are presented to the Audit & Risk Committee and ESG Committee on an ongoing basis by key representatives from our ESG steering group.

This process ensures materiality is properly assessed at varying levels of our business and the appropriate action is taken. The below governance framework is in place to ensure climate related risks and opportunities are understood, managed, and regularly reported, and that they are integrated into the Group's core business strategy, risk management processes and investment decisions.

BOARD

Overall responsibility for climate-related policy, mitigation of key climate related risks and leveraging opportunities
Chaired by Ian Carter and attended by CEO Brian Duffy

ESG COMMITTEE

- Chaired by Non-Executive Director, Baroness (Rosa) Monckton MBE
- Approves Climate Strategy and related targets
- Reviews progress against set targets
- Reviews key climate related risks and opportunities
- Oversees mitigation strategies
- Ensures appropriate action to meet goals and KPIs
- Ensures adequate resource and funding is in place.

REMUNERATION COMMITTEE

- Chaired by Non-Executive Director, Tea Colaianni
- Considers climate related targets when determining the ESG underpin related to the Group annual bonus
- Ensures incentive framework motivates colleagues
- Renews and approves performance measures for bonus to align with strategic objectives

AUDIT & RISK COMMITTEE

- Chaired by Non-Executive Director, Robert Moorhead
- Considers climate related risks as part of the review of principal and emerging risks
- Oversees compliance and progress on reporting
- Reviews internal controls and provides accountability

ESG STEERING GROUP

- Chaired by CFO, Anders Romberg
- Defines climate related goals, targets and KPIs over short, medium and long-term and monitors progress
- Ensures actions to manage identified climate risks and opportunities are embedded into Group risk management processes, core business strategy and financial decision-making

TRADING BOARD

- Chaired by CEO, Brian Duffy
- Agrees environmental goals, targets and KPIs
- Embeds actions to manage climate related risks and opportunities into core business strategy

KEY COLLEAGUE LEADS & EXPERTS

- Coordinated by Kesah Trowell, Head of Sustainability and ESG
- Identifies climate related risks and opportunities and assesses how they impact the business and value chain in the short, medium and long-term
- Develops action plans to deliver environmental targets, and tracks progress against targets
- Establishes and reviews effective mitigation and controls to manage climate risks
- Day-to-day delivery of climate goals and management of climate related risks and opportunities

PLANET WORKING GROUP

- Led by CFO, Anders Romberg
- Supports delivery of actions to meet goals and targets
- Identifies opportunities to increase climate resilience and leverage opportunities and assesses how they impact the business and value chain in the short, medium and long-term
- Champions positive behaviour changes
- Embeds climate change culture and mindset

PRODUCT WORKING GROUP

- Led by Eric Macaire, Executive Director Global Buying and Merchandising
- Supports delivery of actions to meet goals and targets
- Identifies opportunities to collaborate across the value chain to increase climate resilience and create shared value
- Advocates climate resilience for our industry

ALL COLLEAGUES

Help achieve goals and feed back areas for improvement

STRATEGY

The Group considers climate change to be a principal risk and as such, our approach to mitigating and managing climate-relate risks and leveraging opportunities is incorporated into our core business strategy and operation.

We use the following time horizons across the short, medium, and long-term, which are agreed by the Board and in line with time horizons used when considering wider strategic and business planning.

Impact time horizon	Year from	Year to	Duration
Short term	FY25	FY29	<5 years
Medium term	FY30	FY34	5-10 years
Long-term	FY35	FY35+	>10 years

The timeframes were defined according to the retail sector and the nature of the climate related risks we face, such as physical risks, ensuring business continuity, changing consumer preferences, regulatory changes and reputation. We also considered the long lifespan of our assets, our infrastructure and the geographies in which we operate.

Our risk classification scoring is as follows:

	Financial impact	EBIT impact	Probability
1	Negligible	< 1% of EBIT	Rare
2	Minor	1-5% of EBIT	Unlikely
3	Moderate	5-10% of EBIT	Moderate
4	Major	10-20% of EBIT	Likely
5	Severe	> 20% of EBIT	Almost certain

The financial impact of a risk includes any potential control and mitigation costs incurred to manage the risk and the cost of repair/replacement programmes or loss of revenue if the risk were to be realised.

	Risks	Opportunities
Climate related risks and opportunities identified during a CSA of our business operations	Extreme weather events disrupting key sites and IT systems	Energy efficiency initiatives across our property portfolio and introduction of Uninterruptable Power Supplies (UPS)
	Increased energy requirements	Procuring renewable energy
	Changing consumer preferences	Promoting the longevity of well-made watches and jewellery, along with our pre-owned and repairs offerings

A further identified risk in relation to the 'Legal requirement for an electric or alternative fuel fleet in the UK has been declassified, following the UK Government's decision in December 2023 to extend trade rules on electric vehicles until the end of 2035.

Our Climate Scenario Analysis considered the following scenarios using data from publicly available third-party sources, Network for Greening the Financial System (NGFS) and IPCC Shared Socioeconomic Pathways:

Scenario	Transition scenario	Physical scenario
1.5°C – Rapid transition to a global low-carbon economy – Unified regulations and ambitious climate policies are implemented immediately and smoothly	NGFS net-zero GHG emissions by 2050	Not considered*
Below 2°C – Steady transition to a global low-carbon economy – Required by the TCFD recommendations – Aligns with the Group's net-zero GHG emissions target	NGFS below 2 degrees	IPCC SSP1 RCP2.6
2-3°C disorderly transition – Delayed and disorderly transition leading to notable transition and physical impacts	NGFS delayed transition	IPCC SSP2 RCP4.5
4°C – Business-as-usual emissions – Assumes climate inaction – No additional policies are implemented to address the climate agenda and temperatures rise to 4°C above pre-industrial levels	NGFS current policies	IPCC SSP5 RCP8.5

*Below 2°C scenario has been used which is also a low-carbon scenario.

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES
continued

Assumptions and estimates included within the qualitative and quantitative CSA are shown in the below tables:

QUALITATIVE CLIMATE SCENARIO ANALYSIS

Physical risks	
Flooding and wind	– Flood events are assumed to only impact the floor the Group occupies. Each floor is assumed to be 3m (10 ft) high – For the UK, fluvial/river flooding is the dominant form of flooding – For Florida in the US, fluvial flooding dominates in the lower return periods, whilst coastal flooding driven by hurricanes dominates in the higher return periods – Stock, fixtures and fittings and IT equipment values have been taken at their net book value – Group sites and assets are assumed to be static to isolate the climate signal from extreme weather events
Heating and cooling (changing energy costs)	– Proportion of energy used at all showrooms by heating and cooling is constant – Energy consumption remains constant over time to isolate the climatic signal
Transition risks	
Carbon pricing on Scope 1 and Scope 2 emissions	– NGFS carbon price data taken to be applied to all Scope 1 and Scope 2 operational emissions – Carbon price is applied in replacement of the Climate Change Levy (CCL) from 2020 onwards, which could result in cost savings

QUANTITATIVE CLIMATE SCENARIO ANALYSIS

Transition risks	
Carbon pricing exposure	– 2°C scenario assumes that a carbon price is applied uniformly across all countries – Stainless steel was selected as the material of focus since it is the largest single material in quantity in a wristwatch – We estimated that the content of stainless steel per wristwatch is approximately 100g – We calculated the carbon footprint of a watch based on the estimated emissions associated with the production of stainless steel – We assumed that the stainless steel used in the production of the watches is imported into the European Union to be further transformed

Following our qualitative CSA, we conducted a quantitative CSA for our direct operations to quantify the potential financial impact, as well as other business impacts, such as consumer sentiment and impacts to our value chain in relation to key risks.

Additionally, the assessment allowed the Group to identify risk hotspot locations to inform mitigation actions. The following physical risks were analysed in the quantitative CSA:

– Extreme weather events disrupting offices and distribution centres
– Increased office and showroom energy requirements for heating and cooling

To assess the exposure of our sites to extreme weather events and increased energy requirements for heating and cooling, we considered the following indicators:

– Fluvial flooding
– Hurricane flooding
– Days exceeding 35°C and 38°C
– Cooling degree days (the sum of the number of degrees that a day's average temperature is above 18°C)
– Heating degree days (the sum of the temperature increment between the day's average temperature and 18°C and the number of days this occurs)
– Wind speed

The key findings have enabled the Group to identify climate related risk areas within our operations and implement adaptive measures as described in the risk table on pages 114 to 117, allowing us to strengthen the resilience of our strategy to climate related risks and opportunities.

The impact of carbon pricing on energy consumption and direct emissions was also considered. Although this risk was identified as a medium risk in the qualitative CSA, further assessment showed a low risk.

In FY24, key decision-makers participated in a workshop, run by external consultants, to understand carbon pricing and its impacts, including how it can help to identify risks directly linked to our Scope 1 and 2 emissions. The workshop provided an understanding of costs surrounding potential market changes, as well as policy and technological changes intended to facilitate the transition to a low-carbon economy.

SUPPLY CHAIN ANALYSIS

To discuss, determine and consider climate related risks and opportunities that could have a material impact within our supply chain, we have engaged with internal and external stakeholders through a series of workshops.

Key logistics routes, storage sites and warehouses within our supply chain were identified and the impacts of risks caused by the identified hazards were assessed in both a low-carbon and high-carbon scenario up to 2040.

	Risks	Opportunities
Climate related risks identified during a mapping exercise and CSA of our supply chain	Extreme weather events disrupting logistics, caused by hazards including: – Extreme precipitation at two logistics sites in the UK – Extreme heat at one logistics site in the US – Cyclones and hurricanes at one logistic site in the US	Improve business continuity and planning
	– Raw material extraction (minerals and agriculture) disrupted – Extreme heat at a stainless-steel mining location in China	Build climate related clauses into relevant contracts
	Introduction of carbon pricing	

The results of our supply chain quantitative CSA have highlighted the robustness and resilience of the Group's supply chain management when faced with value chain climate related risk, in both a low and high-carbon scenario, and we have found that the overall impact to the Group's operations is low for the risks analysed so far.

From a logistics perspective, the Group has flexibility to work with various suppliers across all geographies it operates within, in order to fulfil door-to-door deliveries and web orders should one supplier be impacted by potential climate risks. In the UK, this includes leveraging a relationship with an alternate logistics partner to fulfil deliveries directly to showrooms should a supplier be impacted by a climate related risk. Past global events such as the pandemic, where the Group's operations were not significantly impacted, have demonstrated the resilience of our logistics operations and ability to adapt to change.

From a financial perspective there would be little to no impact in either scenario due to the ability to swiftly switch suppliers, which is built into our business continuity plan. This has also been considered in the budget timelines looking ahead 12 months and the Long Range Plan to FY28. In some instances, switching logistics partners would result in a cost saving, due to the premium delivery services of one of our suppliers.

Our analysis found that the Group's own suppliers have well-established climate risk mitigation actions in place.

Engagement with a key supplier is in progress to assess their risk exposure against extreme heat in sourcing locations and the risk of carbon pricing on stainless steel. Finalising the assessment will allow the Group to understand the vulnerability scores to both climate hazards.

In FY25, to support further supply chain engagement, the Group has plans to enhance our procurement and supply chain management capability and leverage machine learning technology to improve the quality of our Scope 3 emissions data and reporting.

We continue to explore these risks and opportunities in further detail, integrating the analysis further into our business strategy and risk management processes as well as focusing on developing longer-term climate mitigation and adaptation planning such as reducing carbon emissions and adjusting to the current and future effects of climate change.

CLIMATE RELATED RISKS

Our commitment to reach net-zero GHG emissions and manage emerging risks associated with extreme weather and increasing temperatures presents physical and transitional risks, as well as opportunities, to our business.

Risks are prioritised using impact ratings of Low, Medium, or High, and are determined by combining the likelihood of the risk arising, with the potential impact of the risk, should it happen. This impact scoring is in line with the Group's risk register where the materiality of each risk is considered.

We consider risks and opportunities using the TCFD categories, which cover transition risks (political and legal, market, technology and reputation) and physical risks (acute and chronic), as well as opportunities presented within the transition to a low-carbon economy (resource efficiency, energy source, products and services and market opportunity).

When assessing risks, we consider all our geographies. We have a relatively small number of operational sites (offices, showrooms and distribution centres) across the UK, US and Europe, however, risks are likely to vary across different regions and site types.

The process for identifying and assessing climate related risks and opportunities is set out in our Climate Governance framework on page 110. The risks could potentially result in changes to the demand for our products, our operational costs, the regulatory environment, and present a physical risk to our operational sites in addition to supply chain risks. The risks are composed of a combination of interrelated elements that could impact the Group.

The following table on pages 114 to 117 includes all High rated risks we have identified pre-mitigation, which is where we are focusing our adaptive initiatives. While Medium or Low risks considered are not reported in this table, all identified risks are publicly disclosed within our annual response to the CDP questionnaire on climate change. All identified climate related risks and opportunities are reviewed bi-annually.

While all risks below have been rated as High, more significant impacts will be experienced for climate related physical risks under higher warming scenarios 4°C whereas the impacts of transition risks will be more significant under lower warming scenarios.

To achieve our emissions reduction targets, active holistic management of all climate related risk components is important. Emission reduction pathways consider the direct and supply chain impacts on biodiversity and the impact that the changing climate may have on the viability of initiative selection.

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES
continued

HIGH CLIMATE RELATED RISKS RELATED TO OUR DIRECT OPERATIONS

Risk type	Risk category	Scenario	Time horizon: Short	Time horizon: Medium	Time horizon: Long
ACUTE PHYSICAL Cyclone, hurricane, typhoon	Physical	● <2°C ● 4°C			

DETAIL
In the US (particularly Florida) hurricanes are an annual occurrence which could disrupt the ability to receive products and distribute them around the country.

MITIGATION
We have insurance policies in place to cover financial losses, either partially or fully and based on international spread and our showroom presence. Physical controls are also in place. Suppliers are able to send products directly to showrooms.

Magnitude of impact: post-mitigation	Likelihood of impact: post-mitigation	Financial impact:
Minor	Likely	1-5% of EBIT

Risk type	Risk category	Scenario	Time horizon: Short	Time horizon: Medium	Time horizon: Long
ACUTE PHYSICAL Flood (coastal, fluvial, pluvial, groundwater)	Physical	● <2°C ● 4°C			

DETAIL
Increased extreme rainfall could lead to flash flooding and increased fluvial flooding.

Specific considerations made in relation to pluvial flooding at key distribution locations.

MITIGATION
Showrooms are generally leased for <10 years, so this has not been identified as a material 'stranded assets' risk linked to gradual sea-level rise.

As leases expire, we carry out a case-by-case review and have the option of relocating showrooms to areas with less risk.

Risk assessments carried out at key distribution locations indicated a low risk with supplier ability to send products directly to showrooms if required.

Magnitude of impact: post-mitigation	Likelihood of impact: post-mitigation	Financial impact:
Minor	Likely	1-5% of EBIT

Risk type	Risk category	Scenario	Time horizon: Short	Time horizon: Medium	Time horizon: Long
CHRONIC PHYSICAL Changing temperature	Physical	● <2°C ● 4°C			

DETAIL
A changing climate and extreme weather events are likely to increase energy consumption associated with heating and cooling. There is also an increased risk of energy blackouts.

MITIGATION
Continued engagement with landlords to ensure the most up to date and efficient energy processes are in place.

Investment in the most efficient and reliable HVAC systems which are regularly serviced.

Temperatures are set and HVAC systems automatically switch off when colleagues leave the premises at night.

We have uninterruptable power supplies in place to allow computers to keep running if energy flow is disrupted, along with battery storage solutions.

Magnitude of impact: post-mitigation	Likelihood of impact: post-mitigation	Financial impact:
Negligible	Moderate	<1% EBIT

* 1.5°C scenario reported in our FY23 disclosure has been corrected to reflect the analysis undertaken

HIGH CLIMATE RELATED RISKS RELATED TO OUR DIRECT OPERATIONS

Risk type	Risk category	Scenario	Time horizon: Short	Time horizon: Medium	Time horizon: Long
LEGISLATIVE Cost of non-compliance with environmental legislation Adaptation and mitigation activities	Transition	n/a			
DETAIL Head of Sustainability and ESG, along with governance structure and technology in place to ensure the Group is compliant. **MITIGATION** The cost of non-compliance would be significant, however, regulatory requirements are closely monitored by our Head of Sustainability and ESG and are supported by strong governance processes. External expertise is used as required when opening showrooms in new jurisdictions. We will be trialling AI to provide real-time monitoring of environmental legislation and to highlight gaps in the Group's business strategy and reporting for timely consideration and action through our governance structure.			**Magnitude of impact: post-mitigation** Negligible	**Likelihood of impact: post-mitigation** Unlikely	**Financial impact:** <1% EBIT
LEGISLATIVE Cost of compliance with environmental legislation	Transition	n/a			
DETAIL Governance structures in place to assess the cost of compliance with environmental legislation and ensure it is factored into our budgeting cycles where necessary. **MITIGATION** While the Group considers compliance with environmental legislation non-negotiable, in FY25 we will strengthen our procurement function to ensure that we partner with suppliers that adhere to our ESG Partner Standards and deliver the best value for money.			**Magnitude of impact: post-mitigation** Negligible	**Likelihood of impact: post-mitigation** Likely	**Financial impact:** <1% EBIT

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES
continued

HIGH CLIMATE RELATED RISKS RELATED TO OUR DIRECT OPERATIONS

Risk type	Risk category	Scenario	Time horizon		
			Short	Medium	Long
ACUTE PHYSICAL Extreme heat Logistics Hub, Memphis, Tennessee (third-party)	Physical	● <2°C ● 4°C			

DETAIL

Flexibility and ease of switching logistics partners in case of outage is built into our business continuity plan.

Due to the nature of our product, delays at third-party distribution centres would not have a significant impact on our operations as the Group has strong client relationships and communications in place for such delays.

MITIGATION

The third-party site has implemented various mitigation actions to limit disruption from extreme heat following a critical incident involving a worker, including the deployment of tower breezers, water fountains, ice machines and the frequent distribution of water bottles to workers.

A new building is under construction that can withstand extreme heat and maintain a constant working temperature of 50-80°F. The hub also has the flexibility to transfer items between buildings to ensure the continuity of deliveries.

Magnitude of impact: post-mitigation	Likelihood of impact: post-mitigation	Financial impact:
Negligible	Likely	1-5% of EBIT

Risk type	Risk category	Scenario	Time horizon		
			Short	Medium	Long
REPUTATION Expectations for responsible conduct from stakeholders, including investors, lenders and clients	Transition	n/a			

DETAIL

Expectations for responsible conduct from stakeholders, including investors, lenders and clients.

MITIGATION

- Growth of our pre-owned business
- Our goal is to achieve full traceability of products in line with our ESG Partner Standards
- Supplier partners must agree with the terms of our Vendor Code of Conduct, or have its own equivalent, and comply with all international laws and regulations
- We conduct third-party on-site audits to help us to safeguard the integrity and reputation of our business operation and partnerships
- We have begun to highlight the sustainable attributes of the products we sell and services we offer, and in February 2024, launched client-facing sustainability pages across our ecommerce platforms

Magnitude of impact: post-mitigation	Likelihood of impact: post-mitigation	Financial impact:
Negligible	Likely	<1% EBIT

CLIMATE RELATED OPPORTUNITIES

While we recognise these risks, the opportunity around the transition to a low-carbon economy is also significant. Key opportunities identified during our qualitative CSA are detailed below:

Opportunity	Risk category	Type	Time horizon: Short	Time horizon: Medium	Time horizon: Long
DOWNSTREAM Marketing on the prolonged lifetime of watches and jewellery to encourage clients to retain and repair watches and jewellery instead of disposing of them	**High** Transition	Products and services			
DETAIL Marketing to retain and repair products instead of disposing of them.	**Financial planning considerations** 10-20% of EBIT	**Explanation of financial impact figure** – To realise this opportunity, we are committed to promoting the more sustainable attributes of the products we sell and services we offer, including repairs and servicing – We have increased our repairs and servicing capacity to include a new 6,000 sq. ft Repairs and Servicing Centre in the UK to provide additional repairs and servicing support for strategic brand partners – We have launched a new Rolex Certified Pre-Owned business in the UK and US and promote the sale of pre-owned watches in the UK and US through our Analog:Shift business – We continue to grow our team of highly skilled and accredited watchmakers to work in our repairs and servicing centres – We are supporting new watchmakers through apprenticeships and sponsorships, including a new partnership with the AHCI			
DIRECT OPERATIONS Energy efficiencies in showrooms, offices and distribution centres and use of renewable energy in showrooms and offices	**High** Transition	Energy source and resource efficiency			
DETAIL Use of lower-emission sources of energy.	**Financial planning considerations** <1% of EBIT	**Explanation of financial impact figure** – In line with our energy strategy, 100% of UK showrooms within our control are powered by renewable electricity with Renewable Energy Guarantees of Origin (REGOs) – At the time of this report, we are working to secure Renewable Energy Certificates (RECs) for our US properties – 81% of properties across our Group use LED lighting and this is standard in all new properties – We have installed a Variable Flow System (VRF) with heat pumps in Carlton Park Support Centre – We have been given permission by our landlord to install solar panels on Carlton Park Support Centre roof			
SUPPLY CHAIN Proactive collaboration with suppliers to reduce energy	**High** Transition	Resource efficiency			
DETAIL Use of lower-emission sources of energy.	**Financial planning considerations** <1% of EBIT	**Explanation of financial impact figure** To realise this opportunity, we are engaging with our suppliers to identify the most energy intensive areas of our business. We are also improving our energy management system, which will help us to reduce energy consumption and therefore carbon emissions.			

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES
continued

CLIMATE RISK MANAGEMENT

The Group defines risk as uncertainty around the ability to achieve its objectives and execute its strategy effectively. We consider climate change as a principal risk to better manage associated risks and opportunities.

The Group has embedded a robust risk management process across all principal risks which is outlined on pages 130 to 131. Each business function informs the Director of Risk and Audit of relevant risks, who then informs the Risk and Audit & Risk Committee and Board.

Our risk management framework helps identify, assess, manage, and monitor risks to within the risk appetite set by the Board, while taking advantage of opportunities as they are presented. Management is responsible for minimising any adverse exposure to the Group and its stakeholders.

To identify and assess climate related risks within our business operation, we conducted a qualitative climate scenario analysis and the results are reported within the strategy section of our TCFD disclosure. The classification of climate risks identified is outlined in the strategy section of our disclosure and is in line with the Group's risk register, with the materiality of each risk being considered. Our climate risks and opportunities now sit within detailed risk classification frameworks with financial boundaries. Further details can be found on page 111.

To help us identify, manage and mitigate climate related supply chain risks, we carried out a mapping exercise, followed by a CSA and series of workshops with internal and external stakeholders.

In February FY24, as a result of our CDP gap analysis, we invited third-party consultants to host a workshop to explore carbon pricing, including setting an internal carbon price. The workshop was a useful exercise, resulting in the decision not to introduce this mechanism at this time, due to the size of our business and low Scope 1 and 2 emissions relative to Scope 3.

Climate risks are monitored on an ongoing basis, which allows us to capture any changes and adapt fluidly.

METRICS AND TARGETS

The Group is committed to achieving net-zero GHG emissions by 2050 and our near-term emissions reduction target has been verified by the Science Based Targets initiative (SBTi). Our Scope 3 categories included in our science-based target are disclosed on page 121.

Public commitments	Near-term SBTs aligned to 1.5°C under Paris Climate Agreement	Net-zero
Scope 1 and 2	50% reduction in absolute emissions by 2030 from a FY20 base year	2050
Scope 3	42% reduction in absolute emissions by 2030 from a FY20 base year	

The Group responded to the CDP questionnaire on climate change for the second time in May 2023 and achieved our ambition to improve our initial score from 'awareness' to 'management' (C to B). Since receiving our score, we have carried out a gap analysis to identify areas for further improvement and have built them into our ESG Strategy.

In September 2023, we reinforced our commitment to climate resilience, by linking our existing loan facility to the achievement of our near-term science-based emission reduction targets and circularity goals, and supported a weekly incentive for all colleagues. For more information about remuneration and our ESG goals, please see page 161.

We have implemented several emission reduction initiatives across our operations and value chain as part of our strategy to achieve net-zero GHG emissions by 2050 which are reported on pages 95 to 99 of this report.

Risk	Scope	Metrics to monitor risks	Targets to monitor risks	FY23	FY24	Change	YOY change
Extreme weather events disrupting offices and distribution centres	Group	Strategic sites reviewed and appropriate contingency plans in place until lease expiry	All properties reviewed for exposure to extreme weather events*	43%	38%	(5)%	
Increased energy requirements	Group	% of electricity from renewable sources	Transition to 100% renewable energy wherever possible (including landlord energy supplies) by 2025	77%	70%	(7)%	
	Group	Number of properties we control fitted with LED lighting	Transition to 100% LEDs in properties we control and where installation is financially and practically viable by 2025*	84%	81%	(3)%	
Changing consumer preferences	Group	Number of product repairs, servicing and sales of pre-owned watches as a percentage of the number of new watch sales	Year-on-year increase in watches kept in circulation through repair, servicing and/or resale, measured by % of new watches sold	44%	46%	2%	
		Engagement with brand partners and other suppliers	50% of product suppliers aligned with relevant, well recognised sustainability standards or certifications by 2025	35%	44%	9%	
		% of own brand packaging recyclable	Own brand packaging fully recyclable by 2030	71%	71%	–	

The below table summarises the metrics the Group will use to monitor our supply chain risks going forward.

Risk	Metrics to monitor risks	Targets to monitor risks	FY23	FY24	Change	Progress
Extreme weather events disrupting offices and distribution centres	Monitoring the cost of extreme weather damage across sites on an annual basis	Annual assessment of costs associated with the reinsurance of offices and distribution centres	Complete	Complete	n/a	
Raw material extraction (minerals and agriculture) disrupted	Keeping watches in circulation through repairs, servicing and our pre-owned business as % of new watches sold	Year-on-year increase in watches kept in circulation through repair, servicing and/or resale, measured by % of new watches sold	44%	46%	2%	
Carbon price introduced	Annual reduction in Scope 1, 2 and 3 intensity metrics**	50% reduction in Scope 1 and 2 emissions by 2030 from a FY20 baseline	0.0025	0.0028	(0.0003)	
		42% reduction in Scope 3 emissions by 2030 from a FY20 baseline	0.1100	0.1066	0.0034	

KEY Increase No change Missed target

* Missed target as a result of an increased property property portfolio in FY24
** More information on pages 94 to 95

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES
continued

CLIMATE ACTION PROGRESS ROADMAP

The timeline below summarises progress and key steps taken by the Group to ensure potential climate related risks and opportunities are identified and managed in a structured, transparent and measurable way.

FY21

- ESG Committee established, responsible for risk identification and management
- Disclosure of our first voluntary TCFD Annual Report narrative
- Collaboration with an external consultancy to undertake a TCFD gap analysis to identify potential gaps against TCFD recommendations
- Undertook a qualitative and quantitative CSA of our operation against multiple scenarios

FY22

- Increased climate change to a principal risk
- Board Chair given overall responsibility for climate related issues
- Measured Scope 3 emissions for the first time covering FY20, FY21 and FY22
- Committed to setting near-term science-based targets through the Science Based Targets initiative (SBTi)
- Scope 1, 2 and 3 emissions externally verified

FY23

- Near-term SBTs (across all Scopes) were externally verified by the SBTi
- Financial boundaries and planning process defined
- Responded to CDP questionnaire on climate change for first time and scored a C
- Provided a CSA education workshop for key internal stakeholders
- Conducted a quantitative CSA on key climate related risks across our value chain
- Reviewed the supply chain risks and associated metrics and targets
- Supply Chain Engagement Strategy initiated to help manage and mitigate our value chain emissions
- Continued to implement EcoVadis, to help manage our value chain emissions
- Embedded ESG into our budgeting and planning process

FY24

- Improved our CDP score from a C to a B
- Strengthened our approach to risk management to ensure identified risks are properly integrated into our business strategy and risk management processes
- Participated in a project to trial AI to improve reporting and longer-term climate mitigation and adaptation planning
- Held a third-party consultant facilitated workshop to understand the impact of internal carbon pricing and technological changes to facilitate the transition to a low-carbon economy

FY25+

- Set a long-term SBT across all Scopes and apply to the SBTi
- Use our CDP gap analysis to understand and implement areas for continued improvement
- Purchase Renewable Energy Certificates in the US
- Continue Group LED lighting roll out
- Leverage AI to support supply chain engagement and improve our Scope 3 emission data
- Renew CSA of our business operations to ensure compliance with the CFD requirements

EMISSIONS TABLE

	FY24				FY23**				FY20 baseline**		
Global GHG emissions data	**UK**	**Europe**	**US**	**Total**	**UK**	**Europe**	**US**	**Total**	**UK**	**US**	**Total**
Scope 1: Direct combustion from owned and controlled sources (tCO_2e)	162	–	73	**235**	133	–	126	**259**	264	64	**328**
Scope 2: Indirect emissions from the generation of purchased electricity, heat, steam or cooling (Location-based) (tCO_2e)	2,194	29	1,775	**3,998**	1,687	8	1,912	**3,607**	2,344	1,456	**3,800**
Total Gross Scope 1 and 2 (tCO_2e)	**2,356**	**29**	**1,848**	4,233	**1,820**	**8**	**2,038**	3,866	**2,608**	**1,520**	4,128
Total energy consumption associated with the Scope 1 and 2 emissions (kWh)	11,144,098	264,590	5,058,515	**16,467,203**	9,311,919	111,711	5,217,844	**14,642,474**	10,281,037	3,969,453	**14,250,490**
Scope 3 emissions											
Category 1 – Purchased goods and services [(1)]	74,089	880	54,157	**129,126**	81,088	556	52,917	**134,561**	63,373	21,977	**85,350**
Category 2 – Capital goods [(1)]	18,754	407	7,531	**26,692**	17,684	1,429	7,608	**26,721**	6,552	3,698	**10,250**
Category 3 – Fuel- and energy-related activities [(2)]	744	16	417	**1,177**	619	7	473	**1,099**	606	392	**998**
Category 4 – Upstream transportation and distribution [(1)]	838	11	1,120	**1,969**	877	7	1,695	**2,579**	704	851	**1,555**
Category 5 – Waste generated in operations [(3)]	8	–	2	**10**	24	2	8	**34**	7	–	**7**
Category 6 – Business travel [* (4)]	–	–	–	**2,015**	–	–	–	**1,781**	–	–	**917**
Category 7 – Colleague commuting [(5)]	1,845	918	40	**2,803**	2,025	23	730	**2,778**	1,318	426	**1,744**
Category 11 – Use of sold of products [* (6)]	–	–	–	**6**	–	–	–	**7**	–	–	**1**
Category 12 – End-of-life treatment of sold products [(7)]	107	32	1	**140**	106	–	32	**138**	70	6	**76**
Total gross scope 3 (tCO_2e)	**96,385**	**2,264**	**63,268**	**163,938**	**102,423**	**2,024**	**63,464**	**169,698**	**72,630**	**27,350**	**100,899**
Total gross emissions (tCO_2e)				**168,171**				**173,564**			**105,027**

	FY24			FY23			FY20 baseline**		
Emission intensities	**UK and Europe**	**US**	**Total**	**UK and Europe**	**US**	**Total**	**UK**	**US**	**Total**
Revenue (£'000)	846,043	691,832	**1,537,875**	889,858	652,928	**1,542,786**	585,473	225,039	**810,512**
Scope 1 & 2 Intensity ratio (tCO_2e per £'000 revenue)	0.0028	0.0027	**0.0028**	0.0021	0.0031	**0.0025**	0.0045	0.0068	**0.0051**
Scope 3 Intensity ratio (tCO_2e per £'000 revenue)*			**0.1066**			**0.1100**			**0.1245**
Scope 3 Intensity ratio (tCO_2e per sq. ft)*			**0.2261**			**0.2561**			**0.2037**
Total Emissions Intensity Ratio (tCO_2e per £'000 revenue)			**0.1094**			**0.1125**			**0.1296**
Total emissions intensity ratio (tCO_2e per sq. ft)			**0.2320**			**0.2619**			**0.2121**

* **Calculated as Group Figure.**

** **The FY23 and FY20 Baseline Scope 3 figures have been updated**

Methodology

The Group's approach to calculating and reporting its greenhouse gas (GHG) emissions follows the WRI. WBCSD GHG Protocol Corporate Accounting and Reporting Standards (Revised) on how to measure and monitor GHG emissions.

Scope 1 and 2 emissions have been reported above where the Group has operational control of a property or an asset. This includes properties which the Group operates but which are not included a leases within the Financial Statements on account of the substitution rights the landlords have (as noted within note 1 of the Financial Statements).

The Group uses six external data sources for emissions factors, being:

1. UK Government GHG conversion factors for company reporting (2023 Department for Business, Energy & Industrial Strategy (BEIS) condensed set, full set and methodology). These are used to convert our car fleet mileage to kWh and tCO_2e, and our electricity, gas and refrigerant usage to tCO_2e.
2. US Environmental Protection Agency (EPA) (eGRID) emissions factors for greenhouse gas inventories for US electricity generation (eGRID 2023) and US EPA GHG equivalencies calculator to convert therms to tCO_2e for gas usage.
3. Manufacturers' emissions factors for cars, uplifted for the UK real-world factor (2023 BEIS Government GHG conversion factors for company reporting).
4. European Environment Agency GHG emission intensity for conversion of electricity kWh to tCO_2e for Germany, Denmark and Sweden.
5. Sustainable Energy Authority of Ireland conversion factors for conversion of Ireland electricity kWh to tCO_2e.
6. CEDA ("Comprehensive Environmental Data Archive") EEIO (Environmentally-Extended Input Output) purchaser price country specific spend-based emission factors with the exception of cost of sales expenditure where US producer price emissions factors were used.

All Scope 3 emission calculations follow the guidelines and methodologies that are outlined in the Greenhouse Gas Protocol. The Greenhouse Gas Protocol is the most widely used greenhouse gas accounting standard. It provides a framework for businesses and governments to measure and report their greenhouse gas emissions.

Emission Conversion Factors from the BEIS and the EPA have been used. For US operations, emission factors from the International Energy Agency have also been used for the estimation of emissions relating to T&D losses See below more information regarding the methodology and data sources that were used for the Scope 3 calculations.

1. A combination of supplier specific data and spend based emissions factors from Environmentally Extended Input Output CEDA Global version 6 database have been employed. Refer to page 95 for more details.
2. Well-To-Tank (WTT) and Transmission and Distribution (T&D) emissions have been calculated using the BEIS and IEA emission factors for the Group's electricity, natural gas and fuel used in Company owned vehicles.
3. Emissions related to the Group's office and showroom waste disposal activity. Emissions calculations have taken into consideration % of waste landfilled and % of waste diverted from landfill. BEIS emission factors have been used.
4. Business travel emission consider emissions relating to Hotel Stays, Flights, Taxi rides as well as Tube/Rail journeys. A combination of both EEIO spend-based and BEIS emission factors have been used.
5. Colleague commuting and home working emissions have been calculated using EcoAct's proprietary. Homeworking emissions Whitepaper (https://info.eco-act.com/en/homeworking-emissions-whitepaper-2020).
6. Emissions that relate to the energy consumed from the Group's Quartz and Smart watches that require electricity for the charging of their battery.
7. Emissions relating to the disposal of product packaging. BEIS emission factors are used for UK operations while EPA factors have been used for US operations. Note – emissions relating to the disposal of watches and jewellery have been excluded from the calculation as these products are high in value and they are either repurposed or resold within a 100-year timeframe.

The Scope 1, 2 and 3 emissions and energy consumption data for FY24 have been independently assured through a limited assurance engagement conducted in accordance with International Standard on Assurance Engagements (ISAE) 3410 'Assurance Engagements on Greenhouse Gas', by BDO LLP.

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES
continued

EMISSIONS REBASELINING POLICY

As our business grows and we seek to improve the quality of our emissions data, it is necessary to rebaseline our GHG emission targets in line with best practice.

The baseline for our metrics is FY20. In line with the Greenhouse Gas Protocol, the Group will re-baseline these figures in subsequent annual reporting, when the following occurs: structural changes that affect the inventory boundary (such as acquisitions or divestments); the methodology for emission calculation changes (such as improvements in data); and the scope of emissions boundary changes. A material difference to trigger a re-baselining exercise is returning a variance of greater than or equal to 5%.

Categories 1, 2 and 4 within Scope 3 of FY20 and FY23 have been restated to reflect the hybrid reporting approach discussed on page 95. Additionally, the CEDA emissions factors have been updated to use purchaser price country specific spend based emissions with the exception of cost of sales expenditure where US producer price emissions were used. Country-specific purchaser emissions factors have been used where possible as they represent the unique country structures of where the service took place. The updates further enhance the quality of our reported data. FY23 was restated to allow for accurate comparison to prior year data.

Oris is a 120-year-old independent brand out of Holstein, Switzerland. The brand is certified climate and carbon neutral as of 2021 and publishes a sustainability report every year. The brand is focused on not only making inclusive luxury watches, but also watches focused on conservation and sustainability. Case in point, the Oris X Bracenet Aquis models, which feature dials made from abandoned ghost fishing nets. Uniquely, the brand organises clean up events on a regular basis globally, bringing collectors, consumers, retailers, and media partners together to clean up beaches, rivers, streams, and even city streets in the heart of Tokyo.

OUR PRODUCTS

CARING ABOUT OUR PRODUCTS

The Group is committed to ensuring our supply chain operates responsibly and that everyone we do business with, respects and protects the lives of workers, their communities, and the planet.

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

FY24 PERFORMANCE HIGHLIGHTS

- Expanded our Group repairs and servicing space by almost 10,000 sq. ft to support circularity of watches and jewellery
- Increased the number of watches repaired, serviced or resold year-on-year by 2%, measured as a % of new watch sales
- Scored CDP Supplier Engagement Rating of 'A-'
- Reviewed our approach to procurement and supply chain management to strengthen engagement with our ESG Partner Standards
- 44% of watch and jewellery suppliers aligned with relevant, well-recognised sustainability standards and/or certifications
- 65+ hours face-to-face Modern Slavery training delivered

FY25 AREAS OF FOCUS

- Enhance our procurement and supply chain management capability
- Leverage AI technology to streamline business processes and improve data quality, transparency and disclosure
- Collaborate with brand partners to grow our range of products with positive environmental and social attributes
- Further promote repairs and pre-owned as a means of extending product life-cycles
- Advocate for our industry through support of independent and creative watchmaking organisations, such as Académie Horlogère des Créateurs Indépendants (AHCI)

RESPONSIBLE SOURCING

The Group is committed to conducting all business in a fair, transparent, socially responsible and environmentally sustainable way. We expect the same high standards from our suppliers and throughout our supply chain.

We seek to strengthen relationships with brand partners and other suppliers who adopt our social and environmental principles and strive to continuously improve their performance for our mutual, long-term benefit.

Research, design and innovation in products and services is widely encouraged to help optimise performance and minimise any negative impacts across our value chain.

OUR BUSINESS IMPACTS

We partner with circa 600 Tier 1 suppliers*, including 115 watch and jewellery suppliers worldwide.

We acknowledge that the watch and jewellery industry has a risk of human rights violations within its precious metals, diamonds and gemstones mining supply chains. There is also the potential for negative environmental impacts as a result of mining processes.

The Group predominantly operates in countries where high social standards apply and contracts with reputable supplier partners. We continue to exercise due diligence in our interactions and our goal is to go beyond basic risk management and compliance, adhering to our value to 'do the right thing, always' and integrate human rights and environmental considerations into decision-making processes at every level.

*Unique entities classified by spend over £50,000

VENDOR CODE OF CONDUCT

Our Vendor Code of Conduct (Vendor Code) sets out our minimum requirements across human rights, labour, environment, anti-corruption, integrity, business ethics, data security and social impact, which must be applied in addition to compliance with all relevant national and international laws and legislation. All active suppliers must read, sign and adhere to this Vendor Code, or publish an equivalent commitment.

Our Vendor Code is aligned with our Purpose and supported by training to equip colleagues with a responsibility for procuring good and services, as well as other relevant colleagues, with the knowledge and skills they need to help uphold the principles of our Vendor Code.

Anyone with genuine suspicions about the contravention of our Vendor Code is encouraged to report their concerns through our confidential global whistleblowing process, which uses an independent reporting facility and is available in multiple languages.

ESG PARTNER STANDARDS

Our ESG Partner Standards (Standards) support our Vendor Code of Conduct and provide comprehensive guidance in relation to the common practices we expect throughout our global supply chain and in all our dealings.

These Standards are designed to help us proactively engage new and existing supplier partners with our purpose, values and sustainability goals, while encouraging collaboration and helping to ensure that the products we sell, and services we use, meet the highest environmental and social standards and performance criteria.

Our Standards are issued to all existing and potential suppliers, and this document is also publicly available on our corporate website at thewosgroupplc.com.

They are regularly reviewed and will be refreshed in FY25.

ALIGNMENT WITH RELEVANT, WELL-RECOGNISED CERTIFICATIONS

We strongly encourage all supplier partners to align with relevant, well-recognised sustainability standards and certifications, which includes the Responsible Jewellery Council (RJC) for our watch and jewellery providers. The RJC is a registered not-for-profit company and the world's largest standards authority for responsible jewellery.

At the time of this report, 44% of our watch and jewellery suppliers are accredited members of the RJC and, as such, are subject to rigorous independent audits to ensure compliance with the RJC's exacting standards of business practice. These audits are in addition to our own third-party audit schedule.

We encourage adherence to external initiatives and sets of principles. For example, seven of our brands are members of the Watch & Jewellery Initiative 2030 (WJI 2030), which aims to support the industry in building climate resilience, preserving resources and fostering inclusiveness.

As a minimum, WJI 2030 members must commit to setting science-based carbon reduction targets, develop a roadmap for biodiversity and nature, and align with International Labour Organization (ILO) core conventions. They must also commit to becoming a signatory of the Women's Empowerment Principles (WEPs) and conduct human rights due diligence in line with the United Nations Guiding Principles and Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance.

HUMAN RIGHTS AND MODERN SLAVERY

Treating people with respect is a fundamental value of the Watches of Switzerland Group. We take allegations of human rights abuse in all its forms extremely seriously and will not tolerate human rights abuses against anyone working for our Group, or against individuals or groups in any way associated with our business.

We are committed to ensuring nobody involved in the production, distribution or sale of our products, or delivery of our services, is a victim of any form of modern slavery or any other form of human rights violation, and have measures in place to identify, assess and mitigate potential labour and human rights abuses across our value chain. Our Vendor Code of Conduct includes specific requirements founded on the conventions of the ILO, which are guided by international human rights principles and encompassed by the Universal Declaration of Human Rights.

In FY24, we continued our three-year partnership with Slave-Free Alliance (SFA), which is an international social enterprise, wholly owned by global anti-slavery charity 'Hope for Justice'. The SFA supports our business by reviewing and assisting in the development of our policies, processes, practices and due diligence, as well as by enhancing training on human rights and labour standards, to increase our response to the threats and risks of modern slavery.

In June 2023, the Board approved a new Human Rights Policy and we used international Anti-Slavery Day in October 2023 to engage colleagues with the principles of this Policy and build our resilience to modern slavery and labour exploitation.

In December 2023, key-decision makers and colleagues in roles with an increased risk of exposure to instances of modern slavery, attended an annual bespoke training workshop hosted by the SFA, to further expand stakeholder awareness and develop the capability to react if necessary.

In FY25, we will work with the SFA to develop an online learning module for colleagues, and further strengthen our procurement and supply chain risk assessment, and management of due diligence processes.

There have been no violations reported in relation to human rights within our Group or extended value chains in FY24, however, we remain committed to seeking out any such disclosures, through continued awareness raising in relation to modern slavery, human rights, and available reporting and whistleblowing mechanisms.

More information on our commitment and approach to human rights can be found in our Modern Slavery Statement at thewosgroupplc.com.

DUE DILIGENCE AND FACTORY AUDITS

To manage and monitor supply chain performance and compliance, colleagues with a responsibility for sourcing are trained to assess environmental and social risks and identify collaborative opportunities.

We use leading global supply chain management system, EcoVadis, to support greater transparency and due diligence. The EcoVadis IQ technology helps us map, monitor and manage sustainability risks within our supply chain using smart automation and analytics.

Risks are calculated using factors such as the type of goods or service supplied, geographic location, and criticality to our business and reputation. Partners deemed 'High Risk' may be subject to an on-site independent audit and Corrective Action Plan.

On-site factory audits help us to safeguard the integrity and reputation of our business operation and partnerships.

We apply a risk-based approach to reviewing our supplier base, including the prioritisation of factory audits.

Audits are carried out by specialist, independent, third-party auditors with expert knowledge of local laws and practices. They assess facilities against over 200 indicators consistent with our terms and conditions, and produce a report including a Low to Critical Risk classification.

During the year, our audit schedule was realigned with our revised Vendor Code of Conduct and ESG Partner Standards, and we continue to increase the number of supplier partner facilities we have audited. Since our programme began in FY23 we have audited 59% of jewellery suppliers by turnover.

In FY24, we audited 8% of our jewellery suppliers and required three supplier partners to implement Corrective Action Plans as a result of our findings. A further three audits were scheduled, and of these, two were delayed until early in FY25, due to an unforeseen resourcing issue with our third-party supplier. Additionally, the third supplier was delisted after refusing to divulge factory details.

FY24 FACTORY AUDITS

To review	Total factories audited	Low risk	Intermediate risk	High risk	Critical risk	Corrective action plans completed	Delisted/not approved
Facilities audited	5	2	1		2	3	
After corrective action		3					2 pending re-audit

On receiving audit reports, we contact supplier partners directly and allow 30 days for any identified risks to be resolved. Corrective actions are only resolved when the facility can evidence that the action has been satisfactorily remedied, which can be through the sharing of documentation, real-time video evidence, an on-site assessment by a trained colleague or a follow-up independent audit.

We are committed to building strong, long-term relationships with all of our supplier partners and will always collaborate to resolve issues, wherever possible. However, if we find evidence of a serious breach of our terms, we will not hesitate to terminate our contract, make a public disclosure and notify the relevant authorities.

Supplier partners who are accredited members of the Responsible Jewellery Council are also subject to third-party audits as part of their accreditation.

SUPPLY CHAIN MANAGEMENT

In addition to the EcoVadis IQ technology, which is helping us to identify and monitor sustainability risks within our supply chain, the EcoVadis system can facilitate full sustainability assessments of any supplier partner registered through the platform. Assessments are carried out in line with the Sustainability Accounting Standards Board (SASB) standards and participating partners receive a bespoke scorecard containing details of how their business performs against key sustainability criteria, as well as guidance on areas for improvement, which is available in multiple languages.

We continue to encourage supplier partners to participate in an EcoVadis sustainability assessment, or an equivalent, in line with our goal to partner with suppliers who hold, or are aligned with, relevant, well-recognised standards and certifications.

In November 2024, our plans to participate in an EcoVadis sustainability and carbon performance assessment were postponed, after the Group was selected to participate in a grant-funded project to explore how AI and machine learning technology can be used to enhance ESG compliance and reporting.

A key aim for this project is to develop and deploy AI technology to help us understand the level of supply chain alignment with our ESG Partner Standards, in order to enhance our supply chain engagement strategy and further mitigate against risk.

Our progress will be published in our FY25 Annual Report and Accounts.

“To meet the changing needs and expectations of our clients and wider society, it’s crucial we work in partnership with our suppliers to understand the environmental and social impacts of our product range and services.”

JIM CRICHTON
DIRECTOR OF GLOBAL MERCHANDISING & BUSINESS INSIGHTS

PROCURING PRODUCTS AND SERVICES

We understand that responsible procurement practices can fundamentally change the way products and services are designed, provided, used, and disposed of, which can help us to support local economies, achieve climate related goals, and ultimately build a more valuable business.

The scale of our purchasing power presents opportunities to further enhance partnership working, achieve value for money and encourage innovation.

Following a review in FY24, we are investing in our procurement and supply chain management capability to help to further strengthen this important area.

PRODUCT INNOVATION

We support the development and implementation of new technologies and practices that promote environmental, social and economic sustainability and welcome products with a lower environmental impact, produced by partners with strong sustainability practices.

Our brand partners continue to develop and implement new technologies into their manufacturing processes, and we are expanding our product range with exciting new brands such as William Wood, who create watches that represent firefighters and first responders, and which contain recycled firemen's helmets in their casing and upcycled hoses in their watch straps. The brand also donates a percentage of its' profits to fire fighters' charities.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Our Vendor Code of Conduct and ESG Partner Standards set out our expectations in relation to freedom of association and collective bargaining.

Supplier partners are required to adopt an open attitude towards trade unions and their activities. It is the Group's policy that all workers, without distinction, should have the right to establish and join organisations of their own choosing and bargain collectively, without prior authorisation or interference from government or one another.

PRODUCT INFORMATION

We recognise product disclosure is an important aspect of consumer protection and fair business practice, as it demonstrates transparency and helps build trust.

In line with our goal to help clients make more informed purchasing decisions and protect them from any negative consequences or disappointment, we encourage supplier partners to provide detailed, accurate information about a product's features, origins and materials, as well as any potential health and safety risks.

Our ESG Partner Standards detail our requirement for supplier partners to comply with internationally accepted standards and existing obligations under consumer protection law and safety legislation.

Claims about the environmental aspects or performance of products, must be substantiated using robust and verifiable methods and we take a zero-tolerance approach to misleading product representation.

In April 2024, we wrote to relevant supplier partners to highlight a change in product safety regulations in the US, and ensure compliance with Reese's Law, which is intended to protect children from accidentally swallowing button cell and coin batteries.

KIMBERLEY PROCESS CERTIFICATION SCHEME AND THE WORLD DIAMOND COUNCIL SYSTEM OF WARRANTIES

Knowing where our diamonds come from allows us to reassure clients that they are authentic and ethically sourced.

All suppliers of diamonds, or jewellery incorporating diamonds, must comply with the Kimberley Process Certification Scheme, as well as all laws in relation to this scheme and the World Diamond Council System of Warranties Assurance (WDC SoW).

Any diamonds supplied to us must be conflict free and accompanied by written guarantees in line with WDC SoW Assurance. We will not accept an invoice without this statement. Once a diamond is imported and ready for trade, we also require a WDC SoW Assurance statement on every invoice for rough diamonds, polished diamonds, or diamond jewellery, through to the final invoice to clients.

Records of warranty invoices received, as well as invoices issued when buying or selling diamonds, are regularly audited and reconciled.

SANCTIONS

The Group complies with all relevant national and international law and legislation, which includes all UK Government sanctions and requirements, as well as those imposed by the US Department of the Treasury and its Office of Foreign Assets Control and we require our suppliers to do the same.

We continue to cease trade in diamonds, coloured gemstones and precious metals such as gold, silver and platinum from sanctioned Russian sources.

On 1 March 2024, we engaged with all of our watch and jewellery suppliers to remind them that any diamonds supplied to us, must be accompanied by a self-certification statement declaring that they were not mined, extracted, produced, or manufactured wholly or in part in the Russian Federation, notwithstanding whether such diamonds have been substantially transformed into other products outside of the Russian Federation.

GOLD AND OTHER PRECIOUS METALS

An increasing number of our watch suppliers are using recycled gold in their production processes. All precious metals supplied to us must demonstrate legal compliance according to all the provisions of the financial market supervisory authority and be sourced from refineries on the London Bullion Market Association Good Delivery List or the UAE Gold Good Delivery Scheme.

ANIMAL WELFARE

We will not tolerate any harsh or inhumane treatment of animals and only buy watches through the most reputable manufacturers. All watch suppliers must provide written confirmation that any animal skins used to make straps are sourced from farmed and sustainably managed sources and conform to relevant international laws, including the Convention on International Trade in Endangered Species (CITES).

We are growing our range of more socially and environmentally preferable product options, including straps made from vegan friendly materials.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD) DUE DILIGENCE GUIDANCE

Through our ESG Partner Standards, we ask supplier partners to follow the OECD Due Diligence Guidance and implement the OECD 5-step guidance. This risk-based approach is designed to help organisations avoid contributing to conflict, serious human rights impacts and financial crime through their operations. The framework includes embedding strong management systems, identifying risks, independent third-party audits and transparency.

BRIBERY, CORRUPTION, TAXATION AND HEALTH AND SAFETY

ANTI-BRIBERY, CORRUPTION & FRAUD

The Board has overall responsibility for the Anti-Bribery, Corruption & Fraud Policy, which is regularly reviewed by senior management and the Audit & Risk Committee. The Policy reinforces the Board's commitment to conducting the Group's business affairs to ensure that it does not engage in or facilitate any form of corruption. The aim of the Policy is to ensure compliance with applicable anti-bribery and corruption legislation and regulations and to ensure that colleagues act responsibly and ethically at all times when conducting business. The Policy sets out the Group's protocols in relation to hospitality and gifts.

The Group's Company Secretary and General Counsel has day-to-day responsibility for the Policy and reports to the Chair of the Audit & Risk Committee and to the Board as required. Colleagues are required to complete mandatory e-learning annually.

During the year, the Policy was reviewed and approved by the Board and amended to provide additional clarity and reinforcement of the Company's aversion to and strict protocols regarding fraud and the receiving and giving of gifts and hospitality.

CODE OF ETHICS

During the year, the Board reviewed and approved the Code of Ethics, which can be found on the corporate website thewosgroupplc.com. The Code of Ethics was further expanded to support changes made to the governance framework of the Company. This included: (i) updating for enhanced Data Protection processes and protocols including reference to the consideration of the evolving AI technology; (ii) inclusion and promotion of the Wellbeing benefits which have been implemented and which now link with the Group's Health & Safety section of the Code of Ethics; and (iii) notification of the Group's tax approach.

ANTI-MONEY LAUNDERING AND SANCTIONS

The Company has an Anti-Money Laundering (AML) Policy which was reviewed by the Board during the year. The Policy was updated to take into account the trading status of the Group. The Policy enforces a strict regime in the prevention of money laundering. The Group Policy is supported by internal operational and local territory specific business policies.

TAXATION

We seek to build solid and constructive working relationships with all tax authorities. The Group has held the Fair Tax Mark since February 2022, and most recently achieved reaccreditation from the Fair Tax Foundation in May 2024. The Fair Tax Mark is the gold standard of responsible tax conduct and demonstrates that the Group pays the right amount of corporate income tax at the right time and in the right place. The Group pays corporation tax on all operations and does not operate in any tax havens or use any tax avoidance schemes.

The Board reviewed the Corporate Criminal Obligations (CCO) Policy which sets out the Group's zero tolerance approach to tax evasion; no changes were necessary from the prior year when the Policy was introduced. The CCO Policy describes the legal framework, information and guidance on how to recognise and deal with tax evasion matters. Compliance with the Policy and disclosures arising from it are included in the annual review undertaken by the Senior Accounting Officer. During the year, training was delivered to relevant colleagues, including those in support and retail, and the Directors were provided with awareness documentation, as it is recognised this is an important part of the legislation. Further information on our Tax Strategy and CCO Policy can be found at thewosgroupplc.com.

PAYMENT PRACTICES

We understand the importance of maintaining good relationships with suppliers and have transparent payment terms and payment procedures to ensure prompt payment. It is Group policy to agree appropriate terms and conditions for transactions with suppliers (ranging from standard written terms to individually negotiated contracts) and for payments to be made in accordance with these terms, provided the vendor has complied with its obligations.

Our payment practices report is available at http://.check-payment-practices.service.gov.uk/search, which showed the Group took on average 24.7 days to pay in the six-month period to the end of FY24.

RETURNS POLICY

The business operates a standard Returns Policy. The manufacturer's warranty for timepieces varies by brand and style, however, most warranties are usually valid for two years from the date of purchase, with three years of extended warranty for certain watch brands. If a timepiece malfunctions, we will, at our discretion, repair or replace the movement at no charge if such movement shows a manufacturer's defect under normal use.

DATA PROTECTION, INFORMATION SECURITY AND CYBER SECURITY

The Group has a responsibility to protect client and colleague personal data, and use it fairly and appropriately in line with the applicable law and regulation in each country in which we operate. We have a Group Data Protection Officer with responsibility for all data protection matters, and a Cyber Security Team responsible for security measures across our networks and systems. The two work closely together to ensure a joined-up, risk-based approach.

The Group's data protection framework continues to mature to meet the needs of a growing global business and evolving legal landscape. We have in place a broad range of measures designed to meet our data protection and security obligations, including policies and processes, governance and oversight measures, and mandatory annual training. Alongside this, we employ a suite of technical controls to detect and protect against known and emerging security threats. Further information on how we govern associated risks can be found on page 132. The Group has not experienced any security breaches over the last three years and no fines or penalties have been incurred.

HEALTH & SAFETY

The Company has a Group Health & Safety Policy and governance processes in place to ensure the Board is updated regularly on health and safety activities and on any accidents or incidents that occur. Further information on the Company's health & safety activities can be found on page 83.

The Company complies with relevant legislation regarding product safety and legislation.

During the year the Group engaged with suppliers to ensure compliance with the newly introduced 'Reece's Law', applicable in the US, relating to new requirements for coin batteries or button cells.

WHISTLEBLOWING

It is important for the business to have an open and transparent work culture. We aim to conduct our business with the highest standards of honesty and integrity every day. The Board has overall responsibility for this policy and the Director of Internal Audit & Risk has day-to-day operational responsibility. The Chair of the Audit & Risk Committee receives a summary of all protected whistleblowing reports for communication to the Board.

Under the Policy, whilst colleagues are encouraged to report any concerns or complaints, without fear of recrimination, the Board acknowledges there may be circumstances where internal reporting lines may not be suitable or may discourage colleagues from speaking out. We therefore, use a third-party to provide an independent reporting system. This is a global facility for colleagues to raise concerns confidentially, with the option of maintaining anonymity. Colleagues are required to complete mandatory e-learning training annually.

RECOGNISING EFFECTIVE RISK MANAGEMENT

"Effective risk management is essential in supporting the delivery of the Group's strategic objectives, achieving stakeholder value, and delivering long-term success."

BRIAN DUFFY
CEO

The Watches of Switzerland Group defines risk as uncertainty around the organisation's ability to achieve its objectives and execute its strategy effectively.

Risks can be positive (opportunities) and negative (threats) and are a combination of the likelihood of an event and the impact of the consequence.

Risk is inherent in both the Group's operations and strategic decision-making. These risks and uncertainties could impact the delivery of strategic and operational objectives. Effective risk management helps support the successful delivery of the Group's objectives. The Board's role is central to understanding and providing oversight into how risks are being managed and addressed. The Board has established a framework of prudent and effective controls which enable risk to be assessed and managed. The Board takes responsibility for the management of risk and internal control systems throughout the business. This includes determining the nature and extent of the principal risks the Board is willing to take in achieving strategic objectives (the Board's risk appetite), and challenging management's implementation of effective systems of risk identification, assessment, prioritisation, and management.

The Audit & Risk Committee, on behalf of the Board, has responsibility for maintaining oversight of the Group's framework for risk management. Whilst ultimate responsibility for the oversight of risk management rests with the Board, the effective day-to-day management of risk is embedded within the business through a layered assurance approach.

The Board recognises that risk management is an integral part of good corporate governance and management practice and to be effective, should become embedded within the organisation's culture. The Board is, therefore, committed to ensuring that risk management forms an integral part of its philosophy, practices, and business plans rather than being viewed or practised as a separate programme and that responsibility for implementation is accepted at all levels of the organisation. During the year, the Board reviewed the effectiveness of the Group's risk management and internal controls systems. This review included the discussion and review of the risk registers and the internal controls across all business functions, as part of an annual exercise facilitated by the Internal Audit team.

RISK MANAGEMENT PROCESS

Climate related risks follow the same framework as all other risks impacting the business. Additional information relating to the Group's TCFD disclosures, including risk management compliance, governance, strategy, and TCFD-related risks, can be found on pages 106 to 122.

1 IDENTIFY

- Risk registers are completed by each business function, identifying the risks in their areas of control
- The Audit & Risk Committee and Board identify key risks within the Group's strategic priorities
- Horizon scanning takes place periodically with senior management

2 ASSESS

- The likelihood of risk occurrence and the potential impact of the risk are assessed. This assessment takes place before and after consideration of mitigating controls
- The risks are reviewed to determine their categorisation, including financial, operational, client, regulatory and reputational
- Appetite for each key risk is assessed with a target risk position agreed to reflect the level of risk that the business is willing to accept

3 MANAGE

- Controls and mitigation plans are implemented to manage the risks
- Consideration is given to the Board's risk appetite to help determine the appropriate risk management strategy
- Actions are agreed to further manage the identified risks, in line with risk appetite and according to risk strategy

4 MONITOR

- Continued oversight and tracking of identified risks. These are presented to the Trading Board, the Board and the Audit & Risk Committee
- The Internal Audit Teams review the effectiveness of controls and identifies gaps in control requiring further action
- Risk incidents are reviewed, and the lessons learned drive further mitigation

WHAT WE MONITOR

GROUP RISK REGISTER

Summary of the key risks facing the Group, prepared through review of departmental risks identified through the bottom-up risk identification process, and the Group-level risks identified and owned by the Trading Board.

OUR RISK LANDSCAPE

- Current risks: risks we are managing now that could stop us from achieving our strategic objectives
- Emerging risks: risks with a future potential impact from external or internal opportunities or threats

WHAT WE ASSESS

- Risk ownership: each risk has a named owner
- Likelihood and impact: globally applied scoring scale
- Gross risk: before mitigating controls
- Mitigating controls: subject to Internal Audit review
- Net risk: after mitigating controls applied
- Risk movement: any change in risk score since previous assessment
- Risk appetite: defined at subcategory level
- Target risk: overall target risk score
- Actions: for further mitigation, if required

OUR IDENTIFIED RISKS

Risks are categorised into one of six categories:

- Financial
- Operational
- Client
- People
- Regulatory
- ESG

DEPARTMENTAL RISK REGISTERS

Owned by individual departments and teams across the Group. These identify specific risks and mitigating controls arising from day-to-day operations.

HOW WE MONITOR

Set out below are the key responsibilities and key activities of the various functions of the Group in relation to risk management:

BOARD
Collective responsibility for the management of risk throughout the business

- Oversees the adoption of appropriate risk management systems that identify emerging and established risks facing the Group and its stakeholders
- Determines the nature and extent of the principal and emerging risks faced by the Group and those risks which the business is willing to take in achieving its strategic objectives (determining its risk appetite)
- Agrees how the principal risks should be managed or mitigated and over what timeframe to reduce the likelihood of their incidence or the magnitude of their impact
- Establishes clear internal and external communication channels on the identification of risk factors
- Determines the monitoring and review process

TRADING BOARD
Managing the risk management process on a day-to-day basis

- Conducts a half-yearly review of the risk register and principal risks
- Members have responsibility for managing risk within their areas of responsibility
- Identifies new and emerging risks

AUDIT & RISK COMMITTEE
Oversees risk management systems and process, under delegation from the Board

- Assists the Board to fulfil its corporate governance responsibilities in relation to financial reporting, internal controls, and the risk management framework
- Conducts formal reviews of the principal and emerging risks twice a year, one of which is in connection with the consideration of the viability statement
- Reviews and oversees the Group risk register and risk management framework and assesses their effectiveness in mitigating Group-level risks
- Reviews key risk areas with relevant Senior Managers to understand the nature of the risks and adequacy of the mitigations and controls in place
- Reviews and approves the Group Risk Management Policy

OPERATIONAL MANAGEMENT
Identifying and managing risks on a day-to-day basis

- Maintains the business function risk registers
- Identifies and assesses risk within business functions and implements actions to reduce risk exposure to an acceptable target level
- Embeds and manages internal controls and risk management processes as part of business-as-usual operations

OPERATIONAL AUDIT, LOSS PREVENTION AND SECURITY TEAM
Reviews compliance with certain key internal procedures in showrooms and at other locations

- Provides an objective compliance and monitoring overview
- Identifies non-compliance with key business processes

INTERNAL AUDIT TEAM
Provides assurance to the Audit & Risk Committee through independent reviews of agreed risk areas

- Ensures that principal risk topics are scheduled for regular review by the Board
- Facilitates updates to the corporate and business function risk registers in partnership with operational management
- Presents the outcome of the risk review to the Trading Board and the Audit & Risk Committee
- Shares risk management information and best practice across the Group

RISK APPETITE

THE UK CORPORATE GOVERNANCE CODE REQUIRES COMPANIES TO DETERMINE THEIR RISK APPETITE

Risk appetite is an expression of the amount and types of risk that the Group is willing to take to achieve its strategic and operational objectives. The Group accepts that it cannot achieve its long-term strategic objectives without being exposed to an element of risk. Understanding current and emerging risk is therefore integral to the Group's decision-making process.

The Board determines the amount of risk the Group is willing to accept in the pursuit of the Group's strategic objectives, dependent on the type of risk. In exploring risks and opportunities, we prioritise the interests and safety of our clients and colleagues and seek to protect the long-term value and reputation of the brand, while maximising commercial benefits to support responsible and sustained growth.

The Group assesses the level of risk exposure against its associated risk appetite to ensure that we appropriately prioritise our resources to manage risks within our risk appetite. Where the residual risk remains outside the Board's risk tolerance, additional actions are identified to further mitigate the risk down to an acceptable target level.

The Group's risk appetite and tolerance levels were considered and approved by the Board and are reviewed annually. These are used to set tolerance limits and target risks for each of the principal risks and refine mitigation plans where appropriate.

In summary, the Board has a very low appetite for risks that could lead to breaches of legal and regulatory requirements. The Group has a low appetite for risks that could impact its reputation, for example in the areas of data management and cyber security. In contrast, the Group has a higher risk appetite in relation to business strategy, as evidenced through our growth in the UK and US markets.

IDENTIFICATION, EVALUATION AND MANAGEMENT OF THE GROUP'S RISKS

The 2018 UK Corporate Governance Code (the Code) states that the Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives and that it should maintain sound risk management and internal control systems.

The Board has completed its assessment of the Group's risk landscape and has identified the most significant risks and uncertainties that may impact the Group's ability to achieve its strategic and operational goals. The Group recognises that the profile of risks constantly changes, and additional risks not presently known, or that may be currently deemed immaterial, may also impact the Group's business objectives (as detailed on pages 34 to 37) and performance. The risk management framework is therefore designed to manage rather than eliminate the risk of failure to achieve business objectives, and, as such, can only provide reasonable and not absolute assurance against these principal uncertainties impacting business performance.

The Board confirms that it has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future success, solvency, or liquidity.

EMERGING RISKS

As part of the ongoing risk management framework described above, the Group identifies emerging risks and determines their potential impact on the business. The Group undertakes horizon scanning to monitor any potential risks that could change our industry and/or our business, looking at both the inherent risk and opportunity. Emerging risks are new and evolving, and thus their full potential impact is still uncertain.

The Group defines emerging risks as newly developing risks that are often difficult to quantify but may materially affect our business. Emerging risks are usually highly uncertain risks which are external to the Group, and we take a proactive approach to the emerging risk management processes, with the objective of enabling us to:

- Identify, manage, and monitor a broad range of potential emerging risks
- Mitigate the impact of emerging risks which could impact the delivery of the Group's strategy
- Record each emerging risk within an Emerging Risk Register

The Board's assessment of the principal risks and uncertainties facing the Group and the mitigations in place are set out below.

BUSINESS STRATEGY EXECUTION AND DEVELOPMENT

Principal risk description

If the Board adopts the wrong strategy or does not implement its strategy effectively, the business may suffer.

The Group's growth strategy exposes it to risks and the Group may encounter setbacks in its ongoing expansion in the UK and US.

The Group's significant investments in its showroom portfolio, IT systems, colleagues and marketing may be unsuccessful in growing the Group's business as planned.

The acquisition of Roberto Coin Inc. in the US moves the Group into the wholesale sector, a sector within which the Group has more limited existing internal expertise. There is strong reliance on incumbent management at Roberto Coin Inc. to deliver the Group's strategy.

As the Group continues to make acquisitions, these may prove unsuccessful or divert its resources. Further growth through acquisition is dependent upon the Group's ability to identify suitable targets, conduct effective due diligence, negotiate transactions on favourable terms, complete such transactions and successfully integrate the acquired businesses.

The Group may fail to respond to the pressures of an increasingly changing retail environment effectively and rapidly. The re-evaluation of priorities and their delivery, including the consideration of initiatives to respond to permanent changes in client behaviours or to change working practices, is paramount in the current environment.

How we manage or mitigate the risk

- The Board reviews its business strategy on a regular basis to determine how sales and profit can be maximised, and business operations can be made more efficient
- The Board has significant relevant experience, including in the retail and luxury markets
- The CEO provides updates to the Board on key development opportunities and initiatives
- Expansion of the property portfolio or potential acquisitions must meet strict payback criteria. Return on investment of marketing and other investment activity is monitored closely
- Key management information is provided to the Board on a regular basis to help inform strategic decision-making
- The Group has adapted its strategy to take advantage of online trading, client appointments and introduced the Luxury Watch and Jewellery Virtual Boutique to maximise sales
- The Group has diversified its operations through the expansion of mono-brand boutiques, ecommerce platforms and enhanced luxury branded jewellery offers. There is international market diversification reducing reliance on one territory

Change in risk

No change

Links to strategy

STRATEGIC PRIORITIES

- Grow revenue, profit and Return on Capital Employed
- Enhance strong brand partnerships
- Deliver an exceptional client service
- Drive client awareness and brand image
- Leverage best-in-class operations
- Expand our multi-channel leadership
- Continue to advance the ESG agenda

KEY SUPPLIERS AND SUPPLY CHAIN

Principal risk description

The manufacture of key luxury watch brands is highly concentrated among a limited number of brand partners and the production of luxury watches is limited by the small number of master watchmakers and the availability of artisanal skills. Owners of luxury watch brands control distribution through strict, Selective Distribution Agreements. Consequently, the relationship with owners of luxury watch brands is crucial to the Group's success.

Some of the Group's distribution agreements with luxury watch brands provide owners of such brands with a right to terminate the agreement in the event of a change of control and/or management of the Group. The Group is subject to the risk that owners of luxury watch brands may decide to terminate these contracts or otherwise not to renew them upon expiry, or to reduce the number of agencies they grant to the Group.

The Group's distribution agreements with suppliers do not guarantee a steady supply of merchandise.

The Group's business model may also come under significant pressure should the owners of luxury watch and jewellery brands choose to distribute their own watches, increasingly or entirely by-passing third-party retailers such as the Group.

How we manage or mitigate the risk

- The Group fosters strong relationships with brand partners and other suppliers, many of which have been held for a significant length of time
- Supplier distribution contracts are monitored to ensure continued compliance with contractual obligations
- The Group works collaboratively with brand partners to identify product trends and forward demand
- Continued focus on providing exceptional client experience, representing the brands in the best possible way
- Client experience is further elevated through new, larger showrooms that are supported by the brands
- In-depth training for showroom colleagues is provided, including specific training provided by the brand partners
- The Group's sales mix is becoming more broad-based, with less reliance on individual brands to drive success
- Review opportunities to extend our expertise into complementary business and service models

Change in risk

No change

Links to strategy

CLIENT EXPERIENCE AND MARKET RISKS

Principal risk description

An inability to maintain a consistent high-quality experience for the Group's clients across the sales channels, particularly within the showroom network, could adversely affect business.

The increased number of registration of interest (ROI) watches could adversely impact the perceived client experience.

The Group faces competition and any failure by the Group to compete effectively could result in a loss of market share or the ability to retain supplier agencies. Long-term consumer attitudes to diamonds, gold and other precious metals and gemstones could be affected by a variety of issues, including concern over the source of raw materials, the impact of mining and refining of minerals on the environment, labour conditions in the supply chain, and the availability and perception of substitute products, such as cubic zirconia and laboratory-created diamonds. Equally, longer term consumer attitudes to more technologically advanced watches, such as 'smart watches' could reduce consumer demand for luxury watches.

How we manage or mitigate the risk

- The Group provides the ultimate luxury environment for its clients to feel welcome, appreciated and supported
- Our Xenia Client Experience Programme further elevates our client experience proposition (refer to page 40)
- Our brand partners audit and assess our client experience enabling us to independently benchmark and evaluate our performance
- Exceptional training is provided for our showroom colleagues, and other client-facing colleagues, to allow them to provide the best client service, along with in-depth product knowledge
- The CRM database allows the Group to engage with the client on their journey from a potential to a loyal client
- The Group continues to invest in and develop its product offering to improve the value offered to consumers, retailers, and manufacturers
- Competitor activity is monitored in detail, enabling strategic decision-making on key market positions
- Our Luxury Watch and Jewellery Virtual Boutique experience is a unique differentiator and recognised as a competitive advantage, as is the Group's scale and technological capabilities
- Consumer trends are monitored to ensure product ranges remain aligned to client demand

Change in risk

No change

Links to strategy

COLLEAGUE TALENT AND CAPABILITY

Principal risk description

The Group depends on the services of key talent to manage its business, and the departure of such colleagues or the failure to recruit and retain suitable personnel could adversely affect the Group's business.

Client experience is an essential element in the success of the Group's business, where many clients prefer a more personal face-to-face experience and have established strong relationships with the Group's retail colleagues. An inability to recruit and retain suitably qualified colleagues, especially with specialised knowledge of luxury watches and jewellery, would have a material impact on the Group.

How we manage or mitigate the risk

- The Trading Board considers the development of senior management to ensure there are opportunities for career development, promotion, and appropriate succession
- The Nomination Committee considers the succession planning for the Board, and senior management
- The Company's recognition programmes are in place to incentivise and motivate colleagues
- A wide range of training and development programmes are available to colleagues
- The Colleague Engagement Survey provides an insight into what colleagues feel would make the Group an even better place to work
- The Group continually reviews the remuneration and benefits packages for all colleagues
- We utilise a two-way engaging communications platform, Workplace, globally. This social channel underpins Group communications to colleagues

Change in risk

No change

Links to strategy

DATA PROTECTION AND CYBER SECURITY

Principal risk description

The increasing sophistication and frequency of cyber-attacks, coupled with data protection laws, highlight the escalating information security risk facing all businesses.

As the Group operates in the UK and US markets, the regulatory environment surrounding these areas is considered more complex.

Security breaches and failures in the Group's IT infrastructure and networks, or those of third parties, could compromise sensitive and confidential information and affect the Group's reputation.

Theft or loss of Company or client data or potential damage to any systems from viruses, ransomware or other malware could result in fines and reputational damage to the business that could negatively impact on our sales.

How we manage or mitigate the risk

- Dedicated Group Data Protection Officer in place
- Significant investment in systems development and security programmes
- Systems vulnerability and penetration testing is carried out regularly
- The Group Data Protection Committee meets regularly to review related processes and emerging risks
- Information security and data protection policies, procedures, and training in place
- Enhanced multi-factor authentication (MFA) enforced across the Group
- Next Generation email security system implemented
- New 24/7 security operations centre (SOC) service onboarded
- Improved reporting capabilities allow all colleagues to promptly report any suspicious content or activity they encounter
- External maturity assessment conducted to validate continuous security improvement programme

Change in risk

Cyber threats are increasing in volume and complexity, in part driven by artificial intelligence. This creates a more hostile external environment with greater risk.

Links to strategy

STRATEGIC PRIORITIES

Grow revenue, profit and Return on Capital Employed	Leverage best-in-class operations
Enhance strong brand partnerships	Expand our multi-channel leadership
Deliver an exceptional client service	Continue to advance the ESG agenda
Drive client awareness and brand image	

BUSINESS INTERRUPTION

Principal risk description

Adverse weather conditions, pandemics, travel disruption, natural disasters, terrorism, acts of war or other external events could adversely affect consumer discretionary spending or cause a disruption to the Group's operations.

The inability of the Group to be able to operate showrooms or a significant reduction in available colleagues to operate the business, such as during a material pandemic, would significantly impact the operations of the business.

The Group offers flexible delivery options (home delivery or click and collect in showroom) and its online operations rely on third-party carriers and transportation providers. The Group's shipments are subject to various risks, including labour strikes and adverse weather.

The Group may experience significant theft of products from its showrooms, distribution centres or during the transportation of goods. Loss of high-value low-availability pieces could damage our reputation and our clients may become less inclined to visit our showrooms.

Disruptions to, or failures in, the Group's IT infrastructure and networks, or those of third parties, could disrupt the Group's operations, especially during periods of increased reliance on these systems such as those experienced during the pandemic lockdowns.

The Group relies on IT networks and systems, some of which are managed by third parties, to process, encrypt, and transmit electronic information, and to manage or support a variety of business processes and activities, including sales, supply chain, merchandise distribution, client invoicing and collection of payments.

How we manage or mitigate the risk

- The Group has a framework of operational procedures and business continuity plans that are regularly reviewed, updated, and tested
- The multi-channel model allows clients to continue their relationship with us and to purchase in the event of disruption to any single channel
- Robust security arrangements are in place across our showroom network to deter and prevent crime and, in the event of an incident, protect people and products
- A comprehensive insurance programme is in place to offset the financial consequences of insured events
- A detailed IT development and security roadmap is in place aligned to our strategy
- Reliable and reputable third-party logistic partners have been engaged to ensure the secure transportation of goods
- The Group has in place action plans to effectively deal with the impact of a pandemic on business operations
- Revised and enhanced the crisis response programme implemented Group-wide

Change in risk

No change

Links to strategy

REGULATORY AND COMPLIANCE

Principal risk description

Fines, litigation, and reputational damage could arise if the Group fails to comply with legislative or regulatory requirements including, but not limited to, consumer law, health and safety, employment law, data protection, anti-bribery and corruption, competition law, anti-money laundering and supply chain regulations.

As the Group continues its US expansion and trades in increasing state jurisdictions, there is a risk the business lacks the detailed knowledge of local US laws and regulations resulting in a breach, significant fine, and reputational impact.

How we manage or mitigate the risk

- The Group actively monitors both regulatory developments in the UK, US and Europe and compliance with existing obligations
- Clear Group policies and procedures are in place, including, but not limited to, anti-bribery, corruption and fraud, whistleblowing, and data protection
- Mandatory induction briefings and training for all colleagues on regulation and compliance
- Experienced in-house legal team with external expertise sought as needed
- The established culture and values foster open, honest communication
- Operational activities have been amended, and continue to be updated, to comply with guidance provided by the Government to prioritise the safety of colleagues and clients
- Regulatory compliance reviews form part of the rolling Internal Audit plan

Change in risk

No change

Links to strategy

ECONOMIC AND POLITICAL

Principal risk description

The Group's business is geographically concentrated in the UK and US, with a more limited European footprint. Any sustained stagnation or deterioration in the luxury watch or jewellery markets or decline in consumer spending in these territories could have a material adverse impact on the Group's business.

The Group or its suppliers may not be able to anticipate, identify and respond to changing consumer preferences in a timely manner, and the Group may not manage its inventory in line with client demand.

Ongoing legal, political, and economic uncertainty in the UK, US and international markets could give rise to significant currency fluctuations, interest rate increases, adverse taxation arrangements or affect current trading and supply arrangements.

How we manage or mitigate the risk

- Regular monitoring of economic and political events
- Focus on client service to attract and retain clients
- The Group updates internal return on investment hurdles and criteria to reflect changing market environments
- Detailed sales and inventory data is analysed to anticipate future trends and demand, taking into consideration the current economic environment
- Through continued expansion in the US, the Group is not wholly dependent on the economic or political environment in one single market

Change in risk

Softening of global luxury markets and political uncertainty in Ukraine and Middle East along with major elections in the US and UK impacting global economies

Links to strategy

BRAND AND REPUTATIONAL DAMAGE

Principal risk description

The Watches of Switzerland Group's trading brands and its corporate brand are an important asset, and failure to protect the Group's reputation and brand could lead to a loss of trust and confidence. This could result in a decline in the client base, affect the ability to recruit and retain the best people, and damage our reputation with our suppliers or investors.

How we manage or mitigate the risk

- The Group has a clear and open culture with a focus on trust and transparency
- Excellent client experience is a key priority of the Group and subject to independent scrutiny by our major brand partners through mystery shopping programmes
- The Group undertakes regular client engagement to understand and adapt the product, offer, and showroom environment
- The use of impactful, digital-led marketing, along with an in-depth knowledge of products, makes the Group an authority in the markets it serves
- Training and monitoring of adherence by colleagues to Group policies and procedures
- The Group has conducted a materiality assessment to understand the priorities and focus areas of its stakeholders, including colleagues, brand partners and other suppliers, investors and community groups

Change in risk

No change

Links to strategy

STRATEGIC PRIORITIES

- Grow revenue, profit and Return on Capital Employed
- Enhance strong brand partnerships
- Deliver an exceptional client service
- Drive client awareness and brand image
- Leverage best-in-class operations
- Expand our multi-channel leadership
- Continue to advance the ESG agenda

FINANCIAL AND TREASURY

Principal risk description

The Group's ability to meet its financial obligations and to support the operations and expansion of the business is dependent on having sufficient funding over the short, medium and long term. The Group is reliant on the availability of adequate financing from banks and capital markets to meet its liquidity needs.

The Group's level of indebtedness could adversely affect its ability to react to changes in the business and may limit the commercial and financial flexibility to operate the business.

The Group is exposed to foreign exchange risk and profits may be adversely impacted by unforeseen movements in foreign exchange rates.

Significantly reduced trading over an extended period, due to a pandemic, could impact the business's ability to operate within committed credit facilities.

How we manage or mitigate the risk

– The Group maintains a £225 million revolving credit facility with a term of four years remaining
– The Group's net cash position and available funding is actively managed through a Group Treasury policy and cash flow projections are regularly monitored by management and the Board
– Exchange and interest rates are regularly reviewed to determine if hedging should be put in place
– A three-year strategic cash flow is prepared and stress-tested, including the impact on covenant calculations
– Quarterly meeting with the lenders' agent to update on forecast and trading
– To support the financing of the Roberto Coin Inc. acquisition and provide additional headroom, a short-term loan facility of US$115 million has been agreed, extendable up to February 2026

Change in risk

No change

Links to strategy

CLIMATE CHANGE

Principal risk description

The increased frequency of extreme weather events may lead to the significant disruption of retail showrooms, offices, and distribution centres, through flooding and strong winds. The supply chain may also be impacted through transporting goods to showrooms.

In a changing climate, there is the potential for higher insurance premiums for business operations, especially ones located in specific geographies.

The increasing cost of energy and potential regulatory mechanisms on direct carbon emissions, may impact business financials and profit if the Group cannot transition to a more low-carbon business model.

The Group's reliance on premium raw materials, which are a finite resource, increases its exposure to resource scarcity, and the potential increased cost of obtaining these resources in a challenging supply chain environment.

The Group may fail to implement its mitigation strategy to reduce its impact on the climate and manage the risk appropriately, leading to increased scrutiny from stakeholders and investors, resulting in reputational damage.

How we manage or mitigate the risk

– The Board has overall responsibility for managing climate-related risks, as well as ensuring our strategy creates value and achieves our Purpose to WOW our clients, while caring for our colleagues, our communities and our planet
– Climate related issues are addressed on a regular basis by the ESG Committee, which is chaired by an Independent Non-Executive Director
– The ESG Committee challenges our ESG Steering Group on progress against goals and targets
– Key climate related risks and opportunities are governed via our Audit & Risk Committee along with the accuracy of and compliance with ESG-related disclosures, including TCFD
– The ESG agenda continues to evolve rapidly and climate training has been introduced for Board members to ensure they have sufficient knowledge for effective decision-making
– The CEO has overall operational responsibility for climate strategy and the mitigation of related risks
– The CFO has day-to-day operational responsibility for climate-related risks and opportunities and chairs a regular ESG Steering Group, which reports into the ESG Committee
– The Group has a dedicated Head of Sustainability and ESG, who has significant experience in relation to climate change
– The ESG Steering Group is responsible for assessing and managing climate related risks and opportunities against KPIs aligned to our ESG pillars of 'People, Planet and Product' and ensuring all operational matters in respect of our ESG Strategy are fully embedded into our business strategy and operation, including an underpin to Group bonus programmes (refer to pages 185)
– Each ESG pillar is supported by Working Groups, which include senior operational managers, with input from external consultants
– The Group undergoes numerous external assessments on climate and sustainability activities

Change in risk

No change

Links to strategy

GOING CONCERN

The Directors consider that the Group has, at the time of approving the Group Consolidated Financial Statements, adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the consolidated information.

On 9 May 2023, the Group signed a new five year £225.0 million multicurrency revolving loan facility with lenders. The existing facilities were repaid and extinguished on this date. Further, on 23 February 2024, the Group agreed a new $115.0 million term facility agreement for use in relation to the Roberto Coin Inc. acquisition. This facility was drawn down post year-end to allow cash settlement of the acquisition consideration on 8 May 2024. As a result, the going concern assessment has been carried out taking into account all facilities now in place.

The key covenant tests attached to the Group's facilities are a measure of net debt to EBITDA, and the Fixed Charge Cover Ratio (FCCR) at each April and October. The facility covenants are on a pre-IFRS 16 basis and exclude share-based payment costs. Net debt to EBITDA is defined as the ratio of total net debt at the reporting date to the last 12 month Adjusted EBITDA. This ratio must not exceed 3. The FCCR is the ratio of Adjusted EBITDA plus rent to the total finance charge and rent for the 12 months to the reporting date. This ratio must exceed 1.6. At 28 April 2024 the Group comfortably satisfied the covenant tests with net debt to EBITDA being less than 3 and the FCCR exceeding 1.6.

At the balance sheet date, the Group had a total of £225.0 million in available committed facilities, of which £115.0 million was drawn down. Net cash at this date was £0.7 million with liquidity headroom (defined as unrestricted cash plus undrawn available facilities) of £209.3 million. The UK bank facility of £225.0 million is due to expire in May 2028. The new $115.0 million term facility is a 12-month facility with two six-month extension options within the Group's control to bring the expiry date to February 2026. This facility did not increase the year-end liquidity balance as its use was restricted to the acquisition of Roberto Coin Inc. Further detail with regards to covenant tests and liquidity headroom can be found in borrowings note 18 within the Consolidated Financial Statements.

In assessing whether the going concern basis of accounting is appropriate, the directors have reviewed various trading scenarios for the period to 26 October 2025 from the date of this report. These included:

- The base case forecast which used the FY25 budget approved by the Board in May 2024 and six-months of the Long Range Plan. These included the following key assumptions:
  - The more challenging trading environment of FY24 will continue into FY25 with improvement into FY26 in line with market sentiment
  - Revenue forecast supported by expected luxury watch supply
  - Increased cost base in line with macroeconomic environment and environmental targets
  - Inclusion of Roberto Coin Inc. results at historical levels

  The budget aligns to the Guidance given on page 13. Under this budget, the Group has significant liquidity and complies with all covenant tests to 26 October 2025. Our Guidance reflects current visibility of supply from key brands and confirmed showroom refurbishments, openings and closures, and excludes uncommitted capital projects and acquisitions which would only occur if expected to be incremental to the business.
- Severe but plausible scenarios of:
  - 20% reduction in sales against the budget due to reduced consumer confidence and lower disposable income due to the cost-of-living challenges. This scenario did not include cost mitigations which are given below
  - The realisation of material risks detailed within the Principal Risks and Uncertainties on pages 134 to 139 (including potential data breaches and non-compliance with laws and regulations), and also environmental risks highlighted on pages 114 to 117

  Under these scenarios the net debt to EBITDA and the FCCR covenants would be complied with.
- Reverse stress-testing of cash flows during the going concern period was performed. This determined what level of reduced EBITDA and worst case cash flows would result in a breach of the liquidity or covenant tests. The likelihood of this level of reduced EBITDA is considered remote taking into account liquidity and covenant headroom, as well as mitigating actions within management's control (as noted below) and that this would represent a significant reduction in sales and margin from prior financial years.
- Should trading be worse than the outlined severe but plausible scenarios, the Group has the following mitigating actions within management's control:
  - Reduction of marketing spend
  - Reduction in the level of inventory holding and purchases
  - Restructuring of the business with headcount and showroom operations savings
  - Redundancies and pay freezes
  - Reducing the level of planned capex

The directors also considered whether there were any events or conditions occurring just outside the going concern period that should be considered in their assessment, including whether the going concern period needed to be extended. The scenarios modelled by the directors confirmed the ability, under the base and severe but plausible downsides, for the Group to repay the new $115.0 million term facility at the end of the going concern period.

As a result of the above analysis, including potential severe but plausible scenarios and the reverse stress test, the Board believes that the Group and Company is able to adequately manage its financing and principal risks, and that the Group and Company will be able to operate within the level of its facilities and meet the required covenants for the period to 31 October 2025. For this reason, the Board considers it appropriate for the Group and Company to adopt the going concern basis in preparing the Consolidated Financial Statements.

VIABILITY STATEMENT

In accordance with Provision 31 of the UK Corporate Governance Code 2018 (the Code), the Directors are required to issue a Viability Statement declaring whether the Directors believe the Group is able to continue to operate and meet its liabilities over a period greater than 12 months, taking into account its current position and principal risks.

ASSESSMENT OF PROSPECTS

The Directors have assessed the prospects of the Group by reference to its current financial position, its recent and historical financial performance, its forecasts for future performance, its business model (pages 26 to 27), strategy (pages 34 to 37) and its principal risks and mitigating factors (pages 134 to 139). In addition, the Board regularly reviews the financial position of the Group, its liquidity and financial forecasts.

The Group's FY25 budget was approved by the Board in May 2024. The FY25 budget has been used as the base for the first year of the viability assessment period, and the Long Range Plan to FY28 is used for the outer years (excluding uncommitted acquisitions). The budget aligns to the Guidance given on page 13.

ASSESSMENT PERIOD

The Directors have assessed the prospects of the Group over a three-year period. This period is considered an appropriate timeframe to assess the Group's prospects and is consistent with the Group's business model, strategic planning period, management incentive schemes and medium-term financing considerations.

CURRENT FINANCING

On 9 May 2023, the Group signed a new five-year £225.0 million multicurrency revolving loan facility with lenders. The existing facilities were repaid and extinguished on this date. Further, on 23 February 2024, the Group agreed a new $115.0 million term facility agreement for use in relation to the Roberto Coin Inc. acquisition. This facility was drawn down post year-end to allow cash settlement of the acquisition consideration on 8 May 2024. As a result, the viability assessment has been carried out taking into account all facilities now in place, and takes account of the repayment of the $115.0 million term loan on expiry in February 2026.

The key covenant tests attached to the Group's facilities are a measure of net debt to EBITDA, and the Fixed Charge Cover Ratio (FCCR) at each April and October. The facility covenants are on a pre-IFRS 16 basis and exclude share-based payment costs. Net debt to EBITDA is defined as the ratio of total net debt at the reporting date to the last 12 month Adjusted EBITDA. This ratio must not exceed 3. The FCCR is the ratio of Adjusted EBITDA plus rent to the total finance charge and rent for the 12 months to the reporting date. This ratio must exceed 1.6. At 28 April 2024 the Group comfortably satisfied the covenant tests with net debt to EBITDA being less than 3 and the FCCR exceeding 1.6.

During the three-year viability period, the Group anticipates that it will comfortably comply with the net debt to EBITDA and FCCR covenants at each six-month interval from October 2024 to April 2027.

ASSESSMENT OF VIABILITY

The strategic planning process reviewed by the Board is over a three-year period. In determining the appropriate assessment period, the Board considered the uncertainty regarding a number of global economic events, including the level of inflation and the cost-of-living crisis, together with a number of environmental matters.

During the normal cycle of strategic planning, budgets and forecasts are approved by the Board at the end of each financial year.

In making the Viability Statement, the Board carried out a robust assessment of the principal risks and uncertainties facing Group as described on pages 134 to 139. In addition to the uncertainties noted above, the key risks identified that would have a material impact on the long-term viability of the Group were the loss of a key supplier and the impact of a potential penalty for statutory breaches.

The scenarios assessed in relation to viability were:

- Severe but plausible scenarios of:
  - 20% reduction in sales against the budget and Long Range Plan. This scenario did not include cost mitigations which are given below
  - The realisation of material risks detailed within the Principal Risks and Uncertainties on pages 134 to 139 and environmental risks highlighted on pages 106 to 122

  These scenarios would still result in the net debt to EBITDA and the FCCR covenants all being complied with
- Reverse stress-testing of this plan to determine what level of reduced EBITDA and other possible cash outflows would result in a breach of the lending requirements during the three-year period. This level of reduced EBITDA and other possible cash outflows is considered to be remote
- The loss of a key supplier to the business. Whilst this scenario would have a significant adverse impact on the Group, management consider that the strength of the current supplier relationship combined with the historic showroom investment and revenue growth achieved means that this scenario is not plausible, and therefore would not result in a covenant breach during the viability assessment period
- The severe impact of any statutory non-compliance has been evaluated and would not result in a breach of the facility covenants

Whilst global economic factors could impact the Group, the long-term strategy for value creation in the UK and US remains unchanged. The advantages of the Group's multi-channel operating model coupled with its scale and technological expertise should enable the business to outperform the market, take market share and capitalise on the material growth opportunities in the US.

The financial impact of actions being taken by the Group to achieve its climate change commitment have been included in future cash flows and stress testing.

CONCLUSION

Based upon this assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation to meet its liabilities as they fall due over the three-year assessment period.

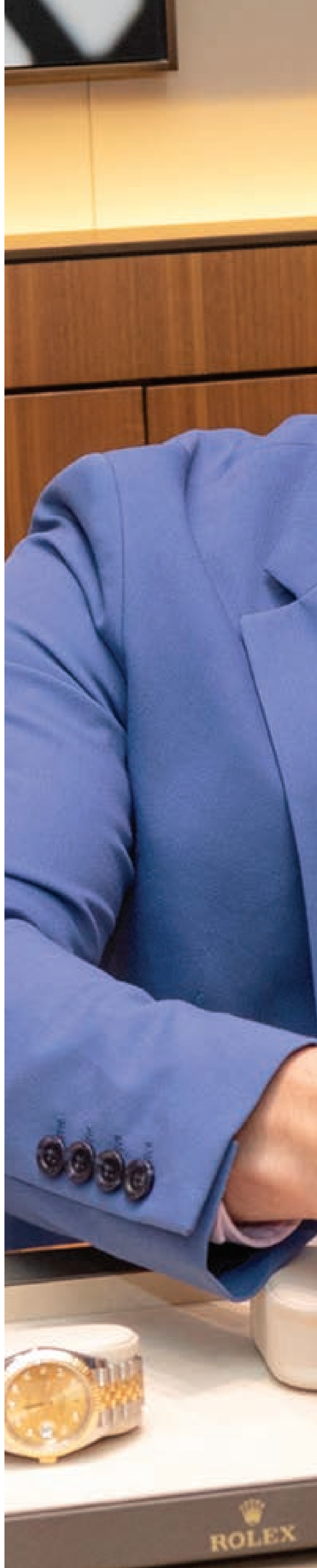
APPROVAL OF STRATEGIC REPORT

Approved by the Board and signed on its behalf:

BRIAN DUFFY
CHIEF EXECUTIVE OFFICER
26 June 2024

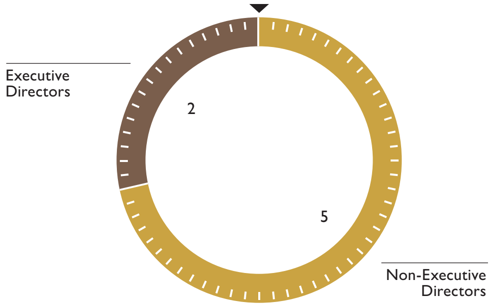
2 CORPORATE GOVERNANCE REPORT

CONTENTS

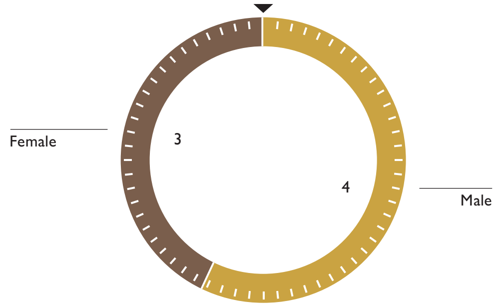


CORPORATE GOVERNANCE AT A GLANCE

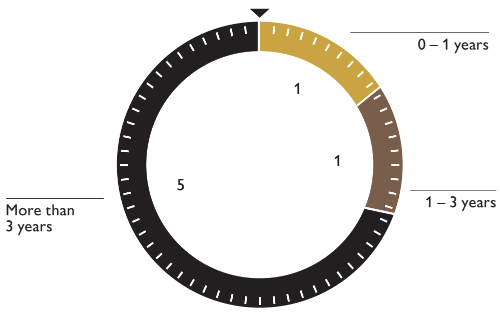
BALANCE OF THE BOARD



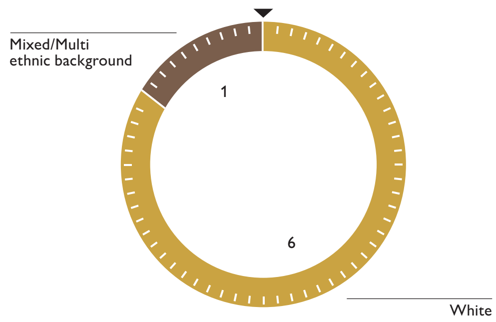
BOARD MEMBERS BY GENDER



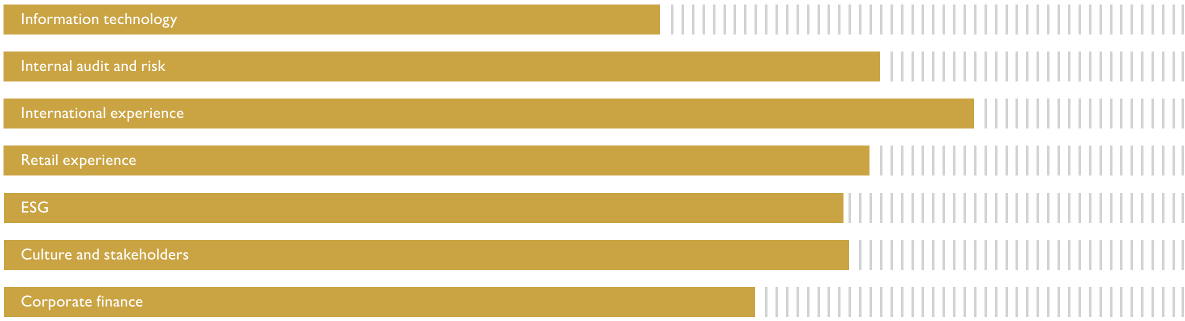
DIRECTOR TENURE



BOARD MEMBERS BY ETHNICITY



BOARD SKILLS



BOARD AND COMMITTEE ATTENDANCE

	Board		Audit & Risk		Remuneration		Nomination		ESG	
Director	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ian Carter	6	6	n/a	n/a	3	3	3	3	3	3
Brian Duffy	6	6	n/a	n/a	n/a	n/a	n/a	n/a	3	3
Anders Romberg[1]	5	5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tea Colaianni	6	6	4	4	3	3	3	3	3	3
Baroness (Rosa) Monckton MBE	6	6	4	4	3	3	3	3	3	3
Robert Moorhead	6	6	4	4	3	3	3	3	3	3
Chabi Nouri	6	6	4	4	n/a	n/a	n/a	n/a	3	3
Bill Floydd[2]	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1 Anders Romberg was appointed an Executive Director on 12 May 2023
2 Bill Floydd resigned as an Executive Director on 12 May 2023

MATTERS RESERVED FOR THE BOARD

Below is a summary of the key matters reserved for the Board. The full document can be viewed on the corporate website thewosgroupplc.com

STRATEGY AND MANAGEMENT

- Overall leadership of the Company
- Annual budgets and business plans
- The Group's purpose, values and strategy, ensuring an alignment with the Group's culture
- Extension of the activities into new areas or territories and cessation of operations of material parts

CAPITAL ALLOCATION AND STRUCTURE

- Changes relating to the Group's capital or material corporate structure
- Major capital projects or property leases
- Significant acquisitions or disposals
- Changes to the Group's management and control structure
- Dividend Policy and dividend payment recommendations and share buy back decisions

FINANCIAL REPORTING, RISK AND CONTROL

- Financial results and announcements relating thereto
- Policies and procedures to ensure independence and effectiveness of internal and external audit functions
- External Auditor appointment or removal
- Establishing procedures to manage risk and oversee the internal control framework

CORPORATE GOVERNANCE

- Delegation of authorities, including the division of responsibilities between the Chair of the Board and the CEO and Delegated Levels of Authority
- Policies and practices to ensure consistency with the Company's purpose, values and strategy
- Material Group policies and statements and any major changes
- Review of the Group's overall corporate governance arrangements

STAKEHOLDER ENGAGEMENT

- Matters requiring shareholder approval
- Circulars and significant shareholder communications
- Ensuring effective engagement and participation from stakeholders
- Description of stakeholder interests and how they were considered in the Board's decision-making process in the Annual Report and Accounts

PEOPLE AND LEADERSHIP

- Board and Committee constitutions and Committee Terms of Reference
- Appointment or removal of Directors and the Company Secretary
- Non-Executive Director fees
- Ensuring the Board and its Committees have a combination of skills, experience and knowledge

CHAIR'S INTRODUCTION

IAN CARTER
Chair

Welcome to the Corporate Governance Report, which I am pleased to present on behalf of the Board for the financial year ended 28 April 2024.

The Report that follows, in conjunction with the other Committee reports, provides details of our robust governance and risk management, our effective engagement with stakeholders and compliance with the principles and provisions of the Corporate Governance Code 2018.

In January 2024, the Financial Reporting Council (FRC) published a revised version of the UK Corporate Governance Code (CGC). Whilst for the most part, the changes apply to financial years beginning on or after 1 January 2025, the Board has been briefed on the changes and believes the Company has applied and is able to confirm its compliance with the revised CGC, except for the new substantive internal control changes, which will be complied with by the deadline. The Company has developed a plan to implement these internal control changes, pending release of the final guidance from the FRC, and we hope to be able to report good progress in next years Annual Report and Accounts.

The Board believes that effective governance leads to better decision-making and that the robust framework should be embedded within every level of the organisation.

The Board has been highly engaged this financial year and continued to oversee and shape the strategic direction of the Group, ensuring the business remains sustainable over the long-term and remains ready to respond to external factors which may affect the business. With the continuing challenging macroeconomic environment, it is essential for the Board to ensure appropriate governance is in place to support the Executive Directors and senior management, in delivering strategy, and to ensure the Group is in a strong position to take advantage when the economic environment improves.

DIVERSITY AND INCLUSION

The Board continues to recognise the importance of diversity and inclusion, including the benefits of recruiting leaders who reflect the diverse communities which we serve, and society as a whole. The business achieved its highest ranking to date in this year's FTSE Women Leaders Review (number 10 in the FTSE 250 category) and continued to meet the Parker Review recommendations, which sets a target for each FTSE 250 company to appoint at least one member of the Board from a minority ethnic background by 2024. Additionally, the Company aims to ensure that all teams (including senior management) represent the race and ethnic mix of the markets in which we operate.

The Company is not only focused on diversity and inclusion at the top level of the organisation but is committed to supporting work initiatives that promote a culture of inclusion and diversity throughout the organisation.

Additional information on diversity in the boardroom can be found in the Nomination Committee Report on page 164 and information on the wider organisation can be found in the People Strategy section on pages 74 and 75.

Our succession planning and future recruitment considers diversity as set out in our Board Diversity & Inclusion Policy, which can be found on our corporate website thewosgroupplc.com.

ESG

The Company's governance framework has been further enhanced this year, as a result of progress made within the governance workstreams as part of the ESG Strategy. This includes the Board approving a new Human Rights Policy and a new Data Security and Information Security Statement, both of which can be found on our corporate website thewosgroupplc.com.

Additionally, the Board was pleased to note a significant improvement in our ESG Rating Agencies scores and particularly in relation to our ISS Governance Quality Score.

STAKEHOLDER CONSIDERATIONS

The Board considers all relevant stakeholders during its decision-making processes and continues to strengthen its understanding of the different key stakeholder groups. Brand partner relationships and other key suppliers are reviewed at each Board meeting and updates provided of activities undertaken. Shortly after the end of FY24, the Board held one of its Board meetings in Geneva – the home of Swiss watchmaking. This visit was the perfect opportunity to meet with our key brand partners.

Baroness (Rosa) Monckton MBE, continues as our Designated Non-Executive Director for Workforce Engagement, providing information to the Board on key areas of interest and concern from our colleagues. Rosa's attendance at the Listening Forums, both UK and US, as well as our Global Listening Forum ensures that the Board remains increasingly visible amongst our colleagues. After each forum, Rosa reports back to the Board on her findings.

Rosa's feedback, along with the annual Colleague Engagement Survey, helps us to ensure that our colleagues' perspectives are considered by the Board and Committees during their decision-making processes.

More information on the Board's decision-making, engaging with stakeholders, as well as the interests of each of its stakeholders, can be found on pages 63 to 65 and 152 to 153.

BOARD CHANGES

As reported in the previous year's Annual Report and Accounts, Anders Romberg was appointed as the Chief Financial Officer in early May 2023, as Bill Floydd stood down, as a result of challenges with his travel commitments.

ANNUAL GENERAL MEETING

I look forward to engaging with you at the forthcoming AGM which is scheduled to take place on 3 September 2024, commencing at 2.30pm, and will be held at 36 North Row, London W1K 6DH. Full details including the resolutions to be proposed to our shareholders can be found in the Notice of AGM, which will be communicated to shareholders and made available on our corporate website thewosgroupplc.com.

FOCUS FOR FY25

I am pleased to provide you with a clear outline of the work the Board has undertaken during the year and how our governance and Board agendas are aligned with the Group's strategy.

IAN CARTER
CHAIR
26 June 2024

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"The Board believes that effective governance leads to better decision-making and that a robust framework should be embedded within every level of the organisation."

IAN CARTER
CHAIR

EXPERIENCED LEADERS GUIDING OUR FUTURE

	IAN CARTER Chair	**BRIAN DUFFY** Chief Executive Officer Executive Director	**ANDERS ROMBERG** Chief Financial Officer Executive Director
APPOINTED	1 November 2020 Ian brings over 30 years of international and retail experience, having held a number of senior positions at consumer-facing and luxury companies. Ian currently serves as a non-executive director with Servpro Industries, LLC, owned by Blackstone, where he is the Chair of the Audit Committee. Ian is also a current director and Chair of Eataly USA LLC. Ian joined Hilton International as CEO in London in 2005 becoming an integral part of the team that took Hilton Worldwide private and then public in 2013. Prior to joining Hilton, Ian served as an Officer and President of Black & Decker Corporation. Ian has significant experience as a non-executive director having served on a number of boards in the UK and the US, including Burberry Group PLC and Chair of the Del Frisco Restaurant Group Inc., listed in the US.	7 May 2019 Brian has served on several boards across the fashion, retail and sports sectors and has been the CEO of the Group since 2014. Brian has previously served on the boards of several subsidiaries of Ralph Lauren, as well as the board of Celtic PLC. Brian is an ICAS Chartered Accountant and holds an Honorary Doctorate from Glasgow Caledonian University. Brian is the Chair of The Watches of Switzerland Group Foundation and was appointed as the Chair of the Prince's Trust Retail, Leisure and Hospitality Fundraising Leadership Group in January 2023.	12 May 2023 Anders was reappointed to the Board in 2023 as Chief Financial Officer. Anders was previously the CFO at the Watches of Switzerland Group from 2014 to 2022, transforming the business globally and taking the Company from private to public. Before this, Anders was with at Ralph Lauren serving as Chief Financial Officer and Chief Operating Officer for Europe, Middle East and Africa, and Chief Operating Officer for Asia Pacific. Anders has previously held senior finance roles at Gillette and Duracell.
INDEPENDENT	Yes	No	No
PRINCIPAL EXTERNAL APPOINTMENTS	Servpro Industries, LLC Eataly USA LLC	The Watches of Switzerland Group Foundation	None
RELEVANT SKILLS AND EXPERIENCE	Ian brings to the Board a wealth of international and retail experience and a deep understanding of the global luxury industry. Ian has considerable experience in the understanding of matters of a strategic nature. Ian also has significant experience as a non-executive director.	Brian brings to the Board significant retail and international experience, financial acumen and in-depth understanding of the global luxury watch and jewellery sector. Brian's corporate experience is relevant to the governance of a listed company and includes culture and stakeholder considerations.	Anders brings to the Board extensive experience at senior management level of accounting and operational matters, including IT and cyber, and has extensive experience in the international luxury retail sector.
COMMITTEE MEMBERSHIP	– Nomination (Chair) – Remuneration – ESG	– ESG	

TEA COLAIANNI

Senior Independent Director
Non-Executive Director

7 May 2019

Tea was appointed as a Non-Executive Director and Chair of the Remuneration Committee in December 2018 and Senior Independent Director of the Company in May 2019. Tea has more than 30 years' experience in consumer facing industries and has served as a non-executive director on multiple boards. She currently serves on the board of SD Worx NV. Tea is the Founder and Chair of WiHTL – Diversity in Hospitality, Travel and Leisure and Diversity in Retail (DiR).

Yes

SD Worx NV

Tea brings to the Board a wealth of experience in HR strategy governance and consumer facing industries as well as extensive DEI expertise. Tea has significant experience as a non-executive director including extensive and current experience of all remuneration matters which enables her to carry out her role as Chair of the Remuneration Committee.

- Audit & Risk
- ESG
- Nomination
- Remuneration (Chair)

BARONESS (ROSA) MONCKTON MBE

Independent Designated Non-Executive Director for Workforce Engagement

7 May 2019

Rosa has over 20 years' experience in the luxury jewellery and watch sectors, and was appointed as a Non-Executive Director in 2014. Her experience includes setting up Tiffany & Co in the UK, and serving as Chief Executive Officer and then Chair of Asprey & Garrard. Rosa also has experience in the charity sector, and campaigns on behalf of disabled children and adults, through her role as Chair of Team Domenica.

Rosa was granted peerage in January 2024 for her work as a charity founder and advocate for inclusion and equal opportunity for people with special educational needs.

Yes

Team Domenica

Rosa brings to the Board significant experience of the luxury jewellery and watch industry. Rosa's ESG experience includes diversity and inclusion initiatives and a deep understanding of the charity sector, this enables Rosa to carry out her role as Chair of the ESG Committee.

- Audit & Risk
- ESG (Chair)
- Nomination
- Remuneration

ROBERT MOORHEAD

Independent Non-Executive Director

7 May 2019

Robert has significant experience in the retail sector and was appointed as a Non-Executive Director in 2018. Robert currently serves as Chief Financial Officer and Chief Operating Officer of WH Smith PLC, and was previously Finance Director at Specsavers Optical Group and Finance and IT Director at World Duty Free Europe Limited. Robert is an ICAEW Chartered Accountant.

Yes

WH Smith PLC

Robert brings to the Board extensive experience in the retail sector as well as recent relevant and up to date financial and information technology and cyber experience which enables him to carry out his role as Chair of the Audit & Risk Committee.

- Audit & Risk (Chair)
- ESG
- Nomination
- Remuneration

CHABI NOURI

Independent Non-Executive Director

1 May 2022

Chabi has over 20 years' experience in the luxury jewellery and watch sectors and was appointed as a Non-Executive Director in 2022. Chabi has particular experience in the jewellery sector for marketing and merchandising, being responsible for Cartier's creative and fine jewellery collections and in watches serving as the Chief Marketing Officer of Piaget, Chabi was appointed as Chief Executive Officer of the company in 2017. Chabi is currently a non-executive director of Lucid Group, Inc, an automotive and luxury consumer goods business listed on the US Stock Exchange, Group Marketing and Communications Head at Mirabaud Group and director and Chair of EveryWatch DMCC.

Yes

Mirabaud Asset Management.
Lucid Group, Inc
EveryWatch DMCC

Chabi brings to the Board significant international experience of the luxury watches and jewellery retail industry. Chabi has relevant experience and acumen in strategic matters.

- Audit & Risk
- ESG

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT 2024

This Corporate Governance Statement explains key features of the Group's governance structure and how the Group measures itself against the standards set out in the UK Corporate Governance Code 2018 (the Code), as required by the Listing Rules of the Financial Conduct Authority, the accepted standard of good governance practice in the UK. A copy of the Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

We believe that good governance provides the framework for stronger value creation and lower risk for shareholders. It is the Board's responsibility to instil and maintain a culture of openness, integrity and transparency throughout the business, through our actions and conduct, policies and communications.

We apply corporate governance guidelines in a way that is relevant and meaningful to our business and consistent with our culture and values. If we decide that the interests of the Company and its shareholders can be better served by doing things in a different way, we will explain the reasons why.

STATUTORY INFORMATION

Disclosures required by the Disclosure Guidance and Transparency Rules DTR 7.2.6 with regard to share capital are presented in the Directors' Report on page 195. Disclosures required by DTR 7.2.8 relating to diversity policy are presented in the Nomination Committee Report on page 164. Information concerning diversity and ethnicity as required under Listing Rule 9.8.6R(10) can be found on page 158 and in the Nomination Committee Report on page 164.

Statutory information	Section of report	Page
Internal control and risk management	Risk Management	160
Securities carrying special rights with regard to the control of the Company	Directors' Report	195
Restrictions on voting rights	Directors' Report	195
Appointment and replacement of Directors and amendments to the Company's Articles	Directors' Report	193
Powers of the Company's Directors relating to transactions in own shares	Directors' Report	195
Purpose, values and culture	Environmental, Social and Governance	66

UK CORPORATE GOVERNANCE CODE 2018 COMPLIANCE

The Company's obligation is to state whether it has complied with the relevant provisions of the Code, or to explain why it has not done so (up to the date of this Annual Report and Accounts).

The Board confirms that, throughout the year, the Company has applied the principles, both in spirit and in form, and complied with the provisions set out in the issued by the Financial Reporting Council (FRC) in July 2018. The Company's governance arrangements have been considered alongside the Code. The information set out in the Corporate Governance Statement and the Directors' Report on pages 151 to 197, including the various Board Committee Reports (on pages 162 to 191), is intended to provide an explanation of how the Code's principles were applied practically throughout the year.

BOARD APPROVAL FOR THE CORPORATE GOVERNANCE STATEMENT 2024

This Corporate Governance Statement is approved by the Board and signed on behalf of the Board by the Chair and by the Company Secretary.

IAN CARTER
CHAIR
26 June 2024

LAURA BATTLEY
COMPANY SECRETARY
26 June 2024

UK CORPORATE GOVERNANCE CODE 2018

1
DIVISION OF RESPONSIBILITIES
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BOARD LEADERSHIP & COMPANY PURPOSE
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COMPOSITION, SUCCESSION & EVALUATION
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AUDIT, RISK MANAGEMENT & INTERNAL CONTROL
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REMUNERATION
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GOVERNANCE FRAMEWORK

The Board facilitates the operation of an open and straight-forward culture without complex hierarchy and over-delegation of responsibilities. The structure of the Board and its governance framework is set out below.

SHAREHOLDERS

BOARD

The Board of Directors is led by the Chair.

The Board is collectively responsible for the long-term success of the Company and the Group. The business of the Group is managed by the Board who may exercise all the powers of the Company. The Board delegates certain matters to the Board Committees, and delegates the detailed implementation of matters approved by the Board and the day-to-day operational aspects of the business to the Executive Directors and other members of senior management. There is a schedule of matters specifically reserved for the Board which and are available on the corporate website thewosgroupplc.com

BOARD COMMITTEES

The Terms of Reference for each Committee are documented and agreed by the Board. They are annually reviewed and where necessary updated and are available on the corporate website thewosgroupplc.com.

The key responsibilities of each Committee are set out below.

NOMINATION COMMITTEE

Undertakes an annual review of Board appointments, the talent pipeline and succession planning. Ensuring that the membership and composition of the Board, including the combination of skills and diversity, remains appropriate.

Nomination Committee Report on pages 162 to 164

AUDIT & RISK COMMITTEE

Reviews and reports to the Board on the Group's financial reporting, internal control and risk management systems and the independence and effectiveness of the External Auditor. Reviews and approves the responsibilities of the Internal Audit function and ensures the necessary resources and access to information are in place.

Audit & Risk Committee Report on pages 165 to 171

REMUNERATION COMMITTEE

Determines the policy for remuneration, bonuses, long-term incentive arrangements, contract terms and other benefits in respect of the Executive Directors, the Chair, the Company Secretary and General Counsel and senior management. Reviews workforce remuneration and related policies.

Remuneration Committee Report on pages 175 to 191

ESG COMMITTEE

Provides oversight on behalf of the Board in relation to the Group's ESG Strategy and activities, oversees any ESG strategic goals, targets and Key Performance Indicators.

ESG Committee Report on pages 172 to 174

EXECUTIVE DIRECTORS

The Executive Directors are the CEO and the CFO who are responsible for the day-to-day operational running of the business.

Further information on their respective roles and responsibilities can be found on page 152.

TRADING BOARD

The CEO has delegated authority for the day-to-day management of the business to operational management comprising the CFO, the Company Secretary and General Counsel and members of senior management who have responsibility for their respective areas.

The Trading Board meets weekly and considers key business matters including weekly trading, capital expenditure and business reviews whilst also focusing on risk management of the business areas, Xenia development, people matters, strategy preparation and implementation, merchandising and specific areas of training, such as, competition compliance.

KEY STEERING GROUPS, SUB COMMITTEES AND WORKING GROUPS

Underneath the Trading Board, there are a number of key steering groups made up of senior management and other colleagues, who are tasked with delivering key projects or ensuring compliance and the monitoring of risks within important business areas including; ESG; cyber security; data; Europe; Xenia; and Health & Safety. There are also a number of functional working groups which support the Steering Groups. For further information on the ESG Governance Framework see page 71.

KEY ROLES AND RESPONSIBILITIES

There is a clear division of responsibilities between the Chair and the CEO, which is set out in writing and has been agreed by the Board. This can be found on our corporate website at thewosgroupplc.com.

The Board biographies are included on pages 148 and 149.

Chair	– Responsible for the operation, leadership and governance of the Board – Sets the Board agenda and ensures sufficient time is allocated to ensure effective debate to support sound decision-making – Ensures the Board is fully informed of all matters and receives precise, timely and clear information sufficient to make informed judgements – Ensures each Non-Executive Director makes an effective contribution to the Board – Meets with the Non-Executive Directors independently of the Executive Directors
Chief Executive Officer	– Management of the day-to-day operations of the Group – Develops the Group's strategic objectives for consideration and approval by the Board – Implements the strategy approved by the Board – Leads the Trading Board and senior management – Manages the Company and the Group – Ensures effective and ongoing communication with investors
Chief Financial Officer	– Manages all aspects of the Group's financial affairs – Works with the CEO to develop and implement the Group's strategic objectives – Delivers the financial performance of the Group – Ensures the Group remains appropriately funded to pursue its strategic objectives – Ensures proper financial controls and risk management of the Group and compliance with associated regulation – Ensures effective and ongoing communication with investors
Senior Independent Director	– Acts as a 'sounding board' for the Chair and serves as an intermediary for the other Directors where necessary – Leads the Non-Executive Directors in their annual assessment of the Chair's performance – Available to investors if they have concerns which the normal channels through the Chair, CEO or other Directors have failed to resolve
Non-Executive Directors	– Are all independent, experienced and influential individuals from a diverse range of industries, backgrounds and countries – Provide constructive contribution and challenge to the Executive Directors regarding the development of the strategy – Scrutinise the operational and financial performance of senior management – Monitor the integrity of financial information, financial controls and systems of risk management – Devote such time as is necessary to the proper performance of their duties
Designated Non-Executive Director for Workforce Engagement	– Gauges the views of colleagues and identifies any areas of concern – Ensures the views and concerns of the workforce are taken into account by the Board, particularly when they are making decisions that could affect colleagues – Ensures the Board takes appropriate steps to evaluate the impact of proposals and developments on colleagues and considers what steps should be taken to mitigate any adverse impact
Company Secretary and General Counsel	– Supports the Board and its Committees with their responsibilities and ensures information is made available to Board members in a timely fashion – Supports the Chair in setting Board agendas, designing and delivering Board inductions and Board evaluations and co-ordinates post-evaluation action plans – Advises on regulatory compliance and corporate governance matters – Ensures compliance with the Board's procedures and with applicable rules and regulations – Communicates with investors and organises the AGM

GOVERNANCE IN ACTION

ACQUISITION OF 15 LUXURY WATCH ERNEST JONES SHOWROOMS

One of the Watches of Switzerland's Group's strategic priorities is to grow revenue, profit and return on capital employed. We achieve this through disciplined investment in growth opportunities and achieving; improved operating margins; increased shareholder returns; and delivering profitable sales growth. During FY24, the Board considered and approved the acquisition of 15 luxury watch Ernest Jones showrooms from the Signet Group. The Board received regular updates on the acquisition from initial discussions through to signing and completion. The Board discussed acceptable transaction parameters and the Group's risk appetite, as well as discussing the benefits and challenges the acquisition would bring to the business. The Board considered the impact on each of the Group's key stakeholders. Following the acquisition, the Board continues to receive updates, from management, on the integration of the business and colleagues into the Group. The Board will also receive a full financial review, integration and 'lessons learned' update from senior management as part of the 12-month review of the acquisition.

In considering the transaction, the Board identified and assessed the impact on stakeholders as part of its decision-making process. These included:

– Investors: increased revenue, profits and market share in the UK luxury watch and jewellery market. Rigorous commercial and financial evaluation to analyse return on investment
– Colleagues: experienced skills brought in-house as a result of colleague transfers. The need for training and integration to ensure alignment with group client services offering and culture
– Brand partners and other suppliers: further extending brand partner relationships
– Clients: offering an increased number and choice of locations, and online and of product; benefits of embedding the Group's Xenia, Client Experience Programme into the showrooms; enhanced offering of aftercare and servicing

LUXURY BRANDED JEWELLERY STRATEGY

The Watches of Switzerland Group has established strong and long-standing relationships with our brand partners. We retail the most prestigious and recognised luxury watch and jewellery brands.

The Board plays a critical role in setting the Group's strategic objectives and ensuring they are delivered, enabling the Group to expand, grow and develop.

During FY24, the Board reviewed the luxury branded jewellery strategy and considered how to best grow the business. The particular focus is on branded jewellery and developing the jewellery business which is now a core pillar of the Group's growth strategy. The promotion and business growth of luxury jewellery was consolidated by the publication of the Long Range Plan to 2028.

Eric Macaire, Executive Director, Global Buying and Merchandise, who joined the Group in January 2023, presented an initial updated strategy to the Board in July 2023. Management had identified this as a key area of growth as, it was management's belief, the Group was under-developed in this exciting category and perfectly positioned to leverage the Group's proven model in elevating luxury watch brands in order to expand, offer and enhance partnerships with luxury jewellery brands. The benefit from the potential in the luxury branded jewellery category is believed to be dynamic with significant long-term growth expectations.

In considering the strategy, the Board identified and assessed the impact on stakeholders as part of its decision-making process. Some of those considerations were as follows:

– Investors: the Board considered the long-term growth opportunities for revenue and also had regard to the Group being able to provide a more enhanced product selection
– Colleagues: additional skills required in retail and in Support Centres to support the ambition, either by mean of training, resources alignment or recruitment
– Brand partners and other suppliers: enhancing current relationships and developing new relationships with a number of new and exclusive luxury jewellery brand offerings
– Clients: offering an increased choice of product, including elevated luxury jewellery brands and curated luxury jewellery in exclusive locations; benefits of embedding the Company's Xenia Client Experience Programme into the showrooms; and offering an opportunity to purchase online
– Communities: circularity and traceability are both important to the Board. Our ESG Strategy supports the sustainability aspect of sourcing jewellery and we conduct factory audits in selected areas of our business every year

BOARD KEY AREAS OF FOCUS IN FY24

The following table summarises the key areas focus for the Board during the year. This table should be read in conjunction with 'How we engage with our stakeholders' on pages 63 to 65.

		Link to strategy	Relevant stakeholders considered
Strategy	– Approved strategy, considering progress against the Long Range Plan and prioritising strategic areas of focus – Approved the Long Range Plan to FY28 – Reviewed the evolving strategy for repairs and pre-owned products – Reviewed the enhanced jewellery strategy – Considered key strategic matters, including emerging trends, client behaviour and future expectations, and brand relationships – Received reports from the CEO and CFO, including progress against strategic objectives, from each business area, on trading, business performance, financing and strategy implementation – Approved the acquisition of 15 luxury watch Ernest Jones showrooms – Approved progression of discussion, which subsequently led to the acquisition of Roberto Coin Inc. – Approved various US business development activities, including showroom relocations for Plano, Texas and Atlanta, Georgia – Conducted a 12-month review of the opening of showrooms and ongoing business in Europe		
Performance	– Reviewed regular updates on business performance by market, and territory including brand performance – Received progress updates for the showroom portfolio development, including refurbishment of the showrooms, luxury jewellery elevation – Reviewed business performance KPIs at each meeting – Timely update to the Market of trading conditions and FY24 guidance following trading over the holiday season		
Finance	– Approved the renewal of the Group financing arrangements including the facility entered into for the Roberto Coin Inc. acquisition – Approved the FY25 Group budget, business plan and material capital expenditure projects – Scrutinised on an ongoing basis, performance against budget and forecasts – Reviewed capex and payback on showroom refurbishments, showroom openings and acquisitions		
Leadership, people, values and culture	– Received an update on the People Strategy which included diversity, equity and inclusion – Considered culture and reviewed the purpose and values as part of the People Strategy outcomes – Considered feedback from colleagues including, Listening Forums and the annual Colleague Engagement Survey with associated proposed action plans – Considered succession planning for the Board and senior management – Annual review and approval of an enhanced Board Diversity & Inclusion Policy – Approved a new Human Rights policy – Considered the results of a Demographics Capture Survey – Reviewed the operational element of the Long Range Plan, including People, Xenia and Marketing – Reviewed the UK Retail Transformation project, including the retail organisational structure – Approved the annual Gender Pay Gap Report		

STRATEGIC PRIORITIES

- Grow revenue, profit and Return on Capital Employed
- Enhance strong brand partnerships
- Deliver an exceptional client service
- Drive client awareness and brand image
- Leverage best-in-class operations
- Expand our multi-channel leadership
- Continue to advance the ESG agenda

STAKEHOLDERS

- Clients
- Colleagues
- Brand partners and other suppliers
- Investors
- Communities

		Link to strategy	Relevant stakeholders considered
Environment and community	– Reviewed progress of the ESG Strategy, key metrics and targets – Reviewed and approved the annual Modern Slavery Statement and the Environmental Policy – Agreed the continued support of The Watches of Switzerland Group Foundation, noting the evolution of the strategy with regard to charity partnerships and initiatives – Agreed scope and considered the progress of the ESG Materiality Assessment – Received updates on climate change, the Group's carbon road map, the Group's targets and net-zero GHG emissions ambition		
Governance and corporate responsibility	– Approved the appointment of the new Chief Financial Officer – Conducted the annual Board Evaluation in respect of the effectiveness of the Board and its Committees and discussed the output of the review – Reviewed the changes published for the 2024 UK Corporate Governance Code – Approved Group policies, including Competition Compliance, Code of Ethics, Anti-Bribery, Corruption & Fraud, Anti-Money Laundering, Human Rights (new) and Data Protection & Information Security Statement (new)		
Risk management and internal controls	– Considered principal and emerging risks, including any changes to the risk profile – Approved the Group's risk appetite – Approved the effectiveness of the Group's systems of internal control and risk management framework – Conducted a review of the Group's cyber security programme and maturity assessment, including risks and mitigation – Noted the change in insurance brokers and approved the renewal terms of the 2024 Insurance programme, including cover for the Directors and Officers Liability		
Stakeholder engagement	**Brand partners and other suppliers:** – Regular updates on brand performance, relationship, supply and engagement – Attended a product review for luxury watches, market trends, new lines and exclusives and how they support the Long Range Plan and strategic objectives, including a brand deep dive **Investors:** – Received regular investor relations updates – Received external presentations from corporate brokers **Colleagues:** – Received feedback from the Designated Non-Executive Director for Workforce Engagement, senior management and colleague Listening Forums – Received feedback, regarding diversity, equity and inclusion including from the Diversity Council **Clients:** – Received feedback from President of UK & Europe and President of North America & Deputy CEO on clienteling, exhibitions and events and client entertainment initiatives – Reviewed updates on how Xenia is being further embedded into the support teams – Received statistics on client surveys		

BOARD LEADERSHIP AND COMPANY PURPOSE

THE ROLE OF THE BOARD

The Board provides leadership to the Group and is collectively responsible for promoting its long-term success and for delivering sustainable value to all stakeholders.

The Board ensures there is a sound system of internal control and risk management in place (including financial, operational and compliance controls) and ensures the overall effectiveness and maintenance of those systems.

The Board is supported by a number of Committees, to which it has delegated certain powers. The role of these Committees, their membership, responsibilities and activities, during the year, are detailed on pages 162 to 191.

Some decisions are sufficiently material or important to the Group's business that they can only be made by the Board as a whole. There is a Schedule of Matters Reserved for the Board (Reserved Matters), which contains items reserved for the Board to consider and approve, relating to strategy and management, material contracts, financial reporting and controls, internal controls and risk management, Board membership and succession planning, corporate governance, structure and capital, and delegation of authority. In addition to the Reserved Matters, each Board Committee has written Terms of Reference defining its role and responsibilities. The Reserved Matters and the Terms of Reference of the Board Committees can be found on our corporate website, thewosgroupplc.com. Further details regarding the role and activities of the Board can be found on pages 152 to 155.

The Reserved Matters and the various Committees' Terms of Reference are reviewed annually, updated as appropriate and approved by the Board.

To support with stakeholder considerations and engagement, the Board has received updates on its roles and responsibilities, including its duties under the Companies Act 2006 and, in particular, is equipped to consider S172(1) of the Companies Act 2006 when decision-making for the Group.

Group policies and processes have been drafted with these duties in mind and to ensure that there is a culture of stakeholder engagement within the Group. The Company's purpose and values can be found on page 66.

The Company Secretary and General Counsel ensures that as the Board makes decisions, the impact on any of the stakeholder groups is considered.

BOARD AND COMMITTEE ATTENDANCE

In addition to the six scheduled meetings, the Board held four additional meetings during the financial year to review the quarterly Trading Updates and delegate to the Disclosure Committee for the final approval. A number of ad hoc meetings were also held to cover approvals which arose outside of the scheduled meetings. A half day Board strategy session was held during one of the Board meetings which focused on those matters which the Chair considered to be strategically important to the Group going forward.

The Board held one of its meetings in the new Support Centre in Leicester and a meeting in one of the London showrooms. The Board also held a meeting in Geneva, the home of Swiss watchmaking, in May 2024, shortly after the financial year-end.

The table on page 145 indicates the number of scheduled Board and Committee meetings, and attendance, during the financial year.

During the year, the Non-Executive Directors held three meetings without the Executive Directors present. The Chair also regularly maintains dialogue with each of the Non-Executive Directors outside of formal meetings.

BOARD SKILLS AND EXPERIENCE

It is essential to have an appropriate mix of skills, experience, diversity and independence on the Board. Such diverse attributes enable the Board, as a whole, to provide informed opinions and advice on strategy and relevant topics, thereby discharging its duty of oversight. Appointments to the Board are made following consideration of the experience and expertise of existing Directors, any required skill sets or competencies, and the strategic requirements of the Company.

The principles of the UK Corporate Governance Code 2018 (the Code) are embodied in both the Board and the Nomination Committee's approach to Board performance and succession planning. The Nomination Committee goes through a continuous process of evaluating the skills and experience required. Last year, the Nomination Committee facilitated a skills survey, which was repeated in FY24, the results of which can be found on page 145. The results of the survey will be continually assessed and taken into consideration by the Chair, during discussions on succession planning.

INFORMATION AND SUPPORT

The Board discharges its responsibilities through an annual programme of Board meetings. Papers and presentations are given to the Board (and its Committees) to focus its oversight on key areas of the business. This information helps to facilitate effective decision-making and input, and aids the Board's oversight and awareness of business performance or routine good governance practices operated by the Company. A selection of principal decisions taken by the Board and how the interest of relevant stakeholders were taken into account are set out in summary on pages 154 and 155.

Full and timely access to all relevant information is given to the Board in advance of meetings. For Board meetings, this consists of a formal agenda, minutes of previous meetings and a comprehensive set of papers including regular operational and financial reports. Where ad hoc meetings are required, outside of the scheduled meetings, the Board is sent documents in advance, for consideration and approval.

All Directors have the right to have their opposition to, or concerns over, any Board decision noted in the minutes. Directors are entitled to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

All Directors have access to the advice and services of the Company Secretary and General Counsel.

PURPOSE, VALUES AND CULTURE

As set out in the Reserved Matters, the Board is responsible for establishing the Company's purpose and values and ensuring these and the Company's culture are aligned. The Board monitors culture and seeks to ensure that business practices, policies and behaviours are aligned and embedded within the Company's purpose, values and culture. During the year, the Executive Director HR updated the Board on the implementation of the People Strategy, which was introduced in the prior year and how it was being embedded into the organisation. As part of the presentation, the Board considered culture, and the aim to further develop a high performing culture environment which would support the long-term success of the Company.

The Board recognises the importance of ensuring a positive and supportive culture throughout the Group which it believes can lead to organisational resilience and superior performance. Culture is monitored through direct and indirect colleague engagement activities and discussions with the Executive Directors, the Executive Director HR, the Designated Non-Executive Director for Workforce Engagement and other members of senior management. For further information see further information in the People Strategy on pages 72 to 85.

Through the following activities we ensure the Company's culture aligns with its purpose and values:

- Dedicated time at Board meetings for culture, people and workforce matters
- Reviewing the results of the annual Colleague Engagement Survey including inclusion
- Monitoring the levels and nature of whistleblowing reports
- Monitoring colleague turnover and retention and other key performance indicators
- Reporting by Internal Audit on fraud and compliance breaches to the Audit & Risk Committee
- Engaging with colleagues directly during showroom and Support Centre visits, including a Board meeting being held at the UK Support Centre
- Reviewing the Group's key policies and HR initiatives
- Listening Forum updates
- Being updated on the Diversity Council meetings and actions

During the year, we continued with our colleague engagement activities, including the Group's UK, US and Global Listening Forums. These forums bring together colleague representatives, Executive Directors and our Designated Non-Executive Director for Workforce Engagement. In creating these forums we have ensured that we have proportionate representation from all areas of our business and territories, in which we operate. Topics discussed included: the developing jewellery strategy and what role it will have within the Group; results of the recent annual Colleague Engagement Survey and how improvements can be made in future years.

The Board takes responsibility for all the Group policies which are applicable to our colleagues, and further information can be found on page 129.

STAKEHOLDER ENGAGEMENT

Our s172(1) Companies Act 2006 Statement includes details on how the Board has had regard to the need to foster the Company's business relationships and includes a Statement of Engagement with Colleagues. More information about the Board's engagement with its colleagues, clients, brand partners and other suppliers, communities and investors can be found on pages 62 to 64.

Understanding the views of the Company's stakeholders is a key priority for the Board and the business as a whole. It helps to focus the Company's resources, engagement and reporting activities by addressing those issues that matter most to the Group's businesses and to the Company's wider stakeholders. Fostering strong business relationships is an intrinsic part of the Company's long established and successful compounding strategy and a key consideration in all decision-making.

We understand that our business can only grow and prosper responsibly over the long-term if we understand and respect the views and needs of our stakeholders including colleagues, clients, and the communities in which we operate, as well as our brand partners and other suppliers and investors, all of whom we are accountable to. Knowing who our stakeholders are and what interests them enables us to manage their expectations and deliver upon their requirements. We ensure effective communication with all stakeholder groups by identifying key personnel who manage the relationships with them.

Further details on the key stakeholders identified can be found on page 62.

ENGAGING WITH INVESTORS

We welcome the opportunity to engage with our investors. The Chair has overall responsibility for ensuring that the Company has appropriate channels of communication with all of its investors and is supported in this by the Executive Directors, the Group Finance and Investor Relations Director, the Company Secretary and General Counsel and members of the senior management team.

We are in frequent contact with investors through a scheduled programme of communications and engagements.

The Board organises and directs the Group's affairs in a way that it believes will help the Group succeed for the benefit of its members as a whole, whilst having regard to each of its stakeholders. The Board seeks to ensure that it acts fairly between all members and considers both institutional investors and private shareholders when making decisions that impact them.

The Group ensures that it communicates the information that investors require, using traditional methods such as the Annual Report and Accounts, Trading Updates, RNS newswires, corporate press releases and in-person meetings. Engagements include various investor meetings attended, as appropriate, by the Chair, CEO, CFO, Group Finance and Investor Relations Director and the Head of Sustainability and ESG. A summary of meetings and communications with investors is provided at each Board meeting.

During the year, the Company's corporate brokers provided regular feedback to the Board and attended two meetings. The CEO, CFO and the Group Finance and Investor Relations Director provide information to the Board, at each meeting, on topics such as share price performance and macroeconomic conditions. Feedback is also provided to the Board on the views of investors following individual meetings, relating to the following:

- Particular elements of the Company's strategy and operations; progress on specific projects, financial performance, product development and risks
- ESG issues that affect our stakeholders, such as the environment, climate change, working conditions and relationships with brand partners and other suppliers
- Governance issues, particularly on remuneration, but also succession planning, board diversity and expertise and independence
- Capital allocation plans for the future
- Progress against the Long Range Plan to FY28
- Acquisition plans, including Ernest Jones and Roberto Coin Inc.

Additionally the Board received a session from JP Morgan which provided them with insight into what investor priorities were with regard to ESG matters. An ESG Materiality Assessment was held during the year to help better gauge the Company's stakeholders priorities and further details can be found within the ESG section on page 70.

COMPOSITION, SUCCESSION AND EVALUATION

COMPOSITION

The Board is comprised of a Non-Executive Chair, two Executive Directors, the Senior Independent Director and three independent Non-Executive Directors, and is supported by the Company Secretary and General Counsel.

The Board appointed Anders Romberg as the Chief Financial Officer with effect from 12 May 2023, Bill Floydd stood down as the CFO at the same time.

Biographical details of the current Directors of the Company as at the date of this report are set out on pages 148 and 149. Full details of Directors who have served throughout the year can be found on page 193.

DIVERSITY AND INCLUSION

The Company is committed to having a Board comprising directors from different backgrounds, with diverse and relevant experience, perspectives, skills and knowledge. We believe that the Board can only adequately represent all of its stakeholder groups in the boardroom if collectively, it has the skills, experience and background to reflect them. We believe that diversity contributes towards a high performing and effective Board, and this is considered in all recruitment and succession planning discussions and we fully support the aims, objectives and recommendations outlined by the FTSE Women Leaders Review and the Parker Review.

The Company is pleased to report that as at 28 April 2024, the Board met the targets set out in the FTSE Women Leaders Review and the Parker Review and, has also met the targets set out in the UK Listing Rules 9.8.6.

Further information on the Company's targets can be found in the Nomination Committee Report on page 164.

All Board appointments are based on merit, and candidates are considered against objective criteria and with due regard for the benefits of diversity on the Board. As well as experience and track record, Board appointments will be made taking due account of other criteria, such as curiosity, insights, engagement, cultural contribution, personal identity, and the differentiation that they could bring to the collective make-up of the Board.

In May 2024, the Nomination Committee reviewed the Board Diversity & Inclusion Policy which was updated, as per the recommendations of the Parker Review and clarification of the reporting requirement of the UK Listing Rules new reporting regulations. The amended Policy was approved by the Board in May 2024 and can be found on our corporate website, thewosgroupplc.com.

We are fully committed to building an inclusive culture and workforce, and our Diversity and Inclusion Strategy continues to support this aim. We believe that by treating our colleagues with respect and trust, supported by our Company purpose and values, we will build a more diverse, fair, inclusive Group, which will underpin our strategy and management decisions, actions and behaviours. It is essential the Company continues to hold itself accountable and we have set ourselves clear goals to help us realise our ambitions.

The Company collects both gender and ethnicity data direct from the Board members and executive management annually on a self-identifying basis in a questionnaire. The data is used for statistical reporting purposes and is provided with consent. Board members and executive management are asked to identify their gender and ethnicity as set out in the table below.

Board and senior management diversity

The following tables set out the information required under the UK Listing Rule 9.8.6R(10) as at 28 April 2024. The information included, supports the statements made in the Nomination Committee Report which can be found on page 164.

For the purposes of the below table, Executive Management is defined in the UK Listing Rules. In the absence of an executive committee the Watches of Switzerland Group has defined Executive Management as the CEO and his direct reports, as per the UK Listing Rules definition and guidance.

Gender on a self identifying basis	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of members of Executive Management	Percentage of Executive Management
Men	4	57.1%	3	5	62.5%
Women	3	42.9%	1	3	37.5%
Not specified/prefer not to say	–	–	–	–	–

Ethnicity on a self identifying basis	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of members of Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	6	85.7%	4	7	87.5%
Mixed/Multiple Ethnic Groups	1	14.3%	–	1	12.5%
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

SUCCESSION PLANNING

The Nomination Committee continues to review succession plans for both Board and senior management each year. During the year, the Nomination Committee focused specifically on the succession planning for Non-Executive Directors and senior management. Further information on our approach to succession planning and Board appointments can be found in the Nomination Committee's Report on pages 162 to 164.

The Board reviews annually the bench strength and skill set of the senior management team, taking into consideration the growth strategy of the business and the need to ensure we maintain the right levels of talent to support the future growth of the business.

BOARD PERFORMANCE REVIEW

During FY24, an internally facilitated Board Performance Review was carried out. The Chair and the Company Secretary and General Counsel worked together on producing a questionnaire, which reflected the workings of our Board and took into consideration the findings and recommendations of the previous evaluations. The purpose of the exercise was to conduct a comprehensive performance review of how the Board and its Committees operate, as measured against current best practice corporate governance principles and in accordance with the provisions of the Code and associated guidance.

It is the Board's policy to conduct a Board Performance Review exercise on an annual basis. In line with the Code, the Board's policy is to conduct an externally facilitated review, at least, once every three years.

Further information on the Board effectiveness and performance review can be found on page 161.

The Senior Independent Director conducted an independent assessment of the Chair of the Board and provided feedback to the Board.

RE-ELECTION OF DIRECTORS

In accordance with the Code, the Board has determined that all Directors will stand for election or re-election at each AGM. The Chair of the Board has confirmed that the Directors standing for re-election at this year's AGM continue to perform effectively and that they demonstrate commitment to their roles. This can be seen by the attendance record set out on page 145. The reasons why the Board considers that each Director's contribution is, and continues to be, important to the Company's long-term sustainable success are set out in the Directors' biographies on pages 148 and 149.

During the year, the Chair completed his first three-year term with the Company. The Chair expressed a willingness to remain in office and the Board approved that the term be extended for a further three years.

PREPARATION OF THE ANNUAL REPORT AND ACCOUNTS

Assisted by the Audit & Risk Committee, the Board has carried out a review of the Annual Report and Accounts and considers that, in its opinion, the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy. Further information on this process can be found in the Audit & Risk Committee Report on page 165.

See pages 26 and 27 in the Strategic Report for the description of our Business Model and page 140 and 141 for the Going Concern and Viability Statement.

INDEPENDENCE AND CONFLICTS OF INTEREST

The Code recommends that at least half of the Board, excluding the Chair, should comprise Non-Executive Directors determined by the Board to be independent. At the end of the year, excluding the Chair, the Board consists of six members, of which four members are determined by the Board to be independent Non-Executive Directors. The composition of the Audit & Risk Committee, Nomination Committee and Remuneration Committee comply in all respects with the independence provisions of the Code.

Each of the Directors has a statutory duty under the Companies Act 2006 to avoid conflicts of interest with the Company and to disclose the nature and extent of any such interest to the Board. Under the Articles, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest and may attach to any such authorisation such conditions and/or restrictions on participation at relevant Board meetings. The Chair, acting reasonably, has the power to determine whether a matter was a conflict matter.

Directors are required to give notice of any potential situational and/or transactional conflicts, which are then considered by the Board and, if deemed appropriate, authorised accordingly. A Director is not however, permitted to participate in such considerations or to vote in relation to their own conflicts.

Following the last review, the Board concluded that any potential conflicts have been appropriately authorised, that no circumstances existed which would necessitate that any prior authorisation be revoked or amended and that the authorisation process continued to operate effectively.

EXTERNAL DIRECTORSHIPS

Any external appointments or other significant time commitments of the Directors require the prior approval of the Board.

The Board is comfortable that external appointments of the Chair and the Directors do not impact on the time that any Director devotes to the Company and there are no overboarding concerns for any of the Directors.

INFORMATION PROVIDED TO THE BOARD

There is a good flow of information to the Board, with regular updates on trading, cash flows, financial and non-financial key performance indicators and financing. Board members receive monthly financial information comprising sales analysis which is accompanied by narrative. Alongside this reporting there is regular ongoing dialogue with the Non-Executive Directors. The Board also receives market updates containing a summary of share performance.

All papers and agendas are circulated in advance of scheduled meetings and as well as conducting the business of the meeting there is a review of minutes, discussion of any matters arising and a briefing on any action points that arose from the last meeting.

TRAINING AND INDUCTION

The Directors are provided with annual refresher training on their duties and responsibilities as directors of a publicly listed company and governance and regulatory trends or updates. Any new director receives a comprehensive induction which includes a separate session on governance and directors' duties. During the year, the Company Secretary and General Counsel continued to monitor the training requirements of each Director, and the Board Performance Review questionnaire also focused on the needs of the Directors with regard to training. Technical briefings are provided in response to any training requirements.

Training topics for FY24 included: upcoming changes to the listing regime; Governance and compliance culture; key relevant legal rulings, 2024 Corporate Governance Code changes; director duties; Inside Information considerations; and ESG considerations including (in conjunction with the ESG Committee) a focus on a tailored approach to positioning Watches of Switzerland as a luxury retailer, peer analysis and an ESG champion. Additionally, following recommendations of the prior year Board Evaluation, a number of brand and product deep dive sessions were held to further enhance the Non-Executive Directors knowledge of the product range offering.

Following Anders Romberg's appointment, notwithstanding his previous tenure, a comprehensive reinduction programme was prepared, particularly covering key developments since his departure. Further details of the induction programme for Anders can be found on page 163.

The Board is committed to the training and development of Directors to improve their knowledge of the business and the regulatory environment in which it operates. The Company Secretary and General Counsel is responsible for helping the Chair identify and organise training for the Directors which is tailored to individual needs.

The Board acknowledges its responsibility for establishing and maintaining the Group's system of risk management and internal controls and it receives regular reports from management identifying, evaluating and managing the risks within the business. The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board, assisted by the Audit & Risk Committee, has carried out a review of the effectiveness of the system of risk management and internal controls during FY24 and for the period up to the date of approval of the Consolidated Financial Statements contained in the Annual Report and Accounts. All relevant members of senior management completed an annual 'control certificate', to confirm the effectiveness of internal control within their respective area. All senior managers who completed the 'control certificate' were asked to disclose any known control failures, instances of non-compliance with legislation or regulatory requirements, instances of identified fraud or serious control breakdown, or any other relevant matters they are aware of, that may need to be considered by the Board in making the required disclosure.

To gain assurance over the design and operation effectiveness of controls, and to confirm that accurate statements had been provided, sample tests were conducted, by Internal Audit, to determine whether controls are effective in mitigating risks.

In conclusion, based on the work performed, the Board is satisfied with the adequacy of the Group control framework and the Board confirms that no significant weaknesses or failings were identified as a result of the review of effectiveness.

AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

The Audit & Risk Committee is chaired by Robert Moorhead and is comprised entirely of Independent Non-Executive Directors. Robert is currently the Chief Financial Officer of WH Smith PLC and continues to have recent, relevant and up to date financial experience. The Committee has defined Terms of Reference which include assisting the Board in discharging its responsibilities with respect to:

- Establishing formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements
- Establishing and reviewing procedures to ensure that the Annual Report and Accounts present a fair, balanced and understandable assessment of the Group's position and prospects
- Establishing procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Group is willing to take in pursuance of its long-term strategic objectives

Refer to page 166 for details on the work of the Audit & Risk Committee.

The Board is collectively responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The processes in place for assessment, management and monitoring of risks are described in the Risk Management section on pages 130 to 133.

REMUNERATION

The Remuneration Committee is chaired by Tea Colaianni and is made up of Independent Non-Executive Directors and the Chair. Prior to her appointment as Chair of the Committee, Tea had served on a Remuneration Committee for a significant period of time, longer than the required 12 months.

The Committee has defined Terms of Reference which include assisting the Board in discharging its responsibilities with respect to:

- Determining the policy for Executive Director remuneration and setting remuneration for the Chair of the Board, Executive Directors and senior management
- Reviewing workforce remuneration and related policies

Refer to page 178 for further details on the work of the Remuneration Committee.

BOARD AND COMMITTEE PERFORMANCE REVIEW

FY23 INTERNAL BOARD EVALUATION PROGRESS

During FY23, the Board conducted an internal Board Evaluation. The Chair and the Company Secretary and General Counsel worked together on producing a questionnaire which reflected the workings of our Board and took into consideration the findings and recommendations of the previous externally facilitated evaluation. The purpose of the exercise was to conduct a comprehensive evaluation of how the Board and its Committees operate, as measured against current best practice corporate governance principles and in accordance with the provisions of the Code and associated guidance.

The review concluded that the Board operated effectively, and the Group's governance framework had continued to develop. It was concluded that the Board has a range of strengths, with relevant, complementary skills and experience that helps to provide scrutiny, oversight, input and value. The Directors intend to build on these strengths and to develop the Board further with some key areas of focus. These strengths form a solid foundation. However, it has concluded some areas still require development, regardless of how the role of the Board develops.

Whilst the evaluation concluded that the Board and its Committee were effective and operated efficiently, and with good engagement, a number of recommendations were agreed and, under the supervision of the Nomination Committee, an action plan was put in place. The action plan covered the priorities detailed below:

Key priorities identified from FY23 evaluation	Progress made against the FY23 evaluation
Further evolution of Board agendas and presentations particularly in terms of strategic focus and presentations from various business areas	A review of pipeline agenda items is held at least annually Non-Executive Directors are encouraged to suggest relevant topical agenda items Key strategic updates scheduled throughout the year Focused discussion on strategic initiatives, increased levels of debate and less presentations
Continued enhancement of the Board's knowledge, relating to products, brands and ESG climate reporting	Additional formal Board meeting scheduled to review trading over the Holiday period and understand trends of trading Deep dives on products and brands took place during the year Focused training session on ESG trends and reporting
Review of jewellery strategy	Separate sessions and enhanced focus on a luxury branded jewellery strategy
Review method of presentation of the business performance measures	Additional key financial and non-financial metrics tabled at each Board meeting
Increased focus on the principal risks of information security and cyber security	Cyber security is discussed and reviewed at each Audit & Risk Committee meeting. External advisers presented a gap and benchmarking analysis Annual presentation to the Audit & Risk Committee by the Data Protection Officer who submits a data dashboard at each Audit & Risk Committee meeting New Group Data Protection and Information Security Statement approved by the Board
Further succession planning for the Board and senior management	Succession planning remains a key focus, further work continues for an effective succession planning process in place for all Board members and also for senior management Executive Director HR presents on an annual basis an updated plan and progress

FY24 INTERNAL BOARD PERFORMANCE REVIEW

Following the recommendations made by the 2024 Corporate Governance Code, the Company will refer to the annual evaluation as a 'board performance review'. This is in line with the current process where the annual board evaluation considers Boards succession, skills and composition.

Towards the end of FY24, the Chair of the Board, alongside the Company Secretary and General Counsel, agreed the proposed approach for an internal Board Performance Review with the Nomination Committee. A performance review questionnaire, was sent to all members of the Board to gain an insight into how well the Board is performing; this also included areas for comments and training suggestions.

The Board was reminded that it should regularly assess its effectiveness, the adequacy of matters reserved to it, and how well it acts as a forum for discussion and communication. Regular assessments may identify areas in which the Board and its processes might be more effective, or may highlight skills and/or knowledge gaps in the Board which may lead to a request for additional development (continuing education).

The review concluded that the Board operates effectively and efficiently and is well engaged. All Board members actively contribute at meetings and the Board is well chaired, operating effectively and that improvements continue to be made year-on-year. The following areas were identified for further development:

- Continued focus on succession planning for the Board and senior management
- Further enhanced training and awareness in key relevant areas, e.g. around different product categories and brands
- Following significant improvements made with regard to Board meetings, presentations and discussions, continued momentum and development of strategic initiative debates and discussions

Additionally, the Senior Independent Director conducted an independent assessment of the Chair of the Board and provided feedback to the Board.

NOMINATION COMMITTEE REPORT

IAN CARTER
Chair of the Nomination Committee

MEMBERS

- Ian Carter (Chair)
- Tea Colaianni
- Baroness (Rosa) Monckton MBE
- Robert Moorhead

PRINCIPAL RESPONSIBILITIES

The Committee's principal responsibilities are to:

– Review the structure, size and composition of the Board and its Committees

– Give full consideration to succession planning for the Board and other senior management taking into account the challenges and opportunities facing the Company, and the skills, diversity and expertise needed

– Review the leadership needs of the organisation

– Remain fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates

– Identify and nominate potential Board candidates

– Evaluate the combination of skills, knowledge, experience, diversity and independence on the Board

– Review the results of the Board performance evaluation process and manage any recommendations

– Support people initiatives that promote a culture of inclusion and diversity

DEAR SHAREHOLDER

I am pleased to report the Nomination Committee (the Committee) remains compliant with the Corporate Governance Code 2018 (the Code). The Code recommends that the Committee be comprised of a majority of independent Non- Executive Directors which it does, as Tea Colaianni, Robert Moorhead and Baroness (Rosa) Monckton MBE are all independent.

The Company Secretary and General Counsel acts as Secretary to the Nomination Committee and, by invitation, the CEO, other Board members, the Executive Director HR, as well as other senior management and/or external advisers may attend as appropriate for all, or part of any meeting.

ROLE

The Committee is a key committee of the Board whose role is to keep the composition and structure of the Board and its Committees under review and has responsibility for nominating candidates for appointment as Directors to the Board having regard to the Board's structure, size and composition (including the skills, knowledge, experience, diversity and independence of its members) ensuring that the Board and its other Committees are effective in discharging their responsibilities. The Committee is tasked with ensuring that succession plans are in place for the Board and senior management, taking into consideration the current Board composition, the leadership requirements of the Group and the wider commercial and market environment within which the Group operates.

TERMS OF REFERENCE

The responsibilities of the Committee are set out in its Terms of Reference. The Committee's Terms of Reference reflect the current regulatory requirements and best practice appropriate to the Group's size, nature and stage of development. The Terms of Reference were reviewed during the year and minor stylistic changes were made, which included a clarification of the definition of the Group's senior management to ensure consistency with the Board Diversity & Inclusion Policy and the new diversity reporting requirements.

The Terms of Reference can be found in full at thewosgroupplc.com

The Committee's Terms of Reference require that it meets at least twice a year. During the year, the Committee met three times, with an additional ad hoc meeting relating to the appointment of Anders Romberg and the departure of Bill Floydd. Full details of the Committee meeting attendance can be found on page 145.

BOARD CHANGES

As reported last year, in May 2023, Anders Romberg was reappointed as the Group's Chief Financial Officer. Details regarding Bill's resignation and Anders' appointment were disclosed in the 2023 Annual Report and Accounts a copy of which can be found on the corporate website, thewosgroupplc.com. The Board is very pleased with Anders' reintegration within the business and have been able to recognise his influence, and experience, of the luxury retail market, from an early stage after reappointment, including his demonstration of financing and investor relations knowledge.

Further details on Anders' skills and experience can be found on page 148.

KEY ACTIVITIES DURING THE YEAR

- Nominated the new CFO to the Board for approval
- Conducted a review of Executive Directors and senior management succession planning and talent development
- Considered the skills, diversity and expertise as well as the backgrounds of each of the Board members, when reviewing the future needs of the Board
- Discussed and agreed an action plan following the FY23 Board Evaluation
- Reviewed external appointments for the Non-Executive Directors to assess whether any appointment is significant or causes any conflicts
- Reviewed the Committee's Terms of Reference and confirmed they had been adhered to
- Reviewed the Company's Conflicts of Interest Register
- Reviewed and recommended to the Board, the updated Board Diversity & Inclusion Policy
- Agreed, with the Board, the process for the FY24 internal Board Performance Review

"The Committee continues to ensure that succession planning for business-critical roles is proactively reviewed and a diverse pipeline continues to develop."

IAN CARTER
CHAIR OF THE NOMINATION COMMITTEE

INDUCTION

On joining the Company, all Directors undergo a tailored induction programme. The comprehensive induction programme includes meetings, either face-to-face or via conferencing facilities with key colleagues across the Group. Other meetings will involve external advisers and visits to offices, showrooms and repair workshops. Director induction also focuses on recent Board and Committee activity, stakeholder engagement, brand partnerships, investor relations and a tailored session on corporate governance.

The induction programme for Non-Executive Directors is facilitated and implemented by the Chair of the Company, and the Company Secretary and General Counsel, with input from the CEO.

A comprehensive reintegration programme for Anders was undertaken, notwithstanding his comprehensive knowledge of the business.

DIRECTOR REINTEGRATION PROGRAMME – ANDERS ROMBERG

Following his reappointment, Anders undertook a tailored and comprehensive induction and refamilarisation of the business. The programme included meeting with senior management, new colleagues, and a comprehensive handover from Board members and the outgoing CFO.

An outline of the induction process is as follows:

- A comprehensive review of:
  - Corporate Governance Code updates and governance trends
  - Legal and regulatory guidance and reporting since his previous departure
  - Refresher of director duties and particularly s172 requirements
  - FY23 Board Evaluation and action plan
  - The Group structure and changes which had occurred
- Recent training undertaken by the Board and by senior management, including:
  - Competition Law
  - Share dealing, insider dealing and Market Abuse Regulations
  - ESG and climate reporting
- Introductions to the Company's key external advisers, including the brokers and details of recent presentations made to the Board
- Recent Board and Committee meetings considerations, including minutes and matters arising from the meetings
- Briefing sessions on the key financial areas of the organisation including:
  - Progression on the Long Range Plan
  - Budget and strategy
  - Operational compliance
  - Refinancing
- Provided with details of the Directors' and Officers' Liability Insurance

SUCCESSION

The Committee plays a vital role in promoting effective Board and leadership succession, making sure it is fully aligned to the Group's strategy.

Succession planning is the process of identifying the critical positions within our organisation and developing action plans and pipelines to fill them, thereby minimising the risk to the business of key roles being vacant. The Committee continues to ensure that succession planning for business-critical roles is proactively reviewed and the diverse pipeline continues to develop.

As part of our succession planning, the Committee held a comprehensive review of talent and considered succession for Executive Directors and senior management. The review assessed the potential performance of senior management and closely monitored successor development plans when taking into consideration the future growth strategy of the business. The Committee considered the current skills, experience and tenure of the Directors, and assessed future needs against the Group's strategic objectives.

In order to conclude the Board's composition and succession planning discussions, as per the prior year, the Chair again requested the collation of 'skills data', which was converted into a skills matrix to help identify the Board's requirements and as part of general Board planning. At the same time gender and ethnicity data for Board members was captured, the details of which can be found on page 144.

DIVERSITY

The Committee recognises the importance of diversity and inclusion both in the Boardroom and throughout the organisation and understands that a diverse Board will offer wider perspectives which lead to better decision-making, enabling the Board to meet its responsibilities.

The Committee, on behalf of the Board, is responsible for the development of a diverse pipeline for succession to the Board and will ensure proper assessment as to the values and behaviours expected on the Board as part of the recruitment process. In being responsible for the Board's composition, the Committee will consider the benefits of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the Board. Whilst the Committee will take into account a variety of factors before recommending any new appointment to the Board, including relevant skills to perform the role, experience, knowledge, ethnicity and gender, the most important priority of the Committee, however, is ensuring that the best candidate is selected to join the Board.

The Committee takes into consideration all regulations and best practice, including the FTSE Women Leaders Review, 'FTSE WLR' as well as the Parker Review and is pleased to report it remains compliant with both of these initiatives. With regard to the 250 FTSE WLR Index the Company was ranked 10th (2024: 15th), its highest score to date.

The Committee annually reviews the Board Diversity & Inclusion Policy as well as measurable objectives for achieving diversity on the Board. In May 2024, the Committee reviewed the Board Diversity & Inclusion Policy and made recommendations to the Board for amendments to include recommendations from the Parker Review. The Policy was also amended to reflect the new requirements introduced by the FCA and DTR 7.2.8AR.

Reporting under the Listing Rule 9.8.6 can be found within the Corporate Governance Report on page 158.The Board has chosen to align its diversity reporting reference date with the Company's financial year-end and proposes to maintain this alignment for future reporting periods. As required under LR 9.8.6 R(10), further details in respect of the three targets as at 28 April 2024, are disclosed in the tables on page 158.

The Committee is satisfied that the focus on diversity and inclusion by the Board and senior management and the Company's diversity strategy, underpinned by its targets, means that any risks around continuing to meet externally set targets are mitigated.

Information on Board appointments and the criteria considered can be found within the Board Diversity & Inclusion Policy on the corporate website thewosgroupplc.com.

When considering succession planning, the Nomination Committee is advised by the CEO as to the internal pipeline of Board capable candidates. The pipeline aims to appropriately reflect the importance of diversity to the organisation.

The Board recognises and considers the importance of diversity not just at Board level but throughout the organisation and we have a number of programmes and initiatives in place within the organisation to help develop a diverse talent pipeline, including diversity induction training, learning and development, mentoring and sponsorship. Further information on our workforce initiatives on diversity and inclusion can be found on pages 74 and 75.

EFFECTIVENESS AND COMPOSITION

The FY24 Board Performance Review was conducted by way of an internal questionnaire. Further details of key observations and also progress from the FY23 Board Evaluation and the process for FY24 can be found on page 161. The performance of this Committee was evaluated as part of the Board Evaluation process. The Board review concluded that the Committee functions effectively.

The Committee will be responsible for overseeing an action plan to be put in place following recommendations from the FY24 Board Performance Review.

As part of the annual review of the effectiveness of the Board, and its Committees, diversity and composition is considered, to ensure it is appropriate to discharge its duty effectively and to manage succession issues. The Committee keeps the composition of the Board and its Committees under continual review, to ensure that they have a suitable balance of skills and experience to oversee and challenge the delivery of the Group's strategy, and to discharge the Committee's responsibilities effectively.

RE-ELECTION OF DIRECTORS

The effectiveness and commitment of each of the Non-Executive Directors is reviewed by the Committee annually. The Committee has satisfied itself as to the individual skills, relevant experience, contributions and time commitment of all the Non-Executive Directors, taking into account their other offices and interests held. As detailed on page 193, the Board is recommending the election or re-election to office of all Directors at our 2024 AGM.

I will be available at the AGM to answer any questions on the work of the Committee.

IAN CARTER
CHAIR OF THE NOMINATION COMMITTEE
26 June 2024

AUDIT & RISK COMMITTEE REPORT

ROBERT MOORHEAD
Chair of the Audit Committee

MEMBERS

Robert Moorhead (Chair)
Tea Colaianni
Baroness (Rosa) Monckton MBE
Chabi Nouri

KEY RESPONSIBILITIES

Financial reporting:

- Monitor the integrity of the Financial Statements of the Company and Group
- Review the appropriateness and consistency of significant accounting policies
- Review and report to the Board on significant financial issues and judgements
- Review the appropriateness of Task Force on Climate Related Financial Disclosures (TCFD)

Internal control and risk management:

- Carry out a robust assessment of the Group's emerging and principal risks on an annual basis, including environmental risks and opportunities
- Review the Group's internal control and risk management systems
- Monitor and review the effectiveness of the Group's Internal Audit function
- Assess the effectiveness of whistleblowing arrangements

External Audit:

- Review the effectiveness of the External Auditor process
- Develop and implement policies on the engagement of the External Auditor to supply non-audit services and consider the impact they have on independence
- Review and monitor the External Auditor's independence and objectivity
- Conduct any External Audit tender process and make recommendations to the Board about the appointment, reappointment and removal of the External Auditor
- Approve the remuneration and terms of engagement of the External Auditor
- Ensure the External Auditor has full access to Company colleagues and records
- Invite challenge by the External Auditor, giving due consideration to the points raised

Other:

- Engaging with shareholders on the scope of the External Audit, where appropriate

DEAR SHAREHOLDER

I am pleased to introduce the Audit & Risk Committee Report for the financial year ended 28 April 2024. The Committee plays a key role in developing the Group's governance framework and its activities included reviewing and monitoring the integrity of financial information, the Group's system of internal controls and risk management, internal and external audit processes and the process for compliance with laws, regulations, and ethical codes of practice. In addition, we work with other Committees and the Board to ensure that stakeholder interests are protected and the Group's Long Range Plan to FY28 is supported. The Committee also worked alongside the ESG Committee having regard to ESG risk management and TCFD reporting.

COMMITTEE COMPOSITION

All members of the Audit & Risk Committee are deemed Independent Non-Executive Directors. The Board considers that I have recent and relevant financial experience as required by the Corporate Governance Code 2018 (the Code) and the Committee has competence relevant to the sector in which the Group operates. Details of the Audit & Risk Committee members' experience can be found on pages 148 to 149. The Committee's wide range of financial and commercial skills and experience serves to provide the necessary knowledge and ability to work as an effective committee and to robustly challenge the Executive Directors and Senior Management as and when appropriate.

At the invitation of the Committee, the Chair of the Board, the CEO, the CFO, the Director of Internal Audit, senior management and the External Auditor attend meetings. The Committee has regular private meetings with the External and Internal Auditors during the year.

The Company Secretary and General Counsel acts as Secretary to the Committee.

TERMS OF REFERENCE

The Terms of Reference of the Committee reflect the current statutory requirements and best practice appropriate to the Group's size, nature, and stage of development. The Committee met its requirement to meet at least four times a year. Details of meeting attendance can be found on page 145. The Committee reviews its Terms of Reference annually, recommending any suggested changes through to the Board. There were only minimal changes this year but the Committee is cognisant of the forthcoming changes to the Code and these will be incorporated, where appropriate, over the course of the next 24 months, in line with the Code guidance.

COMMITTEE EFFECTIVENESS

During FY24, an internal Board Performance Review, of the Board and the Board Committees was undertaken. The results of which concluded that the Audit & Risk Committee functions effectively, provides the right degree of challenge, and interacts well with the Board and other Committees. Details of how the evaluation was conducted can be found on page 161.

ACTIVITIES UNDERTAKEN BY THE AUDIT & RISK COMMITTEE

Financial reporting:

- Monitored the integrity of the Group's FY24 year-end Results Announcement, Annual Report and Accounts, and the FY24 Half Year Review
- Assessed and recommended to the Board that the Annual Report and Accounts are fair, balanced, and understandable, including Alternative Performance Measures (APMs)
- Assessed the Going Concern and Viability Statement having reviewed supporting papers from management including the consideration of the cost-of-living increases, global conditions, the acquisition of Roberto Coin and climate change on those assessments
- Considered papers from management on the key financial reporting judgements and estimates
- Reviewed the Task Force on Climate Related Financial Disclosures (TCFD) FY24 year-end reporting, including the scenario analysis undertaken to assess the impact of climate related risks

Internal control and risk management:

- Considered the adequacy and effectiveness of the Group's ongoing risk management systems and control processes, including environmental risks and opportunities
- Considered the Group's risk environment, including its significant and emerging principal risks and uncertainties and reviewed the mitigating actions that management has taken, along with determining the risk appetite of the business
- Reviewed the impact of the cost-of-living increases, global conditions, and climate change on the principal risks and uncertainties, and the actions management is taking in response to this
- Reviewed impact of climate related risks and considered associated opportunities to enhance capital management
- Received deep dive presentations on principal risk areas of data governance, cyber security, Health & Safety and business interruption
- Received updates and recommendations on forthcoming changes to the Corporate Governance Code
- Reviewed and approved the Group's Whistleblowing Policy and received and reviewed whistleblowing incidents, investigation details and follow-up actions
- Received updates in relation to anti-bribery and corruption and anti-money laundering programmes. The Committee recommended to the Board for approval the Anti-Bribery, Corruption & Fraud Policy which includes the gifts and hospitality protocols. The Committee also recommended to the Board for approval the Anti-Money Laundering Policy
- Considered the Group's systems and framework of controls designed to detect and report fraud. Received updates on the Failure to Prevent Fraud Legislation and the Group's response and preparedness
- Reviewed the Group's Treasury Policy
- Approved the Group Tax Strategy and received management reports on the tax affairs of the Group

Internal and external audit:

- Reviewed the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements
- Invited challenge by the External Auditor, giving due consideration to the accounting, financial control, and audit issues reported by the External Auditor as a result of their work
- Reviewed the Internal and External Auditor independence and objectivity including approving the policy on non-audit services
- Agreed the External Auditor engagement letter and recommended the External Auditor remuneration to the Board
- Reviewed and approved the Internal Audit Charter
- Received and reviewed the annual plan and audit reports from the Internal Audit function
- Undertook a review of the effectiveness of the Internal Audit function
- Held regular private meetings with the Internal and External Auditors, without management present
- Ensured the External Auditor had full access to Company colleagues and records

Making recommendations to the Board about the reappointment of the External Auditor:

- Reported to the Board on how the Committee has discharged its responsibilities with respect to External Audit

Other:

- Reviewed the Committee's Terms of Reference and approved amendments
- Monitored mandatory e-learning completion statistics for key compliance areas such as Health & Safety and Anti-bribery and Corruption

GOING CONCERN AND VIABILITY STATEMENT

The Committee reviewed the process and assessment of the Group's prospects made by management, including:

- The three-year viability assessment period and alignment with the Group's internal forecasts, business model and recent acquisition of Roberto Coin Inc.
- The assessment of the capacity of the Group to remain viable after consideration of future cash flows, financing, and mitigating factors
- The modelling of the financial impact of the Group's principal risks materialising using severe but plausible scenarios

The Committee reviewed management's analysis supporting the going concern basis of preparation, including reviewing the Group's financial performance, budgets for the FY25 three-year plan, and cash flow projections. The going concern and viability reviews by the Committee included the review of the results of the reverse-stress tests performed by management, available financing in place and any further mitigating actions that management could take. In making its assessment, the Committee took into consideration the trading results of the Group, liquidity and covenant compliance.

As a result of the assessment, the Committee reported to the Board that the going concern basis of preparation remained appropriate and that there is a reasonable expectation that the Group will be able to continue in operation to meet its liabilities as they fall due over the three-year viability assessment period.

The Going Concern and Viability Statement is set out in the Strategic Report on pages 140 to 141.

SIGNIFICANT FINANCIAL REPORTING AREAS

In preparing the Financial Statements, there are several areas requiring the exercise of judgement by management. The Committee's role is to assess whether the judgements and estimates made by management are reasonable and appropriate. To assist in this evaluation, the CFO provided an accounting paper to the Committee, setting out all the financial reporting judgements and estimates which were considered material to the Financial Statements.

The main areas of judgements and estimates that have been considered by the Committee in the preparation of the Financial Statements are as follows:

Impairment of tangible and right-of-use assets

The Committee received and considered a paper from management covering the judgements made in respect of the impairment testing of the Group's property, plant and equipment, and right-of-use assets. The Committee noted that management had considered the trading results of each showroom and noted where a showroom has low profitability which is not expected to improve in the near future. For the European mono-brand boutiques, managed had assessed the Fair Value Less Costs to Sell of the assets. The Committee also reviewed management's assessment of whether any prior impairments should be reversed.

Given management has continued to report on the performance of the business on a pre-IFRS 16 (IAS 17) basis within its APMs alongside statutory measures derived under IFRS 16, the paper and discussions considered impairment assessment of these assets on both bases.

As part of their review of impairment, the Committee challenged the assumptions used in the cash flow forecasts for impairment testing, along with the disclosures made in the Financial Statements. The Committee also received and discussed a paper from the External Auditor on their work in this area, which specifically considered and reported on their challenge and assessment of the key assumptions and methodology used.

The Committee was satisfied that the approach adopted by management was sufficiently robust to identify when an impairment charge or reversal for showroom assets needs to be recognised and how it should be assessed and reported.

Inventory valuation

The Committee received a paper from management on accounting for and valuation of inventory. It discussed the judgements made by management, with specific consideration to discontinued product and slow-moving stock. The Committee also considered the policy for, and calculation of, rebates recognised and absorbed into inventory.

The Committee received a paper from the External Auditor regarding the audit work they performed over the valuation of inventory. The Committee is satisfied that the process and judgement adopted by management for the valuation of inventory is sufficiently robust to establish the value of inventory held and is satisfied as to the appropriateness of the Group's provisioning policy.

Revenue recognition

The Committee received papers from management covering the control environment relating to sales cut-off and accounting judgements in relation to the accounting for gift cards, client returns and client deposits.

The Committee also received a paper from the External Auditor regarding the audit work they performed over revenue recognition, which included the use of computer data analytic tools. The Committee determined that the majority of the Group's revenue transactions are non-complex, with minimal judgement applied over the amount recorded. The Committee is satisfied that the approach taken by management is sufficiently robust in relation to the recognition of revenue.

IFRS 16 'Leases'

During the year, the Committee reviewed the key judgements and assumptions applied to the calculations and disclosures provided within the Financial Statements. These included the determination of the term of the leases, the discount rates used and the determination of whether lease agreements included substantive substitution rights and should be treated as leases. The Committee also considered and challenged the use of pre-IFRS 16 APMs within the Annual Report and Accounts and concluded that these APMs align with the management reporting used to inform business decisions, investment appraisals, incentive schemes and banking covenants.

Pensions

The Committee assessed the accounting treatment adopted by management and the application of IAS 19 'Employee Benefits' in relation to the Aurum Retirement Benefits Scheme. The Committee reviewed the judgements made in respect of the assumptions used in the valuation of the Group's obligations under the scheme and the associated disclosures made in the Financial Statements.

Non-underlying and exceptional items

The Committee considered the presentation of the Financial Statements and in particular the use of APMs and the presentation of exceptional items in line with the Group accounting policy. This policy states that adjustments are only made to reported profit when not considered part of the normal operating costs of the business and considered exceptional due their size, nature, or incidence.

Each of the above areas of judgement has been identified as an area of focus and therefore the Committee has also reviewed reporting from the External Auditor on the relevant areas.

Annual Report and Accounts – fair, balanced, and understandable assessment

At the request of the Board, the Committee has considered whether, in its opinion, the Annual Report and Accounts 2024, taken as a whole, are fair, balanced, and understandable, and that they provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Group has established internal controls in relation to the process for preparing the Annual Report and Accounts. These include the following:

- Management regularly monitors and considers developments in accounting regulations and best practice in financial reporting and, where appropriate, reflects developments in the Financial Statements
- The Annual Report and Accounts are drafted by senior management with overall co-ordination by a member of the finance team, to ensure consistency across the relevant sections
- An internal verification process is undertaken to ensure accuracy
- Comprehensive reviews of drafts of the Annual Report and Accounts are undertaken by Executive Directors and Senior Management
- The final draft of the Annual Report and Accounts is reviewed by the Audit & Risk Committee prior to consideration by the Board

Following its review, the Committee advised the Board that the Annual Report and Accounts, taken as a whole, were considered to be fair, balanced and understandable and that they provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Committee was also satisfied that suitable accounting policies have been adopted and appropriate disclosures have been made in the Financial Statements.

FINANCIAL REPORTING COUNCIL

In October 2023, the Company received a letter from the FRC following a review of the Company's Interim Report for the period ended 29 October 2023. No questions or queries were raised. The letter recommended disclosure improvements on the reconciliation of Alternative Performance Measures to IFRS line items. These suggested improvements have been reflected in the current year Annual Report and Accounts.

The Company acknowledges that the FRC's review of its 29 October 2023 Interim Report provided no assurance that the Interim Report is correct in all material respects and that the FRC's role is not to verify the information given but to consider compliance with reporting requirements. The FRC accepts no liability for reliance on its letters by the Company or any third-party, including but not limited to investors and shareholders.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has ultimate responsibility for effective management of risk for the Group including determining its risk appetite, identifying key strategic and emerging risks, and reviewing the risk management and internal control framework. The Committee, in supporting the Board to assess the effectiveness of risk management and internal control processes, relies on several different sources to carry out its work including Internal Audit assurance reports, the assurance provided by the External Auditor and other third parties in specific risk areas.

The Committee monitors and reviews the effectiveness of the Group's risk management processes and internal financial and non-financial controls. The key features of the risk management process that were in place during the year are as follows:

- Each business function conducted risk assessments based on identified business objectives, which were reviewed and agreed annually by the senior management of each function. Risks are considered and evaluated in respect of their potential impact and likelihood. These risk assessments are updated and reviewed at least quarterly and are reported to the Committee
- A Group risk assessment is also undertaken by management, which considers all areas of potential risk across all systems, functions, and key business processes. This risk assessment, together with the business risk assessments, forms the basis for determining the Internal Audit plan
- Climate related physical and transition risks and opportunities, that could impact the business in the future under different climate scenarios, have been considered and incorporated into the risk management framework with oversight from the ESG Committee
- The Director of Internal Audit & Risk met with all senior management to undertake a formal review of the internal controls across the Group. Senior executives were required to certify compliance with the Group's policies and procedures and that appropriate internal controls were in operation during the period under review. Any weaknesses are highlighted, and the results are reviewed by the Director of Internal Audit & Risk, the Committee, and the Board
- The Committee confirmed to the Board that it has reviewed the effectiveness of the systems of internal control, including financial, operational, and compliance controls, and risk management for the period of this report, in accordance with the Code and the Risk Management and Internal Control Guidance

INTERNAL AUDIT

The Director of Internal Audit & Risk, who reports directly to the Committee Chair, provides assurance to the Committee through independent reviews of agreed risk areas. The Committee is responsible for overseeing the work of the Internal Audit function. It reviews and approves the scope of the Internal Audit plan and assesses the quality of Internal Audit reports, along with management's actions relating to findings and the closure of recommended actions.

Each year, a carefully targeted Internal Audit plan is agreed to provide appropriate assurance to the Committee over the effectiveness of risk management and internal control processes across the Group. The Internal Audit plan is risk based and takes an independent view of what Internal Audit considers to be the highest known and emerging risks and strategic priorities facing the business. The Committee is satisfied that the Internal Audit plan provides appropriate assurance on the controls in place to manage the principal risks facing the Group. Internal Audit resources continue to be reviewed, with an agreement that external partners would be utilised where subject matter expertise would be most appropriate.

The Director of Internal Audit & Risk:

- Attended all Audit & Risk Committee meetings and provided reports and verbal updates to the Committee
- Had direct access to all Committee members and met with the Committee Chair and Committee members separately
- Met with the Audit & Risk Committee Chair several times to carry out formal reviews of the Internal Audit function's resources, approach, and audit plan
- Managed the risk register review process
- Met privately with the Committee without management being present

The assessment of the Internal Audit team covered the Internal Audit findings and reporting, Internal Audit delivery including the Internal Audit plan and whether Internal Audit has sufficient, appropriate resources. In reviewing the effectiveness of Internal Audit, the Audit & Risk Committee considered:

- The results of internal audits and reporting thereof
- Ongoing communication between the Director of Internal Audit & Risk and the Audit & Risk Committee, including the private sessions held
- Self-assessment by the Director of Internal Audit & Risk
- Questionnaires and feedback from key stakeholders including senior management

Following assessment by the Committee during the year, the Audit & Risk Committee is satisfied that the Internal Audit team has the quality, experience, and expertise appropriate for the business.

The Group also has an operational audit, loss prevention and security team that reviews compliance with certain key internal procedures in showrooms and at other locations.

EXTERNAL AUDITOR

Interaction with external audit

One of the Committee's roles is to oversee the relationship with the External Auditor, Ernst & Young LLP (EY), and to evaluate the effectiveness of the service provided and their ongoing independence.

The External Auditor has attended all this year's Committee meetings and at each meeting has time with the Committee without management present. The Chair of the Audit & Risk Committee has also met with the external audit partner to review the audit scope and audit findings.

The Committee had regular open communication with the External Auditor as well as the Group's management.

Auditor independence and objectivity

During the year, the External Auditor reported to the Committee on their independence from the Group.

The Company's independence and objectivity are safeguarded by:

- A policy being in place which limits the nature of non-audit services
- The External Auditor's own internal processes to approve requests for non-audit work to the External Auditor
- Monitoring changes in legislation related to auditor independence and objectivity
- Rotation of the lead audit partner after five years
- Independent reporting lines from the External Auditor to the Committee
- Restrictions on the employment by the Group of employees of the External Auditor

The Committee and the Board are satisfied that EY has adequate policies and safeguards in place to ensure that the External Auditor objectivity and independence is maintained.

When assessing the independence of the External Auditor, the Committee considers, amongst other things, the length of tenure of the audit firm and the audit partner, the value of non-audit fees provided by the External Auditor and the relationship with the External Auditor as a whole. As part of the assessment of the External Auditor, the Committee considered whether the External Auditor had exercised professional scepticism and an appropriate degree of challenge to management.

Non-audit services provided by the External Auditor

The Committee has adopted a formal policy in respect of non-audit services provided by the External Auditor to ensure that Auditor objectivity and independence are maintained, in accordance with the EU Audit Reform.

Non-audit service	Policy
Audit-related services Audit-related services are services, generally of an assurance nature, provided by the Auditor as a result of their expert knowledge and experience of the Group. Audit-related services include: – Reviews of interim financial statements – Reporting required by law or regulation to be provided by the Auditor – Reports to regulators	The Auditors are eligible for selection to provide non-audit services to the extent that their skills and experience make them a competitive and most appropriate supplier of these services. Each new non-audit service must be approved by the Committee in advance of the services being commenced. Non-audit fees are capped to a maximum aggregate in any financial year of 70% of the average of the statutory audit fees charged in the previous three consecutive financial years. In the case of this cap, audit-related services concerning work required by national legislation are excluded.
Permissible non-audit services Including, but not limited to: – Work related to mergers, acquisitions, disposals, or circulars – Benchmarking services – Corporate governance advice	
Prohibited services In line with the FRC's ethical standards, services where the Auditor's objectivity and independence may be compromised by the threat of self-interest, self-review, management, advocacy, familiarity, or intimidation are prohibited. Prohibited services include: – Tax services – Services that involve playing any part in the management decision-making process – Bookkeeping and preparing accounting records and financial statements – Payroll services – Designing or implementing internal controls – Valuation services (except such services that have no direct effect or are immaterial to the financial statements) – Legal, internal, or human resources services – Services linked to financing, capital structure and allocation and investment strategy except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity – Promoting, dealing in, or underwriting shares in the Company	The Auditor is prohibited from performing these services for the Company or any subsidiary within the Group.

Non-audit services provided by EY during the financial year ending 28 April 2024 were limited to the Half Year Review. Fees in relation to these services were £66,520 (FY23: £63,050).

Competition and Market Authority (CMA) Order 2014 Statement of Compliance

Under CMA guidance, FTSE 350 companies are required to have held a tender for the external audit appointment within the last ten years. On Admission to the London Stock Exchange, in June 2019, the Audit & Risk Committee commenced a competitive audit tender for the financial year ending 26 April 2020. Full details of the tender process are included in the Annual Report and Accounts 2020.

EY was first appointed in 2019 after this competitive tender process. This means that FY24 represents EY's fifth year as the Company's External Auditor. Under UK legal requirements, the Company may retain EY as its External Auditor for 20 years.

The Group confirms that it was in compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 during the financial year ended 28 April 2024.

EXTERNAL AUDITOR EFFECTIVENESS

It is the Committee's responsibility to assess the effectiveness of the external audit, including audit quality. The Committee assessed the External Auditor's effectiveness in September 2023 and kept this under review throughout the year taking into account the External Auditor's mindset and culture; skills, character and knowledge; quality control and judgement. The assessment included:

Reviewing the Auditor's risk assessment and audit plan

The Committee discussed EY's risk assessment and detailed audit plan in response to those risks. The proposed approach and planned scope of the audit were also reviewed including the proposed materiality. The Committee was satisfied that the audit plan was robust and covered the financial reporting risks. The Committee also considered the balance of work completed between the UK, US and European components along with recent acquisitions.

Proposed level of audit fees

The Committee reviewed and approved the proposed audit fees, which included a detailed breakdown of those fees. This review also considered the level of resources, senior leadership involvement and the use of specialist teams where appropriate. The Committee satisfied itself that the agreed amount represented fair value in order to deliver the quality and scale of audit sought.

Evaluation of the FRC's Audit Quality Inspection and Supervision Report on Ernst & Young LLP

The Committee reviewed the FRC's Audit Quality Inspection and Supervision Report for Ernst & Young LLP and also compared the results of the Auditor to other audit firms. EY presented to the Audit & Risk Committee their feedback on the findings and planned actions to respond to each of those findings. The Committee was satisfied with the outcome of this review.

The Committee also considered how the Auditor had responded to its previous assessments of audit quality.

Feedback from management and the Committee members

The Committee considers it important to gather feedback from management, particularly those who are in direct contact with the audit team. Management and Audit & Risk Committee members completed a questionnaire and the results were reviewed by the Committee. The questions covered the following areas:

- Mindset and culture
- Skills, character and knowledge
- Quality control
- Judgement

The feedback received was positive in all areas. Each year the External Auditor meets with management to review the audit process, obtain feedback and make recommendations for improvement in the following year's audit.

Interaction with the External Auditor

Throughout the year, the Committee worked closely with EY and was able to gather a good insight into the overall quality of the audit process and the performance of key individuals within the audit team. This interaction included private sessions with the External Auditor without management present and regular meetings between the Audit & Risk Committee Chair and the Audit Partner. The Committee also considered the quality of the reporting provided by the External Auditor throughout the audit process. This included the robustness and perceptiveness of the Auditors in handling key judgements, responding to questions from the Committee and in their commentary where appropriate on the systems of internal control.

The Committee considered the External Auditor's use of professional scepticism throughout the audit by examining areas in which the External Auditor had challenged senior management's assumptions. Particularly in relation to the key areas of judgement around the significant financial reporting areas, noted above, and the number and nature of accounting and control observations raised.

Based on these reviews, the Committee concluded that EY had applied appropriately robust challenge and scepticism throughout the audit, that it possessed the skills and experience required to fulfil its duties effectively and efficiently, and that the audit was effective.

Auditor reappointment

The Committee is responsible for considering whether there should be a rotation of the External Auditor in order to ensure continuing auditor quality and independence, including consideration of the advisability and potential impact of conducting a tender process for the appointment of a different External Auditor. The Committee is also responsible for recommending to the Board whether it should ask the shareholders to appoint, reappoint, or remove the External Auditor at the AGM.

In its oversight of the external audit, the Committee considered whether it would be appropriate to conduct an audit tender at this time. The Committee took into account:

- Its continued satisfaction with the quality and independence of EY's audit
- Any new External Auditor would need a transition period to develop sufficient understanding of the business given the Company's size and complexity
- Frequent changes of External Auditor would be inefficient and could lead to increased risk and the loss of cumulative knowledge
- A change in auditor would be expected to have a significant impact on the Company, including on the Company's finance function
- Any change in auditor should be scheduled to limit operational disruption

The Committee also considered EY's leadership and activities in the area of climate change. After due consideration the Committee determined it would not be appropriate to re-tender for the external audit at this time.

EY has expressed willingness to continue in its capacity as independent Auditor of the Company. The Committee has recommended to the Board the reappointment of the External Auditor for the 2025 financial year and the Directors will be proposing the reappointment of EY at the forthcoming AGM.

The External Auditor is required to rotate the audit engagement partner every five years. The current engagement partner, Julie Carlyle, began her appointment at the commencement of FY20 a therefore a new audit engagement partner will be appointed with effect from FY25.

ROBERT MOORHEAD
CHAIR OF THE AUDIT & RISK COMMITTEE
26 June 2024

ESG COMMITTEE REPORT

BARONESS (ROSA) MONCKTON MBE
Chair of the ESG Committee

MEMBERS

Baroness (Rosa) Monckton MBE (Chair)
Tea Colaianni
Ian Carter
Brian Duffy
Robert Moorhead
Chabi Nouri

PRINCIPAL RESPONSIBILITIES

The Committee's principal responsibilities are to:

- Provide oversight on behalf of the Board in relation to the Company's ESG Strategy including, ESG Strategy activities and performance
- Oversee the ESG goals, targets and KPIs and provide accountability for their successful delivery
- Monitor the Company's ESG Strategy to ensure it is embedded into core business operations, stakeholders are engaged with it and progress against achieving related goals, targets and KPIs is monitored
- Make sure the Company monitors current and emerging ESG trends and adheres to relevant international standards and legal/regulatory/governance requirements
- Provide guidance and monitor actions and initiatives taken to prevent, mitigate and manage risks related to ESG matters which may have a materially adverse impact on the Company and its' stakeholders
- Collaborate with the Audit & Risk Committee and the Remuneration Committee on matters which overlap
- Receive reports and recommendations from the ESG Steering Group, key management stakeholders and subject matter experts
- Make recommendations to the Board in relation to the required resourcing and funding of ESG related activity
- Oversee the Company's public disclosures, regarding the Company's ESG strategy activities and performance, and review and monitor the Company's non-financial reporting with respect to ESG matters.

DEAR SHAREHOLDER

It is my pleasure to present the ESG Committee Report for the financial year ended 28 April 2024.

The ESG Committee continues to support the Group in making good progress across environmental, social and governance strategic initiatives, strengthening compliance and mitigating against risk. These incremental improvements are reflected in the improved Company's investor rating agency scores, culminating in the achievement of ISS ESG Prime status in May 2024.

During FY24, we advanced the Group's ESG Strategy by conducting a materiality assessment with key stakeholder groups with the aim of assessing the Group's ESG priorities. The Company also embedded its ESG goals, within the business, by entering into a sustainability-linked financing loan.

Additionally, the Company embarked upon the use of Artificial Intelligence (AI) technology to support us in the delivery of our ESG Strategy and reporting requirements. The full impact of a trial to leverage AI and machine learning will not be evident until the Group's FY25 disclosure. However, we are already seeing great potential to support alignment with global reporting frameworks, engage across the value chain and play a key supporting role in the achievement of the Group's ESG Strategy. Further details on our AI project can be found on page 95.

The Group's progress towards a more sustainable future is particularly evident in our Mappin & Webb business, which achieved CSR Jeweller of the Year at the 2023 Professional Jeweller Awards. Additionally, we successfully maintained the Mappin & Webb's prestigious Royal Warrant status, thanks in part to the Group's strong sustainability credentials.

To drive continual improvement, the Committee closely monitors best practice and benchmarks the Company's performance against it's peers.

ROLE

The role of the Committee is to oversee, on behalf of the Board, the governance of the Company's ESG Strategy. The ESG Strategy is aligned with best practice and stakeholder expectations and aims to be both inspiring and achievable. It is organised into three strategic pillars: (i) People; (ii) Planet; and (iii) Product, to align with the Group's purpose and values, as well as wider business strategies.

The Committee supports the Audit & Risk Committee and the Remuneration Committee, in respect of matters reserved for their remit. The Committees also play a crucial role in monitoring environmental goals and ensuring actions are taken to mitigate and manage climate related risks and opportunities, by making sure they are embedded in the Company's risk management processes, financial decision-making and core business strategy.

The ESG Committee is supported by an ESG Steering Group which is, chaired by the CFO. The Steering Group is made up of key members of senior management, who each have formal operational responsibility for the management of relevant environmental, social and governance issues. The ESG Steering Group acts under a separate Terms of Reference and reports progress towards the development, implementation and delivery of the Company's ESG Strategy into the ESG Committee. The ESG Steering Group is supported by a number of working groups which sit under the People, Planet and Product pillars. There is also a governance working group.

In FY24, the Committee continued to oversee the development and delivery of the ESG Strategy, including challenging and collaborating with the Executive Directors and senior management, to ensure ESG best practices are integrated into the Company's day-to-day business operations as well as the long-term strategy.

KEY FOCUS/ACTIVITIES DURING THE YEAR

- Reviewed the ESG Committee Terms of Reference and recommended them to the Board for approval
- Contributed to the development and delivery of the ESG Strategy, by approving key decisions and providing accountability against goals, targets and KPI
- Continually reviewed the progress, the Company's ESG Strategy and monitored progress against goals, metrics and targets in relation to the three strategic pillars of People, Planet and Product
- Approval of recommended targets including the sustainability-linked financing targets
- Benchmarked the Company's performance against sustainability rating agency reports along with the CDP questionnaire on climate change and approved an improvement plan across ESG
- Received an in depth training session which focused on ESG matters relating to a tailored approach as a luxury retailer, peer analysis and market activity
- In conjunction with the Audit & Risk Committee, reviewed the Company's progress against recommendations by the Task Force on Climate Related Financial Disclosures (TCFD)
- Progress towards our ESG goals were considered as part of colleague bonus schemes, reinforcing commitment to a more sustainable future
- Reviewed the Company's supply chain management due diligence procedures, including third-party factory audits
- Approved activity to highlight the sustainable attributes of luxury watches and jewellery to clients and prospective clients
- Reviewed the Company's non-financial reporting with respect to ESG matters
- Key documents recommended to the Board for approval included the annual Modern Slavery Statement, the annual review of the Environmental Policy, a new Human Rights Policy and a new Data Information and Security Information Statement
- Reviewed the implementation of the Company's participation in an AI project to enhance its' ESG reporting
- Reviewed and approved the Materiality Assessment which took place during the year
- Received regular updates from the Head of Sustainability and ESG on key external drivers and stakeholder sentiment
- Approved the 2023 Annual Report and Accounts ESG Committee Report

MEMBERS

I am joined on the ESG Committee by Ian Carter, Chair of the Board, and a majority of independent Non-Executive Directors, comprising Tea Colaianni, Robert Moorhead and Chabi Nouri. Brian Duffy, the Company's CEO, is also a member of the Committee and plays an instrumental role in integrating ESG matters into the Company's business strategy and planning, demonstrating top level commitment from senior management in progressing the ESG Strategy

Biographies of Committee members, including details of their skills and experience, can be found on pages 148 and 149.

The Company Secretary and General Counsel acts as Secretary to the ESG Committee and other senior management and/or external advisers may attend by invitation, as appropriate, for all or part of meetings. This includes the CFO, the Head of Sustainability and ESG, the Executive Director, Global Buying and Merchandising and, during the year, the invitation was extended to the Executive Director HR as a demonstration of the importance the ESG Committee was placing on caring for colleagues and communities in line with the Company Purpose.

FY24 ACTIVITIES

In July 2024, the ESG Committee recommended to the Board that the Group's new loan facility be linked to the achievement of near-term science-based emissions reduction targets and circularity goals, reinforcing the Company's commitment to mitigating the worst impacts of climate change and supporting a more circular economy through its' repairs and pre-owned businesses. Updates on the targets and KPIs are provided annually to the lenders during the term of the loan.

We participated in the CDP, a not-for-profit charity running the global disclosure system for companies on their environmental impact, questionnaire on climate change the results of which will indicate how well the Group is managing climate -related risks and opportunities. The Committee was pleased to see the Company's score improve year-on-year from a 'C' to a 'B'. CDP scores are relative and benchmarked against industry peers.

After continued investment in our repairs and servicing businesses, our target to increase the number of watches kept in circulation year-on-year by >1.5% was also successfully achieved.

Further details on our approach to managing our environmental performance can be found on pages 92 to 128.

Treating people with respect is a fundamental value of the Watches of Switzerland Group. During the year, the Committee recommended to the Board, which was subsequently approved, a Human Rights Policy, which was developed following a gap analysis undertaken during the development of our ESG Partner Standards and through engagement with our partners at Slave-Free Alliance.

One of the highlights of the year for the ESG Committee was an ESG Board awareness session led by Chuka Umunna, Head of EMEA ESG & Green Economy at J.P. Morgan which gave insight into industry analysis and investor sentiment. During this session, the Committee assessed the Group's performance against peers and discussed a number of topics with a focus on positioning Watches of Switzerland as an ESG leader.

TERMS OF REFERENCE

Shortly after the end of the financial year, a revised set of Terms of Reference for the Committee were recommended to the Board for approval. In recognition of the increasing importance of ESG committees within the listed company environment, the Corporate Governance Institute UK and Ireland issued a guidance note for companies on the drafting of ESG Committee Terms of Reference. The recommendations were reflective of the revised Corporate Governance Code changes introduced in January 2024 and were incorporated accordingly.

STAKEHOLDER ENGAGEMENT

The Committee welcomes feedback from all stakeholders to ensure their interests are represented in the ongoing development of the Company's ESG Strategy and approach to ESG matters.

Colleagues choose to share their thoughts through a variety of channels, including Colleague Listening Forums, which I attend, the annual Colleague Engagement Pulse/Survey, throughout the year, or directly via email or 'Workplace' – the interactive digital Group engagement platform, which was used to launch a new colleague incentive, called 'Green Vibe', which encourages and rewards positive environmental behaviours.

The Company responds to sustainability rating agency questionnaires received on behalf of investors and facilitates meetings and roadshows to enable investors to ask questions.

The Head of Sustainability and ESG regularly updates the Committee with key external drivers and stakeholder sentiment and it is also kept up to date with supplier engagement activities to support the promotion of shared sustainability goals and ensure due diligence.

Late in 2023, the ESG Committee recommended to the Board the approach to be taken for a Group Materiality Assessment, which was subsequently approved. The assessment was carried out early in 2024. The results and next steps resulting from this assessment can be found on page 70.

Following the introduction of the ESG Partner Standards, from March 2023, all watch and jewellery suppliers have received the ESG Partner Standards and the Company will continue to engage all supplier partners with these standards in FY25.

OUTLOOK

We will continue to monitor the Company's performance and review our approach to Environmental, Social and Governance matters in FY25 to further enhance the Company's brands, create new business opportunities, help reduce costs, engage stakeholders and ultimately build a successful business that is sustainable over the long term.

Further information on the work of the Committee and the progress being made by the Group can be found on pages 70 and 71.

BARONESS (ROSA) MONCKTON MBE
CHAIR OF THE ESG COMMITTEE
26 June 2024

> "The Committee continues to support the Group in ESG strategic initiatives, strengthening compliance and mitigating against risk."
>
> BARONESS (ROSA) MONCKTON MBE
> CHAIR OF THE ESG COMMITTEE


ROLEX

REMUNERATION COMMITTEE REPORT

TEA COLAIANNI
Chair of the Remuneration Committee

Members	Independent	No. of meetings attended
Tea Colaianni (Chair)	✓	3/3
Ian Carter	✓	3/3
Baroness (Rosa) Monckton MBE	✓	3/3
Robert Moorhead	✓	3/3

The Remuneration Committee's Terms of Reference at:
thewosgroupplc.com

DEAR SHAREHOLDER

On behalf of the Remuneration Committee, I am pleased to present the Group's Remuneration Committee Report for the financial year ended 28 April 2024.

FY24 business performance highlights

FY24 was a challenging year for the Group, as the economic backdrop created challenging trading conditions across luxury retail.

- Revenue remained flat at £1,537.9 million
- Adjusted EBIT[1] decreased 18% to £134.7 million
- Operating profit decreased 33% to £120.0 million
- Return on Capital Employed[1] decreased by 840 bps from 27.9% to 19.5%

We remain confident that our strategy, exceptional client experience and strong brand relationships will enable us to continue to drive growth and gain market share. I would like to thank all colleagues for their continued work and dedication this year.

KEY COMMITTEE ACTIVITIES IN FY24

In addition to its usual activities, key areas of focus for the Committee in FY24 have been:

- Ensuring our incentive framework continues to appropriately motivate and retain our colleagues in challenging market circumstances
- Reviewing the ESG bonus underpin and monitoring performance via our ESG dashboard
- Setting performance targets for FY24 long-term incentive awards following finalisation of the Long Range Plan to FY28
- Agreeing deployment of our sharesave schemes in FY25

Further detail on how the Committee spent its time in FY24 can be found on page 178.

APPLICATION OF THE REMUNERATION POLICY IN FY24

I have summarised below the application of the Remuneration Policy in FY24:

Base salary/fee increases in FY24

The annual salary review process took place in October 2023, in line with our normal review timing. The UK salary review saw an increase of 3% for our colleagues below senior management level. The salary review in the US saw an increase of 3% for both Support Centre and retail colleagues.

In the UK, following our accreditation with the Living Wage Foundation, we invested a further £0.5 million in salary increases for over 450 colleagues across retail and support functions, to bring them in line with the 2023-2024 Real Living Wage rates.

The CEO and CFO elected not to receive an increase in base salary in FY24.

The Chair and Non-Executive Director fees were also reviewed in December 2023. There has been no increase in respect of their fees.

1 This is an Alternative Performance Measure. Refer to Glossary on pages 254 to 257 for definitions and reconciliation to statutory measures.

Annual bonus outturn for FY24

The executive performance target for the FY24 annual bonus was based on Adjusted EBIT[1]. Whilst demand for our key brands remains strong and we continued to gain share in the luxury watch market, the tough trading conditions across luxury retail created by the current macroeconomic backdrop has resulted in Adjusted EBIT of £134.7 million. This is below the threshold performance target and there will be no bonus paid in respect of FY24.

Whilst there will be no bonus pay-out, in line with best practice and as disclosed in last year's Report, the Remuneration Committee still assessed our ESG performance using the ESG dashboard developed at the start of the financial year. The key highlights included:

– Caring for our Planet – We made good progress in establishing our ESG Strategy and building the governance framework around this strategy

– Caring for our Colleagues – We have maintained strong engagement with our colleagues. Our engagement score and inclusion score for the year were 76% and 77% respectively. We have also taken steps to protect and support lower paid employees in light of the cost-of-living crisis through the Real Living Wage commitment

– Caring for our Communities – We have continued our support of The Watches of Switzerland Group Foundation and increased volunteering hours by 23%.

Overall, the Committee considered that the progress against our ESG strategy in FY24 was positive. The Committee therefore determined that the ESG underpin would have been met and it would not have resulted in any downwards adjustment to the formulaic bonus outcome should a bonus have been paid.

Full details on the performance outturn against the targets are shown in the 'At a glance' section on page 182.

LTIP awards granted in FY24

As outlined in last year's report, the targets for the FY24 LTIP award had not yet been finalised at the point the report was published as the Company was in the process of reviewing the Long Range Plan. FY24 LTIP awards were granted to the CEO and CFO in December 2023 and the performance targets for these awards are set out on page 186.

LTIP awards vesting in FY24

The LTIP grants awarded in July 2021 were based 80% on three-year cumulative Adjusted EPS and 20% on three-year average ROCE performance.

The performance targets were set taking into account internal and external expectations of performance at the time. Whilst the current macroeconomic backdrop has resulted in tough trading conditions this year, the strong performance of the business over the three-year performance period has resulted in cumulative Adjusted EPS of 132.5p and three-year average ROCE of 24.9%. As such, 100% of the LTIP award is due to vest in July 2024. The award is subject to a 24-month holding period from the vesting date.

FY24 IMPLEMENTATION OF REMUNERATION POLICY

Base salary/fee increases for FY25

Salary reviews for all colleagues in the Support Centre took place in October 2023 and the next support and retail colleague review will be in November 2024. Non-Executive and Executive Director fees will be reviewed in December 2024.

Annual bonus for FY25

The annual bonus will be determined in line with the normal cycle. For FY25, the annual bonus will continue to be based on Adjusted EBIT and the ESG underpin will continue to apply for FY25. The underpin will focus on key metrics under our three main ESG pillars:

– Caring for our Planet

– Caring for our Colleagues

– Caring for our Communities

This ESG dashboard will inform the Committee's decision of whether or not to apply a downwards adjustment of up to 10% to the formulaic FY25 annual bonus outcome in order to take into account the wider ESG performance of the Group. Key factors considered by the Committee will be disclosed retrospectively in next year's Annual Report and Accounts, in line with best practice.

LTIP awards to be granted in FY25

The Committee has determined that LTIP grants will be made in line with the normal cycle of being awarded following the announcement of the FY24 results. No changes are proposed to the LTIP award levels and these will continue to be 200% of base salary for the CEO and 175% of base salary for the CFO. In line with last year's grant, the LTIP measures will be based on a three-year cumulative Adjusted EPS and three-year average ROCE with weightings of 80% and 20% of maximum respectively. ROCE is a Key Performance Indicator (KPI) and measures the efficiency with which the Group is able to utilise its capital. Strong average ROCE performance combined with continued growth in earnings is critical in ensuring the successful execution of our long-term strategy and growth ambitions. In advance of the LTIP grants being made, the Committee considered whether the proposed award levels were appropriate, reflecting on the change in the Group's share price since the FY24 LTIP grant. The Committee did not feel it would be appropriate to adjust the award levels at this stage, but will retain the discretion to review the outcome at the point of vest.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

Wider workforce considerations and helping our employees with the cost-of-living crisis

The Watches of Switzerland Group always strives to be an organisation that is inclusive, rewarding and fair to all colleagues. It is the unwavering commitment from our colleagues that has been critical to the Group as we navigated the challenging trading conditions across luxury retail. During this time, the Committee has been acutely aware of the challenges our colleagues have been facing because of the current inflationary environment. As a result, the overall salary budget for the Group was set with the focus being on providing the largest increases to those colleagues on the lowest incomes by continuing our commitment to pay the Real Living Wage.

The Watches of Switzerland Group continues to be an organisation that values all colleagues across the business, particularly those on the lowest salaries. In July 2023, we were proud to be accredited by the Living Wage Foundation, making a commitment to paying all our UK colleagues the minimum real living wage to ensure that they receive sufficient income to meet their basic needs. In the US, we pay above state minimum to all our colleagues.

We again held Listening Forums in FY24. At these forums we gather views on a wide range of issues, including remuneration. Specifically, at the Listening Forum held in October 2023, attended by Baroness (Rosa) Monckton MBE in her capacity as the Designated Non-Executive Director for Workforce Engagement, representatives were invited to provide feedback on additional benefits that colleagues would value, outside of base pay.

As a result of this exercise, we improved our retail commission and bonus structure in the UK. In the UK, we continue to provide the Watches of Switzerland Group Support Fund, which offers financial support by way of a loan for those most impacted by the cost-of-living crisis. This has been utilised by a number of our colleagues and we are pleased to have provided assistance and support to those who requested help.

We will continue to monitor this area and make adjustments as necessary. During the year the Committee reviewed some aspects of our approach to remuneration below board level and made changes to support ongoing retention and motivation in a challenging economic and talent environment. Changes made included removing bonus deferral for colleagues below board and awarding share incentives to support retention and motivation.

Engagement with shareholders

I would like to take this opportunity to thank our shareholders for their support of our Directors' Remuneration Report at our 2023 AGM which received over 97% of votes cast in favour. We have engaged with shareholders and their representatives in recent years as we have developed our approach to remuneration at the Group and have always received valuable insight and feedback.

In conclusion

The remainder of the Remuneration Report is split into four parts:

Fairness, diversity and wider workforce considerations

This section contains discussions on the Company's initiatives in colleague and stakeholder engagement. In addition, we have included a report on specific areas in relation to wider workforce remuneration which the Committee reviewed during the course of the year.

At a glance section

The 'At a glance' section provides a summary of the payments made to the Executive Directors during FY24.

Summary of Directors' Remuneration Policy

This section summarises the Directors' Remuneration Policy approved by shareholders at the 2023 AGM, along with details of how we propose to implement the Policy during FY25.

Annual Report on Remuneration

This section summarises remuneration decisions during the past year. This includes details of annual bonus and long-term incentive awards granted and vesting during the year.

I hope that you will find this year's report clear, transparent and informative. If you wish to discuss any aspect of this Remuneration Report, I would be happy to hear from you. You can contact me through our Company Secretary and General Counsel, Laura Battley. I will also be available at the Company's AGM at 2.30pm on Tuesday 3 September 2024 to answer any questions.

On behalf of the Remuneration Committee and the Board.

TEA COLAIANNI
CHAIR OF THE REMUNERATION COMMITTEE
26 June 2024

HOW THE REMUNERATION COMMITTEE SPENT ITS TIME IN FY24

The following sets out the main items considered by the Remuneration Committee during the year:

Key agenda items

- Ensuring our incentive framework continues to appropriately motivate and retain our employees
- Approved a robust ESG underpin for the annual bonus
- Approving the Directors' Remuneration Report for FY23
- Approving the formulaic outcomes under the FY23 bonus, taking into account the considerations of wider stakeholders
- Reviewing and approving the performance measures for the FY24 bonus plan to ensure alignment with strategic objectives and shareholder interests
- Granting awards under the LTIP and measures for the FY24 LTIP grant
- Receiving reports and advice from advisers on a range of matters including senior executive pay, market themes and trends, and updated proxy adviser and institutional investor guidance
- Reviewing wider workforce remuneration
- Preparation of the CEO pay ratio

As a Remuneration Committee, it is our responsibility to make decisions which support the Group's long-term business strategy, and which align with the Group's culture and values. We must balance this with our desire to reflect best practice remuneration and high standards of corporate governance. We maintain an ongoing dialogue with shareholders and proxy advisers to understand their views. We recognise that executive remuneration is an area of public interest and we have worked hard to ensure that full transparency has been provided in this year's Directors' Remuneration Report on the Group's remuneration practices.

FAIRNESS, DIVERSITY AND WIDER WORKFORCE CONSIDERATIONS

As part of our commitment to fairness, openness and inclusivity, as in previous years, we have included this dedicated section to provide more information on our communication with colleagues, our remuneration principles and wider workforce pay conditions.

COMMUNICATIONS WITH COLLEAGUES

We have a number of channels where colleagues' views on remuneration can be captured. For example, colleagues are able to talk about pay matters at the Company's Listening Forums and express their views through the Company's Colleague Engagement Surveys. We are committed to giving our colleagues a voice and they have always had the opportunity to interact with our Directors. We have a dedicated Designated Non-Executive Director for Workforce Engagement, Baroness (Rosa) Monckton MBE, responsible for gathering our colleagues' views and presenting these to the Board.

How we engaged with colleagues in FY24					
Regional Listening Forum meetings and our Global Listening Forum	Consultation with our Listening Forum members and other colleague groups	Engagement survey and understanding what matters to our colleagues	Innovative and accessible communication portals including Workplace	Colleague engagement, input to new office environment and new ways of working	Visits to showrooms by the Chair of the Board and other Board members

Rosa is also Co-Chair of UK, US and Global Listening Forums. We held four regional Listening Forums and one Global Listening Forum in March 2024, all of which are attended by senior management including David Hurley, President North America & Deputy CEO, Craig Bolton, President UK & Europe and Brian Duffy, CEO.

REMUNERATION COMMITTEE REPORT

A process was introduced in 2020, which enables the Remuneration Committee to carry out its oversight and review of wider workforce pay and policies and to ensure that they are designed to support the Company's desired culture and values. When conducting its annual review, the Remuneration Committee is paying particular attention to:

- Whether the element of remuneration is consistent with the Company's remuneration principles
- If there are differences, whether they are objectively justifiable
- Whether the approach seems fair and equitable in the context of other employees

Once the Remuneration Committee has conducted its review of the wider workforce remuneration and incentives, it will consider the approach applied to the remuneration of the Executive Directors and senior management. In particular, the Remuneration Committee is focused on whether the approach to the remuneration of the Executive Directors and senior management is consistent with that applied to the wider workforce.

The Remuneration Committee remains satisfied that the approach to remuneration across the Group is consistent with the Company's principles of remuneration. Furthermore, in the Remuneration Committee's opinion, the approach to executive remuneration aligns with the wider Company pay policy and there are no anomalies specific to the Executive Directors.

GENDER PAY

UK legislation requires employers with more than 250 employees to disclose information on their gender pay gap on an annual basis. We have published our sixth disclosure of the pay gap based on amounts paid in the April 2023 payroll. The bonus gap was based on incentives paid in the year to 31 March 2023.

The mean gender pay gap at the Group is 20%, compared to 21% last year. The median bonus gap at the Group is 42%, compared to 40% last year. Whilst there is still a way to go, we are encouraged by the result. The full report, including details on the initiatives we have underway to help close our gender pay gap, is available on our website thewosgroupplc.com

The following table sets out a summary of the information received by the Remuneration Committee on the Group's remuneration structure:

Element of remuneration	Overview of practice at the Watches of Switzerland Group PLC
Alignment with remuneration principles	The Group's remuneration principles are designed to enable fair and flexible reward structures to be developed and implemented across the entire organisation. We continue to review and redesign our policies in line with this principle.
Salary	Salaries are set to reflect the market value of the role, and to aid recruitment and retention. Remuneration for all UK colleagues is above the Real Living Wage. We also monitor closely the rates of pay of people who are training with us to make sure they remain fair and competitive. Salary increases are normally awarded annually following the Company's main pay review and are typically between 2% and 3%. This year, our UK Support Centre pay review delivered an increase of 3% for all colleagues below management level. In April 2024, we implemented adjustments in support and retail salaries to comply with our commitment to the Real Living Wage. Typically, the Executive Directors will receive no more than the same percentage increase as the wider workforce. The US awarded pay increases of 3% to support and retail colleagues. From time to time, ad hoc pay reviews are conducted in order to make market or inflationary adjustments and ensure the Company's targeted living wage differential is maintained.
Annual variable pay	All Watches of Switzerland Group colleagues are entitled to earn variable pay linked to stretching performance targets: **Annual bonus plan** Subject to service and eligibility, our colleagues in support functions participate in the Company's annual bonus plan and are rewarded based on financial performance measured using Adjusted EBIT. As outlined in last year's Directors' Remuneration Report, a robust ESG underpin applies to annual bonus awards. Bonuses typically operate in one of three formats depending on the level of seniority and line-of-sight to performance: – For roles with a global remit, bonuses are based 100% on Group performance – For roles that wholly or mainly concentrate on either our UK or US operations, bonuses are based 100% on the performance of the business in the relevant country – For certain business unit roles or regional roles, 50% of bonus is based on local performance (e.g. UK/US) and 50% is based on the performance of the relevant business unit In line with market practice, the bonus quantum and the question of whether it is paid solely in cash or in a mixture of cash and deferred shares depends on the level of seniority of the colleague. Bonuses to eligible colleagues are normally paid in July, when performance conditions have been met. **Sales commission plans** A range of plans exist for our retail team members which reflect the size and complexity of the showrooms. Targets can be based on individual objectives for larger showrooms or team-based objectives for smaller showrooms. The majority of these plans are paid monthly and biannually. We review these schemes periodically to ensure they adhere to our reward principles and support good client outcomes.
LTIP	The LTIP is currently available to Executive Directors and senior management. LTIP awards are normally granted annually. Malus and clawback provisions are in place. The vesting period is three years and all LTIP participants are subject to an additional two-year holding period. Eligible colleagues and details of the award opportunity are set out below.

Level	No. of eligible colleagues	Targeted ranges (% of salary)
Group CEO	1	200%
Group CFO	1	175%
Senior management	17	20 - 80%

Element of remuneration	Overview of practice at the Watches of Switzerland Group PLC
Pension	The Company operates a UK defined contribution pension arrangement, which all UK employees are entitled to participate in. The Executive Directors are entitled to receive an employer pension contribution of 3% of salary, which is aligned with the level available to the majority of the wider workforce in the UK. The CEO and the CFO waive their employer pension contributions. Arrangements for US employees vary depending on territory. In some locations the Company offers a 3% 401k employer match and in other locations a 2% match is offered. We offer an employer pension in all countries in Europe excluding Germany.
Benefits	We offer a suite of benefits across the Group, which are designed to be appropriate for different roles and functions and countries. These include health insurance (for all US colleagues and some UK and Europe colleagues), and in the UK, season ticket loans, a cycle to work scheme, a Health Cash Plan and enhanced maternity pay. Life cover is offered to varying degrees depending on grade and region. We operate an Employee Assistance Programme (EAP) in the UK, US and Europe. This is intended to help employees deal with any personal problems that may adversely impact their work performance, health and/or wellbeing and financial support. All of our colleagues are entitled to staff discounts, subject to the rules of the relevant schemes.
All-employee share schemes	Our colleagues are able to participate in our employee sharesave schemes in the UK and US.

A summary of the Company's general policies is as follows:

Policy	Description
Reward	We have an ethical pay policy, whereby we ensure that our pay rates are ahead of the Real Living Wage in the UK and we periodically benchmark salaries against market data. We have implemented interim reviews for relevant groups of colleagues when deemed necessary to guarantee compliance with the legislation, and to ensure that our pay rates remain competitive with those of our main competitors.
Recognition and celebration	Our UK recognition programme, VibE, provides all colleagues with the ability to recognise and celebrate achievements across the colleague population instantly via a digital platform. Workplace, our internal community based social platform, provides Company news, and enables our colleagues to recognise and celebrate achievements across the Group.
Development opportunities	We are proud of our wide range of training and development programmes in the UK and US and we work closely with our brand partners to ensure that our colleagues are true experts in our category. Our elearning modules make learning and personal development accessible to all.
Equal opportunities and diversity initiatives	The Company is committed to an active Diversity & Inclusion Policy from recruitment and selection to training and development, performance reviews and promotion. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit. The Company is responsive to the needs of its colleagues, clients and the community. We are an organisation that seeks to make use of everyone's talents and abilities, and where diversity is valued. The Company ensures that its promotion and recruitment practices are fair and objective and encourages the continuous development and training, as well as the provision of equal opportunities for the training and career development of all colleagues. Further details of this are shown on page 80.

AT A GLANCE

REMUNERATION PRINCIPLES

Our reward strategy is designed to support and reinforce our purpose and values, and to reward all of our colleagues for delivering against our strategic objectives. The remuneration principles that we have developed across the Group are cascaded throughout the organisation.

Current Directors' Remuneration Policy	
Fixed	**Salary** Reflects the value of the individual, their role, skills, experience and contribution to the business
	Benefits Aligned with all other colleague arrangements
	Pension Alignment of employer pension contributions with the wider workforce at 3%. The CEO and CFO waive their pension contribution
Variable	**Annual Bonus Plan** Incentivises achievement of annual objectives and aligns Director and shareholder interests by delivering one-third in deferred shares
	LTIP Provides alignment with shareholders and motivates key individuals to achieve long-term targets and deliver sustainable performance

WHAT IS THE LINK TO COMPANY STRATEGY?

The following diagram shows the link between our Remuneration Policy and our strategy through looking at our KPIs, which measure the successful implementation of that strategy and the performance conditions we use for our incentive plans. Our FY24 performance against our KPIs is also shown below:

KPIs

REVENUE
£1,537.9m
FY23: £1,542.8m

ADJUSTED EBIT[1]
£134.7m
FY23: £165.1m

RETURN ON CAPITAL EMPLOYED[1]
19.5%
FY23: 27.9%

OPERATING PROFIT
£120.0m
FY23: £178.6m

ADJUSTED EPS[1]
38.0p
FY23: 52.7p

CASH GENERATED FROM OPERATIONS
£225.5m
FY23: £239.2m

BONUS PLAN

Performance condition: 100% based on Adjusted EBIT

Reflects the successful delivery of our Adjusted EBIT KPI subject to an ESG underpin, which can reduce the bonus up to 10% taking into account progress against our ESG strategy

LTIP

Performance conditions: Adjusted EPS (80%) and Return on Capital Employed (20%)

Reflects the successful delivery of a number of KPIs over the longer term: Adjusted EPS and Return on Capital Employed

1 This is an Alternative Performance Measure. Refer to Glossary on pages 254 to 257 for definitions and reconciliation to statutory measures.

REMUNERATION IN RESPECT OF FY24

Total compensation			
Brian Duffy (CEO)		**Anders Romberg (CFO)**	
Salary:	£500,000	Salary:	£377,082
Taxable benefits::[1]	£25,190	Taxable benefits:[1]	£8,523
Annual bonus:[2]	–	Annual bonus:[2]	–
LTIP:[3] – Value at grant: – Share price depreciation:	£399,849 £999,999 £(600,150)	LTIP:[3] – Value at grant: – Share price depreciation:	£47,617 £119,088 £(71,471)
Pension:[4]	–	Pension:[4]	–
Total:	**£925,039**	**Total:**	**£433,222**

1 Taxable benefits include one or more of private healthcare, accommodation when attending different offices, company car (including private fuel) or a car allowance. The CEO received a one off payment of £909 which was in respect of ten years service in February 2024.

2 No bonus was paid in respect of FY24 performance.

3 The FY22 LTIP award vested at 100% of maximum and a two-year holding period applies following vesting. Of the total amount, £600,150 for the CEO reflects the share price depreciation in the period since grant. There was no discretion exercised in respect of the awards. The FY22 LTIP award has been valued based on the three month average share price to year-end of £3.77. Anders Romberg retained a pro-rated portion of his FY22 LTIP award when he retired as CFO on 1 January 2022. The value shown in the single figure table reflects the portion of the LTIP award he retained (12,642 shares) of the original 65,021 shares granted. Anders also retained a pro-rated portion of his FY21 LTIP award (90,386 shares of the original 191,406 shares granted). These shares vested in FY23 and had a value of £648,971.

4 The CFO elected to waive his pension contributions. During the course of FY24, the CFO was auto-enrolled into the Group defined contribution pension scheme and payments of £8,550 were made. However all payments have been reversed and he has since opted out.

For further detail refer to page 186.

ANNUAL BONUS OUTCOMES IN FY24 (AUDITED)

Performance condition	Weighting	Threshold performance required (20% of max bonus)	Target performance required (50% of max bonus)	Maximum performance required (100% of max bonus)	Actual performance	Percentage of maximum performance achieved	Bonus value achieved	
							Brian Duffy	Anders Romberg
Adjusted EBIT	100%	£165.3m	£174.0m	£182.7m	£134.7m	0%	–	–

For further detail refer to page 186.

LTIP OUTCOMES IN FY24

The LTIP awards granted in FY22 were based 80% on three-year cumulative Adjusted EPS and 20% on three-year average ROCE performance.

As a result of Adjusted EPS and ROCE performance over the three-year performance period, 100% of the LTIP award is due to vest in July 2024. A two-year holding period will apply following vesting.

Performance condition	Weighting	Threshold performance required (20% of max LTIP)	Target performance required (60% of max LTIP)	Maximum performance required (100% of max LTIP)	Actual performance	Vesting level
Cumulative Adjusted Earnings Per Share	80%	103.7p	109.1p	114.6p	132.5p	100%
Average ROCE	20%	21.0%	22.1%	23.2%	24.9%	100%

For further detail of the performance outcomes refer to page 186.

SUMMARY REMUNERATION POLICY

The table below sets out a summary of our Remuneration Policy for Executive and Non-Executive Directors, as approved by shareholders at the AGM on 1 September 2022, as well as its proposed implementation for FY25. Our full Remuneration Policy can be found in our Annual Report and Accounts 2022.

The Policy has been tested against the six factors listed in Provision 40 of the UK Corporate Governance Code 2018 (the Code):

Clarity
- The Remuneration Policy sets out clearly the basis for any payments and the terms of the incentive arrangements operated
- The performance conditions used for the annual bonus plan and long-term Incentive Plan are based on the Group's KPIs ensuring direct alignment between the successful implementation of the strategy and the reward provided to the Executive Directors

Simplicity
- The incentive plans are in line with standard UK market practice and therefore should be familiar to all stakeholders

Risk
- Setting defined limits on the maximum awards which can be under the annual bonus plan and the long-term incentive plan
- Requiring the deferral of a substantial proportion of the incentives in shares for a material period of time
- Aligning the performance conditions for incentives with the strategy of the Company
- Ensuring a focus on sustainable performance through the long-term incentive plan and shareholding guidelines as well as post-employment shareholding requirements
- Ensuring there is sufficient flexibility to adjust incentive payments through malus and clawback
- Ensuring an overriding discretion to depart from formulaic outcomes under the incentives

These features mitigate against the inherent risk of incentives creating the wrong behaviours by:
- Limiting the maximum value that can be earned
- Deferring a significant proportion of the value earned in shares, for the long term which helps ensure that the performance earning the award was sustainable and thereby discouraging short-term behaviours
- Aligning any reward to the agreed strategy of the Company
- Focusing the long-term incentive plan on sustainable performance over the longer term
- Reducing the awards or cancelling them if the behaviours giving rise to the awards are inappropriate
- Reducing the awards or cancelling them, if it appears that the criteria on which the award was based do not reflect the underlying performance of the Group

Predictability
The Remuneration Policy clearly sets out the potential rewards available to the Executive Directors depending on the performance achieved. In addition, all the safeguards set out in the Risk section are disclosed as part of the Remuneration Policy.

Proportionality
The Company's incentives clearly reward the successful implementation of the strategy and, through deferral and measurement of performance over a number of years, ensure that the Executive Directors have a strong drive to ensure that the performance is sustainable over the long term. The Committee has overriding discretion to depart from the formulaic outcomes under the incentive plans if they do not reflect underlying business performance or the experience of stakeholders which mitigates the risk of reward for poor performance.

Alignment to culture
A key tenet of the Group's culture is a focus on ensuring long-term sustainable performance. This is reflected in the type of performance conditions used in the incentive plans.

SUMMARY REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

Element	Operation and opportunity	Implementation for FY25
Fixed pay		
Base salary	Set at a level which is market competitive to attract and retain Executives and at a level which reflects an individual's experience, role, competency and performance.	The Executive Directors elected not to receive a salary increase with effect from October 2023 with the salary budget focused on providing increases to lower paid workers. Base salary levels for FY25 are therefore: – CEO: £500,000 (no change) – CFO: £380,000 (no change) Salary reviews for all colleagues will take place in November 2024. To the extent that there are increases, the Executive Directors will receive no more than the same percentage increase as the wider workforce.
Benefits	Market standard benefits including (but not limited to) company car, private health insurance and life insurance.	The CFO has chosen to waive his car allowance.
Pension	Maximum value of the employer pension contribution allowance is in line with the majority colleague contribution (currently 3% of salary).	The CEO and the CFO have chosen to waive their employer pension contributions.

Element	Operation and opportunity	Implementation for FY25
Variable pay		
Annual bonus plan	– Maximum opportunity of 150% of salary (CEO) and 125% of salary (CFO). – 20% of the maximum bonus pays out for threshold performance, with 50% paying out for on-target performance and 100% paying out for maximum performance. – Two-thirds of the bonus award will be paid out in cash with the remaining one-third deferred into shares and subject to a three-year vesting period. – Measures may include financial or non-financial measures, however at least 50% of the awards will be linked to financial measures.	No change to maximum opportunity. For FY25, the annual bonus will be based 100% on Adjusted EBIT. Reflecting the focus throughout the Group on achieving the Company's ESG objectives, the Committee has agreed that the ESG underpin will continue to apply for FY25. The underpin will focus on key metrics under our three main ESG pillars: – Caring for our planet – Caring for our colleagues – Caring for our communities A detailed ESG dashboard will inform the Committee's decision of whether or not to apply a downwards adjustment of up to 10% to the formulaic FY25 annual bonus outcome in order to take into account the wider ESG performance of the Group. Key factors considered by the Committee will be disclosed retrospectively in next year's report, in line with best practice.
Long-term incentive plan	– Maximum opportunity of 200% of salary (CEO) and 175% of salary (CFO). – A two-year holding period will apply following the three-year vesting period. – Where material changes are made to LTIP performance conditions, it would be the Committee's intention to consult with shareholders.	No change to maximum opportunity. The LTIP awards will continue to be based 80% on three-year cumulative Adjusted EPS and 20% on three-year average ROCE. LTIP awards for FY25 – CEO: 200% of salary – CFO: 175% of salary The LTIP awards will be granted in July 2024. The payouts under the LTIP for levels of performance will be as follows: THRESHOLD* (20% of max LTIP); TARGET* (60% of max LTIP); MAXIMUM* (100% of max LTIP) *Straight line between these points Awards will be based 80% on three-year cumulative Adjusted EPS and 20% on three-year average ROCE. Targets are as follows: Adjusted EPS: 178.2p (Threshold); 187.6p (Target), 196.9p (Maximum) ROCE: 22.7% (Threshold); 23.9% (Target); 25.1% (Maximum)
Shareholding requirements	– 200% salary minimum shareholding requirement which can be built up within five years of appointment. – Executive Directors required to hold 100% of their pre-cessation shareholding requirement for 24-months from the date they step down from the Board.	No change.

SUMMARY REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS (NEDS)

Element	Operation and opportunity	Implementation for FY25
Company Chair and Non-Executive Director fees	– Non-Executive Directors are paid an annual fee and additional fees for Chairship of committees, the role of Senior Independent Director and membership of committees – Fees reflect responsibilities and time commitments for the role – The Chair does not get any additional fees for Committee membership	The Chair and NED fees were not increased during the year. Fees for FY25 are therefore as follows: Chair: £190,000 (no change) NED base fee: £50,000 (no change) Senior Independent Director fee: £10,000 (no change) Committee Chair fee: £10,000 (no change) Audit & Risk Committee, Remuneration Committee, ESG Committee membership fee: £5,000 (no change) Nomination Committee membership fee: £2,500 (no change)

ANNUAL REPORT ON REMUNERATION

SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

The table below sets out the single total figure of remuneration and breakdown for each Director in respect of FY24. Figures provided have been calculated in accordance with the UK disclosure requirements: The Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2019 (Schedule 8 to the Regulations).

Name	Period	Salary/fees £	Taxable benefits[1] £	Bonus[2] £	LTIP[3] £	Pension[4] £	Other £	Total £	Total fixed remuneration £	Total variable remuneration £
Executive Directors										
Brian Duffy	FY24	500,000	25,190	–	399,849 999,999* (600,150)**	–	–	925,039	525,190	399,849
	FY23	500,000	24,893	562,500[7]	2,242,188 1,000,000* 1,242,188**	–	–	3,329,581	524,893	2,804,688
Anders Romberg[5]	FY24	377,082	8,523	–	47,617 119,088* (71,471)**	–	–	433,222	385,605	47,617
	FY23	–	–	–	–	–	–	–	–	–
Bill Floydd	FY24	13,768	462	–	–	–	–	14,230	14,230	–
	FY23	380,000	37,837	237,500	–	11,400	–	666,737	429,237	237,500
Non-Executive Directors[6]										
Ian Carter	FY24	190,000	19,820	n/a	n/a	n/a	n/a	209,820	209,820	n/a
	FY23	190,000	8,688	n/a	n/a	n/a	n/a	198,688	198,688	n/a
Tea Colaianni	FY24	82,500	230	n/a	n/a	n/a	n/a	82,730	82,730	n/a
	FY23	82,500	1,349	n/a	n/a	n/a	n/a	83,849	83,849	n/a
Robert Moorhead	FY24	72,500	–	n/a	n/a	n/a	n/a	72,500	72,500	n/a
	FY23	72,500	–	n/a	n/a	n/a	n/a	72,500	72,500	n/a
Baroness (Rosa) Monckton MBE	FY24	72,500	–	n/a	n/a	n/a	n/a	72,500	72,500	n/a
	FY23	72,500	–	n/a	n/a	n/a	n/a	72,500	72,500	n/a
Chabi Nouri	FY24	60,000	3,848	n/a	n/a	n/a	n/a	63,848	63,848	n/a
	FY23	59,167	4,693	n/a	n/a	n/a	n/a	63,860	63,860	n/a

*Value at grant ** Share price appreciation/(depreciation)

1 Taxable benefits for Executive Directors includes one or more of: private healthcare; accommodation when attending different offices; company car (including private fuel); or a car allowance. Taxable benefits for Non-Executive Directors includes reimbursement for travel and accommodation costs.

2 The annual bonus is paid two-thirds in cash and one-third in shares, with the portion deferred into shares subject to continued employment for three years but with no further performance conditions attached. This year the performance threshold was not met and therefore no bonus was paid.

3 The FY22 LTIP award vested at 100% of maximum and a two-year holding period applies following vesting. Of the total amount, £(600,150) for the CEO reflects the share price depreciation in the period since grant. There was no discretion exercised in respect of the awards. The FY22 LTIP award has been valued based on the three-month average share price to year-end of £3.77. The value of the FY21 LTIP award which vested in FY24 has been updated to reflect the share price on the date of vest of £7.18.

4 The CFO and CEO waive their pension contributions. During the course of FY24, the CFO was auto-enrolled into the Group defined contribution pension scheme and payments of £8,550 were made. However all payments have been reversed and he has since opted out.

5 Anders Romberg retained a pro-rated portion of his FY22 LTIP award when he retired as CFO on 1 January 2022. The value shown in the single figure table reflects the portion of the LTIP award he retained (12,642 shares) of the original 65,021 shares granted. Anders also retained a pro-rated portion of his FY21 LTIP award (90,386 shares of the original 191,406 shares granted). These shares vested in FY23 and had a value of £648,971.

6 Non-Executive Director fees are in respect of Committee meetings. There has been no increase in respect of any of the individual fee components.

7 Of the £562,500 bonus award, the CEO donated £250,000 to The Princes Trust.

ANNUAL BONUS OUTCOMES IN FY24 (AUDITED)

The maximum bonus opportunity for the CEO and CFO for FY24 was 150% and 125% of salary respectively. Two-thirds of the bonus award is paid out in cash with the remaining one-third deferred into shares and subject to a three-year vesting period.

Details of the targets used to determine bonuses in respect of FY24 and the extent to which they were satisfied are shown in the table below:

Performance condition	Weighting	Threshold performance required (20% of max bonus)	Target performance required (50% of max bonus)	Maximum performance required (100% of max bonus)	Actual performance	Percentage of maximum performance achieved	Bonus value achieved	
							Brian Duffy	Anders Romberg
Adjusted EBIT	100%	£165.3m	£174.0m	£182.7m	£134.7m	0%	–	–

Whilst there will be no bonus pay-out, in line with best practice and as disclosed in last year's report, the Remuneration Committee still assessed our ESG performance using the ESG dashboard developed at the start of the year. The key highlights included:

- **Caring for our planet** – We made good progress in establishing our ESG Strategy and building the governance framework around this strategy
- **Caring for our colleagues** – We have maintained strong engagement with our colleagues. Our engagement score and inclusion score for the year were 76% and 77% respectively. We have also taken steps to protect and support lower paid colleagues in light of the cost-of-living crisis through the Real Living Wage commitment
- **Caring for our communities** – We have continued our support of The Watches of Switzerland Group Foundation and increased volunteering hours by 23%

Overall, the Committee considered that the progress against our ESG strategy in FY24 was positive and we have delivered continuous improvements across our environmental and social activities in FY24. The Committee therefore determined that the ESG underpin would have been met and it would not have resulted in any downwards adjustment to the formulaic bonus outcome, should a bonus have been paid.

LONG-TERM INCENTIVE OUTCOMES IN FY24

LTIP awards granted in July 2021 were subject to performance to the end of FY24. Details of the three-year cumulative Adjusted EPS and three-year average ROCE targets attached to these awards and the extent to which they were satisfied are shown in the table below. A two-year holding period applies to long-term incentive awards following vesting.

Performance condition	Weighting	Threshold performance required (20% of max LTIP)	Target performance required (60% of max LTIP	Maximum performance required (100% of max LTIP)	Actual performance	Vesting level
Cumulative Adjusted Earnings Per Share	80%	103.7p	109.1p	114.6p	132.5p	100%
Average ROCE	20%	21.0%	22.1%	23.2%	24.9%	100%

LONG-TERM INCENTIVES AWARDED IN FY24 (AUDITED)

The table below sets out the details of the long-term incentive awards granted in FY24, where vesting will be determined according to the achievement of performance conditions that will be tested based on performance to the end of FY26.

Name	Award type	Basis on which award made	Face value of award	Shares awarded	Percentage of award vesting at threshold performance (%)	Maximum percentage of face value that could vest (%)	Performance conditions
Brian Duffy	Nil-cost options	Annual – 200% of salary	£999,999	149,365	20%	100%	EPS (80%) ROCE (20%)
Anders Romberg	Nil-cost options	Annual – 175% of salary	£664,994	99,327	20%	100%	EPS (80%) ROCE (20%)

The awards were granted on 11 December 2023; the face value is calculated with reference to a share price of £6.70, being the closing share price on 8 December 2023.

Awards are based 80% on three-year cumulative Adjusted EPS and 20% on three-year average ROCE over the period FY24 to FY26. Targets are as follows:

- Cumulative Adjusted EPS: 189.9p (Threshold); 199.9p (Target); 209.9p (Maximum)
- Average ROCE: 23.7% (Threshold); 24.9% (Target); 26.2% (Maximum)

DEFERRED SHARE AWARDS GRANTED IN FY24 (AUDITED)

The table below sets out the details of the deferred share awards granted under the Company's 2019 Annual and Deferred Bonus Plan during FY24.

Name	Award type	Basis on which award made	Face value of award	Shares awarded
Brian Duffy	Nil-cost options	Deferral of FY23 bonus	£187,496	24,801

The award for Brian Duffy was granted on 20 July 2023; the face value is calculated with reference to a share price of £7.56, being the closing share price on 19 July 2023. The awards will vest on 20 July 2026.

Anders Romberg rejoined the company on 12 May 2023 and therefore did not receive an annual bonus in respect of FY23.

DIRECTORS' SHARE INTERESTS (AUDITED)

	Shares held directly						Shareholding requirement	
Name	Current shareholding	Beneficially owned	Deferred shares not subject to performance conditions	LTIP vested but not yet exercised	LTIP interests subject to performance conditions	LTIP interests not subject to performance conditions	% Salary	Shareholding requirement met?
Executive Directors								
Brian Duffy	7,696,999	7,696,999	83,545	682,870	388,766	–	200%	Yes
Anders Romberg	1,195,864	1,195,864	12,853	285,730	111,969	–	175%	Yes
Non-Executive Directors								
Ian Carter	154,700	154,700	–	–	–	–	n/a	n/a
Tea Colaianni	32,947	32,947	–	–	–	–	n/a	n/a
Robert Moorhead	30,620	30,620	–	–	–	–	n/a	n/a
Baroness (Rosa) Monckton MBE	8,904	8,904	–	–	–	–	n/a	n/a
Chabi Nouri	–	–	–	–	–	–	n/a	n/a

There have been no changes to shareholdings between 28 April 2024 and the date of this Report.

The market price of shares at 26 April 2024 was £3.44 and the range during FY24 was £3.32 to £8.12.

PAYMENTS TO PAST DIRECTORS AND PAYMENTS FOR LOSS OF OFFICE

No payments were made to past directors or for loss of office in FY24. Bill Floydd stepped down from the Board on 12 May 2023. Details of his departure arrangements were disclosed in the 2023 Annual Report and Accounts on page 169.

REMUNERATION AND ALIGNMENT WITH PERFORMANCE

CEO pay ratio

Our CEO to employee pay ratios for FY20 to FY24 are set out in the table below:

Financial year	Method used	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
FY24 (reported)	Option A	37:1	32:1	25:1
FY23 (reported)	Option A	144:1	124:1	92:1
FY22 (reported)	Option A	206:1	174:1	128:1
FY21 (reported)	Option A	61:1	51:1	37:1
FY20 (reported)	Option A	317:1	262:1	179:1

Details of salary and total pay and benefits as required under the regulations are set out below:

CEO base salary (£'000): £500,000

CEO total pay and benefits (£'000): £925,039

Employee figures (£'000)	Salary	Total pay and benefits
25th percentile employee	23.9	25.0
50th percentile employee	27.4	28.6
75th percentile employee	36.1	37.4

The Company has used Option A to calculate the CEO pay ratio. The Company feels that using comparable single figure data ensures the most like-for-like comparison of CEO pay against the pay levels of employees at the 25th, 50th and 75th percentiles. We have determined the individuals at the 25th, 50th and 75th percentiles as at 28 April 2024, the last day of the financial year.

The CEO pay ratio gap has decreased during the year due to no bonus payout for FY24 compared to FY23 where the bonus pay out was 75% of maximum.

The value of the LTIP vesting in respect of FY24 is also lower due to the share price depreciation over the performance period.

In addition, we expect the ratios could be fairly volatile for the following reasons:

– The CEO's pay is made up of a greater proportion of incentive pay than for employees generally, and this leads to a higher degree of variability in his overall pay each year
– LTIPs are provided in shares, and therefore a change in share price over the three years magnifies the impact of a long-term incentive award vesting in any given year

We recognise that the ratio is driven by the different structure of the pay of our CEO versus that of our colleagues generally, as well as the make-up of our workforce. What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the CEO and wider workforce. The Remuneration Committee reviews information about colleague pay, reward and progression policies of the Company and is comfortable that the median pay ratio is consistent with these policies.

NOTES ON METHODOLOGY

In determining the quartile figures, the hourly rates were annualised using the same number of contractual hours as the CEO. Actual pay and benefits were calculated for all UK colleagues at the snapshot date and subsequently ranked in order to identify the relevant person at each quartile. For the purpose of the calculations the following elements of pay were included (if applicable) for all colleagues:

– Annual basic salary
– Private medical insurance value
– Car or car allowance
– Employer pension contribution (noting that the CEO and CFO waive their employer pension contribution)
– Bonus and commission earned in the year in question
– LTIP value
– Management incentive plan value

PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The table below shows how the percentage change in each Director's salary/fees, taxable benefits and annual bonus from FY20 to FY24 compares with the average percentage change in each of those components of pay for the UK-based employees of the Group as a whole.

This table will build up over time to a five-year comparison as required by the reporting regulations. The regulations prescribe that all employees of the listed company, excluding Directors, should be included in the average employee calculation. However, as the Watches of Switzerland Group PLC does not have any colleagues other than the two Executive Directors, no statutory disclosure can be provided in respect of colleagues. Therefore, the Company has chosen to voluntarily disclose the information in the table below using UK full time colleagues as the comparator group; this group was chosen on the basis that the majority of our workforce is UK-based.

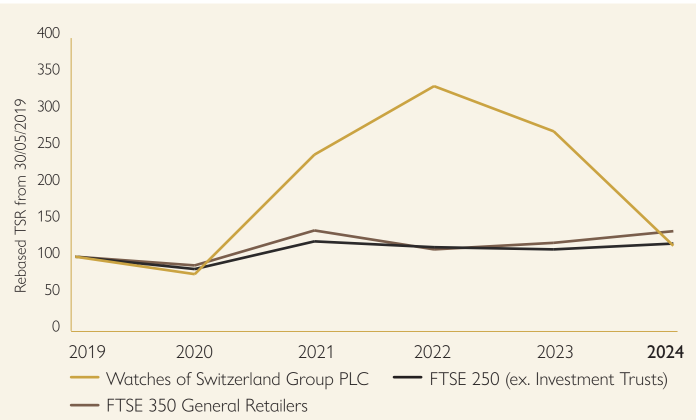
Year-on-year changes in pay for Directors compared to the average UK colleague increase:

	FY20 to FY21			FY21 to FY22			FY22 to FY23			FY23 to FY24		
Name	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus
Executive Directors												
Brian Duffy	0%	2.7%	n/a	4.3%	(0.6)%	4.3%	0%	6.9%	(25.0)%	0%	1.2%	(100.0)%
Bill Floydd[1]	n/a	n/a	n/a	n/a	n/a	n/a	200.0%	403.0%	50.0%	(96.4)%	(98.8)%	(100.0)%
Anders Romberg[2]	0%	(43.0)%	n/a	(30.4)%	(27.7)%	(30.4)%	n/a	n/a	n/a	100.0%	100.0%	n/a
Non-Executive Directors												
Ian Carter	n/a	n/a	n/a	0%	0%	n/a	0%	28.7%	n/a	0%	128.2%	n/a
Tea Colaianni	0%	n/a	n/a	10.0%[3]	0%	n/a	1.0%[5]	100.0%	n/a	0%	(83.0)%	n/a
Robert Moorhead	0%	n/a	n/a	10.8%[3]	0%	n/a	1.2%[5]	0%	n/a	0%	0%	n/a
Baroness (Rosa) Monckton MBE	0%	n/a	n/a	18.3%[3]	0%	n/a	2.4%[5]	0%	n/a	0%	0%	n/a
Chabi Nouri[4]	n/a	n/a	n/a	n/a	n/a	n/a	100.0%	100.0%	n/a	1.4%	(18.0)%	n/a
Average percentage increase for UK employees	5.0%	4.0%	n/a	9%	(15.5)%	35%	9.1%	(14.4)%	(48.3)%	12.5%	15.9%	(100.0)%

Notes:
1 Bill Floydd was appointed as CFO with effect from 1 January 2022 and stepped down on 12 May 2023.
2 Anders Romberg retired as CFO and as an Executive Director of the Board with effect from 1 January 2022. On 12 May 2023 he rejoined the company and replaced Bill Floydd as CFO.
3 Increase in Non-Executive Director fees in FY22 was due to an additional fee being paid for membership of the ESG Committee and for chairing the ESG Committee.
4 Chabi Nouri was appointed as an independent Non-Executive Director with effect from 1 May 2022. The increases shown are as a result of the annualisation of her remuneration.
5 Changes in pay for the Non-Executive Directors related to the introduction of the ESG Committee part way through FY22. There have been no increases in Non-Executive Director fees over the year.

TOTAL SHAREHOLDER RETURN

The graph shows the Group's TSR performance (share price plus dividends paid) compared with the performance of the FTSE 250 (excluding Investment Trusts) Index and the FTSE 350 General Retailers, since the Company's IPO in June 2019. These indices have been selected because the Company believes that the constituent companies are the most appropriate for this comparison for the Group. This chart will be built out in future reports until it provides a picture of performance over ten years.



CEO REMUNERATION SINCE IPO

The Remuneration Committee does not believe that the remuneration paid whilst the Company was private is relevant to the remuneration following IPO. As such, this table shows remuneration from FY20, the first financial year when the Company was listed. We will add to this table each year until a full ten-year history is shown

Financial year	Single figure of remuneration	% of max annual bonus earned	% of max LTIP awards vesting
FY24 – Brian Duffy	£925,039	0%	100%
FY23 – Brian Duffy	£3,329,581	75%	100%
FY22 – Brian Duffy	£4,547,352	100%	100%
FY21 – Brian Duffy	£1,221,337	100%	n/a
FY20 – Brian Duffy excluding one-off IPO award	£6,512,387 (£512,388)	0%	n/a

RELATIVE IMPORTANCE OF SPEND ON PAY

The table below shows the percentage change in total colleague pay expenditure and shareholder distribution (i.e. dividends and share buybacks) from the financial year ended 30 April 2023 to the financial year ended 28 April 2024.

Relative importance of the spend on pay	FY24 £m	FY23 £m	% change
Colleague remuneration	149.4	143.9	3.8%
Distribution to shareholders	£0	£0	0.0%

The Company has not paid a dividend or carried out a share buyback in the current year nor the previous year.

APPROVAL OF THE DIRECTORS' REMUNERATION REPORT

The FY24 Directors' Remuneration Report will be subject to a shareholder vote at the 2024 AGM. The table below sets out the actual voting in respect of resolutions regarding remuneration at previous Annual General Meetings.

	Votes for	% for	Votes against	% against	Total votes	Votes withheld
Approve the 2023 Directors' Remuneration Report (2023 AGM)	199,909,929	97.36%	5,422,508	2.64%	205,334,112	1,675
Approve the 2022 Directors' Remuneration Policy (2023 AGM)	189,914,532	98.15%	3,583,126	1.85%	193,685,453	187,795

ROLE OF THE REMUNERATION COMMITTEE

The Committee complies with the UK Corporate Governance Code 2018 in terms of composition and Terms of Reference. The Committee's Terms of Reference, which are reviewed annually, are available on the Group's website at thewosgroupplc.com.

The Committee's responsibilities are to:

- Determine Remuneration Policy for the Company Chair, Executive Directors, the Company Secretary and other members of the Senior Management as designated
- Determine remuneration packages for the Company Chair, Executive Directors, the Company Secretary and other members of the Senior Management as designated. No Director plays a part in any decision about their own remuneration
- Review the appropriateness of the Remuneration Policy on an ongoing basis and make recommendations to the Board on appropriate changes
- Obtain up to date comparative market information and appoint remuneration consultants as required to advise or obtain information
- Approve the design of, and set targets for, performance related incentives across the Group
- Oversee any major changes to benefits for employees
- Oversee wider workforce pay practices and incentive arrangements
- Ensure that failure and excessive risk taking are not rewarded

None of the Committee members have any personal financial interest (other than as a shareholder) in the decisions made by the Committee, any conflict of interest arising from cross-directorships, or day-to-day involvement in running the business.

WHO SUPPORTS THE COMMITTEE?

Internal

Internal support is provided by the Company Secretary & General Counsel and the Executive Director HR, whose attendance at Committee meetings is by invitation from the Remuneration Committee Chair, to advise on specific questions raised by the Remuneration Committee and on matters relating to the performance and remuneration of the Senior Management team. No Director was present for any discussions that related directly to their own remuneration.

External

The Committee appointed Deloitte LLP as independent adviser to the Committee following an independent selection process. Fees paid to Deloitte LLP in relation to remuneration services provided to the Committee for FY24 were £50,500, which were charged on a time and materials basis. Deloitte LLP is a member of the Remuneration Consultants' Group, and as such chooses to operate pursuant to a code of conduct that requires remuneration advice to be given objectively and independently. There are no connections between Deloitte LLP and individual Directors to be disclosed. The Committee is satisfied that the advice provided by Deloitte LLP in relation to remuneration matters is objective and independent.

TEA COLAIANNI
CHAIR OF THE REMUNERATION COMMITTEE
26 June 2024

WATCHES OF SWITZERLAND GROUP PLC

Registered number: 11838443

Registered office address: Aurum House, 2 Elland Road, Braunstone, Leicester, LE3 1TT

Country of incorporation: England and Wales

Type: Public Limited Company

Principal activities: The principal activity of the Group is the retailing of luxury watches and jewellery.

The Directors present their report, together with the audited Consolidated Financial Statements of the Group and of the Company, for the financial year ended 28 April 2024. The Company has chosen in accordance with s414C (11) of the Companies Act 2006 to provide disclosures and information in relation to a number of matters which are covered elsewhere in this Annual Report and Accounts. These matters, together with those required under the 2013 Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, are cross referenced in the table opposite and together form the Directors' Report

STATUTORY INFORMATION

Topic	Section of the report	Page
Important events impacting the business	Strategic Report	11 to 13
Financial instruments	Note 22 of the Consolidated Financial Statements	243
Colleague disabilities	Environment, Social and Governance	193
Modern Slavery Statement	Environment, Social and Governance	125
Greenhouse gas emissions, energy consumption and energy-efficient action	Environment, Social and Governance	121
Carbon reporting	Environment, Social and Governance	121
Risk Management	Risk Management	130 to 132
S172(1) Companies Act 2006	Strategic Report	63

INFORMATION REQUIRED BY LR 9.8.6(10)

Topic	Section of the report	Page
Diversity & Ethnicity	Corporate Governance Report Nomination Committee Report	158 and 164

INFORMATION REQUIRED BY LR 9.8.4(R)

Topic	Section of the report	Page
Directors' interests in shares	Remuneration Committee Report	188
Going concern	Going Concern and Viability Statement	140 and 141
Long-term incentive schemes	Remuneration Committee Report	185

INFORMATION REQUIRED BY DTR 7.2

Topic	Section of the report	Page
Corporate Governance Statement 2024	Corporate Governance Report	150

INFORMATION REQUIRED BY DTR 4.1.11R

Topic	Section of the report	Page
Likely future developments	Strategic Report	13

INFORMATION REQUIRED BY SCH 7.11(1)(B) COMPANIES (MISCELLANEOUS REPORTING) REGULATIONS 2018

Statement of Engagement with Colleagues

The Group has chosen to provide information in relation to the Statement of Engagement with Colleagues elsewhere in this report. This is cross referenced in the table below:

Information	Section of the report	Page
How the Directors engage with colleagues	Section 172(1) Statement Board activity	64
How the Group provides colleagues with information on matters of concern to them as colleagues	Environment, Social and Governance	82
How the Group consults with and considers colleague feedback	Environment, Social and Governance	83
How the Directors have had regard to colleagues' interests	Environment, Social and Governance; Board activity	64 and 154
Non-Financial Information and Sustainability Information Statement	Non-Financial Information and Sustainability Information Statement	62

Business relationships

Information	Section of the report	Page
Foster the Company's business relationships	Section 172(1) Statement	63
Principal decisions affecting suppliers, clients and others taken by the Company during the financial year	Section 172(1) Statement Board activity	154 and 155

DTR 4.1.8

The Strategic Report and the Directors' Report (or parts thereof), together with sections of this Annual Report and Accounts incorporated by reference, are the Management Report for the purposes of DTR 4.1.8.

ARTICLES OF ASSOCIATION

In accordance with the Companies Act 2006, the Articles of Association (the Articles) may only be amended by a special resolution of the Company's shareholders at a general meeting.

AGM

The 2024 AGM of the Company will be held at 2.30pm on 3 September 2024, at our offices at 36 North Row, London W1K 6DH. The Notice of AGM is given, together with explanatory notes, in the booklet which accompanies this Annual Report and Accounts.

BOARD OF DIRECTORS

Ian Carter
Brian Duffy
Anders Romberg – Appointed 12 May 2023
Tea Colaianni
Robert Moorhead
Baroness (Rosa) Monckton MBE
Chabi Nouri
Bill Floydd – Resigned 12 May 2023

Full biographies of the current Directors can be found on pages 148 and 149.

Details of the current Directors' beneficial and non-beneficial interests in the shares of the Company are shown on page 188. Details of share awards are found in the Remuneration Report on page 188.

APPOINTMENT AND REMOVAL OF A DIRECTOR

The appointment, reappointment and replacement of Directors is governed by the Articles, the UK Corporate Governance Code 2018 (the Code), the Companies Act 2006 and related legislation. The Code recommends that all Directors of publicly listed companies stand for election every year. At the 2023 AGM, all members of the Board stood for election or re-election and were duly elected. All Directors are offering themselves for re-election. The Board is satisfied that each Non-Executive Director, offering themselves for re-election, is independent in both character and judgement, and that their experience, knowledge and other business interests enable them to contribute significantly to the work and balance of the Board.

A Director may be appointed to the Board by:

(i) Ordinary resolution of the shareholders

(ii) Board approval following recommendation by the Nomination Committee

(iii) Ordinary resolution if the Director chooses to seek re-election at a general meeting

In addition, the Directors may appoint a Director to fill a vacancy or as an additional Director, provided that the individual retires at the next AGM; if they are to continue, they must offer themselves for election. A Director must vacate office in certain circumstances as set out in the Company's Articles and may be removed by ordinary resolution provided special notice of that resolution has been given.

POWERS OF THE DIRECTORS

Subject to the Articles, the Companies Act 2006 and any directions given by the Company by special resolution and any relevant statutes and regulations, the business of the Company will be managed by the Board which may exercise all the powers of the Company. Specific powers relating to the allotment and issuance of ordinary shares and the ability of the Company to purchase its own securities are also included within the Articles, and such authorities may be submitted for approval by the shareholders at the AGM each year.

DIRECTORS' INTERESTS AND CONFLICTS OF INTEREST

The Directors' interests in, and options over, ordinary shares in the Company are shown in the Directors' Remuneration Report on Remuneration on page 188. In line with the requirements of the Companies Act 2006, Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of the Company unless that conflict is first authorised by the Board. The Company has procedures in place for managing conflicts of interest. The Company's Articles contain provisions to allow the Directors to authorise potential conflicts of interest, so that if approved, a Director will not be in breach of his/her duty under company law. In line with the requirements of the Companies Act 2006, each Director has notified the Company of any situation in which he or she has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a situational conflict). Directors have a continuing duty to update any changes to their conflicts of interest and a note is then made of that update.

During the year the conflict of interests' procedures operated effectively.

DIRECTORS' INDEMNITIES

Directors' and Officers' insurance has been established for all Directors and Officers to provide cover against their reasonable actions on behalf of the Company. The Company also indemnifies the Directors under a qualifying indemnity for the purposes of s236 of the Companies Act 2006. This indemnity contains provisions that are permitted by the director liability provisions of the Companies Act 2006 and the Company's Articles.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF PERSONS WITH DISABILITIES

The Group has policies on equal opportunities and the employment of persons with disabilities which, through the application of fair employment practices, are intended to ensure that individuals are treated equitably and consistently regardless of age, race, creed, colour, gender, marital or parental status, sexual orientation, religious beliefs and nationality. Applications for employment by persons with disabilities are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of colleagues becoming disabled, every effort is made to ensure their employment with the Group is continued and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a persons with disabilities should, as far as possible, be identical to that of a person who does not have a disability.

DIRECTORS' STATEMENT OF RESPONSIBILITY IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the profit or loss of the Group for the financial year. Under that law the Directors have prepared the Group Financial Statements in accordance with UK adopted international accounting standards and have elected to prepare the Company's Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 (The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland) and the Companies Act 2006.

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 Group and the Company and of the profit or loss of the Group for that period.

In preparing the Annual Report and Accounts, the Directors are required to:

– Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (or in respect of the Parent Company Financial Statements, Section 10 of FRS 102) and then apply them consistently
– Make judgements and accounting estimates that are reasonable and prudent
– Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
– Provide additional disclosures when compliance with the specific requirements in IFRSs (or in respect of the Parent Company Financial Statements, FRS 102) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance
– For the Group Financial Statements, state whether International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 and UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
– For the Parent Company Financial Statements, state whether applicable UK accounting standards, FRS 102, have been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements
– Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Each of the Directors, whose names and functions are listed on pages 148 and 149 confirms that, to the best of their knowledge:

– That the Group Financial Statements, which have been prepared in accordance with UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group
– That the Annual Report and Accounts 2024, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
– That they consider the Annual Report and Accounts 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy

COMPANY SECRETARY

Laura Battley is the Company Secretary of the Watches of Switzerland Group PLC and its trading UK Group subsidiaries who can be contacted via the Company's Registered Office.

AUDITOR REAPPOINTMENT

Having been appointed as the External Auditor in 2019, Ernst & Young LLP has expressed its willingness to continue in its capacity as independent External Auditor of the Company. The Directors are recommending a resolution in favour of this reappointment and a resolution for authorisation of Auditor remuneration at the forthcoming AGM.

DISCLOSURE OF INFORMATION TO THE AUDITOR

In accordance with Section 418(2) of the Companies Act 2006, each Director in office at the date the Directors' Report is approved confirms that:

i. So far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware

ii. He/she has taken all the steps that he/she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information

DIVIDENDS

The Directors do not recommend the payment of a dividend.

POLITICAL DONATIONS

The Group made no political donations and incurred no political expenditure during the year.

SHARE CAPITAL AND SHAREHOLDER VOTING RIGHTS

The share capital of the Company at 28 April 2024 was as follows:

	2024 number of shares	2024 nominal value £
Allotted, called up and fully paid ordinary shares of £0.0125 each	239,570,297	£2,994,629

All shareholders are entitled to attend and speak at the general meetings of the Company, appoint proxies, receive any dividends, exercise voting rights and transfer shares without restriction. On a show of hands at a general meeting, every member present in-person shall have one vote, and on a poll, every member present in-person or by proxy shall have one vote for every ordinary share held. There are no known arrangements that may restrict the transfer of shares or voting rights.

Under the Company's Share Incentive Plan, Trustees hold shares on behalf of colleague participants. The Trustees will only vote on those shares, and receive dividends, should the Company pay dividends in the future, that a participant beneficially owns, in accordance with the participant's wishes.

An Employee Benefit Trust also operates which has discretion to vote on any shares it holds as it sees fit, except any shares participants own beneficially, in which case the Trustee will only vote on such shares as per a participant's instructions. The Trustee of the Employee Benefit Trust has waived its right to dividends on all shares within the Trust.

The Company is not aware of any other dividend waivers or voting restrictions in place.

RESTRICTIONS ON THE TRANSFER OF SECURITIES

The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share. However, restrictions are imposed by laws and regulations such as the prohibition on insider trading and the requirements of the Listing Rules whereby PDMR's dealings need to be approved. The Company has adopted a Share Dealing Code to regulate PDMR dealings and has extended the scope of that Code to include certain other colleagues.

AUTHORITY TO ALLOT SHARES

Under the Companies Act 2006, the Directors may only allot shares if authorised to do so by the shareholders in a general meeting.

SHAREHOLDER AUTHORITY TO PURCHASE OWN SHARES

At the Company's 2023 AGM, the Company's shareholders passed a shareholder resolution granting the Company authority to purchase its own shares pursuant to sections 693 and 701 of the Companies Act 2006.

The authority is limited to an aggregate maximum number of 23,957,029 ordinary shares, representing 10% of the Company's issued share capital, excluding treasury shares. The maximum price which may be paid for an ordinary share will be an amount which is not more than the higher of (i) 5% above the average of the middle market quotation for an ordinary share as derived from the London Stock Exchange Plc's Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case, exclusive of expenses).

The authority shall, unless varied, revoked or renewed, expire at the end of the Company's 2024 AGM or, if earlier, at close of business on 3 December 2025. To date, the Directors have not exercised any of the powers conferred by this resolution.

USE OF FINANCIAL INSTRUMENTS

Information regarding the Company's use of financial instruments, financial risk management objectives and policies can be found in the Risk Management section of the Strategic Report on page 130 to 132 and note 22 of the Consolidated Financial Statements.

CHANGE OF CONTROL

There are no agreements between the Company and its Directors or colleagues providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) by reason of a takeover bid.

Details concerning the impact on annual bonus (cash and deferred share awards) and LTIPs held by Directors and senior management in the event of a change of control are set out in the Remuneration Policy which was approved by shareholders at the AGM in 2022. Generally, the cash element of annual bonus and any LTIPs would be pro-rated for time and performance in the event of a change of control. The deferred share element of annual bonus will vest on a change of control. The Remuneration Committee does have the discretion not to pro-rate for time, however, its normal policy is to pro-rate. The Remuneration Committee discretion not to pro-rate would only be used if there were a business case which would be fully explained to shareholders.

Various agreements that the Group has entered into with third-parties, including key distribution agreements with luxury watch and jewellery brands, lease agreements, as well as contracts with third party service providers, provide such parties with a right to terminate the agreement in the event of a change of control.

The £225.0 million multicurrency revolving loan facility entered into on 9 May 2023, includes certain customary mandatory prepayment and cancellation events, including mandatory prepayments on a change of control of either Watches of Switzerland Group PLC or Jewel UK Midco Limited if a lender so requests after a period of negotiations.

The US$115.0 million term loan facility entered into on 23 February 2024, includes certain customary mandatory prepayment and cancellation events, including mandatory prepayments on a change of control of either Watches of Switzerland Group PLC or Jewel UK Midco Limited if a lender so requests after a period of negotiations.

POST BALANCE SHEET EVENT

Acquisition of Roberto Coin Inc.

On 8 May 2024, the Group signed and completed the acquisition of the entire share capital of Roberto Coin Inc., an associate company of Roberto Coin S.p.A. from Roberto Coin S.p.A., Peter Webster, Co-Founder and President of Roberto Coin Inc., and Pilar Coin. The acquisition completed for a total cash consideration of $130 million (of which $10 million is deferred for one year and contingent on the future profitability of the acquired business), subject to working capital adjustments. Further information can be found in note 26 to the Consolidated Financial Statements.

Closure of European Division

In line with our disciplined approach to capital allocation and given the pipeline of high returning opportunities in the UK and US, the Group intends to reallocate investment from the European market into these higher returning regions. We are in negotiations with our brand partners for the transfer of a number of our existing European mono-brand boutiques. The announcement and decision to exit the showrooms took place post year end. Further information can be found in note 26 to the Consolidated Financial Statements.

SIGNIFICANT SHAREHOLDERS AND INTEREST IN VOTING RIGHTS

The table at the bottom of the page shows the notifiable interests in the Company's ordinary issued share capital, as at the date of this report, as notified in accordance with the provisions of DTR 5.1.2R representing 3% or more of the Company's issued ordinary share capital.

It should be noted that these holdings may have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

Notifiable interest	Voting Rights	% of capital disclosed	Nature of holding as per disclosure
The Capital Group Companies	12,052,654	5.03	– Indirect interest 5.03%
Pelham Capital Ltd	11,948,369	4.99	– Direct interest 4.99%
Ameriprise Financial Inc and its group (Threadneedle Asset Management Limited)	9,356,032	3.90	– Indirect interest 0.01% – Direct interest 3.89%
Brian Duffy	7,696,999	3.21	– Direct interest 3.21%
Aegon Asset Management UK PLC	7,374,274	3.08	– Direct interest 3.02% – Indirect interest 0.06%

TRANSACTIONS WITH RELATED PARTIES

Refer to note 23 on page 245 of the Consolidated Financial Statements for details of related party transactions in the year.

APPROVAL OF THE ANNUAL REPORT AND ACCOUNTS

The Strategic Report on pages 2 to 141 and the Directors' Report on pages 192 to 197 and the Corporate Governance Report were approved by the Board on 26 June 2024. Approved by the Board and signed on its behalf.

LAURA BATTLEY
COMPANY SECRETARY
26 June 2024

3 FINANCIAL STATEMENTS

CONTENTS

OPINION

In our opinion:

– Watches of Switzerland Group PLC's Group Financial Statements and Parent Company Financial Statements (the 'Financial Statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 28 April 2024 and of the Group's profit for the 52-weeks then ended;

– the Group Financial Statements have been properly prepared in accordance with UK adopted international accounting standards;

– the Parent Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

– the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Watches of Switzerland Group PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the 52-week period ended 28 April 2024 which comprise:

Group	Parent Company
Consolidated Income Statement for the 52-weeks ended 28 April 2024	Company Balance sheet as at 28 April 2024
Consolidated Statement of Comprehensive Income for the 52-weeks ended 28 April 2024	Company Statement of Changes in Equity as at 28 April 2024
Consolidated Balance Sheet as at 28 April 2024	Related notes C1 to C10 to the Financial Statements including a summary of significant accounting policies
Consolidated Statement of Changes in Equity as at 28 April 2024	
Consolidated Statement of Cash Flows for the 52-weeks ended 28 April 2024	
Related notes 1 to 26 to the Financial Statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company Financial Statements is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group and Parent 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

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. Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

– Obtaining management's going concern assessment, which covers the period to 31 October 2025, and which includes details of facilities available, forecast covenant calculations, and the results of management's downside sensitivity scenarios;

– Testing management's model for clerical accuracy;

– Understanding and assessing the design effectiveness of controls over the directors' going concern assessment and management's forecasting process;

– Obtaining the agreements in respect of the Group's financing arrangements and confirming the maturity dates and covenants that are required to be met;

– Challenging the reasonableness of forecasts and key assumptions underpinning the going concern model, which are based on the Board approved budget and Long Range Plan. Our procedures included assessing changes from the prior period, ensuring the forecast appropriately reflects the Group's climate change commitments, comparing to external forecasts for the sector and considering whether there was any indication of management bias, including consideration of any contrary indicators;

– Considering managements historical forecast accuracy by comparing actual performance to that budgeted;

– Comparing actual performance and liquidity post year-end to that budgeted;

– Reperforming forecast covenant calculations and comparing to the requirements under the facility agreements;

– Assessing the Group's severe but plausible downside scenarios which factor in the potential effect of a reduction in sales due to reduced consumer confidence and lower disposable income as a result of cost-of-living challenges. This assessment included challenging the assumptions and whether the quantum of the impact of the downside scenarios is sufficiently severe;

– Challenging whether the scenarios modelled appropriately consider the Group's principal risks and uncertainties;

– Assessing the mitigating factors available to management should downside scenarios be worse than anticipated, including challenging whether these are realistic and controllable;

– Assessing the reverse stress tests used by the directors to determine the risk to liquidity and covenant compliance. Including performing appropriate sensitivity and assessing the likelihood of this occurring;

– Performing a suite of procedures, including management enquiry to identify events or conditions beyond the period of assessment that may cast significant doubt on the entity's ability to continue as a going concern; and

– Assessing the going concern disclosures in the Financial Statements to assess whether they are in accordance with reporting standards.

Our key observations are that the director's assessment forecasts that the Group will maintain sufficient liquidity and comply with all covenants throughout the going concern assessment period in both the base case and plausible downside scenarios. This assessment included consideration of events in close proximity to the end of the going concern period. The scenarios modelled by the Directors confirmed the ability under the base and severe but plausible downsides for the Group to repay the US term loan at the end of the going concern period. The Directors consider the reverse stress test to be remote taking into account liquidity and covenant headroom, as well as mitigating actions within the Group's control and the fact this would represent a significant reduction in sales and margin from prior financial years.

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 Group and Parent Company's ability to continue as a going concern for a period to 31 October 2025.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the Financial Statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH	
Understanding the Watches of Switzerland business	– We have a team with strong experience of the luxury retail industry and have gained an understanding of any changes to the Group's strategy, business model and operating environment. This was achieved through enquiry, analytical procedures and observation in the current and prior periods, together with visiting a number of the Group's operations and showrooms. – We performed risk assessment procedures which included meeting with management and the Board, plus considering our observations from half year and interim work to identify risks of material misstatement.
Audit scope	– We performed an audit of the complete financial information of 5 (2023: 5) components. – The components where we performed full audit procedures accounted for 101.4% of Profit before tax and exceptional items (2023: 100.8%), 99.1% of Revenue (2023: 99.5%) and 97.1% of Total assets (2023: 96.0%).
Key audit matters	– Showroom impairment – Inventory valuation – Revenue recognition including the risk of management override
Materiality	– Overall Group materiality of £6.2m (2023: £7.8m) which represents 5% of profit before tax and exceptional items.

AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the Consolidated Financial Statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group Financial Statements, and to ensure we had adequate quantitative coverage of significant accounts in the Financial Statements, of the 18 (2023: 18) reporting components of the Group, we selected 5 (2023: 5) components covering entities within the UK and US, which represent the principal business units within the Group.

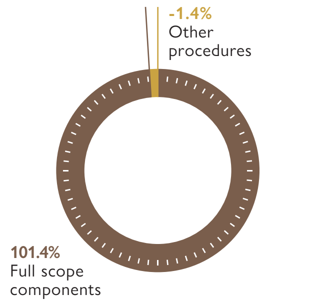
We performed an audit of the complete financial information of 5 (2023: 5) of the principal business units ('full scope components') which were selected based on their size or risk characteristics.

The reporting components where we performed audit procedures accounted for 101.4% (2023: 100.8%) of the Group's Profit before tax and exceptional items, 99.1% (2023: 99.5%) of the Group's Revenue and 97.1% (2023: 96.0%) of the Group's Total assets.

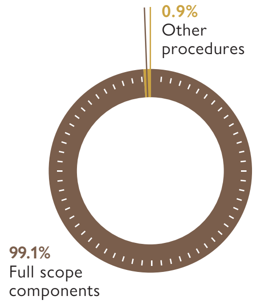
Of the remaining 13 components that together represent -1.4% of the Group's Profit before tax and exceptional items, none are individually greater than 5% of the Group's Profit before tax and exceptional items. For these components, we performed other procedures, including analytical review and enquiry to respond to any potential risks of material misstatement to the Group Financial Statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

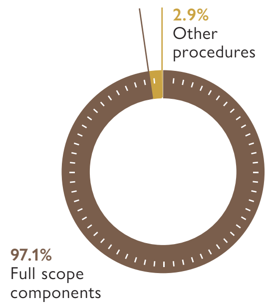
Profit before tax and exceptional items



Revenue



Total assets



Involvement with component teams

All our audit procedures were performed by the UK primary audit team, including the US component where financial reporting control and oversight is managed directly by management in the UK.

As part of the UK primary audit team we involved US colleagues to perform the US distribution centre and showroom physical inventory count tests as well as assist auditing US specific laws and regulations, state taxes and corporate tax. During the current year's audit cycle, a visit was undertaken by the senior statutory auditor to the US component head office. This visit involved meeting with the US finance and operations employees to understand the latest results, risks and outlook of the US business as well as visiting local showrooms.

Climate change

Stakeholders are increasingly interested in how climate change will impact Watches of Switzerland Group PLC. The Group has determined that the most significant future impacts from climate change on its operations will be from extreme weather events disrupting offices and distribution centres as well as the supply chain, increased office and showroom energy requirements for heating and cooling, the costs of complying with environmental legislation and from changing consumer expectations from shareholders. These are explained on pages 106 to 109 in the required Task Force On Climate Related Financial Disclosures and on pages 134 to 139 in the principal risks and uncertainties. They have also explained their climate commitments on page 118. All of these disclosures form part of the 'Other information', rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its Financial Statements.

The Group has explained in note 1 how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net-zero GHG emissions by 2050. These considerations did not have a material impact on the financial statements.

Our audit effort in considering the impact of climate change on the Financial Statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 114 to 117 and the significant judgements and estimates disclosed in note 1 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows and associated sensitivity disclosures, being the impairment testing (see notes 10, 11 and 12, following the requirements of UK adopted international accounting standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the Financial Statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the Financial Statements to be a standalone key audit matter, we have considered the impact on the showroom impairment key matter. Details of the impact, our procedures and findings are included in our explanation of key audit matter below.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit & Risk Committee
Showroom impairment – £26.2m net impairment (FY23 £0.3m net impairment reversal) ***Refer to the Audit & Risk Committee Report (page 165); Accounting policies (page 214); and Note 4 & 11 of the Consolidated Financial Statements (pages 223 and 231)*** Cash generating units ('CGU') should be reviewed for indicators of impairment at each reporting period end. Forecasts and discount rates used in assessing showroom impairment are judgmental and involve estimates of future trading which involves uncertainty. In particular, there is a risk of impairment as a result of the current consumer landscape which adds greater uncertainty on future showroom performance particularly in respect of non-supply constrained brands.	– We understood and assessed the design effectiveness and implementation of controls over the impairment indicator review and impairment test. – We ensured managements calculations were performed in accordance with the requirements of IAS 36. – We challenged the UK and US discount rates used with the assistance of EY valuation specialists which included independently determining a reasonable range as a corroboration for the appropriateness of the discount rate used by management. – We challenged the showroom cashflow forecasts used by management in calculating the value in use. Our procedures included assessing changes from the prior period, comparing to external forecasts for the industry, considering the potential impacts from climate change, inspecting post year-end results and considering whether there was any indication of management bias, including consideration of any contrary indicators. In respect of Europe we challenged the assumptions made in determining the Fair Value loss Costs to Sell based on the latest discussions with the Brands. – We have challenged the judgements on the identification of cash generating units to assess whether the threshold for grouping showrooms as one CGU had been met. – We challenged the long-term growth rates applied by comparing to external forecasts in the UK and US. – We assessed the process for allocating forecast cashflows to individual showrooms. – We validated impairment test input data and arithmetical accuracy of the model, including the allocation of overheads to CGUs. – We independently stress tested the model's key assumptions to determine if any plausible change in assumptions would result in a material change in impairment. – We assessed the adequacy of the disclosures in the Financial Statements in respect of the impairment charge. This included assessing the disclosure on the reasonable possible changes in assumptions.	Based on our procedures over showroom impairment no material misstatements were identified. We consider the showroom impairment recognised to be materially stated and appropriately disclosed in exceptional items. Management has appropriately included sensitivity analysis disclosures in note 11 to the Financial Statements to reflect the level of estimation uncertainty.

Risk	Our response to the risk	Key observations communicated to the Audit & Risk Committee
Inventory valuation – £393.3m of inventory, (FY23 £356.0m) *Refer to the Audit & Risk Committee Report (page 165); Accounting policies (page 215); and Note 14 of the Consolidated Financial Statements (page 235)* The Group sells luxury goods, which have a high carrying value and are subject to changing consumer trends. Management applies judgement to anticipate the saleability of on-hand inventory and to evaluate the liquidation of slow moving and discontinued inventory when calculating the inventory provision. There is greater risk on the inventory provision for products where margins tend to be lower, more variable and impacted by changes in the consumer landscape such as jewellery and non-super high demand products.	– We understood and assessed the design of management's key controls over the inventory valuation and provision calculation process. – We enquired of key members of finance and the merchandising team to understand inventory levels, ageing and plans for discontinuation. – We assessed management's judgements and assumptions used in determining the inventory provision to challenge if they were appropriate and supportable, and recalculated the provision. We understood the sensitivity of these assumptions to change. – We assessed the level of provisioning by specific brand and compared this to performance in the year and stock turn. We directed greater attention to the products likely to be impacted by cost-of-living challenges. – We inspected the value of inventory sold at less than cost during the period and challenged management on whether a provision was required for any such products that remain on hand at year-end. – In assessing the reasonableness of management's methodology, we have considered the historical level of provisioning and subsequent utilisation and releases to determine the accuracy of prior provisions.	Based on our procedures we consider the valuation of inventory to be materiality appropriate.
Revenue recognition including the risk of management override £1,537.9m revenue (FY23 £1,542.8m) *Refer to the Audit & Risk Committee Report (page 165); Accounting policies (page 212); and notes 2 and 3 of the Consolidated Financial Statements (page 222)* Our assessment is that the majority of the Group's revenue transactions are non-complex, with no judgement applied over the amount recorded. Revenue recognition is a significant risk by presumption due to the risk of material misstatements as a result of fraudulent or erroneous financial reporting. We consider the revenue recognition significant risk to be in the following key areas: – Manual adjustments to revenue; – Valuation of sales returns provisions; and – Completeness of customer deposits.	– We understood and assessed the design of management's key controls over the revenue recognition process. – We performed analytical review procedures to understand the revenue trends compared to the prior period, budget and post year-end to identify areas that warrant further investigation. – For the UK and US full scope components (99.1% of Group revenue), we utilised data analytic procedures to test the entire population of postings from Revenue to Cash, correlating the cash conversion of sales. For a sample of these items, we then verified the revenue to the receipt and bank statement. – Using data analytical tools, we identified material manual adjustments to revenue that do not follow the core processes such as postings for deferred revenue on deposits for further investigation and corroboration to other audit procedures. – We challenged the provision for returns by assessing actual returns in the contractual period post year-end. – We tested the completeness of deposits through use of data analytics procedures on showroom margins and by testing a sample of deposit releases to revenue in the period confirming the goods were collected before the period end date by inspecting receipts.	We did not identify any evidence of management override through the use of manual journal entries. Based on our procedures in respect of deposits and returns no material misstatements were identified.

The following changes have been made to our key audit matters in the current year:

- The revenue recognition key audit matter previously included a risk on the valuation of gift card provisions. This is no longer considered to be a significant risk given the magnitude of historic redemption rates on aged unused gift cards. In addition, given the current macroeconomic landscape the risk on accounting for deposits has been focused on the completeness of deposits (occurrence of revenue) as opposed to the existence of deposits.
- The risk on inventory valuation, previously included a risk on the accounting for supplier price increases. This is no longer considered to be part of the significant risk given historically no material adjustments have been identified in respect of this formulaic calculation.
- The showroom impairment risk previously included a risk in respect of impairment reversals. As a result of the current consumer landscape our procedures were focused on the completeness and valuation of showroom impairment in the year.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £6.2 million (2023: £7.8 million), which is 5% (2023: 5%) of Profit before tax and exceptional items. We believe that Profit before tax and exceptional items provides us with an appropriate basis for setting materiality as it is a measure which is key to the users of the Financial Statements and is not distorted by exceptional items which may fluctuate from period to period.

We determined materiality for the Parent Company to be £9.4 million (2023: £9.5 million), which is 2% (2023: 2%) of equity due to the main purpose of the entity being an investment holding company which does not trade. When auditing balances included within the Group Financial Statements we reduced this down to the Group materiality.

STARTING BASIS	Profit before tax – £92.1m
ADJUSTMENTS	– Exceptional items – £33.2m
MATERIALITY	– Totals £125.3m – Materiality of £6.2m (5% of materiality basis)

During the course of our audit, we reassessed initial materiality and trued this up to final results to reflect the full year actual profit before tax and exceptional items.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £4.6m (2023: £5.8m). We have set performance materiality at this percentage as we did not anticipate a significant level of audit differences following our 2023 audit.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.9m to £4.6m (2023: £1.2m to £5.8m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit & Risk Committee that we would report to them all uncorrected audit differences in excess of £0.31m (2023: £0.39m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 1 to 197, 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 this 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 the 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, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 Group and the Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited 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

CORPORATE GOVERNANCE STATEMENT

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 140;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 141;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 141;
- Directors' statement on fair, balanced and understandable set out on page 168;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 134;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 169; and;
- The section describing the work of the Audit & Risk committee set out on page 165

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 194, 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 Group and Parent 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 group or the parent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are frameworks which are directly relevant to specific assertions in the Financial Statements are those that relate to the reporting framework (UK adopted international accounting standards, FRS 102, the Companies Act 2006 and UK Corporate Governance Code). In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the Financial Statements being the Listing Rules of the UK Listing Authority, and those laws and regulations relating to General Data Protection Regulation (GDPR), health and safety and employee matters.
- We understood how Watches of Switzerland Group PLC is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance matters and the Company Secretary and General Counsel. We confirmed our enquiries through our review of Board minutes, papers provided to the Audit & Risk Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Group's Financial Statements to material misstatement, including how fraud might occur by meeting with management and internal audit to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings or influence the perceptions of analysts. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk as discussed in the key audit matters section above. These procedures included testing manual journals and were designed to provide reasonable assurance that the Financial Statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations; reviewing internal audit reports and whistleblowing investigation reports provided to the Audit & Risk Committee; making enquiries of legal counsel, Group management, internal audit; and inspecting journal entries for evidence of non-compliance.

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

OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- Following the recommendation from the Audit & Risk committee we were appointed by the company on 17 October 2019 to audit the financial statements for the year ending 26 April 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 5 years, covering the years ending 26 April 2020 to 28 April 2024.
- The audit opinion is consistent with the additional report to the Audit & Risk Committee.

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.

JULIE CARLYLE (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF ERNST & YOUNG LLP, STATUTORY AUDITOR
London

26 June 2024

CONSOLIDATED INCOME STATEMENT
FOR THE 52 WEEKS ENDED 28 APRIL 2024

	Note	52-week period ended 28 April 2024 £m	52week period ended 30 April 2023 £m
Revenue	2, 3	**1,537.9**	**1,542.8**
Cost of sales		(1,348.5)	(1,324.1)
Exceptional cost of sales	4	0.5	–
GROSS PROFIT		189.9	218.7
Administrative expenses		(37.5)	(39.9)
Exceptional (impairment)/reversal of impairment of assets	4	(26.2)	0.7
Exceptional other administrative expenses	4	(6.2)	(0.9)
OPERATING PROFIT		**120.0**	**178.6**
Finance costs	7	(29.5)	(24.0)
Finance income	7	2.9	0.9
Exceptional finance costs	4,7	(1.3)	(0.7)
NET FINANCE COST		(27.9)	(23.8)
Profit before taxation		**92.1**	**154.8**
Taxation	8	(33.0)	(33.0)
Profit for the financial period		**59.1**	**121.8**
EARNINGS PER SHARE			
Basic	9	**25.0p**	**51.2p**
Diluted	9	**24.8p**	**50.9p**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED 28 APRIL 2024

	Note	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Profit for the financial period		**59.1**	**121.8**
Other comprehensive income/(expense):			
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Foreign exchange gain/(loss) on translation of foreign operations		1.7	(3.1)
Related current tax movements	8	(0.1)	0.1
		1.6	**(3.0)**
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Actuarial movements on defined benefit pension scheme	19	(0.9)	0.3
Related deferred tax movements	8	0.2	(0.1)
		(0.7)	**0.2**
Other comprehensive income/(expense) for the period		**0.9**	**(2.8)**
Total comprehensive income for the period		**60.0**	**119.0**

The notes on pages 211 to 247 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET
AS AT 28 APRIL 2024

	Note	28 April 2024 £m	30 April 2023 £m
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	199.3	182.8
Intangible assets	10	16.4	17.6
Property, plant and equipment	11	191.4	154.4
Right-of-use assets	12	381.8	359.1
Deferred tax assets	8	0.4	6.2
Post-employment benefit asset	19	–	0.1
Trade and other receivables	13	2.1	2.1
		791.4	**722.3**
CURRENT ASSETS			
Inventories	14	393.3	356.0
Current tax asset		4.5	2.6
Trade and other receivables	13	22.5	17.7
Cash and cash equivalents	15	115.7	136.4
		536.0	**512.7**
Total assets		**1,327.4**	**1,235.0**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	(215.4)	(218.7)
Current tax liability		–	(4.9)
Lease liabilities	12	(57.0)	(47.4)
Provisions	17	(1.9)	(1.8)
		(274.3)	**(272.8)**
NON-CURRENT LIABILITIES			
Trade and other payables	16	(1.1)	(0.9)
Deferred tax liabilities	8	(3.4)	(3.0)
Lease liabilities	12	(403.4)	(363.0)
Borrowings	18	(113.3)	(120.0)
Post-employment benefit obligations	19	(0.2)	–
Provisions	17	(8.7)	(6.0)
		(530.1)	**(492.9)**
Total liabilities		**(804.4)**	**(765.7)**
Net assets		**523.0**	**469.3**
EQUITY			
Share capital	20	3.0	3.0
Share premium	20	147.1	147.1
Merger reserve	20	(2.2)	(2.2)
Other reserves	20	(23.4)	(18.4)
Retained earnings		394.1	337.0
Foreign exchange reserve	20	4.4	2.8
Total equity		**523.0**	**469.3**

The notes on pages 211 to 247 are an integral part of these Consolidated Financial Statements.

The Consolidated Financial Statements were approved and authorised for issue by the Board and were signed on its behalf by:

L A ROMBERG
CHIEF FINANCIAL OFFICER
Date: 26 June 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 28 APRIL 2024

	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Foreign exchange reserve £m	Total equity attributable to owners £m
Balance at 1 May 2022	**3.0**	**147.1**	**(2.2)**	**(6.7)**	**214.3**	**5.8**	**361.3**
Profit for the financial period	–	–	–	–	121.8	–	121.8
Other comprehensive income, net of tax	–	–	–	–	0.2	(3.0)	(2.8)
Total comprehensive income	**–**	**–**	**–**	**–**	**122.0**	**(3.0)**	**119.0**
Purchase of own shares	–	–	–	(14.5)	–	–	(14.5)
Share-based payment charge (note 21)	–	–	–	–	3.5	–	3.5
Share-based payments	–	–	–	2.8	(2.8)	–	–
Tax on items credited to equity	–	–	–	–	(0.5)	–	(0.5)
Tax on vested shares moved to current tax	–	–	–	–	0.5	–	0.5
Total other transactions	**–**	**–**	**–**	**(11.7)**	**0.7**	**–**	**(11.0)**
Balance at 30 April 2023	**3.0**	**147.1**	**(2.2)**	**(18.4)**	**337.0**	**2.8**	**469.3**
Profit for the financial period	–	–	–	–	59.1	–	59.1
Other comprehensive income, net of tax	–	–	–	–	(0.7)	1.6	0.9
Total comprehensive income	**–**	**–**	**–**	**–**	**58.4**	**1.6**	**60.0**
Purchase of own shares (note 20)	–	–	–	(7.2)	–	–	(7.2)
Share-based payment charge (note 21)	–	–	–	–	2.1	–	2.1
Share-based payments	–	–	–	2.2	(2.2)	–	–
Tax on items credited to equity	–	–	–	–	(1.1)	–	(1.1)
Tax on vested shares moved to current tax	–	–	–	–	(0.1)	–	(0.1)
Total other transactions	**–**	**–**	**–**	**(5.0)**	**(1.3)**	**–**	**(6.3)**
Balance at 28 April 2024	**3.0**	**147.1**	**(2.2)**	**(23.4)**	**394.1**	**4.4**	**523.0**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEKS ENDED 28 APRIL 2024

	Note	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**59.1**	**121.8**
Adjustments for:			
Depreciation of property, plant and equipment	11	39.7	32.3
Depreciation of right-of-use assets	12	54.8	50.3
Depreciation of right-of-use assets – exceptional items (note 4)	12	1.2	–
Amortisation of intangible assets	10	3.6	3.2
Impairment of property, plant and equipment	11	–	0.4
Impairment of right-of-use assets – exceptional items (note 4)	12	16.4	–
Impairment of property, plant and equipment – exceptional items (note 4)	11	9.8	–
Reversal of impairment of property, plant and equipment – exceptional items (note 4)	11	–	(0.5)
Reversal of impairment of right-of-use assets – exceptional items (note 4)	12	–	(0.2)
Loss on disposal of property, plant and equipment	11	1.1	0.8
Gain on lease modifications	12	(0.8)	(1.3)
Share-based payment charge	21	2.1	3.5
Finance income	7	(2.9)	(0.9)
Finance costs	7	29.5	24.0
Finance costs – exceptional items (note 4)	7	1.3	0.7
Taxation	8	33.0	33.0
Increase in inventory		(11.3)	(51.5)
(Increase)/decrease in debtors		(4.4)	1.5
(Decrease)/increase in creditors, provisions and pensions		(6.7)	22.1
Cash generated from operations		**225.5**	**239.2**
Pension scheme contributions	19	(0.7)	(0.7)
Tax paid		(33.5)	(26.6)
Total net cash generated from operating activities		**191.3**	**211.9**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets:			
Property, plant and equipment additions	11	(81.6)	(75.0)
Intangible asset additions	10	(2.4)	(2.7)
Movement on capital expenditure accrual		4.1	7.1
Cash outflow from purchase of non-current assets		**(79.9)**	**(70.6)**
Interest received		3.0	–
Acquisition of subsidiaries net of cash acquired	24	(44.2)	(24.9)
Total net cash outflow from investing activities		**(121.1)**	**(95.5)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of own shares	20	(7.2)	(21.3)
Repayment of term loan	18	(120.0)	–
Proceeds from multicurrency revolving loan facility	18	115.0	–
Costs directly attributable to raising new loan facility	18	(2.2)	–
Payment of capital element of leases	12	(46.0)	(42.0)
Payment of interest element of leases	12	(22.1)	(17.2)
Interest paid		(9.2)	(4.7)
Net cash outflow from financing activities		**(91.7)**	**(85.2)**
Net (decrease)/increase in cash and cash equivalents		**(21.5)**	**31.2**
Cash and cash equivalents at the beginning of the period		136.4	105.9
Exchange gains/(losses) on cash and cash equivalents		0.8	(0.7)
Cash and cash equivalents at the end of period		**115.7**	**136.4**
Comprised of:			
Cash at bank and in hand	15	93.8	120.7
Cash in transit	15	21.9	15.7
Cash and cash equivalents at end of period		**115.7**	**136.4**

1. ACCOUNTING POLICIES

GENERAL INFORMATION

Watches of Switzerland Group PLC (the 'Company') is a public limited company, limited by shares, which is listed on the London Stock Exchange and incorporated and domiciled in England and Wales. The address of the registered office is Aurum House, 2 Elland Road, Braunstone, Leicester, LE3 1TT. The Company and its subsidiaries together form the Group.

The principal activity of the Group is the retailing of luxury watches and jewellery, both in showrooms and online. At the balance sheet date, the Group was trading from 167 UK and Europe based showrooms, and 56 US based showrooms. The Group mainly trades under five prestigious brands: Watches of Switzerland (UK and US), Mappin & Webb (UK), Goldsmiths (UK), Mayors (US) and Betteridge (US), with a complementary jewellery offering.

The Consolidated Financial Statements are presented in Pounds Sterling (£), which is the Group's presentational currency, and are shown in £millions to one decimal place.

BASIS OF PREPARATION

The Consolidated Financial Statements include the financial statements of the Company and its subsidiary undertakings made up to 28 April 2024. A subsidiary is an entity that is controlled by the parent. The financial year represents the 52 weeks to 28 April 2024 (prior financial year 52 weeks to 30 April 2023). The financial year-end date is determined to be the Sunday closest to 30 April each year.

The Consolidated Financial Statements are prepared in accordance with UK adopted international accounting standards. The Consolidated Financial Statements have been prepared under the historical cost convention except for pension assets which are measured at fair value.

GOING CONCERN

On 9 May 2023, the Group signed a new five-year £225.0 million multicurrency revolving loan facility with lenders. The existing facilities were repaid and extinguished on this date. Further, on 23 February 2024, the Group agreed a new $115.0 million term facility agreement for use in relation to the Roberto Coin Inc. acquisition. This facility was drawn down post year-end to allow cash settlement of the acquisition consideration on 8 May 2024. As a result, the going concern assessment has been carried out taking into account all facilities now in place.

The key covenant tests attached to the Group's facilities are a measure of net debt to EBITDA, and the Fixed Charge Cover Ratio (FCCR) at each April and October. The facility covenants are on a pre-IFRS 16 basis and exclude share-based payment costs. Net debt to EBITDA is defined as the ratio of total net debt at the reporting date to the last 12 month Adjusted EBITDA. This ratio must not exceed 3. The FCCR is the ratio of Adjusted EBITDA plus rent to the total finance charge and rent for the 12 months to the reporting date. This ratio must exceed 1.6. At 28 April 2024, the Group comfortably satisfied the covenant tests with net debt to EBITDA being less than 3 and the FCCR exceeding 1.6.

At the balance sheet date, the Group had a total of £225.0 million in available committed facilities, of which £115.0 million was drawn down. Net cash at this date was £0.7 million with liquidity headroom (defined as unrestricted cash plus undrawn available facilities) of £209.3 million. The UK bank facility of £225.0 million is due to expire in May 2028. The new $115.0 million term facility is a 12-month facility with two six-month extension options within the Group's control to bring the expiry date to February 2026. This facility did not increase the year-end liquidity balance as its use was restricted to the acquisition of Roberto Coin Inc.

Further detail with regards to covenant tests and liquidity headroom can be found in borrowings note 18 within the Consolidated Financial Statements.

In assessing whether the going concern basis of accounting is appropriate, the directors have reviewed various trading scenarios for the period to 31 October 2025 from the date of this report. These included:

- The base case forecast which used the FY25 budget approved by the Board in May 2024 and six-months of the Long Range Plan. These included the following key assumptions:
- The more challenging trading environment of FY24 will continue into FY25 with improvement into FY26 in line with market sentiment
- Revenue forecast supported by expected luxury watch supply
- Increased cost base in line with macroeconomic environment and environmental targets
- Inclusion of Roberto Coin Inc. results at historical levels

The budget aligns to the Guidance given on page 13. Under this budget, the Group has significant liquidity and complies with all covenant tests to 31 October 2025. Our Guidance reflects current visibility of supply from key brands and confirmed showroom refurbishments, openings and closures, and excludes uncommitted capital projects and acquisitions which would only occur if expected to be incremental to the business.

- Severe but plausible scenarios of:
  - 20% reduction in sales against the budget due to reduced consumer confidence and lower disposable income due to the cost-of-living challenges. This scenario did not include cost mitigations which are given below
  - The realisation of material risks detailed within the Principal Risks and Uncertainties on pages 134 to 139 (including potential data breaches and non-compliance with laws and regulations), and also environmental risks highlighted on pages 114 to 117

  Under these scenarios the net debt to EBITDA and the FCCR covenants would be complied with.
- Reverse stress-testing of cash flows during the going concern period was performed. This determined what level of reduced EBITDA and worst case cash flows would result in a breach of the liquidity or covenant tests. The likelihood of this level of reduced EBITDA is considered remote taking into account current trading and liquidity headroom, as well as mitigating actions within management's control (as noted below) plus the fact that this would represent a significant reduction in sales and margin from prior financial years
- Should trading be worse than the outlined severe but plausible scenarios, the Group has the following mitigating actions within management's control:
  - Reduction of marketing spend
  - Reduction in the level of inventory holding and purchases
  - Restructuring of the business with headcount and showroom operations savings
  - Redundancies and pay freezes
  - Reducing the level of planned capex

The directors also considered whether there were any events or conditions occurring just outside the going concern period that should be considered in their assessment, including whether the going concern period needed to be extended. The scenarios modelled by the directors confirmed the ability, under the base and severe but plausible downsides, for the Group to repay the new $115.0 million term facility at the end of the going concern period.

As a result of the above analysis, including potential severe but plausible scenarios and the reserve stress test, the Board believes that the Group and Company is able to adequately manage its financing and principal risks, and that the Group and Company will be able to operate within the level of its facilities and meet the required covenants for the period to 31 October 2025. For this reason, the Board considers it appropriate for the Group and Company to adopt the going concern basis in preparing the Consolidated Financial Statements.

1. ACCOUNTING POLICIES (CONTINUED)

CLIMATE CHANGE

In preparing the Consolidated Financial Statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report. These considerations did not have a material impact on the Consolidated Financial Statements, including the Group's going concern assessment to 31 October 2025 and the viability of the Group over the next three years (refer to the Viability Statement on page 141).

EXCEPTIONAL ITEMS

The Group presents as exceptional items on the face of the Consolidated Income Statement those items of income and expense which, because of their size, nature or the expected infrequency of the events giving rise to them, merit separate presentation to provide a better understanding of the elements of financial performance in the financial period, so as to assess trends in financial performance. Further details on exceptional items are given within note 4.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

The Group has identified certain measures that it believes will assist the understanding of the performance of the business. These APMs are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs.

The key APMs that the Group uses include: Net margin, Adjusted EBITDA, Adjusted EBIT and Adjusted Earnings Per Share. These APMs are set out in the Glossary on pages 254 to 257, including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant.

The Group makes certain adjustments to the statutory profit measures in order to derive many of these APMs. The Group's policy is to exclude items that are considered non-underlying and exceptional due to their size, nature or incidence, and are not considered to be part of the normal operating costs of the Group. Treatment as an adjusting item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group but should not be considered in isolation of statutory measures.

FOREIGN CURRENCIES

The Consolidated Financial Statements are presented in Pounds Sterling (£), which is the Group's presentational currency, and are shown in £millions to one decimal place. The Group includes foreign entities whose functional currencies are not Pounds Sterling (£). On consolidation, the assets and liabilities of those entities are translated at the exchange rates at the balance sheet date and income and expenses are translated at average rates during the period. Translation differences are recognised in other comprehensive income.

Transactions in currencies other than an entity's functional currency are recorded at the exchange rate on the transaction date, whilst assets and liabilities are translated at exchange rates at the balance sheet date. Exchange differences are recognised in the Consolidated Income Statement.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Makers (CODMs). The CODMs, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chief Executive Officer and Chief Financial Officer of the Group. The CODMs review the key profit measures Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Adjusted Earnings Before Interest and Tax (EBIT), both shown pre-exceptional items and IFRS 16.

REVENUE

The Group is in the business of selling luxury watches and jewellery and providing ongoing services to our customers, such as repairs and servicing. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

In determining the transaction price for the sale of goods, the Group considers the existence of significant financing components.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Sale of goods – retail

Sales of goods are recognised when a Group entity sells a product to the customer and control of the goods is transferred to the customer. Retail sales are usually settled in cash or by card. It is the Group's policy to sell its products to the retail customer with a right to return within 14 days for a cash refund and 30 days for a product exchange. The Group does not operate any loyalty programmes.

Where sales are made on credit provided by a third-party, revenue is recognised immediately on sale of the product and control has been passed to the customer. The Group offers Interest Free Credit on certain goods and the cost of this product is netted against revenue.

Sale of goods – online

Revenue from the sale of goods on the internet is recognised at the point that control has passed to the customer, which is the point of delivery. Transactions are settled by credit or payment card. Where sales are made on credit provided by a third-party, revenue is recognised when control has been passed to the customer, on delivery.

Rendering of services

Revenue from a contract to provide services, such as product repairs and servicing, is recognised in the period in which the services are provided. Revenue is recognised when the following conditions are satisfied:

- The amount of revenue can be measured reliably
- It is probable that the Group will receive the consideration due under the contract
- The service has been completed; and
- Control of the good is passed back to the customer

Contract balances – customer deposits and gift cards

A customer deposit or gift card liability is the obligation to transfer goods or services to a customer for which the Group has received consideration. If consideration is received before the Group transfers goods or services to the customer, revenue is deferred and a customer deposit or gift card liability is recognised. Customer deposits and gift cards are recognised as revenue when the customer is passed control of the goods.

Gift card redemptions are estimated on the basis of historical redemptions and are reviewed regularly and updated to reflect management's best estimate of patterns of redemption. The estimated non-redemption is recognised in revenue based on historical redemptions.

Cost of sales

Included within cost of sales are any items which are directly attributable to the sale of goods and services. This includes the cost of bringing inventory into a condition to sell, wages and salaries, depreciation on land and buildings and fittings and equipment and other costs directly attributable to the cost of selling goods and services.

Insurance contracts

The Group issues contracts that transfer insurance risk which are classified as insurance contracts. This activity is completed through the Aurum Insurance (Guernsey) Limited subsidiary which is fully consolidated. The Group manages its risk via its underwriting strategy within its overall risk management framework.

Commission income is earned in showrooms through the sale of insurance policies by Watches of Switzerland Company Limited. Premiums are earned from the date of the attachment of risk, over the indemnity period, based on the pattern of risks underwritten. The earned portion of premiums written is recognised as revenue. Unearned premium represents the proportion of premiums written which is estimated to be earned in future financial years, calculated separately for each insurance contract using the daily pro-rata method.

Claims and claims handling expenses are recognised as incurred based on the estimated cost of settling all liabilities arising on events occurring up to the balance sheet date.

Share-based payments

Some employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The fair value of the equity-settled awards is calculated at grant date using a Black-Scholes model. The resulting cost is charged in the Consolidated Income Statement over the vesting period of the option or award and is regularly reviewed and adjusted for the expected and actual number of options or awards vesting. This applies to LTIP Awards, Deferred Share Bonus Schemes, Save as You Earn and Employee Stock Purchase Plan Awards, and Free Share Awards.

Service and non-service performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions that have not been met.

The social security contributions payable in connection with the award of the share options is determined at each balance sheet date as a liability with the total cost recognised in the Consolidated Income Statement over the vesting period.

Own shares held

Own shares represent the shares of Watches of Switzerland Group PLC that are held in an Employee Benefit Trust which has been set up for this purpose. The Company adopts a 'look-through' approach which, in substance, accounts for the trust as an extension of the Company. Own shares are recorded at cost and are deducted from equity.

Taxation

Taxation, comprised of current and deferred tax, is charged or credited to the Consolidated Income Statement unless it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity.

Current tax liabilities are measured at the amount expected to be paid, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method and is calculated using rates of taxation enacted or substantively enacted at the balance sheet date which are expected to apply when the asset or liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is not recognised in respect of investments in subsidiaries where the reversal of any taxable temporary differences can be controlled and are unlikely to reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and there is an intention to settle the balances on a net basis.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 'Financial Instruments', is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amount to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

1. ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Research and development

Expenditure on research activities is recognised in the Consolidated Income Statement as an expense as incurred.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the Consolidated Income Statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

The cost of intangible assets acquired in a business combination is capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring to use the specific software. Software is measured initially at acquisition cost or costs incurred to develop the asset. Following initial recognition, software is carried at cost less accumulated amortisation. Assets are amortised on a straight-line basis over their estimated useful lives of three to five years.

Cloud software licence agreements

Licence agreements to use cloud software are treated as service contracts and expensed in the Consolidated Income Statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases the licence agreement is capitalised as software within intangible assets. Costs to configure or customise a cloud software licence are expensed alongside the related service contract in the Consolidated Income Statement, unless they create a separately identifiable resource controlled by the Group, in which case they are capitalised.

Amortisation

Amortisation is charged to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of intangible assets. Amortisation is recognised wholly within cost of sales. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer software	3 to 5 years
Brands	5 to 30 years
Agency agreements	10 years

The bases for choosing these useful lives are:

- Brand longevity considering brand history and market awareness
- Agency agreements considering the longevity of the agreements in place with a major supplier

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Property, plant and equipment

Management accounts for property, plant and equipment under the cost basis of IAS 16 'Property, plant and equipment', rather than applying the alternative (revaluation) treatment. The cost of property, plant and equipment includes directly attributable costs.

Depreciation is provided on the cost of all other assets (except assets in the course of construction), so as to write off the cost, less residual value, on a straight-line basis over the expected useful economic life of the assets concerned, as follows:

Land and buildings	Lease period
Fittings and equipment	3 to 10 years

Useful lives and residual values are reviewed at each balance sheet date and revised where expectations are significantly different from previous estimates. In such cases, the depreciation charge for current and future periods is adjusted accordingly. The impact of climate change on asset lives has also been considered in the period. Asset lives are not affected by climate actions taking place.

Impairment of non-financial assets

The carrying values of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any impairment loss arises, the asset is adjusted to its estimated recoverable amount and the difference is recognised in the Income Statement.

Property, plant and equipment and other non-current assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of an asset or a cash generating unit (CGU) is not recoverable. A CGU is the smallest identifiable group of assets that generate independent cash flows which are monitored by management and the CODMs. The Group consider this to be showroom locations or offices. CGUs are grouped for the purposes of allocating goodwill where the CGU group is expected to benefit from synergies, such as sharing of centralised functions and management. Goodwill allocated to groups of CGUs is tested annually for impairment and whenever there is an indication that the goodwill may be impaired.

Impairment testing is performed at several levels and applied in the order set out by IAS 36 'Impairment of assets'. Impairment testing is first applied to the assets within a CGU where the value of assets held by the CGU are compared to the recoverable value. Impairment testing is then performed at a higher level which compares the value of goodwill to the recoverable value of the associated group of CGUs.

Trade and other receivables

Trade receivables represent outstanding customer balances less an allowance for Expected Credit Losses (ECLs). Trade receivables are recognised when the Group becomes party to the contract which happens when the goods are received and controlled by the end user. They are derecognised when the rights to receive the cash flows have expired e.g. due to the settlement of the outstanding amount or where the Group has transferred substantially all the risks and rewards associated with that contract. Other receivables are stated at invoice value less an allowance for ECLs. Trade and other receivables are subsequently measured at amortised cost as the business model is to collect contractual cash flows and the debt meets the Solely Payment of Principal and Interest (SPPI) criterion.

Expected credit losses (ECLs)

The Group recognises an allowance for ECLs for customer and other receivables. IFRS 9 'Financial instruments' requires a provision to be recognised on origination of a customer advance, based on its ECL.

The Directors have taken the simplification available under IFRS 9 5.5.15 which allows the loss amount in relation to a trade receivable to be measured at initial recognition and throughout its life at an amount equal to lifetime ECL. This simplification is permitted where there is either no significant financing component (such as customer receivables where the customer is expected to repay the balance in full prior to interest accruing) or where there is a significant financing component (such as where the customer expects to repay only the minimum amount each month), but the Directors make an accounting policy choice to adopt the simplification. Adoption of this approach means that Significant Increase in Credit Risk (SICR) and Date of Initial Recognition (DOIR) concepts are not applicable to the Group's ECL calculations.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Trade and other receivables are only written off when the Group has exhausted all options to recover the amounts due and provided for in full when there is no reasonable expectation of recovery, which is the Group's definition of default.

The assessment of credit risk and the estimation of ECL are required to be unbiased, probability-weighted and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. The forward-looking aspect of IFRS 9 requires considerable judgement as to how changes in economic factors affect ECLs.

ECL charges in respect of customer receivables are recognised in the Consolidated Income Statement within cost of sales.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Raw materials, consumables and goods for resale are recognised on an average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Cash and cash equivalents

In the Consolidated Balance Sheet, cash and cash equivalents includes cash in hand, cash in transit, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash in transit largely comprises amounts receivable on credit cards where the transaction has been authorised but the funds have yet to clear the bank. These balances are considered to be highly liquid, with minimal risk of default, and are typically received in less than three days.

Provisions

Provisions are recognised when:

- The Group has a present legal or constructive obligation as a result of past events
- It is probable that an outflow of resources will be required to settle the obligation and
- The amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

Post-employment benefit obligations

The Group operates various post-employment schemes, including both defined benefit schemes and defined contribution pension plans. Typically, defined benefit schemes define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The amount recognised in the Consolidated Balance Sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of scheme assets. The defined benefit obligation is calculated by a full yield-curve independent actuarial valuation. The present value of the defined benefit amount is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit scheme, recognised in the Consolidated Income Statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current period, benefit changes, curtailments and settlements. Past-service costs are recognised immediately in the Consolidated Income Statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of scheme assets. This cost is included in employee benefit expense in the Consolidated Income Statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. Where the Group has an unconditional right to a refund, it recognises an asset measured as the amount of the surplus at the balance sheet date that is has a right to receive as a refund.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

The Group does not hold any derivative instruments in either the current or prior period.

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVPL). The classification is based on two criteria:

– The Group's business model for managing the assets; and

– Whether the instruments' contractual cash flows represent 'Solely Payments of Principal and Interest' on the principal amount outstanding (the SPPI criterion)

A summary of the Group's financial assets is as follows:

Financial assets	Classification under IFRS 9
Trade and other receivables (excluding prepayments)	Amortised cost – held to collect as business model and SPPI met
Cash and short-term deposits	Amortised cost

Under IFRS 9 the Group initially measures a financial asset at its fair value plus directly attributable transaction costs, unless the asset is classified as FVPL. Transactional costs of financial assets carried at FVPL are expensed in the Consolidated Income Statement.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses. Interest income, impairment or gain or loss on derecognition are recognised in profit or loss.

Derecognition

A financial asset is derecognised primarily when:

– The rights to receive cash flows from the asset have expired; or

– The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a 'pass-through' arrangement; and either a) the Group has transferred substantially all the risks and rewards of the asset, or b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment

The Group recognises an allowance for ECLs for all debt instruments not held at FVPL. The most significant financial assets of the Group are its trade receivables. ECLs are calculated in accordance with the accounting policies set out above.

Financial liabilities

Initial recognition and measurement

The Group has classified its financial liabilities as follows:

Financial liabilities	Classification under IFRS 9
Interest-bearing loans and borrowings	Amortised cost
Trade and other payables (excluding accrued income)	Amortised cost

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

A summary of the subsequent measurement of financial liabilities is set out below:

Financial liabilities at FVPL	Subsequently measured at fair value. Gains and losses are recognised in the Consolidated Income Statement
Interest-bearing loans and borrowings	Subsequently measured at amortised cost using the EIR method. The EIR amortisation is included in finance costs in the Income Statement
Trade and other payables (excluding accrued income)	Subsequently measured at amortised cost

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Income Statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention and ability to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Leases

The Group's lease portfolio is principally comprised of property leases in relation to Watches of Switzerland, Mappin & Webb, Goldsmiths, Mayors and Betteridge showrooms, mono-brand boutiques and central offices. The leases typically run for terms between five and 20 years and may include break clauses or options to renew beyond the non-cancellable periods. The majority of the Group's lease payments are subject to market review, usually every five years, with a number of leases having annual increases dependent on economic indices. Some lease agreements include rental payments which are contingent on the turnover of the property to which they relate. These payments are excluded from the calculation of the lease liabilities under IFRS 16 'Leases'.

Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition of a lease under IFRS 16. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices.

Lease liability – initial recognition

The Group recognises right-of-use assets and lease liabilities at the lease commencement date. The lease liabilities are initially measured at the present value of the lease payments that are not yet paid at the commencement date, less any incentives receivable, discounted using the determined incremental borrowing rate applicable to the lease.

Lease payments in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives
- Variable lease payments such as those that depend on an index or rate (such as RPI), initially measured using the index or rate at the commencement date; and
- Penalty payments for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The Group discounts lease payments to their present value, using its Incremental Borrowing Rate (IBR) at the lease commencement date. IBR applied to each lease is determined by taking into account:

- The risk-free rate based on country-specific swap markets
- A credit risk adjustment based on country-specific corporate indices; and
- A Group specific adjustment to reflect the Group's specific borrowing conditions

The IBR applied to individual leases ranged from 2.1% to 7.7%.

Lease liability – subsequent measurement

Lease liabilities are subsequently measured at amortised cost and are increased to reflect interest on the lease liability (using the effective interest method) and decreased by the lease payments made.

Lease liability – remeasurement

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or market rental review, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a renewal option is reasonably certain to be exercised or a break clause is reasonably certain to be exercised.

When the lease liability is remeasured, an equivalent adjustment is made to the right-of-use asset, unless its carrying amount is reduced to £nil, in which case any remaining amount is recognised in profit or loss.

The Group has applied judgement to determine the lease term for those lease contracts that include a renewal or break option. The assessment of whether the Group is reasonably certain to exercise a renewal option or reasonably certain not to exercise a break option significantly impacts the value of lease liabilities and right-of-use assets recognised on the Balance Sheet and the Consolidated Income Statement.

Right-of-use assets – initial recognition

Right-of-use assets are initially measured at cost, which is an amount equal to the corresponding lease liabilities adjusted for any lease payments made at or before the commencement date, dilapidation provisions required, less any lease incentives received. The Group has elected to apply the exemption for short-term leases (leases with a term of less than one year) and low-value assets under IFRS 16, as such not recognising a right-of-use asset and lease liability on the Balance Sheet, but recognising lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Where the Group has an obligation for costs to restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 'Provisions, contingent liabilities and contingent assets'. The estimated costs are included in the related right-of-use asset. Initial direct costs (lease acquisition costs), incurred subsequently to the initial date of application, have been included within the right-of-use asset.

Right-of-use assets – subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses, adjusted for certain remeasurements of the lease liabilities. Depreciation is calculated on a straight-line basis over the expected useful economic life of a lease which is taken as the lease term.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The following standards, amendments and interpretations were early adopted by the Group for the 52-week period ended 28 April 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1

This had no material impact on the Group.

The following standards, amendments and interpretations were adopted by the Group for the 52-week period ended 28 April 2024:

- IFRS 17 'Insurance Contracts'
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

IFRS 17 'INSURANCE CONTRACTS'

In May 2017, the IASB issued IFRS 17 'Insurance Contracts', a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. The amendments did not have a material impact on the Group's Consolidated Financial Statements.

1. ACCOUNTING POLICIES (CONTINUED)

DISCLOSURE OF ACCOUNTING POLICIES – AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's Consolidated Financial Statements.

INTERNATIONAL TAX REFORM – PILLAR TWO MODEL RULES – AMENDMENTS TO IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

Further amendments to and the interpretation of existing accounting standards that became effective during the period, did not have a material impact on the Consolidated Financial Statements.

Significant accounting estimates, assumptions and judgements

The preparation of consolidated financial information requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Actual results may differ from these estimates.

Significant estimates and assumptions

Estimates and underlying assumptions are reviewed by management on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future period affected.

The areas involving significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

Post-employment benefit obligations

The Group's accounting policy for the defined benefit pension scheme requires management to make judgements as to the nature of benefits provided by each scheme and thereby determine the classification of each scheme. For the defined benefit scheme, management is required to make annual estimates and assumptions about future returns on classes of scheme assets, future remuneration changes, employee attrition rates, administration costs, changes in benefits, inflation rates, life expectancy and expected remaining periods of service of employees and the determination of the pension cost and defined benefit obligation of the Group's defined benefit pension scheme depends on the selection of these assumptions. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods. Sensitivity of the Group's defined benefit scheme to movements in key assumptions is set out in note 19.

Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value, on a weighted average cost basis. Provisions are recognised where the net realisable value is assessed to be lower than cost. The calculation of this provision requires estimation of the eventual sales price and sell-through of goods to customers in the future. The inventory provision held at the year-end was £6.4 million (2023: £5.2 million). A 20% reduction in the showroom sell-through of slow moving stock would impact the net realisable value by c.£4.4 million.

Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. For the impairment test, the value-in-use method requires the Group to determine appropriate assumptions (which are sources of estimation uncertainty) in relation to the cash flow projections over the strategic plan period, the long-term growth rate to be applied beyond this period and the risk-adjusted pre-tax discount rate used to discount those cash flows. The key assumptions relate to sales growth rates and discount rates used to discount the cash flows. Climate risk and near-term environmental actions that the Group is taking, have been considered in future cash flows used in the impairment review. This includes unavoidable future costs such as price increases, together with the cost of mitigating climate risks, and consideration of quantified climate related risks on future cash flows. Showroom related property, plant and equipment and right-of-use assets are tested for impairment at a showroom by showroom level, including an allocation of overheads related to showroom operations. Sensitivity of the key assumptions in relation to impairment are included in note 11.

Significant judgements

The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

Classification of exceptional items and presentation of non-GAAP measures

The Directors exercise their judgement in the classification of certain items as exceptional and outside the Group's underlying results. The determination of whether an item should be separately disclosed as an exceptional item, non-underlying or non-trading requires judgement on its size, nature or expected infrequency, as well as whether it provides clarity on the Group's underlying trading performance. In exercising this judgement, the Directors take appropriate regard of IAS 1 'Presentation of financial statements' as well as guidance from the Financial Reporting Council and the European Securities Market Authority on the reporting of exceptional items and APMs. The overall goal of the Directors is to present the Group's underlying performance without distortion from one-off or non-trading events regardless of whether they are favourable or unfavourable to the underlying result. Further details on exceptional items are provided in note 4.

Lease term (IFRS 16)

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option.

Where a lease includes the option for the Group to terminate the lease before the term end, the Group makes a judgement as to whether it is reasonably certain that the option will or will not be taken.

On entering into a lease, the Group assesses how reasonably certain it is to exercise these options. The default position is that the Group will determine that the lease term is to the end of the lease (i.e. will not include break-clauses or options to extend) unless there is clear evidence to the contrary.

The lease term of each lease is reassessed if there is specific evidence of a change in circumstance such as:

- A decision has been made by the business to exercise a break or option
- The trading performance significantly changes
- Planned future capital expenditure suggests that the option to extend will be taken

Discount rates (IFRS 16)

The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. Management uses the rate implicit in the lease in relation to the Group's 'Other' leases and the lessee's incremental borrowing rate for all property leases.

Incremental borrowing rates are determined on entering a lease and depend on the term, country, currency and start date of the lease. The incremental borrowing rate used is calculated based on a series of inputs including:

- The risk-free rate based on country-specific swap markets
- A credit risk adjustment based on country-specific corporate indices; and
- A Group-specific adjustment to reflect the Group's specific borrowing conditions

As a result, reflecting the breadth of the Group's lease portfolio, judgements on the lease terms and the international spread of the portfolio, there are a large number of discount rates applied to the leases within the range of 2.1% to 7.7%.

Substantive substitution rights (IFRS 16)

The Group has applied judgement to four (2023: three) contractual agreements and has judged that they do not meet the definition of a lease under IFRS 16. In these cases, the Group has judged that the lessor has a substantive right to substitute the asset and as such, there is no asset identified within the contract. The Group judges that the lessor has the practical ability to substitute; the Group cannot prevent the lessor from proposing the substitution; and the costs of substitution are assessed to be low.

If substituted, the lessor is able to give 14 days written notice to the Group indicating that the sales area will be changed and the costs incurred to move the sales area would be low to the lessor. As a result, the Group has deemed that the lessor has a substantive right to substitute the asset and as such there is no asset identified within the contract. Given this, the Group does not recognise lease liabilities or right-of-use assets in relation to these leases and continues to account for these on a straight-line basis.

2. SEGMENT REPORTING

The key Group performance measures are Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA) and Adjusted Earnings Before Interest and Tax (Adjusted EBIT), both shown pre-exceptional items, as detailed below. The segment profit/loss is disclosed on a pre-IFRS 16 basis reflecting how results are reported to the Chief Operating Decision Makers (CODMs) and how they are measured for the purposes of covenant testing. Both Adjusted EBITDA and Adjusted EBIT are APMs and these measures provide stakeholders with additional useful information to assess the year-on-year trading performance of the Group but should not be considered in isolation of statutory measures.

Adjusted EBITDA represents profit for the period before finance costs, finance income, taxation, depreciation, amortisation, exceptional items presented in the Group's Consolidated Income Statement (consisting of exceptional administrative expenses, exceptional finance costs and exceptional impairment) on a pre-IFRS 16 basis. UK and Europe operating segments are aggregated into one reporting segment, which is reflective of the management structure in place and meets the aggregation criteria of IFRS 8.

	52 week period ended 28 April 2024			
	UK and Europe £m	US £m	Corporate £m	Total £m
Revenue	**846.1**	**691.8**	**–**	**1,537.9**
Net margin	307.3	254.9	–	**562.2**
Less:				
Showroom costs	(162.6)	(126.5)	–	**(289.1)**
Overheads	(50.2)	(32.8)	(2.3)	**(85.3)**
Showroom opening and closing costs	(5.6)	(3.3)	–	**(8.9)**
Adjusted EBITDA	**88.9**	**92.3**	**(2.3)**	**178.9**
Depreciation, amortisation, impairment and loss on disposal of assets	(27.6)	(15.2)	(1.4)	**(44.2)**
Segment profit/(loss)*	**61.3**	**77.1**	**(3.7)**	**134.7**
Impact of IFRS 16 (excluding interest on leases)				**17.2**
Net finance costs				**(26.6)**
Exceptional cost of sales (note 4)				**0.5**
Exceptional administrative expenses (note 4)				**(6.2)**
Exceptional impairment of assets (note 4)				**(26.2)**
Exceptional finance costs (note 4)				**(1.3)**
Profit before taxation for the financial period				**92.1**

* Segment profit/(loss) is defined as being Earnings Before Interest, Tax, exceptional items and IFRS 16 adjustments (Adjusted EBIT).

	52 week period ended 30 April 2023			
	UK and Europe £m	US £m	Corporate £m	Total £m
Revenue	**889.9**	**652.9**	**–**	**1,542.8**
Net margin	330.0	246.3	–	**576.3**
Less:				
Showroom costs	(153.6)	(125.6)	–	**(279.2)**
Overheads	(47.8)	(30.9)	(5.4)	**(84.1)**
Showroom opening and closing costs	(7.3)	(3.4)	(0.9)	**(11.6)**
Adjusted EBITDA	**121.3**	**86.4**	**(6.3)**	**201.4**
Depreciation, amortisation, impairment and loss on disposal of assets	(23.2)	(13.1)	–	**(36.3)**
Segment profit/(loss)*	**98.1**	**73.3**	**(6.3)**	**165.1**
Impact of IFRS 16 (excluding interest on leases)				**13.7**
Net finance costs				**(23.1)**
Exceptional administrative expenses (note 4)				**(0.9)**
Exceptional reversal of impairment of assets (note 4)				**0.7**
Exceptional finance costs (note 4)				**(0.7)**
Profit before taxation for the financial period				**154.8**

Entity-wide revenue disclosures

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
UK AND EUROPE		
Luxury watches	709.4	749.6
Luxury jewellery	62.1	67.8
Services/other	74.6	72.5
Total	**846.1**	**889.9**
US		
Luxury watches	635.3	586.5
Luxury jewellery	40.3	51.4
Services/other	16.2	15.0
Total	**691.8**	**652.9**
GROUP		
Luxury watches	1,344.7	1,336.1
Luxury jewellery	102.4	119.2
Services/other	90.8	87.5
Total	**1,537.9**	**1,542.8**

'Services/other' consists of the sale of fashion and classic watches and jewellery, the sale of gifts, servicing, repairs and product insurance.

Information regarding geographical areas, including revenue from external customers, is disclosed above.

No single customer accounted for more than 10% of revenue in any of the financial periods noted above.

2. SEGMENT REPORTING (CONTINUED)

Entity-wide statutory non-current asset disclosures

	28 April 2024 £m	30 April 2023 £m
UK AND EUROPE		
Goodwill	137.6	121.6
Intangible assets	5.1	5.0
Property, plant and equipment	115.7	100.2
Right-of-use assets	252.3	244.0
Total	**510.7**	**470.8**
US		
Goodwill	61.7	61.2
Intangible assets	11.3	12.6
Property, plant and equipment	65.2	54.2
Right-of-use assets	124.3	115.1
Total	**262.5**	**243.1**
CORPORATE		
Property, plant and equipment	10.5	–
Right-of-use assets	5.2	–
Total	**15.7**	**–**
GROUP		
Goodwill	199.3	182.8
Intangible assets	16.4	17.6
Property, plant and equipment	191.4	154.4
Right-of-use assets	381.8	359.1
Total	**788.9**	**713.9**

3. REVENUE

The Group's disaggregated revenue recognised under contracts with customers relates to the following categories and operating segments:

	52 week period ended 28 April 2024		
	Sale of goods £m	Rendering of services £m	Total £m
UK and Europe	810.6	35.5	846.1
US	678.8	13.0	691.8
Total	**1,489.4**	**48.5**	**1,537.9**

	52 week period ended 30 April 2023		
	Sale of goods £m	Rendering of services £m	Total £m
UK and Europe	855.4	34.5	889.9
US	641.2	11.7	652.9
Total	**1,496.6**	**46.2**	**1,542.8**

4. EXCEPTIONAL ITEMS

Exceptional items are those that in the judgement of the Directors need to be separately disclosed by virtue of their size, nature or incidence, in order to draw the attention of the reader and to show the underlying business performance of the Group. Such items are included within the Income Statement caption to which they relate and are separately disclosed on the face of the Consolidated Income Statement.

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
EXCEPTIONAL COST OF SALES		
Acquisition costs[i]	(0.7)	–
Rolex Old Bond Street (IFRS 16 depreciation)[ii]	(1.2)	–
Reversal of inventory provision created on acquisition[iii]	2.4	–
Total exceptional cost of sales	**0.5**	**–**
EXCEPTIONAL ADMINISTRATIVE COSTS		
Showroom impairment[iv]		
Impairment of property, plant and equipment	(7.2)	–
Impairment of right-of-use assets	(13.0)	–
Other onerous contracts	(1.0)	–
European showroom impairment[v]		
Impairment of property, plant and equipment	(2.6)	–
Impairment of right-of-use assets	(3.4)	–
Other costs	(2.6)	–
Reversal of impairment of property, plant and equipment	–	0.5
Reversal of impairment of right-of-use assets	–	0.2
Professional and legal expenses on actual and prospective business acquisitions[vi]	(2.6)	(0.9)
Total exceptional administrative costs	**(32.4)**	**(0.2)**
EXCEPTIONAL FINANCE COSTS		
Rolex Old Bond Street (IFRS 16 interest)[ii]	(1.3)	–
Amortisation of capitalised transaction costs	–	(0.7)
Total exceptional finance costs	**(1.3)**	**(0.7)**
Total exceptional items	**(33.2)**	**(0.9)**

(i) Acquisition costs

Costs associated with the integration of Ernest Jones showrooms acquired in the year are treated as exceptional as they are regarded as non-trading, non-underlying costs. The costs were incurred in the period between acquisition and showroom opening.

(ii) Rolex Old Bond Street

A new 7,200 sq. ft showroom is being built in partnership with Rolex. This new flagship will be our largest Rolex showroom and reflects the importance of the London market and the special relevance of London to the history of Rolex. The cost shown here is the IFRS 16 depreciation charge and other costs whilst the showroom is being constructed. They are deemed to be exceptional in nature given that this unique proposition results in a project size and complexity significantly outside of a standard build, coupled with documented project delays outside of the Group's control.

(iii) Reversal of inventory provision created on acquisition

In the prior period, for the Betteridge acquisition, an estimate was made of the fair value of inventory acquired with a provision recorded in goodwill. During the year, the Group achieved higher product margins on a number of these inventory lines through maximisation of our CRM database. The gain is deemed to be exceptional in nature.

(iv) Showroom impairment

The current macroeconomic environment, increased interest rates, and inflationary trends gave rise to indicators of impairment in the current period. Consequently, discounted cashflows were performed on all cash generating units with indicators of impairment. This resulted in an impairment charge of £20.2 million being recorded in the period. This is allocated over the property, plant and equipment, and the right-of-use assets of those showrooms as required by IAS 36 'Impairment of Assets'. A further provision of £1.0 million relates to associated onerous contracts.

(v) European showroom impairment

The exceptional costs are reflective of both asset write downs and other onerous costs. As announced after the year-end date, the Group intends to reallocate investment from the European market into the UK and US. Please refer to note 26 for more details.

(vi) Professional and legal expenses on actual and prospective business acquisitions

Professional and legal expenses on business combinations have been expensed to the Consolidated Income Statement as an exceptional cost as they are regarded as non-trading, non-underlying costs and are considered to be material by nature. The total cost shown here also includes expenses incurred in the year in relation to the Roberto Coin Inc. acquisition which closed post year-end.

All of these items are considered exceptional as they are linked to unique non-recurring events and do not form part of the underlying trading of the Group.

5. OPERATING PROFIT

Group operating profit for continuing operations is stated after charging the below items:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Depreciation of property, plant and equipment (note 11)	(39.7)	(32.3)
Amortisation of intangible assets (note 10)	(3.6)	(3.2)
Depreciation of right-of-use assets (note 12)	(54.8)	(50.3)
Depreciation of right-of-use assets – exceptional items (note 12)	(1.2)	–
Impairment of property, plant and equipment (note 11)	–	(0.4)
Impairment of property, plant and equipment – exceptional items (note 11)	(9.8)	–
Reversal of impairment of property, plant and equipment – exceptional items (note 11)	–	0.5
Impairment of right-of-use assets – exceptional items (note 12)	(16.4)	–
Reversal of impairment of right-of-use assets – exceptional items (note 12)	–	0.2
Inventory recognised as an expense	(981.6)	(972.2)
Write down of inventories to net realisable value	(2.4)	(2.2)
FEES PAYABLE TO THE GROUP'S EXTERNAL AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
Audit of these financial statements	(0.7)	(0.6)
Audit related assurance services	(0.1)	(0.1)
	(0.8)	**(0.7)**

6. EMPLOYEES AND DIRECTORS

Staff costs for continuing operations recognised in operating profit for the Group during the period:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Wages and salaries	132.0	126.2
Social security costs	11.3	10.4
Share-based payments (note 21)	2.1	3.5
Share-based payments social security costs	0.3	0.5
Pensions costs – defined contribution schemes (note 19)	3.6	3.1
Pensions costs – defined benefit scheme (note 19)	0.1	0.2
Total	**149.4**	**143.9**

Average number of people (including Executive Directors) employed:

	52 week period ended 28 April 2024	52 week period ended 30 April 2023
Retail staff	2,135	2,010
Services staff	149	103
Administrative staff	667	665
Total	**2,951**	**2,778**

Average Full Time Equivalents (FTE) (including Executive Directors) employed:

	52 week period ended 28 April 2024	52 week period ended 30 April 2023
Retail staff	1,982	1,898
Services staff	142	99
Administrative staff	645	646
Total	**2,769**	**2,643**

Further disclosure of the amounts paid to key management is included within note 23.

7. FINANCE COSTS AND INCOME

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
FINANCE COSTS		
Interest payable on long-term borrowings	(7.9)	(5.6)
Interest payable on short-term borrowings	–	(0.4)
Amortisation of capitalised transaction costs	(0.5)	(0.8)
Interest on lease liabilities (note 12)	(20.8)	(17.2)
Net foreign exchange expense on financing activities	(0.3)	–
Total finance costs	**(29.5)**	**(24.0)**
FINANCE INCOME		
Bank interest receivable	2.9	0.9
Total finance income	**2.9**	**0.9**
Total net finance costs excluding exceptional items	**(26.6)**	**(23.1)**
Exceptional finance costs (note 4)	(1.3)	(0.7)
Total net finance costs	**(27.9)**	**(23.8)**

Further detail of borrowing facilities in place is given in note 18 to these Consolidated Financial Statements.

8. TAXATION

Tax charge for the period

The tax charge for the period is shown below. Tax is made up of current and deferred tax. Current tax is the amount payable on the taxable income in the period and any adjustments to tax payable in previous periods.

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
CURRENT TAX:		
Current UK tax on profits for the period	8.7	13.0
Current US tax on profits for the period	16.9	16.5
Adjustments in respect of prior periods – UK and Europe	1.1	(1.8)
Adjustments in respect of prior periods – US	0.1	0.2
Total current tax	**26.8**	**27.9**
DEFERRED TAX:		
Origination and reversal of temporary differences	5.2	5.7
Impact of change in tax rate	0.1	(0.5)
Adjustments in respect of prior periods	0.9	(0.1)
Total deferred tax	**6.2**	**5.1**
Tax expense reported in the Income Statement	**33.0**	**33.0**

8. TAXATION (CONTINUED)

Factors affecting the tax charge in the period

The tax rate for the current period varied from the standard rate of corporation tax in the UK due to the following factors:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Profit before taxation	92.1	154.8
Notional taxation at standard UK corporation tax rate of 25.0% (2023: 19.5%)	23.0	30.2
Non-deductible expenses – recurring	2.5	1.4
Non-deductible expenses – exceptional items	1.9	–
Overseas tax differentials	1.9	4.6
Deferred tax not recognised – European subsidiaries	1.5	–
Adjustments in respect of prior periods	2.1	(1.7)
Super-deduction on fixed assets	–	(1.9)
Current/deferred tax rate difference on current year movements	–	0.9
Adjustments due to deferred tax rate change	0.1	(0.5)
Tax expense reported in the Income Statement	**33.0**	**33.0**

Tax recognised in other comprehensive income

In addition to the amount charged to the Consolidated Income Statement, tax movements recognised in other comprehensive income were as follows:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
CURRENT TAX:		
Foreign exchange difference on translation of foreign operations	(0.1)	0.1
DEFERRED TAX:		
Pension benefit obligation	0.2	(0.1)
Tax charge in other comprehensive income	**0.1**	**–**

Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences that arise when the carrying value of assets and liabilities differs between accounting and tax treatments. Deferred tax assets represent the amounts of income taxes recoverable in the future in respect of those differences, while deferred tax liabilities represent the amounts of income taxes payable in the future in respect of those differences.

The deferred tax is made up of:

	28 April 2024 £m	30 April 2023 £m
Deferred tax assets	0.4	6.2
Deferred tax liabilities	(3.4)	(3.0)
Total	**(3.0)**	**3.2**

The main driver for the movement from a net deferred tax asset to a net deferred tax liability is the accelerated tax relief for capital expenditure in the UK and US.

For full breakdown see note below:

		28 April 2024 £m	30 April 2023 £m
Accelerated capital allowances	(i)	(15.4)	(9.8)
Non-trade tax losses	(ii)	1.2	1.2
Trade tax losses	(iii)	2.0	2.7
Deferred tax on leases (IFRS 16)	(iv)	7.0	5.5
Share-based payments	(v)	1.5	4.0
Intangible assets	(vi)	(4.1)	(2.5)
Other temporary differences	(vii)	3.7	2.1
Deferred tax on business combinations	(viii)	1.1	–
Total		**(3.0)**	**3.2**

The material amounts are explained below:

(i) The Group has a deferred tax liability for property, plant, equipment and computer software (advanced capital allowances) due to bonus depreciation in the US and the availability of the super deduction and full expensing in the UK, reducing the tax value of the assets.

(ii) Non-trade tax losses not utilised as they arise are available for offset against non-trade income in future years.

(iii) The trade tax losses relate to US losses that will be used based on restricted amounts in accordance with US tax legislation.

(iv) The deferred tax on leases relates to future deductions arising from IFRS 16 adjustments.

(v) The asset for share-based payments relates to the market value of the shares accrued at the balance sheet date which will be deductible when the shares vest.

(vi) The liability for intangible assets relates mainly to US goodwill that is deductible for tax purposes and as such the tax value reduces in value compared to the book value. This balance will increase year-on-year until the goodwill is fully depreciated for tax purposes. It will unwind upon any future sale of the relevant goodwill.

(vii) Other temporary differences relate to timing differences whereby costs have been added back in the year but will be deductible in a later year, principally in the US.

(viii) The asset arising on business combinations is in relation to accelerated capital allowances of the Ernest Jones trade and assets acquired during the year.

The deferred tax movement in the period is as follows:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Balance at 1 May 2023	3.2	8.9
RECOGNISED IN THE INCOME STATEMENT:		
Accelerated capital allowances	(5.6)	(6.5)
Pension benefit obligations	(0.2)	–
Movement on unused tax losses	(0.7)	0.6
Deferred tax on leases (IFRS 16)	1.5	0.8
Share-based payments	(1.3)	0.8
Intangible fixed assets	(1.6)	0.2
Other temporary differences	1.7	(1.0)
RECOGNISED IN OTHER COMPREHENSIVE INCOME:		
Pension benefit obligations	0.2	(0.1)
Foreign exchange movements	(0.1)	–
RECOGNISED DIRECTLY WITHIN EQUITY:		
Share-based payments	(1.1)	(0.5)
Vested share-based payments	(0.1)	–
RECOGNISED DIRECTLY WITHIN GOODWILL:		
Deferred tax acquired on business combination	1.1	–
Balance at 28 April 2024	**(3.0)**	**3.2**

Non-trade losses available in future years have no expiry date and have been fully recognised. They will be fully utilised against future non-trade profits as and when they arise. In addition to the deferred tax items above, the Group has additional unrecognised gross non-trading tax losses of £4.2 million (2023: £4.2 million). These are unrecognised as it is uncertain as to whether the losses will be capable of utilisation. There is no expiry date applicable to the use of these losses. No deferred tax asset has been recognised in respect of trading losses in the European countries on the basis that they are unlikely to be utilised.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 29 April 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed, the Pillar Two effective tax rates in all jurisdictions in which the Group operates are anticipated to be above 15%, or the results fall under a Pillar Two Safe Harbour. Management is not currently aware of any circumstances under which this might change and therefore, the Group does not expect a potential exposure to Pillar Two top up taxes.

9. EARNINGS PER SHARE (EPS)

	52 week period ended 28 April 2024	52 week period ended 30 April 2023
BASIC		
EPS	**25.0p**	**51.2p**
EPS adjusted for exceptional items	36.8p	51.5p
EPS adjusted for exceptional items and pre-IFRS 16	38.0p	52.7p
DILUTED		
EPS	**24.8p**	**50.9p**
EPS adjusted for exceptional items	36.6p	51.2p
EPS adjusted for exceptional items and pre-IFRS 16	37.7p	52.3p

Basic EPS is based on the profit for the year attributable to the equity holders of the Parent Company divided by the weighted average number of shares.

Diluted EPS is calculated by adjusting the weighted average number of shares used for the calculation of basic EPS as increased by the dilutive effect of potential ordinary shares.

The following table reflects the profit and share data used in the basic and diluted EPS calculations:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Profit after tax attributable to equity holders of the Parent Company	59.1	121.8
ADJUST FOR EXCEPTIONAL ITEMS:		
Exceptional items	33.2	0.9
Tax on exceptional items	(5.2)	(0.2)
Profit adjusted for exceptional items	**87.1**	**122.5**
Pre-exceptional IFRS 16 adjustments, net of tax	2.8	2.7
Profit adjusted for exceptional items and IFRS 16	**89.9**	**125.2**

The following table reflects the share data used in the basic and diluted EPS calculations:

	52 week period ended 28 April 2024	52 week period ended 30 April 2023
WEIGHTED AVERAGE NUMBER OF SHARES:	'000	'000
Weighted average number of ordinary shares in issue	236,753	237,641
Weighted average shares for basic EPS	**236,753**	**237,641**
Weighted average dilutive potential shares	1,446	1,713
Weighted average shares for diluted EPS	**238,199**	**239,354**

The weighted average number of shares takes into account the weighted average effect of changes in own shares during the period. There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these Consolidated Financial Statements.

10. INTANGIBLE ASSETS

28 April 2024	Goodwill £m	Brands £m	Agency agreement £m	Computer software £m	Total £m
COST					
At 1 May 2023	182.8	14.0	2.8	13.2	212.8
Acquired on business acquisition (note 24)	16.0	–	–	–	16.0
Additions	–	–	–	2.4	2.4
Foreign exchange differences	0.5	0.1	–	–	0.6
At 28 April 2024	**199.3**	**14.1**	**2.8**	**15.6**	**231.8**
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 1 May 2023	–	3.5	1.6	7.3	12.4
Charge for the period	–	0.6	0.2	2.8	3.6
Foreign exchange differences	–	–	–	0.1	0.1
At 28 April 2024	**–**	**4.1**	**1.8**	**10.2**	**16.1**
NET BOOK VALUE					
At 28 April 2024	**199.3**	**10.0**	**1.0**	**5.4**	**215.7**
At 30 April 2023	182.8	10.5	1.2	5.9	200.4

30 April 2023	Goodwill £m	Brands £m	Agency agreement £m	Computer software £m	Total £m
COST					
At 2 May 2022	165.1	14.0	2.8	10.5	192.4
Acquired on business acquisition (note 24)	18.2	–	–	–	18.2
Additions	–	–	–	2.7	2.7
Foreign exchange differences	(0.5)	–	–	–	(0.5)
At 30 April 2023	**182.8**	**14.0**	**2.8**	**13.2**	**212.8**
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 2 May 2022	–	2.9	1.3	5.0	9.2
Charge for the period	–	0.6	0.3	2.3	3.2
At 30 April 2023	**–**	**3.5**	**1.6**	**7.3**	**12.4**
NET BOOK VALUE					
At 30 April 2023	**182.8**	**10.5**	**1.2**	**5.9**	**200.4**
At 1 May 2022	165.1	11.1	1.5	5.5	183.2

The Brands category is formed of intangible assets recognised on the business combinations of Mayors Jewelers, Analog:Shift, and Betteridge.

As at 28 April 2024, the Mayors Jewelers' brand had a remaining useful economic life of 24 (2023: 25) years, the Analog:Shift brand had a remaining useful economic life of 1 (2023: 2) year(s), and the Betteridge brand had a remaining useful life of 8 (2023: 9) years.

The Agency agreement category is solely formed of the intangible assets recognised on the business combination in relation to the showrooms within the Wynn Resort, Las Vegas, acquired in December 2017. As at 28 April 2024, the Agency agreements had a remaining useful economic life of 4 (2023: 5) years.

10. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill

As noted within the accounting policies (note 1), goodwill is allocated between groups of cash generating units (CGUs) for the purposes of impairment testing. CGUs are grouped due to sharing centralised functions and management, and this represents the smallest identifiable group of assets that generate independent cash flows that are monitored by management and the Chief Operating Decision Makers (CODMs).

Goodwill is monitored by management based on the categories set out below. Goodwill relating to the Heritage CGU consists of the Goldsmiths, Mappin & Webb and Watches of Switzerland businesses (included in the UK segment) which were purchased as part of the acquisition of Watches of Switzerland Group Limited (formerly Aurum Holdings Limited) in the period to 4 May 2014. Goodwill relating to the Watches of Switzerland (US) CGU consists of a number of US acquisitions which trade as Watches of Switzerland.

A summary of the groups of CGUs and allocation of goodwill held by the Group is presented below:

	28 April 2024 £m	30 April 2023 £m
Heritage (UK)	137.6	121.6
Watches of Switzerland (US)	24.2	24.0
Betteridge (US)	22.1	21.9
Mayors Jewelers (US)	12.2	12.1
The Wynn Resorts (US)	3.0	3.0
Analog:Shift (US)	0.2	0.2
Total	**199.3**	**182.8**

As at each period end, the recoverable amount of all groups of CGUs, owned for greater than 12 months, has been determined based on value-in-use calculations. Value-in-use calculations are underpinned by the Group's budgets and strategic plans covering a three-year period, which have regard to historical performance and knowledge of the current market, together with management's view on the future achievable growth and committed initiatives. The cash flows which derive from the budgets and strategic plans are pre-tax and include ongoing maintenance capital expenditure. Cash flows beyond the three-year period are extrapolated using the estimated long-term growth rates. Other than detailed strategic plans, the key assumptions for the value-in-use calculations are the long-term growth rates and the pre-tax discount rate, which takes into account the impact of IFRS 16 lease liabilities. The UK used a long-term growth rate of 2.0% (2023: 2.0%) and a pre-tax discount rate of 13.0% (2023: 13.7%), and the US used a long-term growth rate of 2.0% (2023: 2.0%) and a pre-tax discount rate of 13.3% (2023: 13.0%). Using these assumptions, no sales growth was required to support the asset values.

Sensitivity analysis

Whilst management believes the assumptions are realistic, it is possible that an impairment would be identified if any of the above key assumptions were changed significantly. A sensitivity analysis has been performed on each of these key assumptions with other variables held constant. Given ongoing uncertainties in the global economy, management has considered increased sensitivities. Despite this, management has concluded that there are no reasonably possible changes in any key assumptions that would cause the carrying amount of goodwill to exceed the value-in-use.

11. PROPERTY, PLANT AND EQUIPMENT

	28 April 2024		
	Land and buildings £m	Fittings and equipment £m	Total £m
COST			
At 1 May 2023	2.5	264.4	266.9
Additions	0.1	81.5	81.6
Acquired on business acquisition (note 24)	–	5.8	5.8
Disposals	(0.4)	(9.7)	(10.1)
Foreign exchange differences	–	0.4	0.4
At 28 April 2024	**2.2**	**342.4**	**344.6**
ACCUMULATED DEPRECIATION			
At 1 May 2023	1.7	110.8	112.5
Charge for the period	0.2	39.5	39.7
Impairment – exceptional items (note 4)	–	9.8	9.8
Disposals	(0.3)	(8.7)	(9.0)
Foreign exchange differences	–	0.2	0.2
At 28 April 2024	**1.6**	**151.6**	**153.2**
NET BOOK VALUE			
At 28 April 2024	**0.6**	**190.8**	**191.4**
At 30 April 2023	0.8	153.6	154.4

	30 April 2023		
	Land and buildings £m	Fittings and equipment £m	Total £m
COST			
At 2 May 2022	2.7	202.4	205.1
Additions	–	75.0	75.0
Disposals	(0.2)	(12.4)	(12.6)
Foreign exchange differences	–	(0.6)	(0.6)
At 30 April 2023	**2.5**	**264.4**	**266.9**
ACCUMULATED DEPRECIATION			
At 2 May 2022	1.8	90.8	92.6
Charge for the period	0.1	32.2	32.3
Impairment	–	0.4	0.4
Reversal of impairment – exceptional items (note 4)	–	(0.5)	(0.5)
Disposals	(0.2)	(11.6)	(11.8)
Foreign exchange differences	–	(0.5)	(0.5)
At 30 April 2023	**1.7**	**110.8**	**112.5**
NET BOOK VALUE			
At 30 April 2023	**0.8**	**153.6**	**154.4**
At 1 May 2022	0.9	111.6	112.5

Expenditure on assets in the course of construction at 28 April 2024 was £26.0 million (2023: £39.0 million). The cost of assets which continue to be used that have a £nil net book value (excluding impaired assets) total £41.2 million (2023: £23.7 million).

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of property, plant and equipment and right-of-use assets

For impairment testing purposes, a CGU is defined as the smallest identifiable group of assets that generate independent cash flows which are monitored by management and the Chief Operating Decision Makers (CODMs). The Group considers this to be showroom locations or offices. Each CGU is tested for impairment at the balance sheet date if any indicators of impairment have been identified.

The value-in-use of each CGU is calculated based on the Group's latest budget and forecast cash flows, covering a three-year period, which have regard to historic performance and knowledge of the current market, together with the Group's views on the future achievable growth. Cash flows beyond this three-year period are extrapolated using a long-term growth rate based on management's future expectations, with reference to forecast GDP growth. These growth rates do not exceed the long-term growth rate for the Group's operations in the relevant territory. The recoverable amount of certain European mono-brand boutiques is based on fair value less costs to sell.

The key assumptions in the value-in-use calculations are the growth rates of sales and gross profit margins, long-term growth rates and the risk-adjusted pre-tax discount rates. Pre-tax discount rates are derived from the Group's weighted average cost of capital, which has been calculated using the capital asset pricing model, the inputs of which include a country risk-free rate, equity risk premium and a risk adjustment (beta). The pre-tax discount rates are 13.0% in the UK and 13.3% in the US. Pre-tax discount rates are used to discount pre-tax cash flows. The post-tax discount rates, calculated in the same manner as the pre-tax discount rates, are 9.9% in the UK and 10.5% in the US.

During the period, the Group recognised an exceptional impairment charge of £9.8m relating to property, plant and equipment. The Group reviewed the profitability of its showroom network, taking into account the potential future impact on customer demand and increased costs. At 28 April 2024, following the impairment having been booked, all showroom asset values are supported by their value-in-use recoverable amount.

As disclosed in the accounting policies (note 1), the cash flows used within the impairment model are based on assumptions which are sources of estimation uncertainty and movements in these assumptions could lead to further impairments. Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in these key assumptions across the showroom portfolio.

Sales growth rates are in line with the growth rate in the Guidance issued (given on page 13). Reducing the FY25 sales guidance by 10.0% and modelling this lower performance through the outer periods, would result in an increased impairment charge of £6.3 million. A 2.0% increase in the discount rate would increase the impairment charge by £2.0 million. In combination, a 10.0% sales reduction and a 2.0% increase in discount rate would increase the impairment charge by £8.1 million. This analysis does not assume any improvement in macroeconomic conditions or interest rates. Reasonably possible changes of the other assumptions would have no further significant impact on the impairment charge.

12. LEASES

Group as a lessee

Right-of-use assets have been grouped into two groups being Properties and Other. Properties are defined as land and buildings leased for our showrooms and offices which are generally leased for between five and ten years with some office buildings leased for longer. Other leases are mainly motor vehicles which are in general leased for four years. There are several lease contracts that include extension and termination options and variable lease payments. Management assesses the lease term at inception based on facts and circumstances applicable to each property including the period over which the investment appraisal was initially considered.

Management reviews the retail lease portfolio on an ongoing basis, taking into account retail performance and future trading expectations. In certain instances, management may exercise break options, negotiate lease reductions or decide not to negotiate a lease extension at the end of the lease term. The most significant factor impacting future lease payments is the changes management chooses to make to the showroom portfolio.

A number of the retail property leases incur payments based on a percentage of revenue achieved at the location. Changes in future variable lease payments will typically reflect changes in the Group's retail revenues. In line with IFRS 16, variable lease payments which are not linked to an index are not included in the lease liability.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right-of-use assets

	Properties £m	Other £m	Total £m
At 1 May 2023	358.0	1.1	359.1
Additions	88.3	0.6	88.9
Acquired on business acquisition (note 24)	14.5	–	14.5
Lease surrenders and breaks	(15.4)	–	(15.4)
Impairment – exceptional items (note 4)	(16.4)	–	(16.4)
Depreciation	(54.3)	(0.5)	(54.8)
Depreciation – exceptional items (note 4)	(1.2)	–	(1.2)
Leases renewed during the period	6.0	–	6.0
Lease modifications and expansions	0.5	–	0.5
Foreign exchange differences	0.6	–	0.6
At 28 April 2024	**380.6**	**1.2**	**381.8**

Right-of-use assets (continued)

	Properties £m	Other £m	Total £m
At 2 May 2022	292.8	0.8	293.6
Additions	101.0	0.7	101.7
Lease surrenders and breaks	(9.6)	–	(9.6)
Reversal of impairment – exceptional items (note 4)	0.2	–	0.2
Depreciation	(49.9)	(0.4)	(50.3)
Leases renewed during the period	14.7	–	14.7
Lease modifications and expansions	10.1	–	10.1
Foreign exchange differences	(1.3)	–	(1.3)
At 30 April 2023	**358.0**	**1.1**	**359.1**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease liabilities

	Properties £m	Other £m	Total £m
At 1 May 2023	(409.4)	(1.0)	(410.4)
Additions	(86.4)	(0.6)	(87.0)
Acquired on business acquisition (note 24)	(18.5)	–	(18.5)
Lease surrenders and breaks	16.1	–	16.1
Interest (note 7)	(20.8)	–	(20.8)
Interest – exceptional items (note 4)	(1.3)	–	(1.3)
Leases renewed during the period	(5.7)	–	(5.7)
Lease modifications and expansions	(0.4)	–	(0.4)
Payments	67.6	0.5	68.1
Foreign exchange differences	(0.5)	–	(0.5)
At 28 April 2024	**(459.3)**	**(1.1)**	**(460.4)**

Lease liabilities

	Properties £m	Other £m	Total £m
At 2 May 2022	(339.9)	(0.7)	(340.6)
Additions	(98.6)	(0.7)	(99.3)
Lease surrenders and breaks	10.4	–	10.4
Interest (note 7)	(17.2)	–	(17.2)
Leases renewed during the period	(14.3)	–	(14.3)
Lease modifications and expansions	(9.7)	–	(9.7)
Payments	58.8	0.4	59.2
Foreign exchange differences	1.1	–	1.1
At 30 April 2023	**(409.4)**	**(1.0)**	**(410.4)**

12. LEASES (CONTINUED)

The following are the amounts recognised in the Consolidated Income Statement:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Depreciation expense of right-of-use assets	(54.8)	(50.3)
Depreciation expense of right-of-use assets – exceptional items (note 4)	(1.2)	–
Interest expense on lease liabilities	(20.8)	(17.2)
Interest expense on lease liabilities – exceptional items (note 4)	(1.3)	–
Impairment of right-of-use assets – exceptional items (note 4)	(16.4)	–
Reversal of impairment of right-of-use assets – exceptional items (note 4)	–	0.2
Gain on lease modifications	0.8	1.3
Expense relating to short-term leases (included within cost of sales)	(1.4)	(0.7)
Variable lease payments (included within cost of sales)	(6.8)	(7.0)
Total amount recognised in the Consolidated Income Statement	**(101.9)**	**(73.7)**

Rental expense for contracts not in the scope of IFRS 16 totalled £3.6 million (2023: £3.5 million). Contracts not in the scope of IFRS 16 are contracts that were considered to be leases under IAS 17 which do not meet the definition under IFRS 16, principally because the supplier is considered to have substantive substitution rights over the associated assets.

Total cash flows in relation to leases, as defined in IFRS 16, in the 52-week period ended 28 April 2024 are £75.9m (2023: £67.9 million). This relates to payments of £46.0 million (2023: £42.0 million) of lease principal, £22.1 million (2023: £17.2 million) of lease interest, £6.4 million (2023: £8.0 million) of variable lease payments and £1.4 million (2023: £0.7 million) of other lease payments principally relating to short-term leases and leases in which tenancy has continued after the lease term has ended.

Maturity analysis of lease liabilities

The below table gives the undiscounted cash flows which relate to the leases recognised in line with IFRS 16. For leases which contain a break clause, the full liability to the end of the lease term is shown, unless highlighted in the narrative below.

	28 April 2024 £m	30 April 2023 £m
Within 1 year	78.7	63.1
Between 1 and 2 years	77.9	67.9
Between 2 and 3 years	74.7	63.4
Between 3 and 4 years	70.2	59.7
Between 4 and 5 years	64.4	57.4
Total for the periods thereafter	214.4	192.4
Total	**580.3**	**503.9**

As at 28 April 2024, 13 (2023: 11) leases have cash flows that exceed ten years. The value of undiscounted cash flows greater than ten years totals £22.3 million (2023: £15.7 million).

Future possible cash outflows not included in the lease liability

Some leases contain break clauses to provide operational flexibility. In some instances, the Group has identified certain leases where it is reasonably likely that a break will be served and as such has reflected this in the term of the lease. Potential future undiscounted lease payments not included in the reasonably certain lease term and hence not included in lease liabilities total £10.8 million (2023: £7.9 million).

Future increases or decreases in rentals linked to an index or rate, which is applicable to two properties, are not included in the lease liability until the change in cash flows takes effect. Approximately 50.2% of leases (2023: 53.8%) will be subject to rent reviews in future periods with rental changes linked to rent reviews which typically occur on a five-yearly basis. The Group is committed to payments totalling £33.1 million (2023: £82.1 million) in relation to leases that have been agreed but have not yet commenced and as such, do not form part of the lease liability balance and are not included within the maturity analysis above.

Impairment of right-of-use assets

The Group has incurred an exceptional impairment charge of £16.4 million in the year in relation to right-of-use assets. Refer to note 11 for further disclosure relating to impairment of non-current assets including right-of-use assets.

13. TRADE AND OTHER RECEIVABLES

	28 April 2024 Current £m	28 April 2024 Non-current £m	30 April 2023 Current £m	30 April 2023 Non-current £m
Trade receivables	10.1	–	6.6	–
Other receivables	5.7	2.1	5.5	2.1
Allowance for expected credit losses	(0.5)	–	(0.3)	–
	15.3	**2.1**	**11.8**	**2.1**
Prepayments	7.2	–	5.9	–
Total	**22.5**	**2.1**	**17.7**	**2.1**

Included within trade receivables are amounts receivable from third parties which provide credit arrangements with our customers. Prepayments relate mainly to prepaid property rates and service charges, and insurance and software prepayments. Other receivables relate mainly to supplier incentives receivable. There are no material differences between the fair values and book values stated above.

Movements on the allowance for expected credit losses (ECLs) for impairment of trade and other receivables are as follows:

	28 April 2024 £m	30 April 2023 £m
Opening balance	0.3	0.2
Increase in allowance – cost of sales	0.2	0.1
Balance at period end	**0.5**	**0.3**

14. INVENTORIES

	28 April 2024 £m	30 April 2023 £m
Finished goods	389.2	352.3
Work in progress	4.1	3.7
Inventories	**393.3**	**356.0**

15. CASH AND CASH EQUIVALENTS

	28 April 2024 £m	30 April 2023 £m
Cash at bank and in hand	93.8	120.7
Cash in transit	21.9	15.7
Cash and cash equivalents	**115.7**	**136.4**

Included in cash and cash equivalents is restricted cash of £16.4 million (2023: £14.8 million). Restricted cash is defined as cash controlled by the Group but which is not freely useable by the Group in day-to-day operations. £16.4 million (2023: £14.1 million) relates to amounts which are contractually restricted based on third party agreements and required liquidity reserves, with regard to the Group's provision of insurance services. As at 28 April 2024, the Group has £nil (2023: £0.7 million) held in escrow, whereby the cash is restricted, relating to a business combination.

16. TRADE AND OTHER PAYABLES

	28 April 2024 Current £m	28 April 2024 Non-current £m	30 April 2023 Current £m	30 April 2023 Non-current £m
Trade payables	(123.7)	–	(128.6)	–
Other taxation and social security	(16.1)	–	(14.0)	–
Accruals and deferred income	(75.6)	(1.1)	(76.1)	(0.9)
Total	**(215.4)**	**(1.1)**	**(218.7)**	**(0.9)**

Trade payables do not bear interest and are generally settled within 30 to 60 days. Accruals and deferred income do not bear interest.

17. PROVISIONS

	28 April 2024		30 April 2023	
	Current £m	Non-current £m	Current £m	Non-current £m
Dilapidations	(1.4)	(8.1)	(1.8)	(6.0)
Onerous	(0.5)	(0.6)	–	–
Total	**(1.9)**	**(8.7)**	**(1.8)**	**(6.0)**

Movement of dilapidations provision

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Opening balance	(7.8)	(5.1)
Increase in provision	(2.3)	(3.0)
Utilised	0.6	0.3
Balance at period end	**(9.5)**	**(7.8)**

The dilapidations provision comprises obligations for showroom or office remediation costs to be incurred in compliance with applicable legal and environmental regulations together with constructive obligations stemming from established practice once the property leases have expired. The key estimates associated with calculating the provision relate to the cost of repair or replacement to perform the necessary remediation work as at the reporting date together with determining the year of retirement. Estimates are updated annually based on the total estimated remaining life of leases.

Movement of onerous contracts

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Opening balance	–	–
Charged to Income Statement	(1.3)	–
Utilised	0.2	–
Balance at period end	**(1.1)**	**–**

A provision is recognised for certain contracts with suppliers for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received.

18. BORROWINGS

	28 April 2024 £m	30 April 2023 £m
NON-CURRENT		
Term loan	–	(120.0)
Multicurrency revolving loan facility	(115.0)	–
Associated capitalised transaction costs	1.7	–
Total borrowings	**(113.3)**	**(120.0)**

Analysis of net debt

	1 May 2023 £m	Cash flow £m	Non-cash changes[1] £m	Foreign exchange £m	28 April 2024 £m
Cash and cash equivalents	136.4	(21.5)	–	0.8	115.7
Term loan	(120.0)	120.0	–	–	–
Multicurrency revolving loan facility	–	(115.0)	–	–	(115.0)
Net cash/(debt) excluding capitalised transaction costs (pre-IFRS 16)	**16.4**	**(16.5)**	**–**	**0.8**	**0.7**
Capitalised transaction costs	–	2.2	(0.5)	–	1.7
Net cash/(debt) (pre-IFRS 16)	**16.4**	**(14.3)**	**(0.5)**	**0.8**	**2.4**
Lease liabilities	(410.4)	68.1	(117.6)	(0.5)	(460.4)
Total net debt	**(394.0)**	**53.8**	**(118.1)**	**0.3**	**(458.0)**

1 Non-cash charges are principally a release of capitalised finance costs and lease liability interest charges, additions and revisions.

Cash and cash equivalents consist of cash at bank and in hand of £93.8 million (2023: £120.7 million) and cash in transit of £21.9 million (2023: £15.7 million).

On 9 May 2023 the Group signed a new five-year £225.0 million multicurrency revolving loan facility with lenders. The existing facilities were repaid and extinguished on this date.

The key covenant tests attached to the Group's facilities are a measure of net debt to EBITDA and the Fixed Charge Cover Ratio (FCCR) at each April and October on a pre-IFRS 16 basis. Net debt to EBITDA is defined as the ratio of total net debt at the reporting date to the last 12 months Adjusted EBITDA. This ratio must not exceed 3. The FCCR is the ratio of Adjusted EBITDA plus rent to the total finance charge and rent for the 12 months to the reporting date. This ratio must exceed 1.6. The covenant tests at October 2023 and April 2024 were fully met.

19. POST-EMPLOYMENT BENEFIT OBLIGATIONS

Defined contribution schemes

The Group operates two (2023: two) separate UK defined contribution pension schemes. A defined contribution scheme called the Watches of Switzerland Company Limited Pension Scheme which is a Group Personal Pension (GPP) scheme and a second scheme also called the Watches of Switzerland Company Limited Pension Scheme which is a defined contribution multi-employer occupational pension scheme. The Group operates two (2023: two) separate US defined contribution pension schemes, one called The Mayors Jewelers Inc. Scheme and a second called The Watches of Switzerland Scheme.

During the period to 28 April 2024, the pension charge for the period represents contributions payable by the Group to these schemes and amounted to £3.6 million (2023: £3.1 million). The Group has no legal or constructive obligation to pay further contributions to the fund once the contributions have been paid. Members' benefits are determined by the amount of contributions paid by the Group and the member, together with investment returns earned on the contributions arising from the performance of each individual's chosen investments and the type of pension the member chooses to buy at retirement. As a result, actuarial risk (that benefits will be lower than expected) and investment risk (that assets invested in will not perform in line with expectations) fall on the employee. The assets of the schemes are held separately from the assets of the Group in trustee administered funds.

Defined benefit scheme

The Group operates a defined benefit scheme, the Aurum Retirement Benefits Scheme. The pension scheme operates under the regulatory framework of The Occupational Pension Schemes Regulations 1996. This is an approved funded pension scheme. Defined benefit arrangements entitle employees to retirement benefits based on their final salary and length of service at the time of leaving the scheme, payable on attainment of retirement ages (or earlier death). The assets of the scheme are held separately from the assets of the Group in trustee administered funds. Contributions to the scheme are assessed in accordance with the advice of a qualified independent actuary. As a result of the valuation at 5 April 2023, contributions of £0.7 million per annum are being paid to the scheme until 5 April 2029, however, this will be reassessed upon the next triennial valuation in 2026. The Group is expecting to make total contributions of approximately £0.7 million in the 52-week period ended 27 April 2025.

By operating its defined benefit pension scheme, the Group is exposed to the risk that the cost of meeting its obligations is higher than anticipated. This could occur for several reasons, for example:

- Investment returns on the scheme's assets may be lower than anticipated, especially if falls in asset values are not matched by similar falls in the value of the scheme's liabilities
- The level of price inflation may be higher than that assumed, resulting in higher payments from the scheme
- Scheme members may live longer than assumed, for example due to unanticipated advances in medical healthcare. Members may also exercise (or not exercise) choices in a way that leads to increases in the scheme's liabilities, for example through early retirement or commutation of pension for cash
- Legislative changes could also lead to an increase in the scheme's liabilities

The scheme liabilities are calculated using a discount rate set with reference to corporate bond yields. If scheme assets underperform this yield, this will create a deficit. The Group believes that due to the long-term nature of the scheme liabilities, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the scheme efficiently.

A decrease in corporate bond yields will increase scheme liabilities, although that will be partially offset by an increase in the value of the scheme's bond holdings.

This scheme was closed on 28 February 2002 to new employees. There are nil (2023: nil) employees within the scheme. The latest full actuarial valuation was carried out at 5 April 2023 and was updated for IAS 19 'Employee benefits' purposes to 28 April 2024 by a qualified independent actuary.

Income Statement

The components of the net defined benefit expense recognised in the Consolidated Income Statement are as follows:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Administrative expenses	(0.1)	(0.2)
Charge within labour costs and operating profit	**(0.1)**	**(0.2)**
Defined benefit charge to the Consolidated Income Statement	**(0.1)**	**(0.2)**
Defined contribution schemes	(3.6)	(3.1)
Total charge to the Consolidated Income Statement	**(3.7)**	**(3.3)**

19. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

Other comprehensive income

The components of the net defined benefit expense recognised in other comprehensive income are as follows:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Actuarial gains due to liability financial assumption changes	0.4	5.1
Experience adjustment	(0.5)	(0.5)
Loss on scheme assets greater than discount rate	(1.0)	(4.3)
Actuarial gains due to demographic changes	0.2	–
Actuarial (loss)/gain recognised in other comprehensive income	**(0.9)**	**0.3**

Balance Sheet valuation

The net defined benefit pension amount recognised in the Consolidated Balance Sheet is analysed as follows::

	28 April 2024 £m	30 April 2023 £m
Diversified growth funds	9.6	9.6
Liability Driven Investment (LDI)	3.4	4.4
Cash	0.2	(0.2)
Fair value of scheme assets	**13.2**	**13.8**
Present value of benefit obligations	(13.4)	(13.7)
Net pension (liability)/asset	**(0.2)**	**0.1**

Scheme obligations

Changes in the present value of defined benefit pension obligations are analysed as follows:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Opening defined benefit obligation	(13.7)	(18.5)
Interest cost	(0.6)	(0.6)
Actuarial gains on defined benefit obligation	0.1	4.7
Benefits paid	0.8	0.7
Closing defined benefit obligation	**(13.4)**	**(13.7)**

Scheme assets

Changes in the fair value of scheme assets were as follows:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Opening scheme assets	13.8	17.9
Expected return on scheme assets	0.6	0.5
Actuarial losses on pension scheme assets	(1.0)	(4.4)
Employer contributions	0.7	0.7
Benefits paid	(0.8)	(0.7)
Administrative expenses	(0.1)	(0.2)
Closing scheme assets	**13.2**	**13.8**

None of the pension arrangements directly invest in any of the Group's own financial instruments nor any property occupied by, or other assets used by, the Group. During the period, Schroders remain appointed as the Scheme investment manager with a mandate to invest 30% of the Scheme's assets in Liability Driven Investment (LDI) and 70% invested in a diversified growth fund. The LDI allocation is around three times leveraged and therefore targets around 100% interest rate and inflation hedging of the Scheme's liabilities.

Post year-end the Trustee and the Company agreed to implement a new bond-based investment strategy that consists of high-quality credit assets and removes the exposure to leveraged LDI. The trade was completed on 20 May 2024 and Schroders remain appointed as the Scheme investment manager but with a revised mandate to invest 60% in gilts, 25% in buy and maintain credit and 15% in secured finance. The investment strategy continues to hedge the Scheme's funded interest rates and inflation risks associated with the liabilities measured on a gilt flats basis.

Principal assumptions

The IAS 19 (accounting) valuation of the defined benefit obligation was undertaken by an external qualified actuary as at 28 April 2024 using the projected unit credit method. The principal actuarial assumptions used in the valuation were as follows:

	28 April 2024	30 April 2023
Discount rate	5.10%	4.75%
Rate of future inflation – RPI	3.45%	3.20%
Rate of future inflation – CPI	2.85%	2.60%
Rate of increase in pensions in payment	3.20%	3.15%
Proportion of employees opting for a cash commutation	100.0%	100.0%

	28 April 2024		30 April 2023	
	Pensioner aged 65	Non-pensioner aged 45	Pensioner aged 65	Non-pensioner aged 45
Life expectancy at age 65 (years):				
Male	21	22	21	23
Female	24	25	23	25

The post-retirement mortality assumptions allow for expected increases to life expectancy. The life expectancies quoted for members currently aged 45 assume that they retire at age 65 (i.e. 20 years after the balance sheet date). The base mortality assumptions are in line with the standard S3PA year of birth tables. Future improvement trends have been allowed for in line with the CMI 2023 (2023: CMI 2021) series with a long-term trend towards 1.0% (2023: 1.0%) per annum.

The discount rate in the current and prior year has been derived using a full yield curve approach. The yield curve is based on iBoxx AA rated GBP Corporate Bond index and considers expected scheme cash flows at each duration. The expected average duration of the scheme's liabilities is 14 years.

The rate of retail price inflation (RPI) has been derived in a consistent way to the discount rate, so that it is appropriate to the term of the liabilities. The RPI assumption for the scheme allows for the inflation risk premium of 0.2% per annum (2023: 0.2% per annum).

The rate of consumer price inflation (CPI) is set at 0.6% lower (2023: 0.6% lower) than the assumption for retail price inflation, reflecting the long-term expected gap between the two indices.

Sensitivity analysis

The impact on the defined benefit obligation to changes in the financial and demographic assumptions is shown below:

	28 April 2024 £m	30 April 2023 £m
0.25% increase in discount rate	0.4	0.6
0.25% decrease in discount rate	(0.4)	(0.6)
0.25% increase in pension growth rate	(0.2)	(0.3)
0.25% decrease in pension growth rate	0.2	0.3
1 year increase in life expectancy	(0.4)	(0.4)
1 year decrease in life expectancy	0.4	0.4

Virgin Media Limited v NTL Pension Trustees II Limited legal case

Following the High Court ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others in June 2023, it was held that section 37 of the Pension Schemes Act 1993 operates to make void any amendment to the rules of a contracted out pension scheme without written actuarial confirmation under Regulation 42(2) of the Occupational Pension Schemes (Contracting Out) Regulations 1996, insofar that the amendment relates to members' section 9(2B) rights. An appeal is due to be heard on 26 June 2024 which, it is hoped, will provide further clarity on the issue.

The Trustees of the Scheme have confirmed that:

– The Scheme was contracted out of the additional state pension between 1997 and 2016; and

– It was possible that amendments were made to the Pension Schemes that may have impacted on the members' section 9(2B) rights.

The Trustees of the Scheme and the Directors work closely together and take appropriate legal and professional advice when making amendments to the Pension Schemes. However, at 28 April 2024, it is not currently possible to determine whether any amendments to section 9(2B) rights were made to the Pension Schemes that were not in accordance with section 37 of the Pension Schemes Act 1993 requirements.

Further, it is not currently possible to reliably estimate the possible impact to the defined benefit obligations of the Pension Schemes if these amendments were not in accordance with section 37 of the Pension Schemes Act 1993 requirements.

20. EQUITY

	Nominal value £	Shares	Share capital £m	Share premium £m	Merger reserve £m	Other reserves £m	Foreign exchange reserve £m
As at 1 May 2023	0.0125	239,570,297	3.0	147.1	(2.2)	(18.4)	2.8
Other comprehensive income, net of tax	–	–	–	–	–	–	1.6
Purchase of own shares	–	–	–	–	–	(7.2)	–
Share-based payments	–	–	–	–	–	2.2	–
As at 28 April 2024	**0.0125**	**239,570,297**	**3.0**	**147.1**	**(2.2)**	**(23.4)**	**4.4**

Share capital
239,570,297 ordinary shares of £0.0125 nominal value.

Share premium account
This reserve represents the amount of proceeds received for shares in excess of their nominal value of £0.0125 per share.

Merger reserve
This reserve arose as a consequence of a Group reorganisation which inserted the Company as the Parent Company of the Group.

Foreign exchange reserve
This reserve represents the cumulative effect of foreign exchange differences in relation to the retranslation of the Group's subsidiaries which are denominated in a currency other than the Group's reporting currency of Pounds Sterling (£).

Other reserves
During the period the Group purchased £7.2 million of own shares to satisfy employee share incentive schemes. The shares were purchased by an Employee Benefit Trust which has been set up for this purpose. The Company adopts a 'look-through' approach which, in substance, accounts for the Trust as an extension of the Company. Own shares are recorded at cost and are deducted from equity. At the year-end the Group held 3,119,758 (2023: 2,105,220) own shares.

21. SHARE-BASED PAYMENTS

During the period to 28 April 2024, the Group operated five (2023: five) separate share-based payment schemes.

The Group has granted a number of different equity-based awards to employees which it has determined to be share-based payments as detailed below.

Long-Term Incentive Plan (LTIP)
The LTIP is a discretionary executive share plan under which the Board may grant options over shares in Watches of Switzerland Group PLC, subject to Adjusted EPS and Return on Capital Employed (ROCE) performance conditions. The Group issues annual grants of awards with three-year performance periods. Grants vest and become exercisable after three years and are awarded as nil-cost options. There are no cash settlement alternatives.

Details of the share options outstanding are as follows:

	28 April 2024	30 April 2023
Outstanding at 1 May 2023	1,866,662	1,958,038
Granted	551,319	413,589
Exercised	(284,703)	(315,041)
Forfeited	(39,440)	(189,924)
Outstanding at 28 April 2024	**2,093,838**	**1,866,662**

Exercisable price	£nil	£nil
Exercisable at 28 April 2024	988,471	606,454
Average fair value at grant	£5.08	£4.37

Deferred Bonus Plan (DBP)

The DBP is a discretionary bonus plan under which the Board may issue one-third of a bonus in the form of conditional share awards in Watches of Switzerland Group PLC. The annual bonus is linked to annual earnings targets. Two-thirds of the bonus is settled in cash. The remaining third of the bonus is deferred as share options and accounted for as an equity-settled share-based payment. These deferred shares are subject to a three-year vesting period with no additional performance conditions except for continued employment. Deferred shares are awarded as nil-cost options.

Details of the share options outstanding are as follows:

	28 April 2024	30 April 2023
Outstanding at 1 May 2023	378,607	247,455
Change in FY22 number of shares granted*	–	53,611
Change in FY23 number of shares granted*	9,440	–
Granted	–	106,056
Exercised	(7,552)	(20,872)
Forfeited	(7,609)	(7,643)
Outstanding at 28 April 2024	**372,886**	**378,607**

Exercisable price	£nil	£nil
Exercisable at 28 April 2024	15,485	12,863
Average fair value at grant	£8.02	£8.24

* The share price at which the number of shares granted under the DBP scheme is calculated is not confirmed until after the date of the approval of the Annual Report and Accounts. The maximum number of DBP shares granted during the period is therefore estimated using the year-end closing share price and trued up at the date of grant.

Save As You Earn (SAYE) (UK)/Employee Stock Purchase Plan (ESPP) (US)

The Company operated a SAYE scheme for UK and an ESPP scheme for US employees in the year. Options were granted at the prevailing market rate on 14 February 2022, less a discount of 15%, being exercisable after three years (UK employees) and two years (US employees) from the date of grant. The scheme permits a maximum saving of £500 (or US equivalent at the time of invitation) per month out of taxed income. SAYE/ESPP options are accounted for as an equity-settled award under IFRS 2.

The ESPP reached the end of its two year term in the year. Employees chose not to exercise their options as the market share price was below the option price, and these have been disclosed as expired in the following table.

Details of the share options outstanding are as follows:

	28 April 2024	30 April 2023
Outstanding at 1 May 2023	367,259	480,636
Forfeited	(133,013)	(113,377)
Expired (ESPP)	(31,697)	–
Outstanding at 28 April 2024	**202,549**	**367,259**

Exercisable price	£nil	£nil
Exercisable at 28 April 2024	nil	nil
Average fair value at grant	£10.80	£10.80

FY22 Free share issue

During FY22 the Group issued 50 free shares to all colleagues who were employed by the Group on 15 December 2021. Employees must remain employed for a period of three years to earn the shares. The UK shares are administered through a Share Incentive Plan. The US shares are issued under the LTIP and subject to the Employee Benefit Trust. The Trust results are consolidated by the Group.

Details of the share options outstanding are as follows:

	28 April 2024	30 April 2023
Outstanding at 1 May 2023	92,700	112,050
Forfeited	(19,250)	(19,350)
Outstanding at 28 April 2024	**73,450**	**92,700**

Exercisable price	£nil	£nil
Exercisable at 28 April 2024	nil	nil
Average fair value at grant	£12.66	£12.66

21. SHARE-BASED PAYMENTS (CONTINUED)

Former Chief Financial Officer Buy-out award (CFO)

Two buy-out share options were granted to the former CFO when joining the Group to replace those in place at his previous employment. The awards were translated into Group shares at the share price on the date of joining. Performance conditions for one award were met in the prior year and the final option was exercised in the period.

Details of the share option movements are as follows:

	28 April 2024	30 April 2023
Outstanding at 1 May 2023	1,722	38,835
Exercised	(1,722)	(1,721)
Lapsed	–	(35,392)
Outstanding at 28 April 2024	**–**	**1,722**

Exercisable price	£nil	£nil
Exercisable at 28 April 2024	nil	nil
Average fair value at grant	£14.20	£14.20

Charged to the Consolidated Income Statement

The amounts recognised in the Consolidated Income Statement within administrative expenses (excluding employer's national insurance) in relation to these schemes were as follows:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
LTIP	0.5	1.9
DBP	0.8	0.7
Former CFO	–	(0.1)
SAYE/ESPP	0.6	0.7
Free shares	0.2	0.3
	2.1	**3.5**

Fair value of share schemes

The fair value of equity-settled share options and share awards granted is estimated at the date of grant using share option valuation models. The schemes are valued using the Black-Scholes model. The target for the DBP was not met in the year ended 28 April 2024 and no additional options will be granted under this scheme.

The following tables list the inputs to the models for options and share-based payment costs during the year:

	LTIP				DBP			SAYE/ESPP	CFO
	28 Apr 2024	30 Apr 2023	1 May 2022	2 May 2021	30 Apr 2023	1 May 2022	2 May 2021	1 May 2022	1 May 2022
Share price (£)	£4.89/£6.70	£7.51	£9.42	£3.20	£7.56	£7.51	£9.42	£10.80	£14.20
Exercise price (£)	nil	nil	nil	nil	nil	nil	nil	nil	nil
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (%)	4.39%	3.72%	0.61%	0.57%	3.71%	0.66%	0.57%	0.05%	0.41%
Expected life of share option	3 yrs	3 yrs	3 yrs	3 yrs	4 yrs	4 yrs	4 yrs	UK 3 yrs US 2 yrs	2 yrs

The LTIP awards granted during the financial year ended 28 April 2024 were made with reference to a share price of £4.89, being the closing share price on 20 October 2023. The awards for Brian Duffy and Anders Romberg were made at a later date with reference to a share price of £6.70, being the closing share price on 8 December 2023.

The Group did not enter into any share-based payment transactions with parties other than employees during the current period.

22. FINANCIAL INSTRUMENTS

Categories

	28 April 2024 £m	30 April 2023 £m
FINANCIAL ASSETS – HELD AT AMORTISED COST		
Trade and other receivables*	17.4	13.9
Cash and cash equivalents	115.7	136.4
Total financial assets	**133.1**	**150.3**
FINANCIAL LIABILITIES – HELD AT AMORTISED COST		
Interest-bearing loans and borrowings:		
Term loan (net of capitalised transaction costs)	–	(120.0)
Multicurrency revolving loan facility (net of capitalised transaction costs)	(113.3)	–
Multicurrency revolving loan facility interest payable	(1.4)	–
Trade and other payables**	(188.4)	(193.8)
	(303.1)	**(313.8)**
Lease liability (IFRS 16)	(460.4)	(410.4)
Total financial liabilities	**(763.5)**	**(724.2)**

* Excludes prepayments of £7.2 million (2023: £5.9 million) that do not meet the definition of a financial instrument.

** Trade payables excludes customer deposits of £6.0 million (2023: £7.9 million) and deferred income of £20.7 million (2023: £17.9 million) that do not meet the definition of a financial instrument.

Fair values

At 28 April 2024, the fair values of each category of the Group's financial instruments are materially the same as their carrying values in the Group's Balance Sheet based on either their short maturity or, in respect of long-term borrowings, interest being incurred at a floating rate.

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk and capital management framework and for establishing the Group's risk management policies.

The Group has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Interest rate risk
- Credit risk
- Currency risk
- Capital risk

No significant changes were made in the objectives, policies and processes for managing capital during the years ended 28 April 2024 and 30 April 2023.

Liquidity risk

The Group has generated sufficient cash from operations to meet its working capital requirements. Cash flow forecasting is performed in the operating entities of the Group. The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits on any of its borrowing facilities.

The table below shows the maturity analysis of the undiscounted remaining contractual cash flows, including interest, of the Group's financial liabilities:

	28 April 2024			
	Less than one year £m	Between one and five years £m	Greater than five years £m	Total £m
Multicurrency revolving loan facility	(1.4)	(113.3)	–	(114.7)
Trade and other payables	(188.4)	–	–	(188.4)
Lease liabilities (IFRS 16)	(78.7)	(287.2)	(214.4)	(580.3)
Total	**(268.5)**	**(400.5)**	**(214.4)**	**(883.4)**

	30 April 2023			
	Less than one year £m	Between one and five years £m	Greater than five years £m	Total £m
Term loan	(2.9)	(120.0)	–	(122.9)
Trade and other payables	(192.9)	(0.9)	–	(193.8)
Lease liabilities (IFRS 16)	(63.1)	(248.4)	(192.4)	(503.9)
Total	**(258.9)**	**(369.3)**	**(192.4)**	**(820.6)**

As at 28 April 2024, 13 (2023: 11) leases have cash flows that exceed ten years. The value of undiscounted cash flows greater than ten years totals £22.3 million (2023: £15.7 million).

22. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group's policy is to maintain low levels of variable debt by managing the cash position of the business closely and ensuring that the debt position is minimised. The Group regularly refinances in order to obtain better rates for both long-term debt and short-term debt obligations. The Group uses strong cash positions to pay down long-term and short-term debt when possible in order to reduce the overall debt position.

Interest rate risk – sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected.

The analysis has been prepared using the assumptions that:

- For floating rate assets and liabilities, the amount of the asset or liability outstanding at the balance sheet date is assumed to have been outstanding for the whole period
- Fixed rate financial instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of this analysis.

With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Interest rate increase of 0.5%	(0.6)	(0.6)
Interest rate decrease of 0.5%	0.6	0.6

Credit risk

Credit risk arises from cash and cash equivalents, credit sales and deposits with banks. Credit risk related to the use of treasury instruments is managed on a Group basis. This risk arises from transactions with banks, such as those involving cash and cash equivalents and deposits. To reduce the credit risk, the Group has concentrated its main activities with a group of banks that have secure credit ratings. For each bank, individual risk limits are set based on its financial position, credit ratings, past experience and other factors. The utilisation of credit limits is regularly monitored.

Management continually review specific balances for potential indicators of impairment. In the instance where an indicator is identified, management will determine overall recovery from a legal perspective and provide for any irrecoverable amounts.

Credit risk also arises from the recoverability of the Group's trade and other receivables. Trade and other receivables are only written off when the Group has exhausted all options to recover the amounts due and provided for in full when there is no reasonable expectation of recovery, which is the Group's definition of default. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the debtor to engage in a repayment plan with the Group and a failure to make contractual payments. An expected credit loss provision is then calculated on the remaining trade and other receivables.

The ageing analysis of the trade receivables is as follows:

	28 April 2024 £m	30 April 2023 £m
Not past due	9.3	5.7
Less than one month past due	0.2	0.5
One to two months past due	0.1	0.2
More than two months past due	0.5	0.2
Total	**10.1**	**6.6**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset.

Currency risk

The exposure to currency risk is considered below:

	28 April 2024			
	Sterling £m	US Dollar £m	Other £m	Total £m
FINANCIAL ASSETS				
Trade and other receivables	10.6	6.8	–	17.4
Cash and cash equivalents	77.3	37.4	1.0	115.7
Total financial assets	**87.9**	**44.2**	**1.0**	**133.1**
FINANCIAL LIABILITIES				
Multicurrency revolving loan facility	(113.3)	–	–	(113.3)
Trade and other payables	(113.9)	(72.8)	(3.1)	(189.8)
Lease liabilities	(299.7)	(152.9)	(7.8)	(460.4)
Total financial liabilities	**(526.9)**	**(225.7)**	**(10.9)**	**(763.5)**

	30 April 2023			
	Sterling £m	US Dollar £m	Other £m	Total £m
FINANCIAL ASSETS				
Trade and other receivables	7.4	6.3	0.2	13.9
Cash and cash equivalents	91.2	44.0	1.2	136.4
Total financial assets	**98.6**	**50.3**	**1.4**	**150.3**

FINANCIAL LIABILITIES				
Term loan	(120.0)	–	–	(120.0)
Trade and other payables	(108.7)	(84.6)	(0.5)	(193.8)
Lease liabilities	(258.2)	(138.6)	(13.6)	(410.4)
Total financial liabilities	**(486.9)**	**(223.2)**	**(14.1)**	**(724.2)**

Currency risk sensitivity

The following table demonstrates the sensitivity to a change in the US Dollar exchange rate, with all other variables held constant, and the impact upon the Group's profit after tax assuming that none of the US Dollar exposures are used as hedging instruments. Sensitivities have not been performed for any other currencies as the Group has no significant exposure in any other currency.

	(Increase)/decrease in rate	Effect on profit after tax 52 week period ended 28 April 2024 £m	Effect on profit after tax 52 week period ended 30 April 2023 £m
US Dollar	(5%)	(2.3)	(2.3)
US Dollar	5%	2.5	2.5

Capital risk

The capital structure of the Group consists of debt, as analysed in note 18, and equity attributable to the equity holders of the Parent Company, comprising issued capital reserves and retained earnings as shown in the Consolidated Statement of Changes in Equity. The Group manages its capital with the objective that all entities within the Group continue as going concerns while maintaining an efficient structure to minimise the cost of capital.

The Directors carefully monitor the Group's long-term borrowings including the ability to service debt and long-term forecast covenant compliance.

The Group takes a disciplined approach to capital allocation with the objective to deliver long-term sustainable earnings growth whilst retaining financial capability to invest in developing our business and to execute our strategic priorities. The Group is well positioned to continue investing in elevating and expanding its existing showroom portfolio and to make complementary acquisitions which meet strict investment criteria and advance the Group's strategic objectives.

23. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Total compensation of key management personnel in the period to 28 April 2024 amounted to £1.5 million (2023: £2.8 million).

Compensation includes salaries and other short-term employee benefits, post-employment benefits and other long-term benefits. Key management are eligible to receive discounts on goods purchased from the Group's trading companies. Such discounts are in line with discounts offered to all staff employed by Group companies. In addition to their salaries, the Group also contributes to post-employment defined contribution plans.

Key management are those individuals who have authority and responsibility for planning, directing and controlling the activities of the Group.

	52 week period ended 28 April 2024 £m	52 week period ended 30 April 2023 £m
Short-term employment benefits	0.9	1.7
Share-based payments	0.6	1.1
Total	**1.5**	**2.8**

Transactions with subsidiary companies and companies under common control

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

24. BUSINESS COMBINATIONS

Ernest Jones Limited and Signet Trading Limited
On 17 November 2023, the Group acquired the trade and assets of 15 showrooms from retailers' Ernest Jones Limited and Signet Trading Limited for a cash consideration of £44.2 million. The acquisition further advances the Group's expansion strategy.

The business contributed revenue of £8.2 million from the 17 November 2023 acquisition date to 28 April 2024. The profit before tax contribution was not material to the Group result in this initial start-up period.

The following table summarises the consideration paid for the acquisition, and the provisional fair value of assets acquired at the acquisition date:

	£m
Total cash consideration	**44.2**
Initial assessment of values on acquisition	
Inventories	25.3
Fixed assets	5.8
Right-of-use asset	14.5
Lease liabilities	(18.5)
Deferred tax asset	1.1
Total identifiable net assets	**28.2**
Goodwill	16.0
Total assets acquired	**44.2**

An amount of £1.0 million is held with a third party on retention, and is reported within debtors in these accounts. This will be paid by the Group within 12 months of the acquisition date.

The goodwill recognised is attributable to the profitability of the acquired showrooms and is expected to be deductible for tax purposes.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities, with an adjustment required to reflect the terms of the lease relative to market terms.

If the business combination had taken place at the beginning of FY24, the Group's revenue would have been £1,559.9 million. The contribution to profit before tax is not material to the results of the Group and therefore has not been disclosed separately.

Acquisition-related costs have been charged to exceptional items in the Consolidated Income Statement for the 52-week period ended 28 April 2024, as disclosed in note 4 to these Consolidated Financial Statements.

The values stated above are the initial assessment of the fair values of assets and liabilities on acquisition. These will be finalised within 12 months of the acquisition date.

Acquisitions completed in the 52-week period to 30 April 2023
On 22 June 2022, in the prior financial year, the Group acquired the trade and assets of one showroom in the US from Bernie Robbins Jewelers, Inc. ('Bernie Robbins'). The acquisition formed part of the US growth strategy.

	£m
Total cash consideration	**21.2**
Final assessment of values on acquisition	
Inventories	3.1
Trade and other payables	(0.1)
Right-of-use assets	1.9
Lease liabilities	(1.9)
Total identifiable net assets	**3.0**
Goodwill	18.2
Total assets acquired	**21.2**

In the prior 52-week period ended 30 April 2023, the contribution to revenue and profit before tax, if the business combination had occurred on the first day of that prior period, and since the acquisition date, was not material to the results of the Group and therefore was not disclosed separately.

During the 52-week period to 28 April 2024, the fair value assessment of the above entity was completed, and no adjustments were made to the previously reported position. Consideration of £0.7 million held on retention at the end of the prior period has been settled in the year.

25. CONTINGENT LIABILITIES

There are a number of contingent liabilities that arise in the normal course of business, which if realised, are not expected to result in a material liability to the Group.

26. POST-BALANCE SHEET EVENTS

Closure of European Division

In line with our disciplined approach to capital allocation and given the pipeline of high returning opportunities in the UK and US, the Group intends to reallocate investment from the European market into these higher returning regions. We are in negotiations with our brand partners for the transfer of a number of our existing European mono-brand boutiques. The announcement took place post year-end, and for this reason assets have not been reclassified as held-for-sale as at 28 April 2024.

Acquisition of Roberto Coin Inc.

On 8 May 2024, the Group signed and completed the acquisition of the entire share capital of Roberto Coin Inc., an associate company of Roberto Coin S.p.A. from Roberto Coin S.p.A., Peter Webster, Co-Founder and President of Roberto Coin Inc., and Pilar Coin. The acquisition completed for a total cash consideration of $130.0 million (of which $10.0 million is deferred for one year and contingent on the future profitability of the acquired business), subject to working capital adjustments.

The acquisition was financed via a new $115.0 million term loan facility, which expires in February 2026. Covenants are identical to the Group's existing multicurrency revolving loan facility.

Luxury branded jewellery is a core pillar of the Group's growth strategy and the acquisition will significantly enhance our strategic positioning in the luxury branded jewellery category in the US, the world's largest luxury jewellery market on a per capita basis.

The assets and liabilities acquired principally comprise working capital balances of inventory, debtors and creditors. Due to the proximity of the acquisition date to the date of approval of these Consolidated Financial Statements, the initial accounting for the business combination is incomplete and the Group is unable to provide a quantification of the fair values of the assets and liabilities acquired. The Group will include an acquisition balance sheet within the Group's Interim Financial Statements for the 26 weeks to 27 October 2024.

No further post-balance sheet events have been identified.

COMPANY BALANCE SHEET
AS AT 28 APRIL 2024

	Note	28 April 2024 £m	30 April 2023 £m
FIXED ASSETS			
Investments	C2	471.9	471.9
CURRENT ASSETS			
Debtors: amounts receivable within one year	C3	0.3	1.4
Cash at bank and in hand		–	0.4
		0.3	**1.8**
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	C4	–	(0.8)
Net current assets		**0.3**	**1.0**
Net assets		**472.2**	**472.9**
EQUITY			
Share capital	C6	3.0	3.0
Share premium	C6	147.1	147.1
Other reserves	C6	(23.4)	(18.4)
Retained earnings		345.5	341.2
Total equity		**472.2**	**472.9**

The Company's profit after tax was £4.4 million (2023: £15.7 million). The profit in year is a result of a dividend received which allowed repayment of management recharges from subsidiary entities, and enabled the purchase of own shares.

The Financial Statements were approved and authorised for issue by the Board and were signed on its behalf by

L A ROMBERG
CHIEF FINANCIAL OFFICER
Date: 26 June 2024

The notes on pages 250 to 253 form part of these Financial Statements.

Company number: 11838443

COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 28 APRIL 2024

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity attributable to owners £m
Balance at 1 May 2022	**3.0**	**147.1**	**(6.7)**	**324.8**	**468.2**
Profit for the financial period	–	–	–	15.7	15.7
Purchase of own shares	–	–	(14.5)	–	(14.5)
Share-based payments charge	–	–	–	3.5	3.5
Share-based payments	–	–	2.8	(2.8)	–
Balance at 30 April 2023	**3.0**	**147.1**	**(18.4)**	**341.2**	**472.9**
Profit for the financial period	–	–	–	4.4	4.4
Purchase of own shares	–	–	(7.2)	–	(7.2)
Share-based payments charge	–	–	–	2.1	2.1
Share-based payments	–	–	2.2	(2.2)	–
Balance at 28 April 2024	**3.0**	**147.1**	**(23.4)**	**345.5**	**472.2**

During the period the Company purchased £7.2 million of own shares to satisfy employee share incentive schemes. The shares were purchased by an Employee Benefit Trust which has been set up for this purpose. The Company adopts a 'look-through' approach which, in substance, accounts for the Trust as an extension of the Company. Own shares are recorded at cost and are deducted from equity. For further detail refer to note C6.

C1. GENERAL INFORMATION

Watches of Switzerland Group PLC (the 'Company') is a public limited company, limited by shares, which is listed on the London Stock Exchange and incorporated and domiciled in England and Wales. The registered number is 11838443 and the address of the registered office is Aurum House, 2 Elland Road, Braunstone, Leicester, LE3 1TT.

These Financial Statements present information about the Company as an individual undertaking and not about its Group. The Financial Statements of Watches of Switzerland Group PLC have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006. The Financial Statements are presented in Pounds Sterling (£), which is the Group's presentational currency, and are shown in £millions to one decimal place.

Accounting policies

The accounting policies set out in the notes below have been applied in preparing the Financial Statements for the 52-week period ended 28 April 2024 and the comparative information presented in these Financial Statements for the 52-week period ended 30 April 2023.

The Company is included within the Consolidated Financial Statements of Watches of Switzerland Group PLC. The Consolidated Financial Statements of Watches of Switzerland Group PLC are prepared in accordance with IFRS and are publicly available. In these Financial Statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

– Reconciliation of the number of shares outstanding from the beginning to end of the period
– The requirement to prepare a statement of cash flows
– Certain disclosures in relation to share-based payments
– Key Management Personnel compensation

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Company is not presented as part of the Financial Statements.

The Company's accounting policies are the same as those set out in note 1 of the Consolidated Financial Statements, except as noted below.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Impairment

The carrying values of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any impairment loss arises, the asset is adjusted to its estimated recoverable amount and the difference is recognised in the Income Statement.

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Share-based payments

Some employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The fair value of the equity-settled awards is calculated at grant date using a Black-Scholes model. The resulting cost is charged in the Income Statement over the vesting period of the option or award and is regularly reviewed and adjusted for the expected and actual number of options or awards vesting. This applies to LTIP Awards, Deferred Share Bonus Schemes, Save as You Earn and Employee Stock Purchase Plan Awards, and Free Share Awards.

Service and non-service performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions that have not been met.

The social security contributions payable in connection with the grant of the share options is determined at each balance sheet date as a liability with the total cost recognised in the Income Statement over the vesting period.

Own shares held

Own shares represent the shares of Watches of Switzerland Group PLC that are held in an Employee Benefit Trust which has been set up for this purpose. The Company adopts a 'look-through' approach which, in substance, accounts for the Trust as an extension of the Company. Own shares are recorded at cost and are deducted from equity.

Financial risk management

The Company's financial risk is managed as part of the Group's strategy and policies as discussed in note 22 of the Consolidated Financial Statements.

Company result for the period

In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the Company has not presented its own Income Statement or Statement of Comprehensive Income.

Directors' remuneration and staff numbers

The Company has no employees other than the Directors, who did not receive any remuneration for their services directly from the Company in either the current or preceding period. Refer to note 23 in the Group Financial Statements for Key Management Personnel compensation.

External Auditor's remuneration

The remuneration paid to the External Auditor in relation to the audit of the Company is disclosed in note 5 of the Consolidated Financial Statements. The fees for the audit of the Company's Financial Statements are borne by a subsidiary of the Company and are not recharged.

C2. FIXED ASSET INVESTMENTS

The Company had the following subsidiaries as at 28 April 2024:

Entity	Principal activity	Country of incorporation	Registered office	Type of share held by the Group	Proportion of ordinary shares held by Group companies
Jewel UK Midco Limited*	Intermediate holding company	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
Jewel UK Bidco Limited	Intermediate holding company	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
Watches of Switzerland Operations Limited	Intermediate holding company	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
Aurum Acquisitions Limited	Intermediate holding company	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
Watches of Switzerland Company Limited	Retailer	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
Mappin & Webb Limited	Trading	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
Goldsmiths Limited	Dormant	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
WoS Dormant 1 Limited	Dormant	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
WoS Dormant 2 Limited	Dormant	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
Aurum Insurance (Guernsey) Limited**	Captive insurance company	Guernsey	Heritage Hall, Le Marchant Street, St Peter Port, Guernsey GY1 4JH	Ordinary	100%
Watches of Switzerland Limited	Dormant	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary & Redeemable preference	100%
Aurum Pension Trustees Limited	Pension trustee company	England and Wales	Aurum House, 2 Elland Road, Braunstone, Leicester LE3 1TT	Ordinary	100%
Watches of Switzerland Group USA Inc	Holding company	USA	3340 NW 53rd Street, Suite 402, Fort Lauderdale, Florida 33309	Ordinary	100%
Watches of Switzerland (Nevada) LLC	Retailer	USA	3340 NW 53rd Street, Suite 402, Fort Lauderdale, Florida 33309	Ordinary	100%
Watches of Switzerland (A/S) LLC	Retailer	USA	3340 NW 53rd Street, Suite 402, Fort Lauderdale, Florida 33309	Ordinary	100%
Watches of Switzerland LLC	Retailer	USA	3340 NW 53rd Street, Suite 402, Fort Lauderdale, Florida 33309	Ordinary	100%
Mayors Jewellers LLC	Retailer	USA	3340 NW 53rd Street, Suite 402, Fort Lauderdale, Florida 33309	Ordinary	100%
Mayors Jewellers Florida LLC	Retailer	USA	3340 NW 53rd Street, Suite 402, Fort Lauderdale, Florida 33309	Ordinary	100%
Watches 60 Greene Inc.	Retailer	USA	3340 NW 53rd Street, Suite 402, Fort Lauderdale, Florida 33309	Ordinary	100%
WOSG (Ireland) Limited	Retailer	Ireland	Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, D02 X288, Ireland	Ordinary	100%
Watches of Switzerland Group (Denmark) Aps	Retailer	Denmark	Store Kongensgade 68, 1264 København K, Denmark	Ordinary	100%
Watches of Switzerland Group (Sweden) AB	Retailer	Sweden	Grey Advokatbyra AB Birger Jarlsgatan 14, Stockholm, 114 34, Sweden	Ordinary	100%
Watches of Switzerland Group (Netherlands) BV	Non-trading	Netherlands	Herikerbergweg 88, 1101CM, Amsterdam, Netherlands	Ordinary	100%
Watches of Switzerland Group (Norway) AS	Non-trading	Norway	Nydalsveien 28 0484, Oslo, Norway	Ordinary	100%
WOSG (Germany) GmbH	Non-trading	Germany	Maximiliansplatz 17, 80333, Munchen, Germany	Ordinary	100%

* Investment in Jewel UK Midco is directly held. All other investments are indirectly held.

** Results of this company are fully taxable in the UK as a controlled foreign company.

C2. FIXED ASSET INVESTMENTS (CONTINUED)

All subsidiary undertakings are included in the Consolidated Financial Statements. The proportion of the voting rights in the subsidiary undertakings held directly by the Company do not differ from the proportion of ordinary shares held.

Investment in subsidiaries at the period end was as follows:

	28 April 2024 £m	30 April 2023 £m
Investment in subsidiaries	**471.9**	471.9

Investments in Company undertakings are recorded at cost, which is the fair value of the consideration paid.

C3. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	28 April 2024 £m	30 April 2023 £m
Amounts owed by Group undertakings	**0.3**	1.4

Amounts owed by Group undertakings are unsecured and repayable on demand.

C4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 April 2024 £m	30 April 2023 £m
Amounts owed to Group undertakings	**–**	(0.8)

Amounts owed to Group undertakings are unsecured and repayable on demand.

C5. FINANCIAL INSTRUMENTS

	28 April 2024 £m	30 April 2023 £m
FINANCIAL ASSETS – HELD AT AMORTISED COST		
Amounts owed by Group undertakings	0.3	1.4
Cash at bank and in hand	–	0.4
	0.3	**1.8**
FINANCIAL LIABILITIES – HELD AT AMORTISED COST		
Amounts owed to Group undertakings	**–**	**(0.8)**

C6. EQUITY

	Nominal value £	Shares	Share capital £m	Share premium £m	Other reserves £m
As at 1 May 2023	**0.0125**	**239,570,297**	**3.0**	**147.1**	**(18.4)**
Purchase of own shares	–	–	–	–	(7.2)
Allocation of own shares	–	–	–	–	2.2
As at 28 April 2024	**0.0125**	**239,570,297**	**3.0**	**147.1**	**(23.4)**

Share capital
239,570,297 ordinary shares of £0.0125 nominal value.

Share premium account
This reserve represents the amount of proceeds received for shares in excess of their nominal value of £0.0125 per share.

Other reserves
During the period the Group purchased £7.2 million of own shares to satisfy employee share incentive schemes. The shares were purchased by an Employee Benefit Trust which has been set up for this purpose. The Company adopts a 'look-through' approach which, in substance, accounts for the Trust as an extension of the Company. Own shares are recorded at cost and are deducted from equity. At the year-end the Company held 3,119,758 (2023: 2,105,220) own shares.

C7. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions under FRS 102.33 'Related Party Transactions' for wholly owned subsidiaries not to disclose intra-group transactions.

C8. SHARE-BASED PAYMENTS

Details of the Company's share-based payments are disclosed within note 21 in the Consolidated Financial Statements.

C9. CONTINGENT LIABILITIES

At the date of signing the accounts, the Company has provided cross guarantee arrangements to Barclays Bank PLC, BNP Paribas London Branch, Citibank N.A. London Branch, Fifth Third Bank National Association, HSBC UK Bank PLC, Lloyds Bank PLC, National Westminster Bank PLC and Northern Bank Limited Trading as Danske Bank in respect of the obligations of certain fellow subsidiary undertakings in relation to the £225.0 million multicurrency revolving loan facility.

C10. POST-BALANCE SHEET EVENTS

On 8 May 2024, the Group signed and completed the acquisition of the entire share capital of Roberto Coin Inc., an associate company of Roberto Coin S.p.A. from Roberto Coin S.p.A., Peter Webster, Co-Founder and President of Roberto Coin Inc., and Pilar Coin. The acquisition was financed via a new $115.0m term loan facility for which the Company has provided cross guarantee arrangements to Barclays Bank PLC and BNP Paribas London Branch in respect of the obligations of certain fellow undertakings.

GLOSSARY

ALTERNATIVE PERFORMANCE MEASURES

The Directors use Alternative Performance Measures (APMs) as they believe these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for performance analysis. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS measures.

The majority of the Group's APMs are on a pre-IFRS 16 basis. This aligns with the management reporting used to inform business decisions, investment appraisals, incentive schemes and banking covenants.

4-Wall EBITDA

Net margin less showroom costs.

Why used

4-Wall EBITDA is a direct measure of profitability of the showroom operations.

Reconciliation to IFRS measures

£million	FY24	FY23
Revenue	1,537.9	1,542.8
Cost of inventory expensed	(981.6)	(972.2)
Other inc. supplier incentives	5.9	5.7
Net margin	**562.2**	**576.3**
Showroom costs	(289.1)	(279.2)
4-Wall EBITDA	**273.1**	**297.1**

Showroom costs includes rental costs on a pre-IFRS 16 basis (i.e. under IAS 17). Refer to the IFRS 16 reconciliations below for further details.

4-Wall EBITDA, EBITDA, Adjusted EBITDA and Adjusted EBIT Margin

For each of these areas as defined above, the Group shows the measures as a percentage of Group revenue.

Why used

Profitability as a percentage of Group revenue is shown to understand how effectively the Group is managing its cost base.

Reconciliation to IFRS measures

£million	FY24	FY23
Revenue	**1,537.9**	**1,542.8**
4-Wall EBITDA	273.1	297.1
	17.8%	*19.3%*
EBITDA (Unadjusted)	187.8	213.0
	12.2%	*13.8%*
Adjusted EBITDA	178.9	201.4
	11.6%	*13.1%*
Adjusted EBIT	134.7	165.1
	8.8%	*10.7%*

Adjusted Earnings Before Interest and Tax (Adjusted EBIT)

Operating profit before exceptional items and IFRS 16 impact.

Why used

Measure of profitability that excludes one-off exceptional costs and IFRS 16 adjustments to allow for comparability between years.

This measure was linked to management incentives in the financial year.

Reconciliation to IFRS measures

Reconciled in note 2 to the Consolidated Financial Statements.

Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA)

EBITDA before exceptional items presented in the Group's Consolidated Income Statement. Shown on a continuing basis and before the impact of IFRS 16.

Why used

Measure of profitability that excludes one-off exceptional items and IFRS 16 adjustments to provide comparability between years. This measure was linked to management incentives in the financial year.

Reconciliation to IFRS measures

Reconciled within note 2 of the Consolidated Financial Statements.

Adjusted Earnings Per Share (Adjusted EPS)

Basic Earnings Per Share before exceptional items and IFRS 16 impact.

Why used

Measure of profitability that excludes one-off exceptional items and IFRS 16 adjustments to provide comparability between years. This measure was linked to management incentives in the financial year.

Reconciliation to IFRS measures

Reconciled within note 9 of the Consolidated Financial Statements.

Adjusted profit before tax (Adjusted PBT)

Profit before tax before exceptional items and IFRS 16 impact.

Why used

Measure of profitability that excludes one-off exceptional items and IFRS 16 adjustments to provide comparability between years.

Reconciliation to IFRS measure

£million	FY24	FY23
Segment profit (as reconciled in note 2 of the Financial Statements)	134.7	165.1
Net finance costs excluding exceptional items (note 7)	(26.6)	(23.1)
IFRS 16 lease interest	20.8	17.2
Adjusted profit before tax	**128.9**	**159.2**

Average selling price (ASP)

Revenue (including sales related taxes) generated in a period from sales of a product category divided by the total number of units of such products sold in such period.

Why used

Measure of sales performance.

Reconciliation to IFRS measures

Not applicable.

Constant currency basis

Results for the period had the exchange rates remained constant from the comparative period.

Why used

Measure of revenue growth that excludes the impact of foreign exchange.

Reconciliation

	(£/US$ million)
FY24 Group revenue (£)	1,537.9
FY24 US revenue ($)	870.3
FY24 US revenue (£) @ FY24 exchange rate	691.8
FY24 US revenue (£) @ FY23 exchange rate	723.4
FY24 Group revenue (£) at constant currency	**1,569.5**
FY24 exchange rate	£1: $1.258
FY23 exchange rate	£1: $1.203

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

EBITDA before exceptional items presented in the Group's Consolidated Income Statement. Shown on a continuing basis before the impact of IFRS 16 and showroom opening and closing costs. These costs include rent (pre-IFRS 16), rates, payroll and other costs associated with the opening or closing of showrooms, or during closures when refurbishments are taking place.

Why used

Measure of profitability that excludes one-off exceptional and non-underlying items, IFRS 16 adjustments and showroom opening and closing costs to allow for comparability between years.

Reconciliation to IFRS measures

£million	FY24	FY23
Adjusted EBITDA	178.9	201.4
Showroom opening and closing costs	8.9	11.6
EBITDA	**187.8**	**213.0**

Exceptional items

Items that in the judgement of the Directors need to be disclosed by virtue of their size, nature or incidence, in order to draw the attention of the reader and to show the underlying business performance of the Group.

Why used

Draws the attention of the reader and to show the items that are significant by virtue of their size, nature or incidence.

Reconciliation to IFRS measures

Disclosed in note 4 of the Group's Consolidated Financial Statements.

Free cash flow

Cash flow shown on a pre-IFRS 16 basis excluding expansionary capex, acquisitions of subsidiaries, exceptional items, financing activities and the purchase of own shares.

Why used

Represents the cash generated from operations including maintenance of capital assets. Demonstrates the amount of available cash flow for discretionary activities such as expansionary capex, dividends or acquisitions.

Reconciliation to IFRS measures

£million	FY24	FY23
Net (decrease)/increase in cash and cash equivalents	(21.5)	31.2
Net financing cash flow	91.7	85.2
Interest paid	(9.2)	(4.7)
Lease payments	(68.1)	(59.2)
Acquisitions	44.2	24.9
Exceptional costs – professional and legal expenses on actual and prospective business acquisitions	2.5	0.9
Expansionary capex	78.0	67.5
Free cash flow	**117.6**	**145.8**

Free cash flow conversion

Free cash flow divided by Adjusted EBITDA.

Why used

Measurement of the Group's ability to convert profit into free cash flow.

Reconciliation to IFRS measures

Free cash flow of £117.6 million divided by Adjusted EBITDA of £178.9 million shown as a percentage.

Liquidity headroom
Liquidity headroom is unrestricted cash plus undrawn available facilities.

Why used
Liquidity headroom shows the amount of unrestricted funds available to the Group.

Reconciliation to IFRS measures

£million	FY24	FY23
Total facility (RCF)	225.0	170.0
Facility drawn	(115.0)	(120.0)
Unrestricted cash (note 15)	99.3	121.6
Total headroom	**209.3**	**171.6**

Net cash/(debt)
Total borrowings (excluding capitalised transaction costs) less cash and cash equivalents and excludes IFRS 16 lease liabilities.

Why used
Measures the Group's indebtedness.

Reconciliation to IFRS measures
Reconciled in note 18 of the Consolidated Financial Statements.

Net margin
Revenue less inventory recognised as an expense, commissions paid to the providers of interest-free credit and inventory provision movements.

Why used
Measures the profit made from the sale of inventory before showroom or overhead costs.

Reconciliation to IFRS measures
Refer to 4-Wall EBITDA.

Return on Capital Employed (ROCE)
Return on Capital Employed (ROCE) is defined as Adjusted EBIT divided by average capital employed, calculated on a Last Twelve Months (LTM) basis. Average capital employed is total assets less current liabilities excluding IFRS 16 lease liabilities.

Why used
ROCE demonstrates the efficiency with which the Group utilises capital. This measure was linked to management incentives in the financial year.

Reconciliation to IFRS measures
Adjusted EBIT of £134.7 million divided by the average capital employed, which is calculated as follows:

£million	FY24	FY23
Pre-IFRS 16 total assets	958.9	882.6
Pre-IFRS 16 current liabilities	(229.7)	(231.6)
Capital employed	729.2	651.0
Average capital employed	**690.1**	**591.4**

OTHER DEFINITIONS

Expansionary capital expenditure/capex
Expansionary capital expenditure relates to new showrooms, offices, relocations or refurbishments greater than £250,000.

Luxury watches
Watches that have a Recommended Retail Price greater than £1,000.

Luxury jewellery
Jewellery that has a Recommended Retail Price greater than £500.

Showroom maintenance capital expenditure/capex
Capital expenditure which is not considered expansionary.

IFRS 16 adjustments

The following tables reconcile from pre-IFRS 16 balances to statutory post-IFRS 16 balances.

FY24 Consolidated Income Statement

£million	Pre-IFRS 16 and exceptional items	IFRS 16 adjustments	Exceptional items	Statutory
Revenue	**1,537.9**	**–**	**–**	**1,537.9**
Net margin	**562.2**	**–**	**1.7**	**563.9**
Showroom costs	(289.1)	64.9	–	(224.2)
4-Wall EBITDA	**273.1**	**64.9**	**1.7**	**339.7**
Overheads	(85.3)	–	(6.2)	(91.5)
EBITDA	**187.8**	**64.9**	**(4.5)**	**248.2**
Showroom opening and closing costs	(8.9)	5.3	–	(3.6)
Adjusted EBITDA	**178.9**	**70.2**	**(4.5)**	**244.6**
Depreciation, amortisation, loss on disposal, impairment of fixed assets and lease modifications	(44.2)	(53.0)	(27.4)	(124.6)
Adjusted EBIT (Segment profit)	**134.7**	**17.2**	**(31.9)**	**120.0**
Net finance costs	(5.8)	(20.8)	(1.3)	(27.9)
Adjusted profit before tax	**128.9**	**(3.6)**	**(33.2)**	**92.1**
Adjusted basic Earnings Per Share	**38.0p**	**(1.2)p**	**(11.8)p**	**25.0p**

FY23 Consolidated Income Statement

£million	Pre-IFRS 16 and exceptional items	IFRS 16 adjustments	Exceptional items	Statutory
Revenue	**1,542.8**	**–**	**–**	**1,542.8**
Net margin	**576.3**	**–**	**–**	**576.3**
Showroom costs	(279.2)	56.2	–	(223.0)
4-Wall EBITDA	**297.1**	**56.2**	**–**	**353.3**
Overheads	(84.1)	–	(0.9)	(85.0)
EBITDA	**213.0**	**56.2**	**(0.9)**	**268.3**
Showroom opening and closing costs	(11.6)	7.1	–	(4.5)
Adjusted EBITDA	**201.4**	**63.3**	**(0.9)**	**263.8**
Depreciation, amortisation, loss on disposal, impairment of fixed assets and lease modifications	(36.3)	(49.6)	0.7	(85.2)
Adjusted EBIT (Segment profit)	**165.1**	**13.7**	**(0.2)**	**178.6**
Net finance costs	(5.9)	(17.2)	(0.7)	(23.8)
Adjusted profit before tax	**159.2**	**(3.5)**	**(0.9)**	**154.8**
Adjusted basic Earnings Per Share	**52.7p**	**(1.2)p**	**(0.3)p**	**51.2p**

FY24 Balance Sheet

£million	Pre-IFRS 16	IFRS 16 adjustments	Post-IFRS 16
Goodwill and intangibles	215.7	–	215.7
Property, plant and equipment	193.1	(1.7)	191.4
IFRS 16 right-of-use assets	–	381.8	381.8
Inventories	393.3	–	393.3
Trade and other receivables	36.2	(11.6)	24.6
Trade and other payables	(263.3)	46.8	(216.5)
IFRS 16 lease liabilities	–	(460.4)	(460.4)
Net cash	0.7	–	0.7
Other	(29.2)	21.6	(7.6)
Net assets	**546.5**	**(23.5)**	**523.0**

FY23 Balance Sheet

£million	Pre-IFRS 16	IFRS 16 adjustments	Post-IFRS 16
Goodwill and intangibles	200.4	–	200.4
Property, plant and equipment	159.9	(5.5)	154.4
IFRS 16 right-of-use assets	–	359.1	359.1
Inventories	356.0	–	356.0
Trade and other receivables	29.4	(9.6)	19.8
Trade and other payables	(259.0)	39.4	(219.6)
IFRS 16 lease liabilities	–	(410.4)	(410.4)
Net cash	16.4	–	16.4
Other	(15.3)	8.5	(6.8)
Net assets	**487.8**	**(18.5)**	**469.3**

SHAREHOLDER INFORMATION FOR WATCHES OF SWITZERLAND GROUP PLC

COMPANY

Watches of Switzerland Group PLC

Registered office address

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Registered in England and Wales

Company Number: 11838443
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Corporate solicitors

Slaughter and May, One Bunhill Row, London, EC1Y 8YY

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Jefferies International Limited, 100 Bishopsgate, London, EC2N 4JL

Financial PR

Headland PR Consultancy LLP, Cannon Green, 27 Bush Lane, London, EC4R 0AA

FINANCIAL CALENDAR

Trading update:	3 September 2024
AGM:	3 September 2024
H1 FY25 results:	December 2024
Holiday trading update:	January 2025
Financial year-end:	April 2025

ANNUAL GENERAL MEETING

The AGM will be held at 2.30pm on Tuesday 3 September 2024 at our offices at 36 North Row, London, W1K 6DH. The Notice of Meeting which accompanies this report and accounts sets out the business to be transacted.

SHAREHOLDING INFORMATION

Registrars

Please contact our Registrar Equiniti directly for all enquiries about your shareholding. Visit their website shareview.co.uk for online information about your shareholding. You will need your shareholder reference number which can be found on your share certificate or telephone the Registrar direct on +44 (0)371 384 2577. The overseas shareholder helpline number is +44 (0)371 384 2577. Lines are open 8.30am to 5.30pm Monday to Friday.

For more information see thewosgroupplc.com/investors/shareholder-contacts.

FORWARD LOOKING STATEMENTS

Cautionary statement: The Annual Report and Accounts contains certain forward looking statements with respect to the operations, performance and financial conditions of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward looking statements reflect knowledge and information available at the date of preparation of this Annual Report and Accounts and the Company undertakes no obligation to update these forward looking statements. Nothing in this Annual Report and Accounts should be construed as a profit forecast. Certain regulatory performance data contained in this Annual Report and Accounts is subject to regulatory audit.

TERMS USED IN THIS REPORT

The term 'Group' means Watches of Switzerland Group PLC (Company registration number 11838443) and its subsidiaries.

ONLINE ANNUAL REPORT

Our Annual Report and Accounts is available online. View or download the full Annual Report and Accounts from: thewosgroupplc.com/investors/results-centre.

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