

# **Waterstones Booksellers Ireland Limited**

Annual Report and Financial Statements

53 weeks ended 3 May 2025

## **COMPANY INFORMATION**

### **DIRECTORS**

S McCorry  
A J Daunt  
K Skipper  
K Ashworth

### **SECRETARY**

Wilton Secretarial Limited

### **REGISTERED OFFICE**

6th Floor  
2 Grand Canal Square  
Dublin 2

### **COMPANY NUMBER**

362624

### **AUDITOR**

Ernst & Young  
Chartered Accountants and Statutory Audit Firm  
The Atrium  
Maritana Gate  
Waterford

### **BANKERS**

Bank of Ireland  
2 College Green  
Dublin 2

### **SOLICITORS**

William Fry  
6th Floor  
2 Grand Canal Square  
Dublin 2

## DIRECTORS' REPORT

The Directors submit their Report and financial statements for the 53 weeks ended 3 May 2025 which were approved by the Board on 3 September 2025.

These financial statements are made up to the closest Saturday to 30 April each year. Consequently, the financial statements for the current period cover the 53 weeks ended 3 May 2025, whilst the comparative period covered the 52 weeks ended 27 April 2024.

### Principal activities

The Company is part of the Waterstones group of companies ("Waterstones"). Waterstones operates as a leading retailer of books, stationery and other related products through a chain of bookshops in the United Kingdom, the Republic of Ireland, Isle of Man, Jersey, the Netherlands and Belgium, and online through the Waterstones.com e-commerce website. Waterstones also sells coffee and food from cafés and restaurants within many of its shops, hosts public and private events and supports a large number of literary festivals.

### Review of the business

Waterstones sales continue to grow year on year with strong performances across geographical areas, product categories and sales channels as it benefits from the enduring popularity of both reading and physical bookshops. The Company continues to invest in both our people and the shops as it seeks to improve the standards of bookselling within its shops by enhancing the range of books and related product offering, continues training and enhanced career development of its booksellers and targeted investment in the shops and operational infrastructure. In 2025, this has included a significant investment in the refurbishment of the Hodges Figgis flagship store in Dublin.

Sales for the 53 week period ended 3 May 2025 were €14,577,000 (2024: €13,794,000) resulting in an operating profit of €2,020,000 (2024: €2,867,000).

The profit after tax amounted to €1,531,000 (2024: €3,302,000). No dividend was paid or proposed for the period (2024: €23,276,000) with the profit being transferred to reserves.

### Principal risks and uncertainties

The principal risks relevant to the Company are identified as follows:

- (i) a cyber security breach or data loss event that compromises customer, employee, or company data, disrupts operations, or damages reputation and stakeholder trust;
- (ii) the competitive nature of its markets, with particular emphasis on the e-commerce strength of Amazon and developing methods of digital delivery of products and content;
- (iii) the general sensitivity of customer confidence and spending in an economic downturn;
- (iv) disruption and cost within the supply chain and tariffs globally affects international customer purchases, and further damages consumer confidence;
- (v) the seasonality of the business, with the reliance on Christmas performance for a high percentage of annual profitability;
- (vi) maintaining appropriate commercial agreements with key suppliers;
- (vii) the reliability of the Company's and key suppliers' supply chains and increasing costs;
- (viii) a failure to sustain or protect the Company's reputation and brand;
- (ix) the maintenance and development of information technology and logistics systems; and
- (x) attracting, motivating and retaining key staff.

The Directors ensure that management of these principal risks and uncertainties is addressed in the preparation of, and subsequent monitoring of performance against, Waterstones' strategic and operational plans and policies. The issues considered include both the risk of physical disruption to the business from climate change, and the risks and opportunities as the global economy transitions to significantly lower carbon emissions. In the current period, the Directors concluded that climate-related risks did not rise to the level of a principal risk, but have identified the climate transition as an emerging risk due to its intensifying importance to all stakeholders.

## DIRECTORS' REPORT (CONTINUED)

### Directors

The names and nationalities of the Directors who served during the period under review and up to and including the date of this Report are as follows:

S McCorry (Irish)  
A J Daunt (British)  
K Skipper (British)  
K Ashworth (British)

None of the Directors or the Secretary in place at the period end had any interests in the Company, nor other group companies, at the beginning of the period or at the end of the period.

### Directors' liabilities

The Company has granted an indemnity to its Directors against any liability in respect of proceedings brought against them, subject to the conditions of section 235 of the Companies Act 2014. Such indemnity remains in force at the date of the approval of the Directors' Report.

### Future developments

The Directors aim to continue the programme of investment and change to secure the future of Waterstones as a quality bookselling business.

### Financial risk factors

The Company's exposure to, and management of, liquidity risk, credit risk and foreign exchange risk is set out below:

#### *Liquidity risk*

During the period under review, the Company had sufficient funds to satisfy its current requirements.

#### *Credit risk*

The Company operates as a retailer and therefore credit risk from trade receivables is limited. Allowances are made for doubtful debts based on the age of the debt and the customer's financial circumstances.

#### *Foreign exchange risk*

Foreign exchange risk is monitored on a regular basis and forward foreign exchange contracts can be used to hedge the foreign exchange risk of imports where volumes are significant. No speculative positions are entered into.

### Subsequent events

As at date of the approval of these accounts, a £50m term loan and £50m rolling credit facility (which was undrawn at 3 May 2025) held by the Company's immediate parent undertaking, Book Retail Bidco Limited ("Bidco") and originally due in September 2028, was extended with the same lenders by £25m, creating a £75m term loan and £50m rolling credit facility, which are now due in June 2029. The Company is guarantor to this bank loan facility.

### Accounting records

The Directors are responsible for ensuring that proper accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Company. The Directors have appointed a professionally qualified accountant who reports to the Board and ensures that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with.

During the period under review, the physical accounting records were maintained at the premises of the immediate parent undertaking, Bidco, at 203 - 206 Piccadilly, London, W1J 9HD, England. The accounting system could also be accessed from any of the stores operated by the Company. Copies of the accounting records are available at the Company's registered office and are available for inspection by the Directors.

## DIRECTORS' REPORT (CONTINUED)

### Donations

The Company made charitable donations of €nil (2024: €2,000) in the period under review. It is Company policy not to make donations to political parties and therefore no political donations were made.

### Auditor

The auditor, Ernst & Young, Chartered Accountants and Statutory Audit Firm, will continue in office in accordance with Section 383(2) of the Companies Act 2014.

### Disclosure of information to auditor

Having made the requisite enquiries, so far as the Directors in office at the date of the signing of this Report are aware, there is no relevant audit information of which the auditor are unaware and each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information.

### Going concern

The Directors have considered it appropriate to prepare the financial statements on the going concern basis, as explained in the going concern paragraphs within Note 2 – Accounting policies.

### Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the Directors to prepare financial statements for each financial period. Under the law, the Directors have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

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 assets, liabilities and financial position of the Company at the financial period end date and the profit or loss of the Company for each financial period and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- (i) select suitable accounting policies for the Company financial statements and then apply them consistently;
- (ii) make judgments and accounting estimates that are reasonable and prudent;
- (iii) state that the financial statements comply with applicable accounting standards, including FRS 101, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- (iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Companies Act 2014, and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



**A J Daunt**  
Director

Date: 3 September 2025



**K Ashworth**  
Director

Date: 3 September 2025



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERSTONES BOOKSELLERS IRELAND LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Waterstones Booksellers Ireland Limited ('the Company') for the 53 week period ended 3 May 2025, which comprise income statement, statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 3 May 2025 and of its profit for the period then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERSTONES BOOKSELLERS IRELAND LIMITED**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial 53 week period ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERSTONES BOOKSELLERS IRELAND LIMITED**

### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has 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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

#### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

A handwritten signature in black ink, appearing to read 'B. Devereux', written over a horizontal line.

Brian Devereux

for and on behalf of

Ernst & Young Chartered Accountants and Statutory Audit Firm

Waterford

Date: 04 September 2025

**INCOME STATEMENT**

For the 53 weeks ended 3 May 2025 and 52 weeks ended 27 April 2024

	Notes	2025 €000	2024 €000
Revenue	3	14,577	13,794
Cost of sales		(12,163)	(10,598)
Gross profit		2,414	3,196
Administrative expenses		(394)	(329)
Operating profit	4	2,020	2,867
Finance costs	8	(273)	(320)
Finance income	9	42	1,435
Profit before taxation		1,789	3,982
Income tax expense	10	(258)	(680)
Profit for the period attributable to equity holders of the Company		1,531	3,302

The financial statements are made up to the closest Saturday to 30 April each year. Consequently, the financial statements for the current period cover the 53 weeks ended 3 May 2025 and the comparative period covered the 52 weeks ended 27 April 2024.

All results in the current and prior period relate to continuing activities.

**STATEMENT OF COMPREHENSIVE INCOME**

For the 53 weeks ended 3 May 2025 and 52 weeks ended 27 April 2024

		2025	2024
	Notes	€000	€000
Profit for the period		1,531	3,302
Other comprehensive (expense) / income that will not be reclassified to profit or loss in subsequent periods:			
Return on defined benefit pension scheme plan assets, excluding amounts included in interest	17	(264)	599
Actuarial gain / (loss) on defined benefit pension scheme	17	1,216	(42)
Tax on items recognised directly in equity	10	(119)	(70)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		833	487
<b>Total comprehensive income for the period</b>		<b>2,364</b>	<b>3,789</b>

**BALANCE SHEET**

	Notes	As at 3 May 2025 €000	As at 27 April 2024 €000
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	11	2,453	1,083
Right-of-use assets	21	5,383	6,379
Retirement benefit asset	17	2,189	1,203
		<b>10,025</b>	<b>8,665</b>
<b>Current assets</b>			
Inventories	12	1,695	1,372
Right of return assets	13	9	8
Trade and other receivables	14	342	450
Cash at bank and on hand	15	4,315	4,403
		<b>6,361</b>	<b>6,233</b>
<b>Total assets</b>		<b>16,386</b>	<b>14,898</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	16	(4,726)	(5,729)
Deferred tax liabilities	10	(269)	(153)
		<b>(4,995)</b>	<b>(5,882)</b>
<b>Current liabilities</b>			
Trade and other payables	18	(1,426)	(1,975)
Income tax payable		(38)	(77)
Amounts due to group undertakings	19	(765)	(441)
Contract liabilities	20	(882)	(849)
Interest-bearing loans and borrowings	16	(1,079)	(837)
		<b>(4,190)</b>	<b>(4,179)</b>
<b>Total liabilities</b>		<b>(9,185)</b>	<b>(10,061)</b>
<b>Net assets</b>		<b>7,201</b>	<b>4,837</b>
<b>Equity</b>			
Issued share capital	22	2	2
Capital contribution	23	1,350	1,350
Retained profits		5,849	3,485
<b>Total equity</b>		<b>7,201</b>	<b>4,837</b>

Approved by the Board of Directors on 3 September 2025 and signed on its behalf by:



**A J Daunt**  
Director



**K Ashworth**  
Director

**STATEMENT OF CHANGES IN EQUITY**

Notes	Share capital €000	Share premium €000	Capital contribution €000	Retained (losses) / profits €000	Total €000
At 29 April 2023	2	23,498	1,350	(526)	24,324
Profit for the period	-	-	-	3,302	3,302
Other comprehensive income	-	-	-	487	487
Total comprehensive income	-	-	-	3,789	3,789
Capital reduction	-	(23,498)	-	23,498	-
Dividends paid	-	-	-	(23,276)	(23,276)
At 27 April 2024	2	-	1,350	3,485	4,837
Profit for the period	-	-	-	1,531	1,531
Other comprehensive income	-	-	-	833	833
Total comprehensive income	-	-	-	2,364	2,364
<b>At 3 May 2025</b>	<b>2</b>	<b>-</b>	<b>1,350</b>	<b>5,849</b>	<b>7,201</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Corporate information

The financial statements of Waterstones Booksellers Ireland Limited (the “Company”) for the period ended 3 May 2025 were authorised for issue by the Board on 3 September 2025. The Company is a limited company, incorporated and resident in the Republic of Ireland. Its registered office is at 6th Floor, 2 Grand Canal Square, Dublin 2.

### 2. Accounting policies

#### Basis of preparation

The financial statements of the Company have been prepared in accordance with accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland), including Financial Reporting Standards 101 ‘Reduced Disclosure Framework’ (“FRS 101”) as they apply to the financial statements of the Company for the 53 weeks ended 3 May 2025 and in accordance with the provisions of the Companies Act 2014.

The financial statements are made up to the closest Saturday to 30 April each year. Consequently, the financial statements for the current period cover 53 weeks ended 3 May 2025, whilst the comparative period covered the 52 weeks ended 27 April 2024. The financial statements are prepared in accordance with applicable accounting standards and specifically in accordance with the accounting policies set out below.

The financial statements are prepared on a historical cost basis, except for the Company’s defined benefit pension obligations. The financial statements are presented in Euro (unless otherwise stated), which is the Company’s functional and presentational currency FRS 101, and all values are rounded to the nearest thousand except where otherwise indicated.

The Company has transitioned from EU adopted International Financial Reporting Standards (IFRS) to FRS 101 in the year and there are no material impacts upon this transition. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 1 Presentation of Financial Statements: requirement to disclose comparative information for the reconciliation between the opening and closing carrying amount, for property, plant and equipment and right-of-use assets and also the requirement to disclose a reconciliation of the number of shares outstanding at the beginning and the end of the period;
- IAS 7 Statement of Cash Flows: requirement to present a cash flow statement and related notes;
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: requirement to disclose information when the Company has not applied a new accounting standard which has been issued, but is not yet effective;
- IAS 24 Related Party Transactions: requirement to disclose key management compensation and requirement to disclose related party transactions entered into between two or more members of a group; and
- IFRS 15 Revenue from Contracts with Customers: requirement to certain qualitative and quantitative disclosures and judgements.

In addition, as the equivalent disclosures are included in the consolidated financial statements of the Book Retail Midco Limited, the group in which the Company is consolidated, the Company has also taken advantage of the following exemptions:

- IAS 36 Impairment of Assets: requirement to provide certain disclosures.

The Company’s business activities, together with the factors likely to affect its future development and position, are set out in the Directors’ Report.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)***Going concern*

The Company is a trading company in the Book Retail Midco Group. As at 3 May 2025, the Company had net current assets of €2,171,000. The Company is a party to cross guarantees given for loans and borrowings of the immediate Parent company, Book Retail Bidco Limited, as detailed in note 25 where covenant compliance is measured on the basis of the consolidated results of Book Retail Midco Limited. As a result, the Company's funding requirements are directly linked to the Book Retail Midco Group's overall financial position and as a result the Directors have reviewed the forecasts of the Group to conclude on the appropriateness of the basis of preparation.

The Directors have reviewed cashflow forecasts of the Group for the period to 31 October 2026 ("the going concern period") along with cashflow projection and sensitivities of the Company. This is appropriate due to treasury decisions being taken at the Group level. This assessment has considered a going concern period extended beyond the standard 12 months from the date of approval of these financial statements, to align with the Group's quarterly reporting cycles in relation to loan facilities held by the immediate parent.

Due to the size of the Company relative to the Group, the review of cashflow forecasts considers the sales decline required for Waterstones Booksellers Limited, a sister company, to run out of cash or breach the Group's covenants. The base forecast assumes sales for most shops will improve from the period ending 3 May 2025 with further sales improvement in the following year, along with growth in online sales throughout the going concern period.

In June 2025, a £50m loan and £50m rolling credit facility, which was undrawn at 3 May 2025, held by Bidco was replaced, with the existing lenders, by a four year £125m facility (ending June 2029) comprising a £75m term loan and a £50m rolling credit facility.

Severe but plausible downside scenarios have been modelled to understand the impact on the covenant compliance, which would be breached before the overall liquidity of the Group is extinguished. A reverse stress test, including various mitigating actions within management's control has also been modelled, which concludes that Waterstones Booksellers Limited sales would need to decline by over 15% compared to base budget to lead to a breach of covenants. Financial covenants are based on an Adjusted EBITDA (defined as EBITDA post right-of-use asset depreciated charges, lease liability interest, management charges, foreign exchange in intercompany loans and exceptional items). To breach covenant within a 12-month period prior to quarterly testing date the Adjusted EBITDA would have to fall by more than £25m compared to base budget. This decline is significantly below current performance and when considered alongside possible further mitigating actions within management's control that would be available, is considered implausible.

The most significant impacts to the going concern on the Group may be on sales and overheads in relation to continuing inflationary pressures and potential reductions in consumer spending. Several key economic factors have also been considered as part of the going concern review, including rising employment costs, cyber security risks, exchange rate and interest rate fluctuations, conflicts across Europe and Asia and longer-term consumer spending patterns. None of these are expected to lead to a significant impact on the liquidity of the business or on compliance with covenants.

The Directors have concluded from their analysis of current performance, forecasts and cashflow scenarios that the Group will continue to trade at levels which mean that they are able to meet their liabilities as they fall due throughout the going concern period, and also maintain sufficient headroom in relation to the Group's debt covenant under both the current and expected future financing arrangements.

For these reasons, the accounts are prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****Revenue**

Revenue represents the value of the consideration received or receivable for goods sold to customers, net of discounts given and returns expected, excluding value added tax ("VAT") and similar sales-related taxes. It includes book, related product and event ticket sales income.

*Sales of goods*

For goods sold in store, revenue is recognised at the point of sale.

A refund liability is recognised for expected refunds due to customers arising from returns and a right of return asset recognised for the Company's right to recover the goods from the customer. Returns are estimated based on expected value.

*Gift cards*

Sales of gift cards are treated as contract liabilities with the revenue recognised when the gift cards are redeemed. The Company recognises breakage, being the amount attributable to customers' rights to future goods that is expected will never be exercised, in proportion to customers' pattern of redemption.

**Taxes***Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income and equity is recognised in other comprehensive income or equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company offsets current income tax assets and current income tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the current income tax assets and current income tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of income tax liabilities or assets are expected to be settled or recovered.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised directly in other comprehensive income and equity is recognised in other comprehensive income or equity and not in the income statement.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****Taxes (continued)***Sales tax*

Expenses and assets are recognised net of the amount of sales tax, except:

- when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item; or
- when receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Plant and equipment**

The capitalised cost of plant and equipment includes only those costs that are directly attributable to bringing an asset to its working condition for its intended use.

Plant and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any.

Depreciation of plant and equipment is calculated on cost, at rates estimated to write off the cost, less the estimated residual value, of the relevant assets by equal annual amounts over their estimated useful lives.

The annual rates used are:

Plant and equipment 10 to 33<sup>1</sup>/<sub>3</sub>%

An item of plant and equipment is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Accounting policies (continued)

#### Leases

The Company assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Company as a lessee*

The Company applies a single recognition and measurement approach for all leases. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

#### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the most reasonably certain lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Where lease payments are inclusive of other charges, for example, service charges, the Company has elected to combine the charge allocated to the non-lease component with the lease component and account for the combined charge as a single lease component.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Company as a lessee

For rent concessions arising as a direct result of the pandemic, the Company has elected not to assess whether eligible rent concessions are lease modifications. Instead, the concessions have been accounted for as variable lease payments in the period in which the concession is agreed provided that all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Company's lease liabilities are included in interest-bearing loans and borrowings (see Notes 16 and 21).

#### Inventories

Inventories are stated at the lower of cost and net realisable value on a first-in, first-out basis. Net realisable value is based on estimated selling prices. Historical sales performance statistics are used in the formulation of these judgements.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

**Financial assets***Classification*

The Company classifies its financial assets, such as loans to fellow group companies, as financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

*Recognition and measurement*

Financial assets at amortised cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

*Impairment*

For assets carried at amortised cost, the Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

**Financial liabilities**

The Company’s financial liabilities comprise trade and other payables and loans and borrowings.

*Initial recognition and measurement*

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*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortisation is included as finance costs in the income statement.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****Pension costs**

The Company operates a number of pension schemes, the funds of which are held in separate, trustee administered funds.

*Defined benefit pension plan*

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit asset and the return on plan assets (excluding amounts included in net interest on the net defined benefit asset), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Other income and expenses associated with the defined benefit scheme are recognised in the income statement.

*Defined contribution plan*

For the defined contribution scheme, contributions are charged in the income statement as they become payable in accordance with the rules of the scheme.

**Foreign currency translation***Transactions and balances*

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****Impairment of non-financial assets**

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Plant and equipment - Note 11
- Right-of-use assets – Note 21

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value, less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For these assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates.

Significant judgements made in the preparation of the financial statements are set out below:

- Lease accounting – expected lease terms are estimated and reviewed each year. This estimation requires judgements to be made about the expected lease length taking into account the likelihood of exercising termination and extension options.
- Inventory valuation – inventories are valued at the lower of cost and net realisable value, which includes, where necessary, provisions for slow moving and obsolete inventory. Calculation of provisions requires judgements to be made regarding future customer demand, future sales prices and inventory loss trends. Historical sales performance statistics are used in the formulation of these judgements.
- Taxation – calculation of the Company's total tax charge requires a degree of estimation and judgement in respect of the probability that future taxable profits will be available to support the recognition of the deferred tax position. Where the final outcome of these tax matters differs from the amounts that were initially recorded, the tax charge and deferred tax provisions will be impacted.
- Defined benefit pension plan - the discount rate and other assumptions (including future salary increases, mortality rates and future pension increases) used in actuarial valuation may differ from actual developments in the future.

There are no key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period.

**New accounting standards**

The Company has adopted the following amended accounting standards which were mandatory for the first time for the financial period ending 31 May 2025. They have no material impact on the Company.

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; Original issue, effective for annual periods beginning on or after 1 January 2024;
- IFRS S2 Climate-related Disclosures; Original issue, effective for annual periods beginning on or after 1 January 2024;
- IFRS 7 Financial Instruments: Disclosures; Amendments regarding supplier finance arrangements, effective for annual periods beginning on or after 1 January 2024;
- IFRS 16 Leases; Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions, effective for annual periods beginning on or after 1 January 2024;
- IAS 1 Presentation of Financial Statements; Amendments regarding the classification of liabilities and Amendments regarding the classification of debt with covenants, both effective for annual periods beginning on or after 1 January 2024; and
- IAS 7 Statement of Cash Flows; Amendments regarding supplier finance arrangements, effective for annual periods beginning on or after 1 January 2024.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. Revenue**

Revenue disclosed in the income statement is analysed as follows:

	2025	2024
	€000	€000
Sale of goods – Ireland	<b>14,577</b>	13,794
	<b>14,577</b>	13,794

**4. Operating profit**

Operating profit is stated after charging:

	2025	2024
	€000	€000
Depreciation of plant and equipment (Note 11)	<b>255</b>	119
Depreciation of right-of-use assets (Note 21)	<b>996</b>	895
Cost of inventories recognised as an expense	<b>6,417</b>	6,021
Increase in obsolete inventory provisions	<b>35</b>	23
Net foreign exchange loss	<b>26</b>	22
Other operating expenses:		
Management fees charged by other group companies	<b>394</b>	329

**5. Auditor remuneration**

	2025	2024
	€000	€000
Audit of the financial statements	<b>62</b>	57

The audit fee disclosed above represents the statutory audit fee for the Company.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6. Directors' emoluments**

	2025	2024
	€000	€000
Directors' emoluments	83	72
Company contributions to defined benefit pension schemes	16	15
	<b>99</b>	<b>87</b>

Some of the directors are remunerated by another group company. The amounts above include amounts recharged to the Company for services provided to the Company, but exclude amounts recharged to other group companies for services provided to other group companies. The recharge is based on management's best estimate of the time spent.

One (2024: one) Director is accruing retirement benefits under a defined benefit pension scheme, and two (2024: one) Directors are accruing benefits under a defined contribution pension scheme.

**7. Employee costs**

Employee costs, including directly employed Directors' emoluments:

	2025	2024
	€000	€000
Wages and salaries	2,459	2,088
Social security costs	263	222
Other pension costs:		
Defined benefit (Note 17)	86	88
Defined contribution (Note 17)	31	27
	<b>2,839</b>	<b>2,425</b>

The average monthly number of people employed by the Company during the period was 76 (2024: 76), all of whom were employed in sales.

**8. Finance costs**

	2025	2024
	€000	€000
Interest on lease liabilities (Note 21)	273	320
	<b>273</b>	<b>320</b>

**9. Finance income**

	2025	2024
	€000	€000
Interest receivable from fellow subsidiary undertakings	-	1,413
Defined benefit pension scheme interest income (Note 17)	42	22
	<b>42</b>	<b>1,435</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10. Income tax**

The major components of income tax expense for the 53 weeks ended 3 May 2025 and the 52 weeks ended 27 April 2024 are:

**Income statement**

	2025	2024
	€000	€000
Irish current income tax, current period	273	1,018
Irish current income tax, prior periods	(12)	1
Total current income tax	261	1,019
Deferred tax, current period	(13)	(338)
Deferred tax, prior periods	10	(1)
Total deferred tax	(3)	(339)
Total income tax expense reported in the income statement	258	680

**Statement of other comprehensive income**

	2025	2024
	€000	€000
Deferred tax related to items recognised in other comprehensive income:		
Remeasurement gain on defined benefit plans	119	70
Deferred tax charged to other comprehensive income	119	70

The reconciliation of tax expense and accounting profit multiplied by the Company's tax rate for the 53 weeks ended 3 May 2025 and the 52 weeks ended 27 April 2024 is as follows:

	2025	2024
	€000	€000
Accounting profit before income tax	1,789	3,982
At the Company's statutory income tax rate of 12.5% (2024: 12.5%)	224	498
Effects of:		
Expenses not deductible for tax purposes	4	2
OECD Pillar 2 Top-up Tax	32	-
Adjustments in respect of prior period	(2)	-
Difference in tax rate on interest	-	180
At effective tax rate of 14.4% (2024: 17.0%)	258	680

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10. Income tax (continued)****Deferred tax***Provided deferred tax*

Deferred tax relates to the following:

	Balance sheet		Income statement	
	2025	2024	2025	2024
	€000	€000	€000	€000
Fixed assets	(49)	(27)	22	(4)
Temporary timing differences	-	-	-	(394)
Temporary differences relating to defined benefit pension scheme	(273)	(150)	4	1
Leases	53	24	(29)	58
Deferred tax credit			(3)	(339)
Net deferred tax liability	(269)	(153)		

The movement in the deferred tax balance is set out below:

	€000	€000
At 27 April 2024 / 29 April 2023	(153)	(422)
Tax credit for the period recognised in the income statement	3	339
Tax expense for the period recognised in the statement of other comprehensive income	(119)	(70)
At 3 May 2025 / 27 April 2024	(269)	(153)

*Unprovided deferred tax*

There are no unprovided deferred tax assets or liabilities at the current or prior period end.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****11. Plant and equipment**

	Plant and equipment €000
Cost at 27 April 2024	2,961
Additions	1,625
Disposals	(267)
<b>Cost at 3 May 2025</b>	<b>4,319</b>
Depreciation at 27 April 2024	1,878
Charge for period	255
Depreciation on disposals	(267)
<b>Depreciation at 3 May 2025</b>	<b>1,866</b>
<b>Net book value at 3 May 2025</b>	<b>2,453</b>
Net book value at 27 April 2024	1,083

Plant and equipment is reviewed for impairment / reversal of an impairment if events or changes in circumstances indicate that the carrying value may not be recoverable or that a previously recognised impairment loss may have reversed. When a review for impairment / reversal of an impairment is conducted, the recoverable amount of an asset or a CGU is based on the value in use calculation prepared using management assumptions and estimates. Identification of a CGU involves significant judgement regarding largely independent cash flows and geographical proximity of stores.

An impairment review of plant and equipment was carried out based on prevailing market trading conditions. No impairment was identified from this review.

**12. Inventories**

	2025 €000	2024 €000
Cost of inventory	1,866	1,515
Inventory provisions	(171)	(143)
	<b>1,695</b>	1,372

Inventories primarily comprise goods for resale. The replacement cost of inventories is considered to be not materially different from the balance sheet value.

**13. Right of return assets**

Right of return assets comprise the Company's right to recover goods from the customer under its returns policy.

The Company uses the expected value method to estimate the value of goods that will be returned. The revenue relating to expected returns is deferred and recorded in trade and other payables. The carrying value of the inventory expected to be returned is recorded as a right of return asset.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****14. Trade and other receivables**

	2025	2024
	€000	€000
Current:		
Trade receivables	17	29
Other receivables	76	150
VAT receivable	74	103
Prepayments and accrued income	175	168
	<b>342</b>	<b>450</b>

The carrying value of trade and other receivables approximates to fair value.

Trade receivables are stated net of a provision for impairment of €nil (2024: €nil). Trade receivables are non-interest-bearing and are generally settled on 30-day terms.

Other receivables are non-interest bearing.

**15. Cash at bank and on hand**

	2025	2024
	€000	€000
Cash at bank and on hand	<b>4,315</b>	4,403
	<b>4,315</b>	4,403

**16. Interest-bearing loans and borrowings**

	2025	2024
	€000	€000
Non-current:		
Lease liabilities	<b>4,726</b>	5,729
	<b>4,726</b>	5,729
Current:		
Lease liabilities	<b>1,079</b>	837
	<b>1,079</b>	837

Further information about the lease liabilities is provided in Note 21.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****17. Pension arrangements**

During the period under review, the Company's employees were entitled to be members of either a Pension Saver Plan or a Pension Benefit Scheme.

**Pension Saver Plan ("the Plan")**

The Plan is of the defined contribution type and is open to all employees of the Company who have completed three months' service. Members can choose to pay from 2% to 6.5% of pensionable pay. The Company matches the amount paid by the member up to a maximum of 6.5% of pensionable pay. Members have a choice of ways to invest their and the Company's contributions in an individual fund to buy pension benefits of their choice. The Company's employer contributions to the Plan for the period ended 3 May 2025 were €31,000 (2024: €27,000). At the period end there were €10,000 (2024: €10,000) outstanding contributions due to the Plan.

**Pension Benefit Scheme ("the Scheme")**

The Scheme, which is based in Ireland and is of the defined benefit type, is closed to new members. The assets of the Scheme are held separately from those of the Company. An actuarial valuation took place as at 30 June 2022 and at that date the market value of the assets was sufficient to cover 101% of the value of the liabilities of the Scheme, representing a funding surplus of €87,000. The future service contribution rate continues at 34.9% of pensionable salaries, made up of an employer rate of 27.4% and an employee rate of 7.5%. The next actuarial review will take place with an effective date no later than 30 June 2025.

Employer contributions to the Scheme for the period ended 3 May 2025 were €79,000 (2024: €76,000). The total employer contributions to the defined benefit plan for the financial period commencing on 4 May 2025 are expected to be €78,000.

Amounts reflected in the financial statements in respect of the Scheme are determined with the advice of independent qualified actuaries, Willis Towers Watson, on the basis of annual valuations using the projected unit funding method. Scheme assets are stated at their market value at the respective balance sheet dates.

The major assumptions used in the calculations are as follows:

	<b>As at 3 May 2025</b>	<b>As at 27 April 2024</b>
	<b>% per annum</b>	<b>% per annum</b>
Rate of price inflation	<b>2.00</b>	2.50
Rate of salary increase	<b>2.00</b>	2.70
Rate of increase for pensions in payment	<b>2.00</b>	2.50
Rate of increase for deferred benefits	<b>2.00</b>	2.50
Rate used to discount scheme liabilities	<b>3.70</b>	3.50

The mortality assumption used at 3 May 2025 and 27 April 2024 is 62% of PNML00 for males and 70% of PNFL00 for females, both with an increase in annuity value of 0.39% p.a. between 2008 and the member's normal retirement date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****17. Pension arrangements (continued)****Pension Benefit Scheme (“the Scheme”) (continued)**

On the basis of these assumptions, the amounts charged or credited to the income statement and statement of comprehensive income for the 53 weeks ended 3 May 2025 and the 52 weeks ended 27 April 2024 are set out below:

	2025	2024
	€000	€000
<b>Recognised in the income statement</b>		
Current service cost (Note 7)	<b>(86)</b>	(88)
Total recognised in arriving at operating profit	<b>(86)</b>	(88)
Interest on Scheme liabilities	<b>(301)</b>	(288)
Interest on Scheme assets	<b>343</b>	310
Total recognised in net finance income	<b>42</b>	22
Total income statement charge before deduction for taxation	<b>(44)</b>	(66)
<b>Taken to the statement of comprehensive income</b>		
Return on plan assets, excluding amounts included in interest	<b>(264)</b>	599
Actuarial gains / (losses) arising from changes in:		
Financial assumptions	<b>1,217</b>	64
Experience adjustments	<b>(1)</b>	(106)
Total gain recognised in the statement of comprehensive income	<b>952</b>	557

The assets and liabilities of the Scheme at the end of the period were:

	As at 3 May 2025	As at 27 April 2024
	€000	€000
Quoted securities:		
Securities	<b>3,975</b>	4,625
Debt securities	<b>5,526</b>	4,781
Cash / alternatives	<b>20</b>	98
Unquoted securities:		
Real estate / property	<b>294</b>	294
Total market value of assets	<b>9,815</b>	9,798
Actuarial value of Scheme liabilities	<b>(7,626)</b>	(8,595)
Surplus in the Scheme	<b>2,189</b>	1,203
Deferred tax (Note 10)	<b>(273)</b>	(150)
Net pension asset	<b>1,916</b>	1,053

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****17. Pension arrangements (continued)****Pension Benefit Scheme (“the Scheme”) (continued)**

The pension plans have not invested in any financial instruments issued by the wider Elliott funds, nor in properties or other assets used by the Company.

The following table shows the expected contributions to the defined benefit plan in future years:

	2025	2024
	€000	€000
Within the next 52 weeks	78	78
Between 2 and 5 years	315	332
Between 5 and 10 years	101	185
<b>Total expected payments</b>	<b>494</b>	<b>595</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 19.7 years (2024: 20.0 years). This number can be subdivided into the duration related to:

Type of member	Average duration
Active members	19.9 years (2024: 20.0 years)
Pensioners	10.9 years (2024: 11.0 years)
Deferred members	21.3 years (2024: 21.5 years)

Changes in the fair value of the Scheme assets are analysed as follows:

	2025	2024
	€000	€000
Total market value of assets at the beginning of the period	9,798	8,865
Benefits paid	(161)	(73)
Employer contributions	79	76
Employee contributions	20	21
Interest on Scheme assets	343	310
Return on plan assets, excluding amounts included in interest	(264)	599
<b>Total market value of assets at the end of the period</b>	<b>9,815</b>	<b>9,798</b>

Changes in the present value of the Scheme liabilities are analysed as follows:

	2025	2024
	€000	€000
Defined benefit pension obligations at the beginning of the period	(8,595)	(8,229)
Benefits paid	161	73
Current service cost	(86)	(88)
Interest on Scheme liabilities	(301)	(288)
Employee contributions	(21)	(21)
Actuarial gain / (loss)	1,216	(42)
<b>Defined benefit pension obligation at the end of the period</b>	<b>(7,626)</b>	<b>(8,595)</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****17. Pension arrangements (continued)****Pension Benefit Scheme (“the Scheme”) (continued)***History of experience gains and losses*

	2025	2024	2023	2022	2021
	€000	€000	€000	€000	€000
Fair value of Scheme assets	9,815	9,798	8,865	9,672	10,081
Present value of defined benefit obligation	(7,626)	(8,595)	(8,229)	(9,993)	(10,188)
Surplus / (deficit) in the Scheme	2,189	1,203	636	(321)	(107)
Experience adjustments arising on Scheme assets	(264)	598	(1,081)	(544)	790
Gain / (loss) on assumptions	1,217	64	2,014	696	(575)
Experience adjustments arising on Scheme liabilities	(1)	(106)	85	(338)	856

The main risks that the Scheme is exposed to are as follows:

- (i) the assets may grow more slowly than expected, or even fall in value, depending on the performance of underlying markets and the securities chosen; and
- (ii) the liabilities may grow faster than expected due to higher salary or pension increases, or due to unfavourable movements in interest rates, or due to mortality and other elements of the Scheme’s experience varying from the assumptions made.

In order to mitigate against these risks, the Trustee has appointed independent professional investment managers to manage the funds which the Trustee has selected on advice. Investment managers invest in a wide range of assets within set criteria which are unique to each fund.

The sensitivities regarding the principal assumptions used to measure the Scheme liabilities are set out below:

Assumption	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase by 0.25%	Decrease of €381,000
Price inflation	Increase by 0.25%	Increase of €381,000
Salary increase	Increase by 0.25%	Increase of €76,000
Post-retirement mortality	Life expectancy increase by one year	Increase of €305,000

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****18. Trade and other payables**

	2025	2024
	€000	€000
Current:		
Trade payables	738	932
Employment related taxes	64	48
Other payables	289	313
Accruals	335	682
	<b>1,426</b>	<b>1,975</b>

The carrying value of trade and other payables approximates to fair value. Trade payables are non-interest-bearing and are generally settled on 30 to 60 day terms. Other payables and accruals are non-interest-bearing.

**19. Amounts due to group undertakings**

	2025	2024
	€000	€000
Current:		
Amounts due to fellow subsidiary undertakings	765	441
	<b>765</b>	<b>441</b>

Amounts due to fellow subsidiary undertakings relate to intercompany trading and are usually settled monthly, with no interest charged.

**20. Contract liabilities**

Contract liabilities comprise consideration received for performance obligations that have not been satisfied by the Company at the period end arising from the sale of gift cards.

**Balances and movement in the period**

	2025	2024
	€000	€000
Contract liabilities	882	849
	<b>882</b>	<b>849</b>
Revenue recognised in the period from:		
Amounts recognised in contract liabilities at the beginning of the period	154	80
	<b>154</b>	<b>80</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****21. Leases**

The Company leases stores for use in its operations.

*Right-of-use assets*

	Leasehold property €000
As at 27 April 2024	6,379
Depreciation charge for period	(996)
<b>As at 3 May 2025</b>	<b>5,383</b>

Right-of-use assets are reviewed for impairment / reversal of an impairment if events or changes in circumstances indicate that the carrying value may not be recoverable or that a previously recognised impairment loss may have reversed. When a review for impairment / reversal of an impairment is conducted, the recoverable amount of an asset or a CGU is based on the value in use calculation prepared using management assumptions and estimates. Identification of a CGU involves significant judgement regarding largely independent cash flows and geographical proximity of stores. An impairment review of right-of-use assets was carried out based on prevailing market trading conditions. No impairment was identified from this review.

*Lease liabilities*

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	€000	€000
Balance at 27 April 2024 / 29 April 2023	6,566	7,096
Additions	-	820
Accretion of interest	273	320
Non-cash reduction in lease liabilities arising from Covid-19 concessions	-	(164)
Payments	(1,034)	(1,506)
<b>As at 3 May 2025 / 27 April 2024</b>	<b>5,805</b>	<b>6,566</b>
<b>Current (Note 16)</b>	<b>1,079</b>	<b>837</b>
<b>Non-current (Note 16)</b>	<b>4,726</b>	<b>5,729</b>

Analysis of the maturity profile of the Company's undiscounted lease liabilities at 3 May 2025 and 27 April 2024 is shown below:

	On demand €000	Less than 3 months €000	3 to 12 months €000	1 to 5 years €000	More than 5 years €000	Total €000
Lease liabilities	128	293	880	3,904	1,468	6,673
<b>At 3 May 2025</b>	<b>128</b>	<b>293</b>	<b>880</b>	<b>3,904</b>	<b>1,468</b>	<b>6,673</b>
Lease liabilities	-	235	872	4,160	2,441	7,708
At 27 April 2024	-	235	872	4,160	2,441	7,708

The following are the amounts recognised in profit or loss:

	2025 €000	2024 €000
Depreciation expense of right-of-use assets	996	895
Variable lease payments	-	(164)
Interest expense on lease liabilities	273	320
<b>Total amount recognised in profit or loss</b>	<b>1,269</b>	<b>1,051</b>

The Company had total cash outflows for leases of €1,034,000 (2024: €1,517,000) in the period.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****22. Share capital**

	2025	2024	2025	2024
	Number	Number	€000	€000
<b>Authorised</b>				
Ordinary Shares of €1 each	1,000,000	1,000,000	1,000	1,000
<b>Allotted, called up and fully paid</b>				
Ordinary Shares of €1 each	2,001	2,001	2	2

The Company has one class of share capital, namely €1 ordinary shares. The authorised share capital is €1,000,000 and the issued share capital is €2,001, being 2,001 shares, all of which are fully paid. There are no special rights or preferences attaching to the shares, and there are no restrictions on the distribution of dividends and the repayment of capital.

**23. Reserves****Capital contribution reserve**

The capital contribution reserve is used to record the special contribution into the defined benefit pension scheme of €1,350,000, made by HMV Group plc on the change of ownership of the Company on 28 June 2011.

**24. Contingent liabilities**

The Company is a guarantor to a bank loan facility held by the immediate parent undertaking of the Company, Bidco. Part of the security for this loan facility is a debenture on the assets of the Company.

**25. Subsequent events**

As at date of the approval of these accounts, a £50m term loan and £50m rolling credit facility (which was undrawn at April 2025) held by Bidco and originally due in September 2028, was extended with the same lenders by £25m, creating a £75m term loan and £50m rolling credit facility, which are now due in June 2029. The Company is guarantor to this bank loan facility.

**26. Controlling parties and parent undertakings**

The next senior holding undertaking of the Company is Book Retail Bidco Limited and the ultimate parent company is Book Retail Investco Limited (incorporated in Jersey). Book Retail Investco Limited is wholly owned and controlled by the Elliott funds. The Elliott funds receive investment advice, directly and indirectly, from their investment adviser Elliott Management Corporation, incorporated in Delaware, U.S.A., and its affiliates.

The largest group, including the Company, for which consolidated accounts are prepared is that headed by Bookshop Topco Limited.

The smallest group, including the Company, for which consolidated accounts are prepared is that headed by Book Retail Midco Limited. Copies of the financial statements for Book Retail Midco Limited can be obtained from the Company Secretary, 203-206 Piccadilly, London, W1J 9HD.