Company Number 610095

Waterstone's Booksellers Limited

Report and Accounts

52 weeks ended 28 April 2007

COMPANY INFORMATION

DIRECTORS

S A Blacklock (appointed 1 September 2006)
W E Drinkwater
S R Fox (appointed 28 September 2006)
N J W Jewsbury (appointed 20 October 2006)
G T Johnson
D P Myers
N J M Williams
J R Samols (resigned 22 March 2007)
A J Giles (resigned 28 September 2006)

SECRETARY

E Marriner

REGISTERED OFFICE

Capital Court
Capital Interchange Way
Brentford
Middlesex
TW8 0EX

COMPANY NUMBER

610095

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

DIRECTORS' REPORT

The Directors submit their report and audited financial statements for the 52 weeks ended 28 April 2007, which were approved on behalf of the Board on 22 October 2007

Business review

During the period under review, the Company operated as a bookseller through a chain of general bookshops in the United Kingdom Additionally, the Company launched the Waterstones com e-commerce website in September 2006

The Company traded against the backdrop of an intensely competitive and highly promotional book market that grew by 2 1% over the period Market share fell year on year reflecting the higher growth rates of non-high street competitors, predominantly the supermarkets and the Internet.

The acquisition of Ottakar's plc was completed on 3 July 2006, following which a programme of integration of the Ottakar's book stores with the Waterstone's business was undertaken This included the rebranding of all Ottakar's stores, the implementation of Waterstone's inventory management systems and the consolidation of head office functions The increased scale of the enlarged bookselling business better positions the Company to compete in this changing market.

Exceptional operating costs of £8 2m were incurred in the period, including £4 9m of Ottakar's integration costs and £0 8m of store closure costs as a result of a review of the combined store portfolio Additionally, an assessment of the carrying value of a number of stores resulted in a £2 5m exceptional impairment charge

The profit after deducting taxation amounted to £0 3m (2006 £5 7m) A dividend of £Nil (2006 £19 0m) was paid during the period The Company continues to trade successfully and will continue its existing business for the foreseeable future

Principal risks and uncertainties

The Board of the ultimate parent undertaking, HMV Group plc, has a policy of continuous identification and review of key business risks and uncertainties It oversees the development of processes to ensure that these risks are managed appropriately and operational management are delegated with the tasks of implementing these processes and reporting to the Board on their outcomes The principal risks identified by the Board relevant to the Company are general sensitivity to changes in economic conditions, monitoring agreements with key suppliers, maintaining and developing information technology systems and attracting, motivating and retaining key staff

Directors

The names of the Directors as at the date of this Report are shown on page 1

None of the Directors had any interests in the shares of the Company

DIRECTORS' REPORT (CONTINUED)

Employee policies

The Company is a decentralised organisation with the aim of employing and developing the best people, putting them in the right positions with a significant level of delegated authority and supporting them with the infrastructure and technology required to perform at the highest levels and at the lowest costs with the quickest response time

Responsibility for employment matters therefore rests primarily with each business operation under the general guidance of central policy and procedural guidelines The Company is committed to the maintenance of a work environment free of discrimination on the grounds of gender, nationality, ethnic or racial origin, non-job related disability, sexual orientation or marital status

The Company gives full consideration to applications from disabled persons where a disabled person can adequately fulfil the requirements of the job Where existing employees become disabled, it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate

In order to promote employee involvement in the Company, regular meetings are held between local management and employees to allow a free flow of information and ideas

The Company encourages staff involvement in the performance of its immediate parent undertaking, HMV Group plc, via a combination of employee bonus and share schemes HMV Group plc has established a Share Incentive Plan in which all the Company's employees are entitled to participate provided they meet certain service conditions

Policy on payment of creditors

The Company does not impose standard payment terms on its suppliers but agrees specific terms with each and ensures that each supplier is made aware of such terms It is the Company's policy to pay its suppliers in accordance with the terms that they have agreed The number of days' purchases outstanding at 28 April 2007 is calculated as 69 days (2006 77 days)

Charitable donations

The Company made charitable donations of £8,000 in the period under review (2006 £11,000) It is Company policy not to make donations to political parties and therefore no political donations were made during the period

Auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 1 Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- each Director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

Pursuant to Section 379A of the Companies Act 1985, elective resolutions have been passed dispensing with the requirement to appoint auditors annually and to dispense with the requirement to hold annual general meetings Therefore Ernst & Young LLP are deemed to continue as auditors of the Company

By order of the Board

Elaine Marriner

E Marriner

Secretary
22 October 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the report and financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union

The Directors are required to prepare financial statements for each financial year that present fairly the financial position of the Company and the financial performance and the cash flows of the Company for that period In preparing those financial statements, the Directors are required to

(i) select suitable accounting policies and then apply them consistently,

(ii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,

(iii) provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance,

(iv) state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERSTONE'S BOOKSELLERS LIMITED

We have audited the Company's financial statements for the period ended 28 April 2007, which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related Notes 1 to 28 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985 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 auditors' 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

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements

We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 28 April 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
London

23 OCTOBER 2007.

INCOME STATEMENT

For the 52 weeks ended 28 April 2007 and 29 April 2006

	Notes	Before exceptional items 2007 £000	Exceptional items 2007 £000	Total 2007 £000
Revenue	3,4	**268,370**	**-**	**268,370**
Cost of sales		**(247,367)**	**(3,277)**	**(250,644)**
Gross profit		**21,003**	**(3,277)**	**17,726**
Administrative expenses		**(16,028)**	**(4,913)**	**(20,941)**
Other operating income		**3,705**	**-**	**3,705**
Operating profit	3,5	**8,680**	**(8,190)**	**490**
Finance income	10	**1,177**	**-**	**1,177**
Finance cost	10	**(1,192)**	**-**	**(1,192)**
Profit before taxation		**8,665**	**(8,190)**	**475**
Taxation	11	**(2,482)**	**2,257**	**(225)**
Profit for the period		**6,183**	**(5,933)**	**250**

	Notes	Before exceptional items 2006 £000	Exceptional items 2006 £000	Total 2006 £000
Revenue	3,4	272,389	-	272,389
Cost of sales		(243,754)	(7,148)	(250,902)
Gross profit		28,635	(7,148)	21,487
Administrative expenses		(14,720)	(1,402)	(16,122)
Other operating income		198	-	198
Operating profit	3,5	14,113	(8,550)	5,563
Finance income	10	3,537	-	3,537
Finance costs	10	(11)	-	(11)
Profit before taxation		17,639	(8,550)	9,089
Taxation	11	(5,647)	2,256	(3,391)
Profit for the period		11,992	(6,294)	5,698

See Accounting Policies on pages 9 to 12 for the description of the 2007 and 2006 reporting periods

For details of the exceptional items included above, see note 7

All results relate to continuing activities

STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the 52 weeks ended 28 April 2007 and 29 April 2006

	Notes	2007 £000	2006 £000
Profit for the period		**250**	5,698
Tax on items recognised directly in equity	11	**65**	(200)
Total recognised income and expense for the period		**315**	5,498

BALANCE SHEET

	Notes	As at 28 April 2007 £000	As at 29 April 2006 £000
Assets			
Non-current assets			
Property, plant and equipment	13	**39,165**	41,765
Investments in subsidiaries	14	**90,261**	20,000
Deferred income tax asset	11	**4,628**	4,251
		134,054	66,016
Current assets			
Inventories	16	**36,670**	36,112
Trade and other receivables	15	**26,466**	86,771
Cash and short-term deposits	17	**6,372**	15,339
		69,508	138,222
Total assets		**203,562**	204,238
Liabilities			
Current liabilities			
Trade and other payables	18	**(127,218)**	(125,598)
Current income tax payable		**(1,310)**	(4,699)
Provisions	19	**(2,411)**	(1,574)
		(130,939)	(131,871)
Total liabilities		**(130,939)**	(131,871)
Net assets		**72,623**	72,367
Equity			
Share capital	20	**71,014**	71,014
Retained earnings	22	**1,609**	1,353
Total equity	22	**72,623**	72,367

The financial statements were approved by the Board of Directors on 22 October 2007 and were signed on its behalf by

S R Fox
Director

D P Myers
Director

CASH FLOW STATEMENT

For the 52 weeks ended 28 April 2007 and 29 April 2006

	Notes	2007 £000	2006 £000
Cash flows from operating activities			
Operating profit		**490**	5,563
Depreciation	13	**9,097**	10,008
Impairment charges	13	**2,500**	6,749
Profit on disposal of property, plant and equipment		**(1,811)**	(226)
Equity-settled share-based payment credit	9	**(59)**	(173)
		10,217	21,921
Movement in inventories		**(558)**	(3,237)
Movement in trade and other receivables		**(4,922)**	(2,778)
Movement in trade and other payables		**1,543**	10,208
Movement in provisions		**837**	1,511
Cash generated from operations		**7,117**	27,625
Income tax paid		**(3,926)**	(6,970)
Net cash flows from operating activities		**3,191**	20,655
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(9,301)**	(8,076)
Proceeds from sale of property, plant and equipment		**2,115**	199
Movement in loans to parent and fellow subsidiaries		**65,000**	5,000
Acquisition of subsidiary	14	**(70,261)**	-
Interest received		**1,404**	3,459
Net cash flows from investing activities		**(11,043)**	582
Cash flows from financing activities			
Interest paid		**(1,115)**	(11)
Equity dividends paid	12	**-**	(19,000)
Net cash flows from financing activities		**(1,115)**	(19,011)
Net (decrease) increase in cash and cash equivalents		**(8,967)**	2,226
Opening cash and cash equivalents	17	**15,339**	13,113
Closing cash and cash equivalents	17	**6,372**	15,339

NOTES TO THE FINANCIAL STATEMENTS

1. Authorisation of financial statements and statement of compliance with IFRS

The financial statements of Waterstone's Booksellers Limited for the period ended 28 April 2007 were authorised for issue by the Board on 22 October 2007 and the Balance Sheet was signed on the Board's behalf by S R Fox and D P Myers Waterstone's Booksellers Limited is incorporated and domiciled in England and Wales

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 1985

2. Accounting policies

Basis of preparation

These financial statements are made up to the Saturday on or immediately preceding 30 April each year Consequently, the financial statements for the current period cover the 52 weeks ended 28 April 2007, whilst the comparative period covered the 52 weeks ended 29 April 2006 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 presented in Pounds Sterling and are rounded to the nearest thousand except where otherwise indicated

The Company is exempt from preparing group financial statements as it is itself a subsidiary undertaking under S228 of the Companies Act 1985 These financial statements present information about the Company as an individual undertaking and not about its Group

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 year The nature of estimation means that actual outcomes could differ from those estimates

Investments in subsidiaries

Investments in subsidiaries are recognised at cost. Income is recognised from these investments only in relation to distributions received from post-acquisition profits Distributions received in excess of post-acquisition profits are deducted from the cost of the investment.

Revenue

Revenue represents the value of goods supplied, less discounts given, and is recognised when goods are delivered and title has passed It also includes commission earned on ticket sales and similar activities Revenue excludes value added tax ("VAT") and similar sales-related taxes

Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate Dividend income is recognised when the right to receive payment is established Rental income from sub-let properties is recognised on a straight line basis over the period of the sublease

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the date of the transactions Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at period end rates The resulting foreign exchange differences are dealt with in the determination of profit (loss) for the period

Exceptional items

The Group presents as exceptional items on the face of the income statement those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance Exceptional items recognised in arriving at operating profit include (but are not limited to) those costs associated with integrating a newly acquired business, impairment losses and costs associated with restructuring the business

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

Property, plant and equipment

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

Depreciation of property, 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

Leasehold improvements	Period of the lease
Plant, equipment and vehicles	10 to 33 $^1/_3$%

The carrying values of property, plant and equipment are reviewed for material impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively

Leased assets

In respect of property operating leases, benefits received and receivable as an incentive to sign a lease, such as rent-free periods, premiums payable and capital contributions, are spread on a straight line basis over the lease term All other operating lease payments are charged directly to the income statement on a straight line basis over the lease term The Company has a number of lease agreements in which the rent payable is contingent on revenue, which is expenses in the period in which it is incurred

Impairment of assets

The Company assesses at each reporting date whether there are indicators that an asset may be impaired Assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating units) If any indicator of impairment exists, or when annual impairment testing is required, the Company makes an estimate of the asset's recoverable amount, being the higher of its fair value less costs to sell and its value in use Value in use is the present value of the future cash flows expected to be derived from the asset Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is estimated Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised in the income statement.

If there is an indication at the reporting date that previously recognised impairment losses no longer exist or may have decreased, the recoverable amount is again estimated To the extent that the recoverable amount has increased, the previously recognised impairment loss is reversed An impairment loss in respect of goodwill is not reversed

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 less further costs to be incurred to disposal

Taxation

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred income tax is recognised on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes

Deferred tax liabilities are generally recognised for all temporary differences and deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 income tax asset to be utilised

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date, and is not discounted

Taxation is charged or credited directly to equity if it relates to items that are themselves charged or credited directly to equity, otherwise it is recognised in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

Cash and cash equivalents

Cash and short-term deposits comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less For the purposes of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits less bank overdrafts that are payable on demand

Interest bearing loans and borrowings

Interest bearing loans and borrowings are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method

Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects the risks specific to the liability

Pension costs

The Company's employees participate in the HMV Group Pension Scheme (the "Scheme") The Scheme has two sections – the Pension Benefit Section and the Pension Saver Section

The Pension Benefit Section of the Scheme provides benefits to a number of Group companies There is no contractual agreement or stated policy for allocating a share of the defined benefit obligation to each participating entity Consequently, in accordance with the Amendments to IAS 19 Employee Benefits, the Parent Company, HMV Group plc, recognises the net pension obligation for the Scheme as the sponsoring entity of the defined benefit scheme The Company, as a participating member of the Scheme, accounts for its relevant pension costs on a defined contribution basis

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

Share-based payments

A number of share-based payment schemes are operated by the ultimate parent undertaking, HMV Group plc, in which the Company's employees participate The Company recognises the transfer of equity instruments to its employees as share-based payment transactions within the scope of IFRS 2 *Share-based Payments*

The cost of equity-settled transactions with employees granted on or after 7 November 2002, which had not vested by 1 January 2005, is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award Fair value is determined by using an appropriate pricing model

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market performance conditions, and hence the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity No expense is recognised for awards that do not ultimately vest

3. Segmental information

In the opinion of the Directors, the Company operates in only one business segment – retailing All revenue and operating profit arises in the UK

4. Revenue

Revenue disclosed in the income statement is analysed as follows

	2007	2006
	£000	£000
Sale of goods	**268,370**	272,389
Sublease rental income	**425**	498
Revenue	**268,795**	272,887
Finance income (note 10)	**1,177**	3,537
Total revenue	**269,972**	276,424

5. Operating profit

	2007	2006
	£000	£000
Operating profit is stated after charging (crediting)		
Depreciation of property, plant and equipment	**9,097**	10,008
Cost of inventories recognised as expense	**152,155**	153,224
Write down of inventories	**257**	(8)
Auditor remuneration	**58**	59
Operating lease rentals		
Minimum rentals	**31,708**	29,285
Percentage rentals	**228**	768
Sublease rentals	**(425)**	(498)
	31,511	29,555

The Company leases stores under non-cancellable operating lease agreements that are generally subject to periodic rent review These agreements provide for either or both minimum rentals and percentage rentals based on sales performance

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Fees to auditors

	2007	2006
	£000	£000
Audit of the financial statements	**48**	49
	48	49

The audit fee disclosed above represents the statutory audit fee for the Company However, the Company also bore the cost of the audit of another Group company, resulting in the higher amount disclosed as auditor remuneration in note 5

Fees to auditors for other non-audit services have not been disclosed in accordance with the Companies (disclosure of Auditor Remuneration) Regulations 2005 (Statutory Instrument 2005/2417) This information is disclosed in the consolidated accounts of the parent company, HMV Group plc

7. Exceptional items

	2007	2006
	£000	£000
Recognised in arriving at operating profit		
Impairment of property, plant and equipment	**2,500**	6,749
Costs of Ottakar's integration	**4,913**	-
Restructuring and store closure costs	**777**	1,801
	8,190	8,550

During the year the Company incurred exceptional operating costs of £8,190,000 An impairment charge of £2,500,000 relating to property, plant and equipment has been included within cost of sales (see note 13) Costs of integrating the Ottakar's acquisition of £4,913,000 have been included within administrative expenses, with related store closure costs of £777,000 included within cost of sales A tax credit of £2,257,000 arose in respect of these costs

In the prior period exceptional operating costs of £8,550,000 were incurred This included a £6,749,000 impairment charge within cost of sales following a review of the carrying value of certain retail assets based on current market trading conditions (see note 13) In addition, £1,801,000 was incurred in head office and store restructuring costs, of which £399,000 is included in cost of sales and £1,402,000 is within administrative expenses A tax credit of £2,256,000 arose in respect of these costs

8. Directors' emoluments

	2007	2006
	£000	£000
Emoluments	**1,372**	979
Amounts (excluding shares) receivable under long-term incentive schemes	-	-
Pension contributions	-	16
Termination benefits	**132**	296
	1,504	1,291

Mr Fox and Mr Giles were paid by another Group company for their services to the Group as a whole

Retirement benefits are accruing to all of the Directors under defined benefit pension schemes (2006 five) In addition in 2006, the Company contributed to a separate money purchase plan in respect of four of the Directors None of the Directors exercised options over Ordinary Shares in the parent company, HMV Group plc (2006 four) All of the Directors are entitled to receive shares in HMV Group plc under a long-term incentive scheme

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Directors' emoluments (continued)

The amounts in respect of the highest paid Director were as follows

	2007	2006
	£000	£000
Aggregate emoluments	381	175
Pension contributions	16	-
	397	175

The pension entitlements of the highest paid Director were as follows

	2007	2006
	£000	£000
Accumulated total accrued pension	3	1

9. Employee costs

	2007	2006
	£000	£000
Employee costs, including Directors' emoluments		
Wages and salaries	35,002	33,419
Social security costs	2,616	2,466
Other pension costs (see note 24)	909	1,018
	38,527	36,903

Included in wages and salaries is a total credit for equity-settled share-based payments of £59,000 (2006 £173,000) A credit has arisen in both the current and prior periods as performance conditions for awards vesting have not been met and management have revised their estimate of the achievability of performance conditions relating to awards vesting in future periods

The average number of people employed by the Company during the period was 2,387 (2006 2,733)

10. Net finance costs

	2007	2006
	£000	£000
Total finance income		
From parent and fellow subsidiary undertakings	1,177	3,537
Total finance costs		
Bank loans and overdrafts	(36)	(11)
To parent and fellow subsidiary undertakings	(1,156)	-
Total net finance (costs) income	(15)	3,526

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Taxation

	2007 £000	2006 £000
Taxation recognised in the income statement.		
United Kingdom, current year		
Corporation tax	**537**	4,346
Deferred tax		
United Kingdom	**(312)**	(955)
Total taxation expense in the income statement	**225**	3,391

The tax expense in the current year includes a credit of £2,257,000 (2006 £2,256,000) in relation to the exceptional operating costs of £8,190,000 (2006 £8,550,000), details of which can be found in note 7 The effective tax rate on ordinary activities is 28 6% (2006 32%)

The tax charge is reconciled with the standard rate of UK corporation tax as follows

	2007 £000	2006 £000
Profit before taxation	**475**	9,089
Corporation tax at UK statutory rate of 30%	**143**	2,727
Effects of		
Permanent disallowables	**(258)**	510
Permanent disallowables on exceptional items	**200**	309
Temporary differences relating to prior year periods	**140**	(155)
Total tax charge	**225**	3,391

Tax relating to items charged or credited directly to equity is as follows

	2007 £000	2006 £000
Current taxation relating to share-based payments	**-**	(55)
Deferred taxation relating to share-based payments	**(65)**	255
Tax (credit) charge in the statement of recognised income and expense	**(65)**	200

Deferred Tax

The deferred income tax asset included in the balance sheet is as follows

	2007 £000	2006 £000
Accelerated depreciation for tax purposes	**4,504**	4,088
Other temporary differences	**124**	140
Share-based payments	**-**	23
	4,628	4,251

Unrecognised tax losses
The Company has capital losses of £644,000 (2006 £644,000) that are available indefinitely for offset against future chargeable gains Deferred tax assets have not been recognised in respect of these losses as is not expected that chargeable gains will arise against which these losses can be offset for some time

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Taxation (continued)

Deferred tax in the income statement
The deferred tax included in the income statement is as follows

	2007	2006
	£000	£000
Accelerated depreciation for tax purposes	**(416)**	(2,114)
Other	**104**	(117)
Leases	-	1,173
Share-based payments	-	103
	(312)	(955)

12. Dividends

	2007	2006
	£000	£000
Ordinary dividend of 0p per share for 2007 (2006 26 76p)	-	19,000
	-	19,000

13. Property, plant and equipment

	Plant, equipment and vehicles
	£000
Cost at 30 April 2005	116,155
Disposals	(1,469)
Additions	8,076
Cost at 29 April 2006	122,762
Disposals	(2,476)
Additions	9,301
Cost at 28 April 2007	**129,587**
Depreciation at 30 April 2005	65,736
Charge for period	10,008
Impairment loss	6,749
Disposals	(1,496)
Depreciation at 29 April 2006	80,997
Charge for period	9,097
Impairment loss	2,500
Disposals	(2,172)
Depreciation at 28 April 2007	**90,422**
Net book value at 28 April 2007	**39,165**
Net book value at 29 April 2006	41,765
Net book value at 30 April 2005	50,419

At 28 April 2007, the Company's property, plant and equipment have been written down by £2,500,000 (2006 £6,749,000) following an impairment review of the carrying value of certain retail assets based on current market trading conditions The recoverable amounts of assets were determined from value in use calculations that incorporated five-year cash flow estimates discounted at an appropriate pre-tax discount rate of 10% (2006 10%) The cash flows reflected management's best estimates of revenue, margin and operating costs over the forecast period

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Investments: subsidiaries

	Cost £000	Provision £000	Net book value £000
At 29 April 2006 and 30 April 2005	20,000	-	20,000
Additions	70,261	-	70,261
At 28 April 2007	**90,261**	-	**90,261**

The Company's principal subsidiary undertakings, which are 100% directly owned, are as follows

Name of undertaking	Country of incorporation	Activity
Ottakar's Limited [1]	England	Retailing of books
Fine Recordings Club Limited	England	Non-trading

[1] On 3 July 2006 the Company acquired for cash the entire share capital of Ottakar's Limited Ottakar's is a chain of book stores, which operated from 141 stores in the UK at the date of acquisition

15. Trade and other receivables

	2007 £000	2006 £000
Current		
Trade receivables	**2,369**	1,703
Amounts owed by parent and fellow subsidiary undertakings	**750**	65,297
Other receivables	**6,792**	4,056
Prepayments and accrued income	**16,555**	15,715
	26,466	86,771

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

16. Inventories

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

17. Cash and short-term deposits

For the purposes of the cash flow statement, cash and cash equivalents comprise the following

	2007 £000	2006 £000
Cash at bank and in hand	**6,372**	15,339
	6,372	15,339

Cash at bank earns interest at floating rates based on daily bank deposit rates

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Trade and other payables

	2007 £000	2006 £000
Current		
Trade payables	**28,416**	32,506
Amounts owed to parent and fellow subsidiary undertakings	**67,110**	66,783
Other payables	**13,574**	13,433
Accruals and deferred income	**18,118**	12,876
	127,218	125,598

The carrying value of trade and other payables approximates to fair value

19. Provisions

	Total £000
At 29 April 2006	1,574
Provisions utilised	(1,305)
Charged during the year	2,142
At 28 April 2007	**2,411**

Provisions almost entirely consist of amounts in respect of store closures and restructuring The utilisation of provisions in the year largely reflects store closures The provision created in the year was in respect of costs relating to the integration of the Ottakar's acquisition including related store closures All provisions are expected to be utilised in the forthcoming year

20. Share capital

	2007 Number '000	2006 Number '000	2007 £000	2006 £000
Authorised				
Ordinary Shares of £1 each	**121,014**	121,014	**121,014**	121,014
Allotted, called up and fully paid				
Ordinary Shares of £1 each	**71,014**	71,014	**71,014**	71,014

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Share-based payments

Equity-settled share option plan

Certain of the Company's employees participate in an equity-settled share option plan of the ultimate parent undertaking, HMV Group plc

Until the Initial Public Offering of HMV Group plc in 2002 the Group operated the HMV Group plc Senior Executive Share Option Scheme (the '1998 Scheme') All grants made under the 1998 scheme were subject to performance targets, as follows

- Outstanding grants made on 22 January 1999 remain exercisable following the achievement of the relevant EBITDA targets for the 1998/99, 1999/00 and 2000/01 financial years
- Grants made on 7 September 2001 and 26 February 2002 became exercisable in tranches upon and following the Initial Public Offering of the Company in May 2002 (achievement of the Initial Public Offering being the performance target) The first tranche of these options became exercisable upon the Initial Public Offering The second tranche became exercisable on the first anniversary of the date of Initial Public Offering (May 2003) and the third tranche became exercisable on the second anniversary of the date of Initial Public Offering (May 2004)

Prior to the Initial Public Offering a new executive share option scheme, the HMV Group plc 2002 Executive Share Option Scheme (the '2002 Scheme') was adopted This scheme was used for grants of options from 2002 until the financial year ended 28 April 2007, when it was replaced with the HMV Performance Share Plan (PSP)

Options to acquire shares were granted on an annual basis thus ensuring reward was spread over a number of years and was allied to the long-term growth in shareholder value. Options were granted at the five day average of the market value of the HMV Group plc's shares on the date of grant. The options can normally only be exercised after three years and then subject to the achievement of earnings per share targets imposed at the date of grant. These allow that 40% of the option shall be exercisable if the HMV Group plc's adjusted basic earnings per share exceeds the growth in the Retail Prices Index by at least 3% per annum 100% of the option shall be exercisable if the HMV Group plc's adjusted basic earnings per share growth exceeds the growth in the Retail Prices Index by at least 7% per annum For all options granted to date, earnings per share performance will be assessed on an adjusted UK GAAP basis Vesting will occur on a straight-line basis between these two points If the options remain unexercised after a period of 10 years from the date of grant, the options expire Options are forfeited if the employee leaves the Group before the option vests

The credit for share options in respect of employee services during the period ended 28 April 2007 was £156,000 (2006 £117,000) A credit has arisen in the current period as performance conditions for awards vesting have not been met and management have revised their estimate of the achievability of performance conditions relating to awards vesting in future periods

The movements in the number of share options during the year are detailed in the table below The options outstanding at 28 April 2007 had a weighted average exercise price of 167p (2006 167p) and a weighted average remaining contractual life of 7 5 years (2006 7 6 years) The weighted average share price at the date of exercise for share options exercised during the period was 171p (2006 223p)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Share-based payments (continued)

	2007	2007	2006	2006
	Options	Weighted average exercise price	Options	Weighted average exercise price
	Number	Pence	Number	Pence
Outstanding at beginning of period	**2,929,786**	**201**	3,468,689	177
Granted during the period	**-**	**-**	1,144,826	242
Exercised during the period	**(4,640)**	**156**	(1,050,992)	167
Lapsed during the period	**(1,198,630)**	**171**	(632,737)	202
Transferred to other Group companies	**(338,126)**	**184**	-	-
Outstanding at end of the period[1]	**1,388,390**	**230**	2,929,786	201
Exercisable at end of the period	**181,937**	**167**	375,990	167

1 Included within this balance are options over 181,937 (2006 375,990) shares that have not been recognised in accordance with IFRS 2 as the options were granted on or before 7 November 2002 These options have not been subsequently modified and therefore do not need to be accounted for in accordance with IFRS 2

	2007	2007	2006	2006
	Options outstanding	Weighted average remaining contractual life	Options outstanding	Weighted average remaining contractual life
	Number	Years	Number	Years
2002 Executive Share Option Scheme				
Exercise price 167p	**181,937**	**5.1**	375,990	6 1
Exercise price 143p	**-**	**-**	896,658	7 5
Exercise price 219p	**-**	**-**	39,571	7 9
Exercise price 237p	**482,693**	**7.2**	662,440	8 2
Exercise price 242p	**723,760**	**8.3**	955,127	9 2
	1,388,390	**7.5**	2,929,786	7 6

The 2002 Executive Share options with an exercise price of 237p would be exercisable from 4 August 2007 subject to vesting conditions based on the Group's financial performance for the three years to 28 April 2007 As the minimum performance conditions were not met, these options lapsed in the 2007/08 financial year

The fair value of equity-settled share options granted is estimated as at the date of grant using the Black Scholes model No options were granted in the financial year under review The inputs into the Black Scholes model for the previous financial year were as follows

	2006
Dividend yield (%)	2 5
Expected volatility (%)	25 0
Expected life (years)	5 4
Risk-free interest rate (%)	4 5
Weighted average share price (pence)	242
Weighted average exercise price (pence)	242
Weighted average fair value (pence)	57

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Share-based payments (continued)

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome

Equity-settled deferred annual bonus

Certain of the Company's Directors and senior management are eligible for a deferred annual bonus that is equity-settled in the shares of the ultimate parent undertaking, HMV Group plc This is the HMV Group plc Incentive Plan for Senior Executives (HIPS) Under this arrangement, a deferred annual bonus is awarded in shares, with the number of shares determined by reference to the market value of shares at the time the award is made, not when it is paid No adjustment to value is made for expected dividend income during the vesting period The deferred award normally vests following the third anniversary of the end of the financial year in which the award is made, subject to the achievement of certain profit related targets and the performance of the individual over the vesting period

The credit in respect of deferred awards during the period ended 28 April 2007 was £nil (2006 £56,000) A credit arose in the prior period as performance conditions for deferred awards vesting had not been met and management revised their estimate of the achievability of performance conditions relating to deferred awards vesting in future periods

The number and weighted average grant prices of, and movements in, deferred share awards during the year are as follows

	2007	**2007**	2006	2006
	Share awards	**Weighted average grant price**	Share awards	Weighted average grant price
	Number	**Pence**	Number	Pence
Outstanding at beginning of period	**88,729**	**228**	315,631	185
Granted during the period	**-**	**-**	81,940	242
Vested during the period	**(2,448)**	**143**	(119,862)	160
Forfeited during the period	**-**	**-**	(159,851)	214
Lapsed during the period	**(7,345)**	**143**	(29,129)	155
Transferred to other Group companies	**(44,685)**	**239**	-	-
Outstanding at end of the period	**34,251**	**239**	88,729	228

Of the outstanding balance, the assessment of performance conditions at April 2007 will result in 13,853 share awards lapsing after the period end, whilst a further 4,618 share awards will vest

Equity-settled Performance Share Plan

The HMV Performance Share Plan (PSP) was introduced during the year and replaced the 2002 Executive Share Option Scheme Under the PSP certain employees are granted an award of shares, which vest after three years provided that preset performance criteria are met The number of shares awarded is determined by reference to the market value of shares, adjusted for expected dividend income during the vesting period The charge in respect of the PSP during the year ended 28 April 2007 was £97,000

The number and weighted average grant prices of, and movements in, PSP awards during the year are as follows

	2007	**2007**
	Share awards	**Weighted average grant price**
	Number	**Pence**
Outstanding at beginning of period	**-**	**-**
Granted during the period	**860,566**	**162**
Exercised during the period	**(324)**	**162**
Lapsed during the period	**(52,787)**	**162**
Outstanding at end of the period	**807,455**	**162**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. Reconciliation of movements in equity

	Share capital	Retained earnings	Total
	£000	£000	£000
At 30 April 2005	71,014	15,028	86,042
Total recognised income and expense for the period	-	5,498	5,498
Ordinary dividend	-	(19,000)	(19,000)
Credit for share-based payments	-	(173)	(173)
At 29 April 2006	71,014	1,353	72,367
Total recognised income and expense for the period	-	315	315
Credit for share-based payments	-	(59)	(59)
At 28 April 2007	**71,014**	**1,609**	**72,623**

23. Contingent liabilities

The management of Waterstone's Booksellers Limited is not aware of any legal or arbitration proceedings pending or threatened against the Company which may result in any liabilities significantly in excess of provisions in the financial statements

HMV Group plc has a syndicated bank Facility Agreement, which at 28 April 2007 consisted of a £260 million revolving credit facility and an £80 million term loan The borrowings under the Facility Agreement are secured by the Guarantors, which include Waterstone's Booksellers Limited Security comprising first ranking fixed and floating charges in favour of the lenders under the Facility Agreement has been granted over all assets and undertakings of the Guarantors

24. Pension arrangements

Waterstone's Booksellers Limited's employees participate in the HMV Group Pension Scheme (the "Scheme") The Scheme has two sections – the Pension Saver Section and the Pension Benefit Section In respect of the Pension Benefit Section, there is no contractual agreement or stated policy for charging the net defined benefit cost measured in accordance with IAS 19 to individual group entities As a consequence, the Company recognises a pension cost equivalent to the contribution payable during the financial period Information in respect of the Pension Benefit Section as a whole is given below

Pension Saver Section

The Pension Saver Section is of the defined contribution type and is open to all permanent and temporary staff of the Group aged between 18 and 64 years Members can choose to pay from 2% to 5% of pensionable pay The Group matches the amount paid by the member up to a maximum of 5% of pensionable pay Members have a choice of ways to invest their and the Group's contributions in an individual fund to buy pension benefits of their choice The Company's actual employer contributions to the Pension Saver Section for the year ended 28 April 2007 were £0 3m (2006 £0 2m)

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Pension arrangements (continued)

Pension Benefit Section

The Pension Benefit Section is of the defined benefit type and is an Inland Revenue exempt approved scheme for the purpose of the Income and Corporation Taxes Act 1988 It is contracted out of SERPS The benefits it provides are based on final pensionable pay and are guaranteed to increase in payment by 5% per annum or by the increase in the cost of living, if less Members contribute at the rate of 5% of pensionable pay

A qualified actuary made an actuarial valuation as at 30 June 2004 The valuation was based on an assumed investment return of 6 5% a year, salary increases of 4 25% a year, and annual pension increases of 2 75%, and used the projected unit method The result of the valuation was a level of asset cover of 79%, representing a funding deficit of £11 5m The market value of the assets of the Pension Benefit Scheme at 30 June 2004 was about £43 9m In order to eliminate the past service deficit, the Group decided to make three special contributions of £4 4m each on 31 March 2005, 31 May 2005 and 31 May 2006 In addition, the funding rate was set at 19 9% of pensionable pay (including an allowance for administrative expenses) Therefore from 1 July 2005, the Group has been contributing at a rate of 14 9% of pensionable pay, with the members contributing at 5% of pensionable pay

The Scheme was generally closed to new members with effect from 1 January 2002, with the exception of 543 members who transferred into the Scheme on 31 May 2003 from the EMI Group Pension Fund as a result of the Group's flotation on the London Stock Exchange The next actuarial review will take place no later than 30 June 2007 Total Group employer contributions to the Pension Benefit Section for the year ended 28 April 2007 were £7 2m (2006 £7 7m), inclusive of a £4 4m special contribution in each year Of this the Company contributed £0 7m (2006 £0 8m) The total Group contributions to the defined benefit plans for the financial year commencing on 29 April 2007 are expected to be £2 8m Of this the Company is expected to contribute £0 7m

Amounts reflected in the financial statements in respect of the defined benefit pension scheme are determined with the advice of independent qualified actuaries, Watson Wyatt LLP, 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

	As at 28 April 2007	As at 29 April 2006
	% per annum	% per annum
Rate of price inflation	**3.10**	2 85
Rate of salary increase	**4.60**	4 35
Rate of increase for pensions in payment	**3.10**	2 85
Rate used to discount scheme liabilities	**5.40**	5 10
Expected rate of return on equities	**7.80**	7 80
Expected rate of return on bonds	**5.40**	5 10
Expected rate of return on index-linked bonds	**4.80**	4 40

Expected rate of return on Scheme assets are based on consistent assumptions with the previous year, adjusted to reflect changes in market conditions since that date

The main non-financial assumptions are consistent with those used for the last formal actuarial valuation of the Scheme as at 30 June 2004 The post-retirement mortality assumptions adopted in 2004 were the standard PM/FA92 series with allowance for future improvements in mortality, which imply the following life expectancies for someone age 60

Life expectancy (years)	At age 60 for someone currently aged 60	At age 60 for someone currently aged 40
Male	23 9	25 9
Female	27 2	29 0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Pension arrangements (continued)

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

	As at 28 April 2007 £m	As at 29 April 2006 £m
Equities	**44.5**	44.9
Bonds	**19.1**	14.0
Index-linked bonds	**19.1**	13.0
Other	**1.4**	1.1
Total market value of assets	**84.1**	73.0
Actuarial value of scheme liabilities	**(106.1)**	(97.8)
Deficit in the Scheme	**(22.0)**	(24.8)
Deferred tax	**6.6**	7.4
Net pension liability	**(15.4)**	(17.4)

The pension plans have not invested in any of the Group's own financial instruments nor in properties or other assets used by the Group

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

	2007 £m	2006 £m
Total market value of assets at the beginning of the period	**73.0**	53.9
Employer contributions	**7.2**	7.5
Employee contributions	**1.0**	1.0
Benefits paid	**(1.0)**	(1.8)
Expected return of plan assets	**5.2**	4.1
Actuarial (loss) gain	**(1.3)**	8.3
Total market value of assets at the end of the period	**84.1**	73.0

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

	2007 £m	2006 £m
Defined benefit pension obligations at the beginning of the period	**(97.8)**	(83.0)
Current service cost	**(4.6)**	(4.6)
Interest on pension scheme liabilities	**(5.0)**	(4.3)
Employee contributions	**(1.0)**	(1.0)
Benefits paid	**1.0**	1.8
Actuarial gain (loss)	**1.3**	(6.7)
Defined benefit pension obligations at the end of the period	**(106.1)**	(97.8)

25. Capital commitments

	2007 £000	2006 £000
Capital expenditure contracted but not provided	**1,799**	607

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Obligations under operating leases

The Company operates entirely from properties in respect of which commercial operating leases have been entered into These leases have an average remaining duration of 10 years At the end of the period, future minimum rentals payable under non-cancellable operating leases were as follows

	2007	2006
	£000	£000
Not later than one year	**32,274**	33,359
Between two and five years inclusive	**113,157**	119,116
After five years	**139,129**	146,522
	284,560	298,997

The Company has also sublet space in certain properties The future minimum sublease payments expected to be received under non-cancellable sublease agreements as at 28 April 2007 is £3,938,000 (2006 £4,356,000)

27. Related party transactions

During the period the Company entered into transactions in the ordinary course of business with related parties Transactions entered into and balances outstanding at the end of the period are as follows

	Services received from related party	Services rendered to related party	Amounts owed by related party	Amounts owed to related party
	£000	£000	£000	£000
With parent and fellow subsidiaries				
2007	**250**	**2,382**	**750**	**67,110**
2006	324	522	65,297	66,783

The Company's employees participate in the HMV Group Pension Scheme, which has two sections – the Pension Saver Section and the Pension Benefit Section In respect of the Pension Benefit Section, there is no contractual agreement or stated policy for charging the net defined benefit cost measured in accordance with IAS 19 to individual Group entities As a consequence, the Company recognises a pension cost equivalent to the contributions payable during the financial period Further details are given in note 24

A number of share-based payment schemes are operated by the ultimate parent undertaking, HMV Group plc, in which the Company's employees participate The Company recognises the transfer of equity instruments to its employees as share-based payment transactions within the scope of IFRS 2 *Share-based Payments* Further details are given in note 20

Remuneration of key management personnel

The remuneration of the Directors of the Company is set out in note 8

28. Ultimate parent undertaking

The immediate and ultimate parent undertaking of the Company for which Group financial statements are drawn up and of which the Company is a member is HMV Group plc Copies of these financial statements can be obtained from the Company Secretary, HMV Group plc, Shelley House, 2-4 York Road, Maidenhead, Berkshire, SL6 1SR