



B&M Retail Limited - Our UK Tax Strategy

Introduction

B&M Retail Limited ('B&M') is part of the B&M European Value S.A. group of companies (the 'Group').

B&M is a responsible taxpayer and in the UK in the year to 31 March 2023 we incurred taxes in cash of £210m which were ultimately borne by the company. This included corporation tax, customs duties, business rates, employer national insurance contributions and stamp duty land taxes. In addition, B&M collected a further £317m of tax on behalf of the UK exchequer, relating to VAT and employee taxation.

Our business relies upon our reputation with the general public, as they form our customer base, and with our suppliers and employees, with whom we need to maintain good relationships. It is therefore important that we meet both our responsibilities to comply with tax legislation and to pay the right amount of tax by the appropriate dates.

This statement of our tax strategy ensures that we are compliant with Schedule 19 Finance Act 2016 in terms of content and meeting our responsibility to publish our strategy.

Risk management and governance arrangements

It is important to us that we are compliant with current tax legislation. Our accounting and payroll staff are trained and experienced in calculating the taxes which they deal with on a day-to-day basis. We have procedures in place and use software that includes checks and balances to ensure that calculations are carried out correctly. There are levels of detailed checking procedures in place and oversight in respect of all tax matters are provided by the Group Financial Controller, the Head of B&M Finance and the Chief Financial Officer.

For more complex calculations such as stamp duty land tax and corporation tax, we use experienced professional tax advisors. For other taxes, where required, our colleagues are encouraged to and they seek professional tax advice where they are unsure of the tax treatment of any item or transaction. We also use professional tax advisors to periodically carry out reviews of our tax reporting systems. The Chief Financial Officer is directly involved with the day-to-day running of the company's tax compliance and reports back to the Board of the Group on it.

Tax planning

The financial performance measures used by the company are revenues, operating profit, EBITDA and cash generated from operations. As these are all pre-tax measures there is no pressure on the company to seek to mitigate taxes. The company's policy is that it will aim to maximise its profit before tax and then it will calculate and pay the correct amount of tax due on those profits.

Attitude towards risk

Our attitude towards tax risk is to seek to minimise this as much as possible as this minimises our reputational risk. We do this by ensuring we are compliant with tax legislation and that tax is paid by the appropriate due dates.

Relationship with HM Revenue & Customs (HMRC)

As a large group, HMRC has appointed a Customer Compliance Manager (CCM) to look after our affairs. We aim to maintain an open and honest relationship with our CCM. We have appointed professional tax advisers who are also in contact with our CCM and assist us in managing that relationship. We have an annual review meeting with our CCM and we are in contact as and when required. The purpose of the meetings with our CCM are to ensure the CCM is aware of any changes within the business that may have a tax impact. This allows us to discuss and agree any changes upfront and ensure that we get the tax treatment which is fair and correct.