



Big Brands Big Savings

B&M European Value Retail S.A.
Annual Report and Accounts 2024



Welcome to our 2024 Annual Report and Accounts

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Financial highlights

Group revenues

£5,484m

10.1%



Adjusted EBITDA (pre-IFRS 16)¹

£629m

9.7%



Adjusted operating profit

£614m

10.9%



Post-tax free cash flow²

£382m

-17.8%



Cash generated from operations

£862m

-0.4%



Statutory operating profit

£608m

13.6%



Diluted earnings per share

36.5p

5.2%



Ordinary dividend per share

14.7p

0.7%



This Annual Report and Accounts are for the 53 weeks financial reporting period to 30 March 2024 ("FY24"). The comparative reporting period is for the 52 weeks ended 25 March 2023 ("FY23").

- Adjusted values are considered to be appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of account. See notes 2, 3 and 4 of the financial statements for further details.
- Post-tax free cash flow is an Alternative Performance Measure. Please see note 3 of the financial statements for more details and a reconciliation to the Consolidated statement of cash flows.

Our principles

Our goal:

To be Europe's leading variety discount retailer.

What we do:

Provide excellent best-selling products at the lowest prices, in brilliant shops.

How we do it:



Excellence

We're obsessed with retail excellence and develop our colleagues to be the best.



Speed

We operate at speed, at low cost with simplicity.



Teamwork

We help each other, with respect and high personal integrity.



Hard Work

We work hard for our customers every day and celebrate it.

The UK's leading variety discount retailer, providing excellent, best-selling products at low prices in brilliant shops everyday

Our fascias



UK

Number of employees

33,450

Number of stores

741

France

Number of employees²

1,083

Number of stores

124



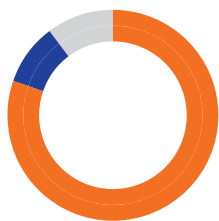
Number of employees

5,850

Number of stores

335

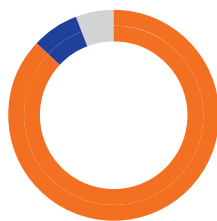
FY24 performance by fascia



Revenue

£5,484m

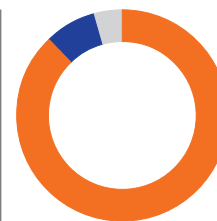
■ B&M UK	£4,410m
■ B&M France	£514m
■ Heron Foods	£560m



Adjusted EBITDA³ (pre-IFRS 16) (£m)

£629m¹

■ B&M UK	£556m
■ B&M France	£47m
■ Heron Foods	£36m



Adjusted operating profit³ (£m)

£614m¹

■ B&M UK	£548m
■ B&M France	£49m
■ Heron Foods	£27m

1. Includes the corporate segment. For further detail, see note 3 of the financial statements and the reconciliation.
 2. Includes colleagues at the French support centre, and those working in stores operated directly by the Group. Those colleagues working in stores operated under the mandated manager model are employed directly by the manager of each store, and are therefore not employees of the Group and so excluded from the number above.
 3. Adjusted values are considered to be appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of accounts. See notes 2, 3 and 4 of the financial statements for further details.

Long-term strategy

Our four channels of growth will deliver long-term, profitable, cash-generating growth

1

Existing B&M UK stores – a core driver of growth

2

New B&M UK stores – an acceleration in growth and a higher target

3

France will provide growth for many years to come

4

Heron Foods offers growth

Progress in FY24

B&M is the leading variety goods value retailer in the UK with 741 stores. Our existing stores offer considerable scope for improving sales densities. Like-for-like¹ ("LFL") sales growth tends to be highly profitable growth and will be achieved through a relentless focus on product, price and an excellence in retail standards.

Store standards have improved considerably over the last two years. Over 250 unannounced store visits per week have been conducted by key management which has driven LFL¹ sales against a tough economic background which has seen several retailers fail and many others issue profit warnings.

It is worth remembering that each 1% growth in LFL sales is equivalent to the sales generated from seven average store openings. The focus is relentless and although we are stepping up our new store openings, we will never lose this focus on our core estate.

We have updated our expectations for B&M stores in the UK to not less than 1,200 from 950. Factors driving this include increased sales performance, the success of our southern openings and the experience of opening stores in closer proximity than previously thought. Our offer is proving to be more appealing than historically, meaning we get greater penetration into local catchment areas than previously experienced.

At 1,200 stores, the estate would be over 60% bigger than it is today, but with new stores being typically larger, with a higher proportion of garden centres and with higher total sales, the impact on our sales, profit and cash generation is likely to be even greater.

In addition, we place great emphasis on refreshing and updating our existing store estate. This can mean relocating an older, legacy store to a new larger format store – often with a garden centre attached. This results in square footage growth surpassing the increase in the number of stores.

France has continued the transformative journey that it has embarked on since acquisition. All stores trade under the B&M banner, the proportion of Fast-Moving Consumer Goods ("FMCG") sales is increasing as we expand the range, leading to higher sales densities, and we continue to gently expand our new store opening programme.

In General Merchandise, the product mix has evolved with a greater focus on home and the phasing out of clothing. This product realignment along with the B&M branding of the stores has been well received by the French consumers.

Over the long term, we expect France to have a similar adjusted EBITDA² (pre-IFRS 16) margin and store count to the UK. France has a similar population to the UK and the French discount retail market is less competitive and so we see France continuing to build sustainable profit for many years to come.

Heron Foods ("Heron") continues to deliver value and convenience to customers looking to manage their budgets. The majority of Heron stores are classed as convenience stores, being below 3,000 sq. ft., and so consequently can trade for over 6 hours on a Sunday.

Over recent years, Heron Foods has improved its ranges to increase appeal to existing and new customers. Through more intense merchandising, some freezers have been removed from stores, freeing up space for expanded, fresh, chilled and ambient ranges.

Heron remains a long-term growth opportunity. With 335 stores currently and an opening programme of c.20 stores per annum, the long-term opportunity remains very considerable.

Performance in FY24

B&M UK LFL¹ revenue growth

3.7%

B&M UK gross new store openings

47

B&M France total revenue growth

19.2%

Heron Foods total revenue growth

15.3%

- One-year LFL revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week versus 53 week or 14 week versus 14 week comparison periods. They include each store's revenue for that part of the current period that falls at least 14 months after it opened compared with its revenue for the corresponding part of FY23.
- Adjusted values are considered to be appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of accounts. See notes 2, 3 and 4 of the financial statements for further details.

Delivering long-term profitable growth

B&M is set for many years of compounding earnings growth and cash returns for shareholders.

B&M is the UK's leading discount variety value retailer, with 741 B&M stores in the UK, 124 B&M stores in France and 335 Heron Foods discount convenience stores in the UK. Each format has many years of growth ahead as the Group continues its profitable growth plans – with a relentless focus on price, relevant ranges and excellence in store operational standards. We are delivering positive gains to all our stakeholders.

B&M is committed to delivering long-term profitable growth through its four channels

B&M has many opportunities and many years of growth ahead as it broadens its appeal and expands its store numbers in the UK and France. In expanding its store numbers and increasing sales densities in existing stores, B&M expect to continue to deliver long-term

profitable growth, generate cash and return excess cash to shareholders. B&M remains a rollout story, thereby confident to deliver compounding earnings growth and cash returns for shareholders.

There are four channels of growth:

1

Existing B&M UK stores: Like-for-like¹ growth is highly profitable growth

Our existing stores offer considerable scope for improving sales densities. Each 1% LFL¹ sales growth is equivalent to opening over seven new stores, but without any capex or increase in fixed costs. LFL¹ growth therefore tends to be highly profitable growth, which helps fund low prices (to drive further LFL¹ sales), creates new jobs and generates good returns to shareholders. There is nothing operationally to stop us growing our sales densities substantially over the long-term. This will be achieved by taking a bigger share of available expenditure in existing catchment areas as our relentless focus on price, value and retail standards bears results.



1. One-year LFL revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week versus 53 week or 14 week versus 14 week comparison periods. They include each store's revenue for that part of the current period that falls at least 14 months after it opened compared with its revenue for the corresponding part of FY23.

2

New B&M UK stores: An increased store target to not less than 1,200 B&M UK stores

We now expect to reach not less 1,200 B&M stores in the UK, which represents at least a 60% increase in store numbers compared to the year end. At our current pace of openings this represents over ten years of growth in store numbers. With new stores tending to be bigger than the existing average and with a higher proportion expected to have garden centres, the underlying growth in sales is expected to be greater than the 60% increase in store numbers.

New stores bring increases in volume and our plans to open 45 stores per annum over a three-year period will add 20% more volume to the Group. This brings benefits to buying, productivity gains and cash-generation. Payback on new stores tends to be less than a year, so the more stores we open the better the cash-generation. We will always open in a controlled, disciplined manner, and we will not put a strain on the operational and support functions of the business. The quality of our openings is paramount rather than opening a larger number of stores in any given year.

In conjunction with our new store openings, we will continue to refresh and update our existing store estate. Where the opportunity arises, we will replace older, legacy stores that are at the end of their lease with newer, larger stores, often with a small garden centre attached. This will result in square footage growth (a key driver of sales) outpacing growth in store numbers.



3

France will provide growth for many years to come

In terms of size and wealth, France has a similar population to the UK, where we target to have over 1,200 stores. The UK estate sets a relevant benchmark for the potential scale of the French estate over the long-term. As we gently increase our store opening programme, France will provide many years of profitable growth.

We have transformed France in recent years since acquisition and all stores operate under the B&M fascia. We continue to grow our FMCG ranges in France which helps drive sales densities and provides a "halo effect" for our General Merchandise offer. Pricing is highly competitive and profitability is good, with a strong underlying profit margin. We will continue to evolve the offer and expect sales densities and our EBITDA margin to improve over the long-term.



4

Heron offers growth and offers other benefits to the core business

Heron is our discount convenience store operation, based primarily in the North of England and the Midlands in neighbourhood locations. Average size of our stores stands at 3,000 sq. ft. which means the majority are classified as convenience stores and can trade for more than six hours on a Sunday. Over recent years, the offer has been refined to include more ambient and fresh products and this has resulted in a step change in total sales and sales by broad category. Space for the enhanced ranges was created by merchandising the traditional frozen food offer more intensely, which allowed us to remove freezers, reduce operating costs and reduce the capital cost of new stores. By merchandising more intensely, we were able to maintain frozen sales volumes while adding substantial sales in new areas.

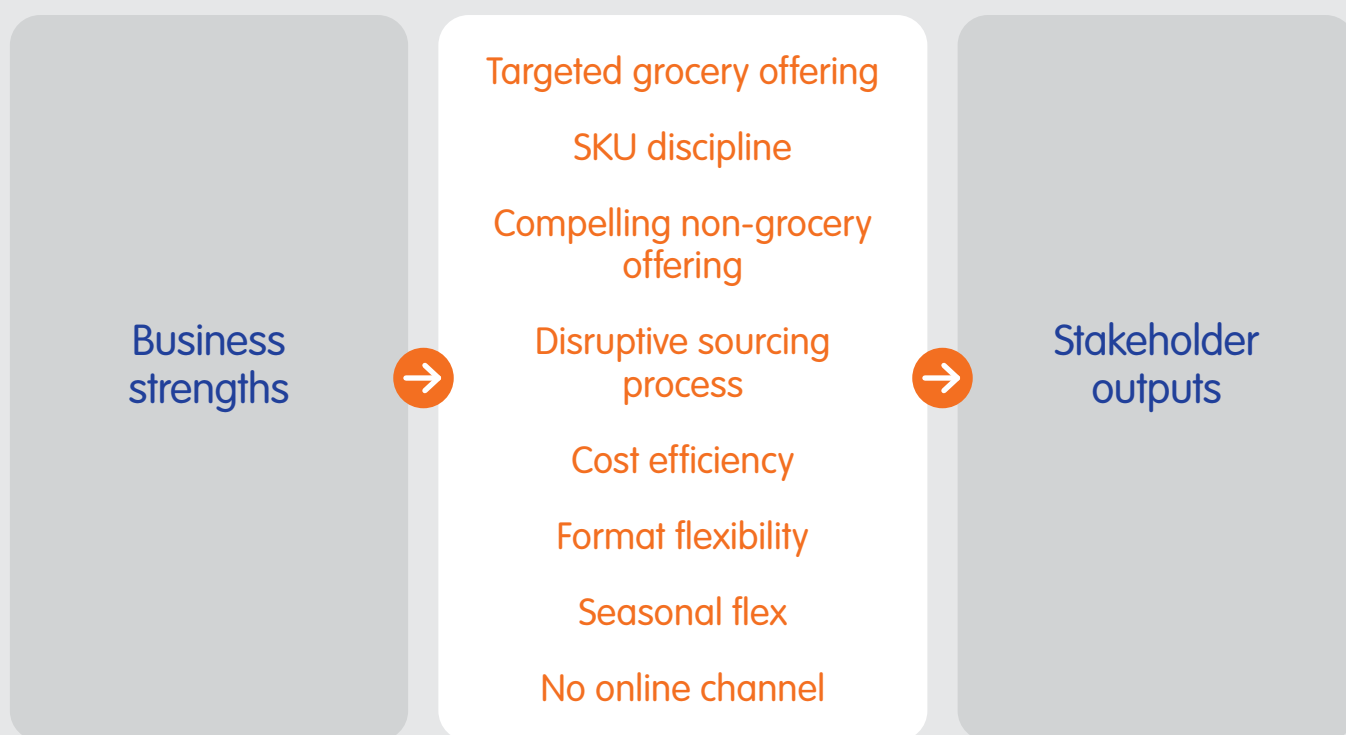
Heron offers considerable long-term potential through the store roll out and we are currently opening around 20 stores per annum. The market leader in convenience stores in the UK has over 2,000 outlets. There is no reason why Heron with its discount offer cannot rollout across the UK and substantially increase its numbers over the long-term in the UK.



A disruptive, agile and low-cost business model capable of responding to changing conditions

Our business model is to directly source a targeted limited range of best-selling FMCG and General Merchandise products at the best prices we can. We pride ourselves on being an Everyday Low Price ("EDLP") retailer with a relentless focus on maintaining excellence in operational standards and an Everyday Low Cost ("EDLC") operating model.

Differentiated operating model



Our business model is underpinned by:

Corporate social responsibility

➔ See **CSR report** on **page 30** for more information

Risk management

➔ See **Principal risks** on **page 23** for more information

Financial performance

➔ See **Financial review** on **page 18** for more information

Business strengths

Scale & convenience

Our network of over 1,200 stores across the UK and France are found in convenient locations in modern retail parks, popular town centres and on high streets. They are located in places close to where people live and work, making them easily accessible for customers.

Well-invested infrastructure

We have a modern and scalable infrastructure to support the operations and growth of the business. B&M has five distribution centres in total including our largest in Bedford, in the South of England, which opened in FY20 providing a further one million sq. ft. of warehouse capacity to complement the existing B&M UK distribution centres. In addition, Heron Foods and B&M France also have their own dedicated distribution centres, meaning the Group is well positioned to continue our store rollout programme across all fascias and territories.

Strong brand reputation

The B&M and Heron Foods names are established brands in the UK, having a strong reputation for delivering consistently great value on the products people regularly buy for their homes and families. B&M has a strong social media presence with over 1.5 million Instagram followers that allows the business to reach a vast amount of people with targeted price and product messages – affirming the B&M brand as one of the leading UK retailers in the market. In France, there is growing awareness of the B&M brand and the customer response to recent product changes has been very positive. With discount shopping continuing to become more socially accepted, there are opportunities to attract new customers whilst retaining the loyalty of existing customers in the years ahead.

Skilled colleagues

Developing products and ranges to provide great value whilst being fresh and on-trend takes skill, experience and discipline. We have colleagues with many years of experience in their respective product markets, many of whom have worked previously as buyers and merchandisers with category specialist competitors. By working collaboratively across different teams and with an entrepreneurial flair in keeping with the B&M culture, we are able to provide customers with the products they want at value prices all year round.

Strong supplier relationships

Maintaining our competitive value-led price model is also about developing strong long-term supplier relationships, who we regard very much as partners. Many of our suppliers have grown alongside us over several years and they value our simple, transparent pricing and efficient way of working. With our focus on only stocking the best-selling products and constant newness an important feature of the proposition, this creates opportunities to welcome new suppliers in to our business.

Governance & risk management

Our corporate governance and risk management approach is geared toward ensuring we have effective, robust structures and processes in place. Our Non-Executive Directors have many years of experience in retail and consumer product businesses. They provide constructive challenge to our management team to help ensure we operate our businesses and manage risk appropriately and in the interests of all stakeholders.

Stakeholder outputs



Value to customers

Our purpose is about delivering great value to customers so they keep returning to our stores time and time again. Helping customers to spend less on the things they buy regularly for their homes and families all year round is what our business model is designed to constantly deliver. Given the current cost-of-living crisis showing no signs of easing and the ongoing macroeconomic uncertainty, value for money is likely to become increasingly important for many consumers in the years ahead, making the B&M proposition highly relevant.

Colleague progression

Our colleagues are crucial to the ongoing success of the business, be that in our central support teams, those working in our logistics network or store colleagues providing great customer service every day. In keeping with our values, we take pride in being an innovative and exciting place for colleagues to work, grow and develop to their full potential. Our continued growth creates new job opportunities in the communities where we trade and there are always progression opportunities for colleagues throughout the business to build long-term, successful careers.

Suppliers as partners

The continued growth of B&M also benefits our suppliers. We have long-standing trading relationships with a number of the leading household brands across food and FMCG. We have several exclusive brands and other branded General Merchandise product ranges. We are proud to partner with these brand names for the mutual success of our respective businesses. We are always interested in adding new brands to our ranges and our continued growth gives potential for suppliers to grow alongside us, further strengthening these relationships.

Investment in communities

Our store opening programmes target areas where we are under-represented or not represented at all, using our flexible store formats to suit the relevant locality. Each time we open a new store, we create new jobs in the local community whilst at the same time providing convenient access to our value-for-money offer.

Returns for investors

Our characteristics of low capital-intensity and high-returning cash-generative growth is a relatively rare and powerful combination in bricks and mortar retailing. These characteristics contribute to the sustainability of our business model, which enhances our ability to provide continued growth and attractive returns to investors.



Underpinned by our ESG strategy

Chairman's statement



Peter Bamford
Chairman

“Relentless focus on delivering a simple and clear strategy.”

While the Annual Reports of many companies will feature themes of major change programmes, B&M is quite different. It's success is built on a consistent and relentless focus on delivering a simple and clear strategy.

When I became Chairman of B&M in March 2018 it was a retail business with a distinctive entrepreneurial culture and a simple commercial model focused on delivering great products and everyday low prices to its customers, highly profitable growth and strong returns to its shareholders, and opportunities for growth and development for its people. Earlier this year, I took the difficult decision to retire from this role. In the last six years, while Group adjusted EBITDA¹ (pre-IFRS 16) has more than doubled and store numbers have significantly increased, B&M is pretty much the same robust business as it was in 2018 but with even better operational execution and a broader and deeper leadership team.

Through all the uncertainties and challenges of COVID, the economic environment, global political events and competitor activity, B&M's management team, led by two exceptionally talented CEOs, have relentlessly delivered an excellent customer proposition and disruptive commercial model. My contribution to this has been to lead the Board in a way that has allowed management to retain the simplicity of the model and a sharp focus on the basics of the business while ensuring that the governance requirements are met and all of the checks and balances are in place. Succession for all of the key Board roles including CEO and CFO has been completed without any adverse impact on the Company's growth and financial trajectory.

Over the last year, Alex Russo and his team have continued to improve and refine all aspects of B&M operations, ensuring that our product range responds to changing customer needs and that we continue to deliver everyday low prices through buying well and keeping our business systems and processes simple and efficient. Group adjusted EBITDA¹ (pre-IFRS 16) of £629m this year more than matched the exceptional COVID peak of FY21 (£626m) and has expanded dramatically since FY18 (£279m).

1. Adjusted values are appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of accounts. See notes 2, 3 and 4 of the financial statements for further details.

Store openings in B&M UK, helped by the addition of up to 51 new Wilko stores, have accelerated and returned to levels seen earlier in the Company's development. The store pipeline for the next two years remains strong and the long-term potential is now over 1,200 stores. Importantly, the new stores are performing very well. In B&M France, the foundations for long-term growth continue to be established. Also, on a strategic front, good progress continues to be made in executing our ESG programme.

As I noted above, Alex has continued to enhance the management team with both external hires and the promotion and development of internal talent. The Company is well positioned for future growth. More broadly, we know from our staff engagement surveys that the B&M team is exceptionally motivated and proud of our Company.

The Board has also continued to evolve and develop. During the last year Tiffany Hall succeeded Ron McMillan as Senior Independent Director and Oliver Tant succeeded him as Chair of the Audit & Risk Committee. Hounaida Lasry joined as a Non-Executive Director on 22 September 2023 and Nadia Shouraboura joined as a Non-Executive Director in May, subject to shareholder approval. These appointments considerably increase the diversity of the Board and broaden its experience base.

Ron will retire from the Board at this year's Annual General Meeting ("AGM") after ten years as Director, having served continuously since the IPO in 2014. He has seen B&M through its development as a PLC and has played a key role in ensuring good governance while preserving the Company's unique entrepreneurial culture. I would like to thank him for his contribution and support.

The Board has continued to function well. We carried out an externally facilitated review in October which confirmed this. The key area for improvement identified was better communications between the CEO and the Non-Executive Directors. This has been addressed.

I am delighted that Tiffany Hall is to be the next Chair of B&M. I have enjoyed working with her over the last five years and she has demonstrated a clear understanding of B&M and the skills required to lead the Board in the future. I wish Tiffany and all at B&M every success in the future.

On behalf of the Board, I would like to thank everyone who works at B&M for their hard work and commitment in ensuring that our customers have the best possible products and value for money available to them every day.

Peter Bamford

Chairman

4 June 2024

Profitable, cash-generating growth

We remain focused on delivering profitable, cash-generating growth for our shareholders. This is achieved by serving our customers well with everyday low prices and relevant product ranges, by working closely with our partners in our supply chain and by providing our employees with a good working environment and the opportunity to progress within our organisation. As an EDLP retailer, we must operate with an Everyday Low Cost (“EDLC”) model. We do this in an ever more competitive market, where costs continue to rise and where economic and geopolitical uncertainty abounds.

B&M UK in numbers

741

Number of B&M UK stores

1,200

B&M UK stores target

5 million

UK shoppers every week

General trends

Many retailers continue to find it tough and the last financial year has seen a number of medium sized retailers fail. Numerous profit warnings have been issued by a wide variety of retailers and over 10,000 stores closed and 120,000 jobs lost in the retail industry¹. Against this competitive and difficult background for retailers and consumers, B&M has prospered, delivering volume-led sales growth and growing profit margins.

This uncertain economic background continues to favour a low-cost financial and operational model, and the widely-observed structural shift to discounting by consumers also continues. B&M is therefore benefitting from cyclical and structural factors as consumers search for better value, and this trend by consumers is set to continue for many years to come, as identified in a report published by the Retail Sector Council last year².

There has been some alleviation in the cost-of-living crisis, but despite some more positive data points in recent months, we observe that many consumers are still facing significant price increases in a range of areas (e.g. mortgage payments, council taxes, telecommunication charges and car insurance) and real discretionary incomes are still some way below peak levels. However, as stated above, we believe price wins, and never more so than when consumers are being squeezed and feel worse off, and we see the current market as an opportunity to capture profitable volume share.

The UK shopper remains focused on in-store experiences

Despite the closure of many stores over recent years, the UK consumer remains predominantly a store-based shopper. As of December 2023, the ONS estimated that 73% of UK retail sales were made through physical stores². Although many high streets are suffering, retail parks and some shopping centres continue to prosper and these are the areas where our new stores are targeted.

Many column inches have been written on the growth and potential threat of retailers that take orders online, but in many retail sectors the concept remains unproven with low returns on capital or even losses, that the stores channel must subsidise. This is especially so for low-ticket, heavy/bulky items that need bundling to give a meaningful total basket and are hard to distribute. Such items account for the majority of what we sell. By remaining focused on price and the in-store experience, we have performed well against the largest of online retailers, as well as specialists. Since the first lockdown in 2020, we have grown sales by nearly 44% and opened 150 net new stores. The UK remains a nation of bricks and mortar shoppers, even if the type of shop and type of location continues to evolve. There will always be new entrants and companies exiting the market and we welcome all forms of competition. We remain rational and focused on executing our proven value-creating business model, and with a UK market share³ of only 2% we see significant opportunities within the physical retail market.

Competitive environment

The retail industry remains tough, as evidenced by the plethora of profit warnings and retail failures over the last 12 months. Retailers have been squeezed by high-cost inflation and by subdued demand leading to limited volume growth across the market. In 2023 in the UK, according to the ONS, the value of retail sales increased by 5.2% to £470bn, however the volume of retail sales fell by 2.6%⁴. Furthermore, the retail industry has been hit hard by wage inflation, with the minimum wage increasing by c.20% over a two-year period. Outside of costs of goods sold, labour is the biggest single cost for most retailers, so increases in labour costs hit home hard and can have unintended consequences. In 2023, 120,000 jobs were lost in retail with 10,000 store closures¹.

At B&M, we continue to expand and we continue to deliver strong volume gains, from LFL⁵ sales and from our store opening programme. This programme underwent a step change in the fourth quarter of FY24 when we opened 25 stores. In this current financial year, we will open at least 45 gross new stores and a similar amount next year. The resulting substantial increase in our volumes will help offset high-cost inflation, such as labour inflation, in a way that is not open to many of our competitors. Of course there are many other productivity gains that result from volume growth, such as improved supplier relations, buying power and pushing more volume through the same infrastructure and logistics network. We are better positioned than most to deal with a challenged retail environment.

Supermarket industry

FMCG account for around half of our sales and our main competitors are the comparatively much larger, competitors are the mainstream supermarkets. The supermarket industry continues to be in a state of flux, with the continued growth of limited assortment discounters, two major operators having moved into private-equity ownership and with several other food retailers under pressure. The response by some, appears to have been to reduce operating cost spend through reduced staff hours in store, leading to a deterioration of store standards, including product availability.

At B&M, best-in-class standards is a must for our managers. With our EDLP offer and EDLC model, we remain well positioned to continue taking advantage of the competitive situation – that a number of competitors cross subsidise home delivery services with higher prices in store, only adds to our strong strategic position in pricing.

General Merchandise retailing

General Merchandise accounts for the other half of our sales. Key categories include toys, DIY, home furnishings and garden. We currently have 247 stores with garden centres, making us the second largest operator in this market.

Unlike many retailers in General Merchandise, much of our sales are non-discretionary. Toys at Christmas, essential DIY maintenance and small ticket items like phone charging cables and storage boxes are non-discretionary home items. Similarly, at any one point in time there are people setting up their home, moving house or going to college, and for these groups of consumers, buying furnishings, bedding and kitchen/dining is essential. It is hard to categorise exactly the split between discretionary and non-discretionary, but non-discretionary is greater than many might think. This reduces the cyclical nature of our business and puts us in a strong strategic position.

The future for discounting is bright

We remain a highly complementary shop to the two German discount operators, which together have c.17% market share⁶. There is little overlap between what they sell (e.g. fresh, chilled, frozen and own label) and our branded ambient offer. It is no surprise therefore that some of our best performing stores are co-located or located nearby to one of these two discounters.

B&M remains the UK's largest variety discount retailer, but it is not the only one. There are several competitors in this arena, but it would be a mistake to think that we are inhibitors to each other's growth. In a growing segment, which the consumer does not see as a discrete segment, there is plenty of room for growth.

Discount retailing is a structurally growing market. B&M is well positioned and remains a rollout story with very substantial long-term potential. With a low capex model and rapid growth, we are a substantial cash generator. We have returned £1.8bn to shareholders over the last four financial years⁷ and will continue to generate cash and distribute it to shareholders going forward. In a challenged retail environment, few companies will be able to make this claim.

1. "120,000 retail jobs lost in 2023", Retail Gazette, 8 January 2024.

2. "Retail – The Great Enabler", Retail Sector Council, July 2023

3. Figures are based on external market research on the size of the relevant market in 2023. Market share is calculated by reference to UK revenues in FY24, whilst the market size estimate will include spend on categories where B&M and Heron Foods do not participate but is presented here for illustrative purposes.

4. Retail sales index, Office National Statistics.

5. One-year LFL revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week versus 53 week or 14 week versus 14 week comparison periods. They include each store's revenue for that part of the current period that falls at least 14 months after it opened compared with its revenue for the corresponding part of FY23.

6. Kantar market share data – 12 weeks to 18 February 2024.

7. Based on ordinary and special dividends paid in FY21 to FY24.

New long-term store opening target provides clear runway of growth ahead

By the end of FY24, we successfully opened 47 gross new B&M UK stores, 20 gross new Heron Foods stores in the UK and 11 gross new B&M France stores. This growth underscores the ample opportunity ahead, across all three businesses in the UK and France, through our store rollout strategy.

FY24's 47 gross new B&M UK store openings brought our annual expansion rate back towards pre-COVID levels and has provided us with an additional one million sq. ft. of sales space. B&M has demonstrated remarkable growth over the last 20 years, since the Arora family acquired 21 stores in the North West of England. Currently, the Group operates a UK-wide 741 B&M store chain, together with a further 335 Heron Foods convenience stores and 124 B&M France stores.

B&M UK stores by region

England

576

Scotland

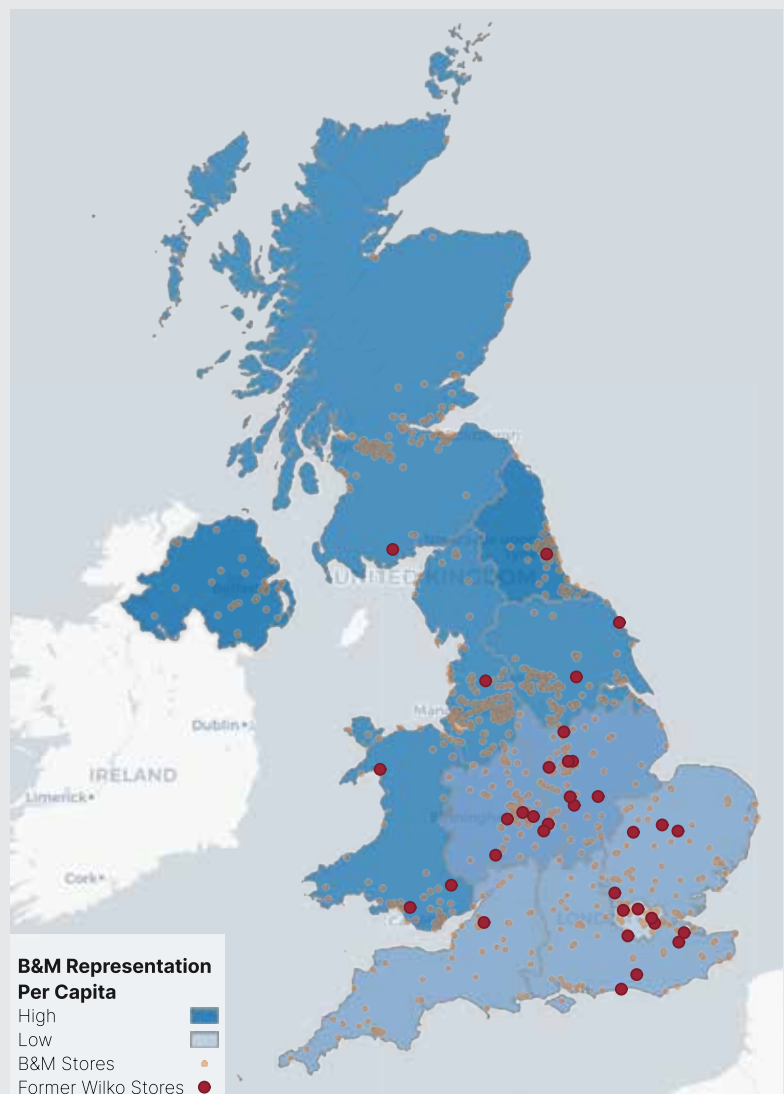
84

Wales

48

Northern Ireland

33



B&M UK map of stores per capita, April 2024

There remains a substantial opportunity for future new store expansion in both the UK and in France. In the UK, this year we raised our total store target to not less than 1,200 B&M UK stores, which underlines the large-scale opportunity for further expansion. Underpinning this total store target, we have updated our analysis to factor in the significant sales densities that we now achieve. We also have significant ambition for our French operations. The population of France is larger than the UK, and hence we see the discount market opportunity as similar in scale. With only 124 stores currently, France offers ample headroom in the long term.

As a store-based retailer with a proven, profitable, high-returning business model, B&M thrives even in the challenging trading environment currently prevalent. The current competitive environment often frees up retail space, offering opportunities for new stores in previously untapped locations. The closure of competitors can also lead to increased market share and LFL¹ growth in key product categories, driving higher return on space in our format and thereby broadening the potential list of new store opportunities.

During the year, the administration of Wilko allowed B&M to swiftly select and acquire up to 51 stores. These stores, primarily located in town centres in the Midlands and South of England, fill gaps in our representation in key locations. Although lacking garden centres, these stores are broadly similar in size with our existing estate and are quality locations to penetrate local markets effectively. With 21 ex-Wilko stores opened this financial year, performance to date has been pleasing, supplementing our organic expansion plans while maintaining our principle of selecting high-quality locations.

Reflecting on a successful year, we remain confident in our ability to trade profitably across various store formats, with a robust short-term pipeline demonstrating our flexibility and effectiveness across town centres, shopping centres and retail parks nationwide.

1. One-year LFL revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week versus 53 week or 14 week versus 14 week comparison periods. They include each store's revenue for that part of the current period that falls at least 14 months after it opened compared with its revenue for the corresponding part of FY23.



B&M Birmingham, The Fort Shopping Park – opened October 2023



B&M ex-Wilko store, Cathedral Lanes Shopping Centre, Coventry – opened February 2024



Alex Russo
Chief Executive Officer

This has been a good year for the Group and is an inflection point for our store opening programme. We have delivered a record Group adjusted EBITDA¹ (pre-IFRS 16) of £629m at a margin of 11.5%. This has been driven by a record year of revenues of £5.5bn, up 10.1%.

Critically, we have also maintained our discipline on ensuring growth translates into cash, with a further £348m declared as ordinary and special dividends, bringing the cumulative total of cash returns paid over the four years FY21-FY24 to £1.8bn². With a significant acceleration in openings in our final quarter, and not less than 90 B&M UK store openings in the next two financial years, the future is exciting.

Core to our strategy and financial performance has been our relentless focus on price integrity (EDLP) and high retail standards. Additional revenues were driven by our LFL³ growth of 3.7% in our core UK business and by our new store openings that saw 47 gross new B&M stores open in the UK, 11 in France and 20 in Heron. Importantly, almost half of the B&M openings in the UK were in the fourth quarter, meaning the majority of the benefits to sales, cash and profits will be felt in the current financial year. The quality of our LFL³ growth remains high, being driven by higher volumes and positive customer transactions. This is a result of our price position, our merchandising optimisation and our operational standards. The progress in our LFL³ sales comes alongside the strong performance of our new store openings that are generating accretive sales densities.

Whilst FY24 was a good year, we are excited by the future. We will deliver our stated plans for new store growth, driving sub 12 month cash paybacks. We will maintain our operational execution discipline in existing stores. We will remain everyday low price and that means a focus on everyday low costs ("EDLC") as we continue to mitigate inflation and protect our customers wallets.

Store opening programme supports future growth

During the financial year we announced a new, long-term store target of not less than 1,200 B&M UK stores, a significant increase from the 950 we had guided to previously. With just 741 stores currently, we have many more years of profitable, cash-generating growth ahead.

Alongside this update to our long-term target, we also announced an acceleration in our short-term opening programme, to at least 45 stores per annum over a three-year period. During FY24, the first year of this programme, we have opened 47 stores. Net of a small number of closures/replacements, we finished the year with 741 stores, an increase in store numbers of c.5% versus the start of the year.



The acceleration in our openings is underpinned by the acquisition of up to 51 stores from Wilko. We moved rapidly as we carefully selected the stores we wanted, renegotiated leases and are now opening these stores at speed. Many of these stores are in new areas for B&M or are in catchments where we are under-represented. Of the 25 B&M UK stores we opened in the fourth quarter of FY24, 21 were former Wilko stores, and I am pleased to report that these stores, in common with other new stores, are delivering strong sales densities. We intend to maintain our momentum and in the first quarter of FY25, also expect to open between 15 to 20 B&M UK stores, many of which will be former Wilko stores.

The positive impact of the opening programme should be noted. A new store's sales represent 100% volume growth, so over the next three years, this opening programme will generate substantial additional volume. LFL³ volume growth will continue to increase total volume growth further.

LFL³ sales growth will augment new store sales growth

Although our B&M UK fascia growth is pivoting to a higher proportion of total volume growth being driven by new stores, this is not at the expense of our LFL³ growth performance. LFL³ sales, from share gain and market growth are expected to contribute to total volume growth going forward, as they always have. We will maintain and improve availability and operational disciplines and we will reward our local store managers for retail excellence and hard work through our management incentive programmes. Our store managers and team are responding exceptionally well.

We will remain highly disciplined in making sure our existing and new stores are as good as they can be, with industry-leading standards and pricing. Total volume growth will help ensure we continue to drive substantial profit growth and increased cash generation, and that volume growth will be driven by new and existing stores. The combined benefit of these two channels of volume growth is considerable.

Industry-leading volume growth with disciplined cost control

Our sustained volume growth is improving our relationships with FMCG branded suppliers by reinforcing our position as the fastest growing major customer for many. It is also improving further our relationships with suppliers in the Far East (where there is excess capacity) and this is helping drive increased productivity as we increase our volume through a broadly unchanged infrastructure.

Value creation in retail requires not only growing volume but also control of the underlying cost base. Despite industry-wide cost headwinds, we work to deliver on this fundamental aspect every day. We have faced challenges from increases in the minimum wage and energy costs. But through our volume gains, delivered by strong LFL³ growth and through new store openings, we have been able to weather these pressures and deliver a step change in our adjusted EBITDA¹ (pre-IFRS 16) margin compared to pre-pandemic levels. Once again, I reiterate our long-term margin guidance, which is to deliver



adjusted EBITDA¹ (pre-IFRS 16) margin for B&M UK between 12-13%, for B&M France to grow over time above 10% and for Heron to stay above 6%.

Strategic actions underpin gross margin gains, while pricing remains market leading

The step change in the adjusted EBITDA¹ (pre-IFRS 16) margin has been achieved by substantial sales growth (over 40% higher sales compared to 2020), through strict cost control (head office size and distribution capacity are largely unchanged) and through a managed increase in our gross margin as the business has grown and evolved. Importantly, this improvement in the gross and adjusted EBITDA¹ (pre-IFRS 16) margin has been delivered against a strong and improved price position.

Our gross margin has improved due to better buying prices and mix benefit. Key driving factors include better store execution that captures incremental margin-accretive product sales without increasing store costs. Our range evolution and exiting categories such as big-ticket furniture and frozen food, improves both sales densities and gross profit. We also leverage our market-leading volume growth in branded FMCG products and Far East sourced General Merchandise. These changes underpin the long-term EBITDA position.

France offers very significant potential

Our French business has operational momentum and we will continue to grow it in a disciplined way, driving increased sales densities. Once again France delivered strong LFL³ growth, the number of openings increased and delivered an adjusted EBITDA¹ (pre-IFRS 16) margin of 9.1%.

Moving forward, we will continue to deliver incremental volume growth from the twin channels of new and existing stores. We will increase the rate of openings in a disciplined way and will increase the FMCG range which will drive footfall and LFL³ sales growth further. Over the medium term, we expect the adjusted EBITDA¹ (pre-IFRS 16) margin to reach at least 10% and we will grow revenues with discipline.

The potential for store openings in France remains very high. France has a similar sized population to the UK, where we have targeted at least 1,200 stores. The long-term number of stores in France remains a multiple of the 124 stores we operate today.

Heron Foods contributes well to the Group

Heron is our discount convenience format business and although it is a small business, with just £560m turnover, its adjusted EBITDA¹ (pre-IFRS 16) margin is sector leading. Heron's success is built upon differentiated sourcing, strict cost control, targeted store footprints and excellent retailing and logistics skills. There is cross fertilisation between Heron and our other businesses, which helps us optimise our sales densities across the Group.

We will continue to open around 20 Heron stores per year to deliver growth from this programme as well as our existing estate.

Competitive position

The retail industry remains challenged by regulatory and macro pressures. In the last 12 months a number of retailers have failed and a significant number of others have issued one or more profit warnings. In this context, we delivered increased profits and cash generation, and have this year exceeded our "lockdown" peak of £626m adjusted EBITDA¹ (pre-IFRS 16). There are very few companies which were "lockdown winners" and who have sustained their competitive progress post-pandemic. In FY20, our adjusted EBITDA¹ (pre-IFRS 16) was £342m compared to £629m in FY24. In the last five years, we have delivered 83.9% EPS earnings growth – equivalent to an annual compound earnings growth of over 12%. On top of this, between FY21 to FY24 we have returned £1.8bn of cash to our shareholders. If shareholders had reinvested those dividends in our shares at the time the dividends were returned, they would have seen the equivalent of an annual compound earnings growth of over 17%.

The success of our new stores, our continued volume growth and improved sales densities show that we are as competitive as ever and we have plenty of runway ahead. The growth of discounting is a global trend and we remain a rollout opportunity into structural change. We will continue to take sales and market share, but we will only ever do so in a disciplined and profitable manner.

Over the medium and longer term, future volume gains will help insulate us against cost pressures in a way that most of our competition do not possess. We remain a compounding, profitable, cash-generating business with a platform for future growth.

A thank you to our Chairman, the management team and to all colleagues

Later this year we will see our Chairman, Peter Bamford, retire after six years. He has chaired the Group through some of the most uncertain times in recent history and has overseen the transition from a founding CEO to me. He has done this with an unerring view of what is right for all our stakeholders. I wish to thank him for his unwavering support and guidance on both a personal and professional basis. I wish Peter all the very best for the future. I have thoroughly enjoyed working with him.

I would also like to extend my thanks to the broader management team and to all of our colleagues. We have again delivered high-quality results in a tough retail market. We have been able to deliver these results thanks to the hard work of the team – everyone from the shop floor upwards.

Alex Russo

Chief Executive Officer
4 June 2024

- Adjusted values are considered to be appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of accounts. See notes 2, 3 and 4 of the financial statements for further details.
- Based on ordinary and special dividends paid in the years FY21 to FY24.
- One-year LFL revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week versus 53 week or 14 week versus 14 week comparison periods. They include each store's revenue for that part of the current period that falls at least 14 months after it opened compared with its revenue for the corresponding part of FY23.



Mike Schmidt
Chief Financial Officer

New and existing stores driving volume growth

The current accounting period represents the 53 weeks trading to 30 March 2024 ("FY24") and the comparative period represents the 52 weeks to 25 March 2023 ("FY23").

Group revenues in FY24 increased by 10.1% year-on-year ("YoY"), (+10.1% on a constant currency basis), driven by volume growth and positive LFL² performance across the three businesses.

The extra week in the FY24 trading period relative to FY23 added 2.3% to Group revenue growth YoY whilst also benefitting from higher trading due to the early Easter timing. This seasonal Easter trading benefit will not occur in FY25 as a result.

Group adjusted EBITDA³ (pre-IFRS 16) increased by 9.7% to £629m (FY23: £573m), representing a margin of 11.5% (FY23: 11.5%). This reflects volume-led revenue growth, with the cost leverage and productivity gains of higher transaction numbers helping reduce cost-to-sell percentages. Group adjusted operating costs on an underlying basis^{3,6} decreased as a percentage of revenues from 25.5% to 25.4%.

Group adjusted operating profit³ increased by 10.9% moving in line with the above. We have continued to invest in our store estate and have 60 net more stores across the Group, as such total depreciation and amortisation increased by 6.4%.

The extra week added £13m to Group adjusted EBITDA³ (pre-IFRS 16) and £12m to Group adjusted operating profit³.

Fascia overview

B&M UK

In the B&M UK fascia⁴ business, total revenues increased by 8.5% to £4,410m (FY23: £4,067m), with LFL² revenues up 3.7%. This was underpinned by volume growth driven from our new store opening programme and positive LFL² customer transactions.

LFL² revenues grew in every quarter YoY. The first half of the year saw LFL² revenues up 6.2%, split between 9.2% in Q1 and 3.1% in Q2. Against relatively more challenging comparatives, LFL² revenues maintained their positive trend across the second half seeing 0.6% growth in Q3 and 2.9% in Q4. We are pleased to see an increase in LFL² customer transaction numbers and our sales participation between FMCG and General Merchandise remains balanced and in line with our expectations.

Group financial performance

£'m	FY24	FY23	YoY Change
Revenue	5,484	4,983	10.1%
Adjusted EBITDA³ (pre-IFRS 16)	629	573	9.7%
Adjusted EBITDA ³ (pre-IFRS 16) margin	11.5%	11.5%	(3) bps
Depreciation and amortisation (pre-IFRS 16)	(82)	(76)	6.9%
Operating profit impact of IFRS 16*	67	57	17.0%
Adjusted operating profit³	614	554	10.9%
Adjusting items ³	(7)	(19)	(63.3)%
Statutory profit before interest and tax	607	535	13.5%
Finance costs relating to right-of-use assets	(69)	(61)	13.8%
Other net finance costs	(40)	(38)	3.3%
Statutory profit before tax	498	436	14.1%

* Includes depreciation on right-of-use assets of £176m – FY24 total depreciation and amortisation was £258m (FY23: £242m).

There were 47 gross new store openings in the year. More than half of our store openings came in the fourth quarter, with 21 of these being former Wilko stores. We are pleased with the early performance of these stores along with all other new store openings in the year.

B&M UK revenues also included £30m of wholesale revenues (FY23: £37m). The majority of wholesale sales are to our associate Centz Retail Holdings Limited, a chain of 53 variety goods stores in the Republic of Ireland, which increased its proportion of FMCG sourcing from within the EU market.

Our trading gross margin⁵ rose 46 bps YoY to 36.3% from 35.8%. This reflected a reduction in freight rates and strong sell-through across both FMCG and General Merchandise, resulting in largely only planned markdown activity this year. Statutory gross margin increased 120 bps to 36.9% from 35.7%, benefitting from favourable foreign exchange hedge accounting in the current year and non-recurring storage costs recorded in the comparative.

Adjusted operating costs on an underlying basis^{3,6} were well controlled representing 24.0% of revenues compared to 24.4% in the prior

year. Given the 9.7% increase in the national living wage hourly rate that was absorbed in the period, this reduction in our cost-to-sell percentage reflects cost leverage and productivity gains from sales volume growth, together with a continued focus on cost discipline.

We are an EDLC retailer that operates with a low fixed cost base and double-digit adjusted operating profit³ margins. This operating model allows us to benefit materially from volume growth from either new store openings or LFL² trading. It is total volume growth that leverages our central cost base, offsetting inflationary impacts, and results in an increase in operating profits at the sustainable 12-13% adjusted EBITDA³ (pre-IFRS 16) and adjusted operating profit³ margins that we consistently guide to.

Adjusted EBITDA³ (pre-IFRS 16) increased by 10.5% to £556m (FY23: £503m), with margin increasing by 23 bps to 12.6% (FY23: 12.4%) and demonstrating the benefit of volume-driven revenue growth. Adjusted operating profit³ was £548m (FY23: £498m) with a margin of 12.4% (FY23: 12.3%).

Statutory profit before interest and tax for the year was £548m (FY23: £498m).

B&M UK LFL² revenue reconciliation

£'m	2024	2023	1-year Change
Like-for-like ² revenue (53 weeks basis)	4,843	4,672	3.7%
Like-for-like ³ sales recorded in week one of FY24	–	(85)	
Online trial	–	6	
New stores after 25 March 2023	140	–	
New stores prior 25 March 2023	133	53	
Closed stores	1	59	
Gross segment revenue	5,117	4,705	
VAT/Commission income	(737)	(675)	
Wholesale revenues	30	37	
B&M UK revenue	4,410	4,067	8.5%

B&M France

Total revenues increased by 19.2% to £514m (FY23: £431m). The business continues to improve sales densities – with the majority of the LFL² revenue growth performance being driven by positive customer transaction numbers.

It has been another disciplined and controlled year of store openings with 11 gross new store openings and one relocation. All new stores are performing in line with or above our assumptions and continue to demonstrate the potential for the B&M brand to trade effectively in a wide range of geographies and formats.

Adjusted operating expenses on an underlying basis^{3,6} as a percentage of revenues reduced from 35.9% to 35.3% reflective of cost leverage from increased sales volumes.

Adjusted EBITDA³ (pre-IFRS 16) increased to £47m (FY23: £41m) representing an adjusted EBITDA³ (pre-IFRS 16) margin of 9.1% (FY23: 9.6%). This is a 64 bps increase compared to an underlying margin of 8.5% in FY23, which excludes c.£5m of one-off government support received at the start of the prior period, as previously reported. Adjusted operating profit³ was £49m (FY23: £38m) with a margin of 9.5% (FY23: 8.8%).

Statutory profit before interest and tax for the year was £49m (FY23: £38m).

Heron Foods

Total revenues grew by 15.3% to £560m (FY23: £485m) representing another excellent year. We remain committed to offering our customers convenient, great value and quality products at a competitive price point. We continue to see an increase in both LFL² customer transactions and basket value YoY.

There were 20 gross new store openings in the year with one relocation and three closures.

Adjusted operating expenses³ as a percentage of revenues reduced from 26.1% to 25.4%.

Adjusted EBITDA³ (pre-IFRS 16) increased by 21.3% to £36m (FY23: £30m), a result that is testament to the execution and cost control demonstrated by the Heron team. Our margin of 6.4% (FY23: 6.1%) is sector leading. Adjusted operating profit³ was £27m (FY23: £19m) with a margin of 4.9% (FY23: 3.8%).

Statutory profit before interest and tax for the year was £27m (FY23: £19m).

Adjusting items and central charges

£'m	2024	2023
Profit before interest and tax	607	535
Costs in relation to the acquisition of Wilko stores	9	–
Online trial	–	2
Fair value of ineffective derivatives	(2)	17
Foreign exchange on intercompany balances	0	0
Adjusted operating profit³	614	554

Adjusting items and central charges

Adjusting items are excluded from our adjusted EBITDA³ (pre-IFRS 16) and adjusted operating profit³ performance by virtue of their size and nature to provide a helpful perspective of the YoY performance of the Group. Further detail on adjusting items can be found in note 3, starting on page 121 of the financial statements.

The growth in profit before interest and tax has moved in line with segmental trading offset partially by central charges within the corporate segment, including the management retention bonus accrual for the Group Trading Director, the Wilko acquisition costs and listing costs for our Luxembourg corporate entity.

Net finance costs

Adjusted net finance charges³ for the year, excluding IFRS 16, were £44m (FY23: £38m) due to increased rates on our new debt facilities. This included bank and high yield bond interest of £47m (FY23: £38m) and amortised fees of £2m (FY23: £2m).

The interest charge relating to lease liabilities under IFRS 16 was £69m (FY23: £61m).

Group tax

The tax charge in FY24 was £131m (FY23: £88m), primarily reflecting an increase in the UK corporation tax rate from 19% to 25%, effective from 1 April 2023, as well as due to an increase in profits year-on-year.

As a Group, we are committed to paying the right tax in the territories in which we operate. The B&M UK business paid taxes totalling £653m in FY24, including £234m relating to those taxes borne directly by the Company such as corporation tax, customs duties, business rates, employer's National Insurance contributions, and stamp duty and land taxes. The balance of £419m are taxes we collect from customers and employees on behalf of the UK Exchequer, which includes Value Added Tax, Pay As You Earn and employee National Insurance contributions.

Profit after tax and earnings per share

Statutory profit after tax was £367m (FY23: £348m) and the statutory diluted earnings per share was 36.5p (FY23: 34.7p).

Adjusted profit after tax³ (pre-IFRS 16), which is also reported to allow investors to aid their understanding on the operating performance of the business (see note 3 of the financial statements), was £370m (FY23: £366m), and the adjusted fully diluted earnings per share³ was 36.8p (FY23: 36.5p).

Capital expenditure

Group net capital expenditure⁷ totalled £124m this year (FY23: £87m). Investment included £59m spent on 78 gross new stores across the Group's fascias (FY23: £33m on 42 stores) and £27m on infrastructure projects to support the continued growth of the business (FY23: £16m). There was also investment of £34m on maintenance works to ensure that our existing store estate and distribution centres are appropriately invested (FY23: £40m). There was also a net expenditure of £4m relating to one freehold acquisition (FY23: net expenditure of £11m).

Post-tax free cash flow⁸ and net debt^{9,10}

Post-tax free cash flow⁸ of £382m (FY23: £464m), represents a reduced YoY, caused by higher tax payments and increased capital expenditure due to the store opening programme.

The Group continues to be highly cash generative with our inventory levels flat YoY despite higher revenues. The strong performance and cash generation have enabled the Group to pay dividends totalling £348m in FY24. This includes a £201m special dividend¹¹ paid in February 2024.

There has been a step change in the revenues and profit performance of the Group since the pandemic. During the four financial periods FY21 to FY24, we grew Group adjusted EBITDA³ (pre-IFRS 16) from £342m (FY20) to £629m (FY24), generated cumulative operating cash flow of £3.3bn and distributed £1.8bn in cash to shareholders demonstrating our consistent disciplined approach to capital returns and shareholder value creation.

The Board adopted a long-term capital allocation policy in 2016 to provide a framework to help investors understand how the Group will evaluate opportunities to invest and support the growth of the business relative to incremental return of capital to shareholders.

Net debt⁹ (excluding IFRS 16 lease liabilities), increased to £737m (FY23: £724m). The net debt⁹ to adjusted EBITDA³ (excluding IFRS 16 lease liabilities) leverage ratio was 1.2x (FY23: 1.3x). Net debt¹⁰ (including IFRS 16 lease liabilities) was £2,094m (FY23: £2,025m) meaning our net debt to adjusted EBITDA³ ratio was 2.4x, a decrease on the previous year (FY23: 2.5x).

Dividends

During the year, the Company declared and paid an interim ordinary dividend of 5.1p¹¹ per share in addition to a special dividend of 20.0p¹¹ per share. Subject to approval by shareholders at the AGM on 23 July 2024, a final ordinary dividend of 9.6p¹¹ per share will be paid on 2 August 2024 to shareholders on the register of the Company at the close of business on 28 June 2024. The ex-dividend date will be 27 June 2024.

The Group has a dividend policy which targets an ordinary dividend pay-out ratio of between 30-40% of net income on a normalised tax basis. The Group generally aims to pay the interim and final dividends for each financial year in proportions of approximately one-third and two-thirds of the total annual ordinary dividend respectively.

Mike Schmidt

Chief Financial Officer
4 June 2024

Notes:

1. Constant currency comparison involves restating the prior year Euro revenues using the same exchange rate as that used to translate the current year Euro revenues.
2. One-year LFL revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week versus 53 week or 14 week versus 14 week comparison periods. They include each store's revenue for that part of the current period that falls at least 14 months after it opened compared with its revenue for the corresponding part of FY23.
3. Adjusted values are considered to be appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of account. See notes 2, 3 and 4 of the financial statements for further details.
4. References in this announcement to the B&M UK business include the B&M fascia stores in the UK except for the "B&M Express" fascia stores. References in this announcement to the Heron Foods business include both the Heron Foods fascia and B&M Express fascia convenience stores in the UK.
5. Trading gross margin is considered to be a meaningful measure of profitability as it refers to the measure of gross margin used by management to commercially run the business. It differs to the statutory definition for B&M, which increased 120 bps from 35.7% to 36.9%, due to technical accounting adjustments in relation to the allocation of gains and losses from derivative accounting, storage costs and commercial income, with the derivative adjustments the main factor.
6. Adjusted operating expenses on an underlying basis excludes foreign exchange, one off income, depreciation and amortisation. This adjusted measure is considered a more meaningful metric to the users of the accounts as this is the cost base used by management to commercially monitor performance. Group non-underlying items include B&M UK's foreign exchange losses in relation to derivative adjustments of £12m (FY23: £40m gain) and one off income received in France at the start of the prior year which amounted to £5m. Group adjusted operating costs, excluding depreciation and amortisation, as a percentage of revenues increased to 25.6% from 24.6%.
7. Net capital expenditure includes the purchase of property, plant and equipment, intangible assets and proceeds from the sale of any of those items. These exclude IFRS 16 lease liabilities.
8. Post-tax free cash flow is an Alternative Performance Measure. Please see note 3 of the financial statements for more details and reconciliation to the Consolidated statement of cash flows. Statutory Group cash generated from operations was £862m (FY23: £866m). This statutory definition excludes payments for leased assets including the leasehold property estate.
9. Net debt comprises interest-bearing loans and borrowings, and cash and cash equivalents. Net debt was £737m at the period end, reflecting £919m as the value of gross debt netted against £182m of cash. See notes 18, 21 and 28 of the financial statements for more details.
10. Net debt including lease liabilities is the above plus the current and non-current lease liabilities recorded on the Consolidated statement of financial position.
11. Dividends are stated as gross amounts before deduction of Luxembourg withholding tax which is currently 15%.

KPIs

The Board manages the Group's performance by reviewing a number of key performance indicators ("KPIs"). The KPIs are discussed in the Chief Executive's review and the Financial review.

Financial

Group revenues

£5.5bn

+10.1%



Why is it important?

The Board considers that this measurement is a key indicator of the Group's growth. Sustainable growth in revenues is important to our business model.

B&M UK LFL¹ growth

3.7%

+295 bps



Why is it important?

By monitoring the ongoing LFL trading performance at both store and product level, we are able to track progress and monitor performance of our existing store estate.

Group adjusted EBITDA² (pre-IFRS 16)

£629m

+9.7%



Why is it important?

In addition to growing revenues and opening new stores, we have a clear focus on ensuring that our growth is profitable. We measure profitability by our adjusted EBITDA (pre-IFRS 16) performance. See notes 2, 3 and 4 of the financial statements for further details.

Group adjusted operating profit²

£614m

+10.9%



Why is it important?

In addition to growing revenues and opening new stores, we have a clear focus on ensuring that our growth is profitable. We measure profitability through our adjusted operating profit performance which incorporates IFRS 16 adjustments. See notes 2, 3 and 4 of the financial statements for further details.

Post-tax free cash flow³

£382m

-17.8%



Why is it important?

The Group is highly cash generative, capable of delivering high returns from a relatively low capital intensity. By monitoring this free cash flow metric, we are able to actively manage our working capital needs, meet our cash commitments and invest in the business and allocate any surplus in line with our capital allocation policy.

Return to shareholders⁴

£348m

-4.8%



Why is it important?

Returning cash through ordinary and special dividends is an indicator of the Group's profitability and clearly demonstrates our ability to return cash which is important to our shareholders.

Non-financial

Number of Group gross store openings

78

+85.7%



Why is it important?

This measure is an indicator of the Group's growth. Store growth is a key strategy and there remains plenty of runway potential ahead in both the UK and France across all fascias.

Total average retail selling space, sq. ft. (k)

20,300

+5.7%



Why is it important?

This measure is an indicator of the Group's growth. The Group's store growth strategy can sometimes result in the closure of one store, to be replaced by a much larger store in the same catchment area. Therefore this is a key indicator.

1. One-year LFL revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week versus 53 week or 14 week versus 14 week comparison periods. They include each store's revenue for that part of the current period that falls at least 14 months after it opened compared with its revenue for the corresponding part of FY23.
2. Adjusted values are appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of accounts. See notes 2, 3 and 4 of the financial statements for further details.
3. Post-tax free cash flow is an Alternative Performance Measure. Please see note 3 of the financial statements for more details and reconciliation to the Consolidated statement of cash flows.
4. Based on dividends paid in the Consolidated statement of cash flows.

Principal risks and uncertainties

B&M’s risk management framework

Appropriate management of business and external risks is an essential part of operating the Group effectively and creating value for stakeholders over the long term. In this section we provide an overview of the Group’s approach to risk management alongside an assessment of the Group’s principal risks and mitigating controls, highlighting any changes during the period.

The Board has overall responsibility for the management of risk and the identification of principal risks that may affect the Group’s operations, financial performance or strategic objectives. The Group’s risks and mitigations are monitored and controlled by executive management. The Chief Financial Officer ensures that each principal risk has an executive owner and coordinates the regular review process by the Board and also the Audit & Risk Committee as part of their oversight of the Group’s system of internal controls. Given the relative importance of the Group’s UK activities, responsibility for the principal risks is consistently led by UK executive management. Where a risk materially affects French and Heron operations, for example cyber security, then that executive owner will also coordinate with local executive management counterparts, and the Group will adopt a consistent Group-wide risk tolerance.

The Group’s Internal Audit function, led by the Head of Internal Audit, also assesses the ongoing business risks of the Group.

It reports on the effectiveness of internal control procedures to the Audit & Risk Committee. In assessing risk, it considers the Group’s risk mitigating actions and provides recommendations to management to improve business processes and limit their exposure to risk.

The Group’s approach to reviewing risk appetite is part of a bi-annual risk management cycle, which is used to drive and inform actions in relation to the principal risks identified by the Board. The executive management risk owners prepare a written update for the Board, which summarises internal and external developments in the risk environment. This update is then discussed at the Board, together with the output of a horizon scanning exercise conducted by Internal Audit. As part of that risk review process, the Group’s appetite for risk is also defined with reference to the expectations of the Board for both commercial opportunity and internal control. This is then used by the Board to ensure executive management are mitigating and

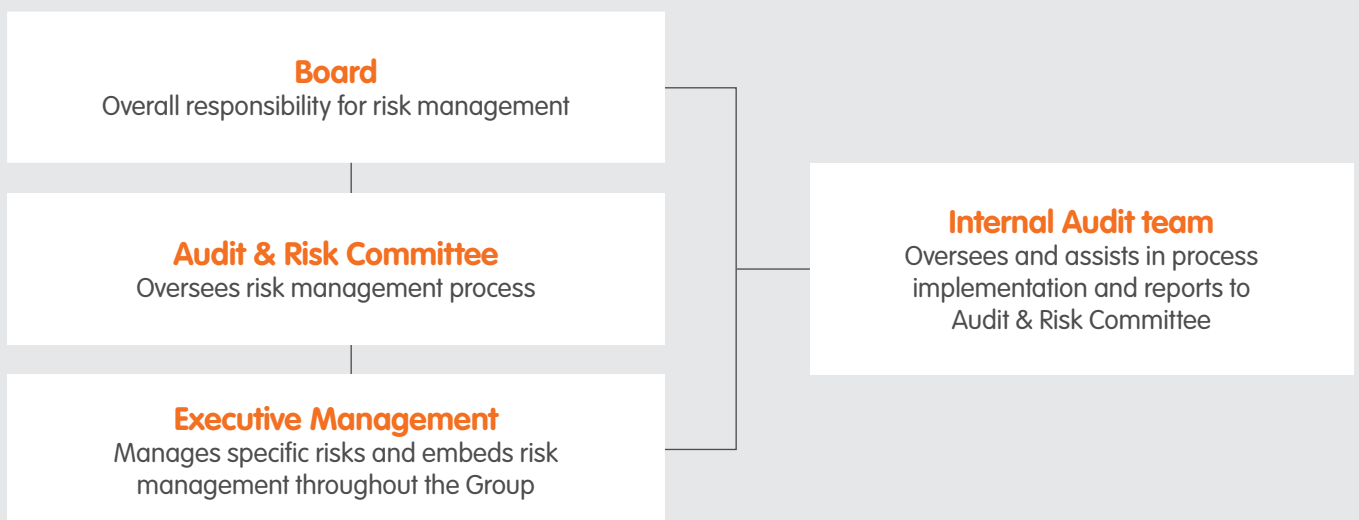
eliminating risk exposure on a timely basis, in line with Board expectations and for setting the Group’s internal audit plan each year. The Audit & Risk Committee is responsible for ensuring any material controls in place as part of the Group’s risk mitigation are effective. They are formally reviewed once per year, but will also be addressed through the regular and more frequent Internal Audit review process.

Assessment of risks

The Directors confirm that they have made a robust assessment of the emerging and principal risks and uncertainties facing the Group, including those that would threaten its business model, future performance, or solvency. A summary outcome of that assessment is set out in the heat map overleaf.

The heat map indicates the Board’s view of the likely degree of impact of each risk after taking into account the risk mitigations referred to in the principal risks table.

Risk framework



Principal risks and uncertainties continued

Principal risks table

The table below describes (i) the main risk exposures identified by the Board in relation to our Group businesses, (ii) the mitigating factors which relate to how the Group manages each of the risk exposures, and (iii) the linkage between the business strategy and the relevant risk exposures. The Group summarises (where relevant) key actions arising in the year in relation to how the Group has addressed certain aspects of these risks. The Group has also indicated where there were any changes in the profile of any of the risks, which reflects the Board's view of the current trend in relation to those risks.

The risks set out in the table are not exhaustive but represent the main risks to the Group in relation to the period under review.

Key changes to principal risk disclosures

The Group previously reported on the potential risks of ineffective stock management and failure in the Group's warehouse infrastructure. Through the Group's mitigation efforts and strengthening of controls, the Directors now believe that these are no longer principal risks for the Group. The Group has introduced a

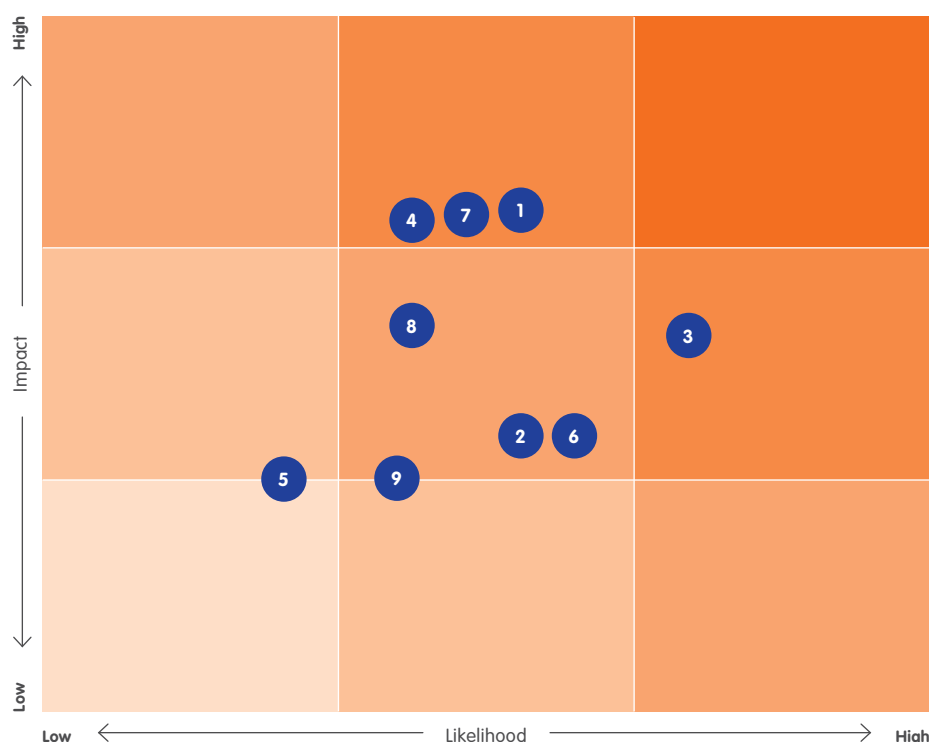
tightly controlled process on committing to stock purchases and on clearing seasonal stocks before the end of each selling season which is underpinned through a newly introduced merchandising system. This has demonstrated its effectiveness through FY23 and FY24, and despite disruption from the Red Sea attacks the Group has maintained good stock availability while limiting the growth of inventory balances. Similarly, the strengthening in management and control of the warehouse operations together with careful investments in our operating systems and resilience has improved the Group's mitigated risk position on warehouse infrastructure.

Climate change and ESG continue to be significant topics within our risk management discussions. We, however, do not view the subject matter as a distinct area that requires separate executive management and focus, but instead believe that it is important that our executive team embed ESG considerations as part of routine business as usual activities. We coordinate and facilitate all our activity around ESG matters through our in-house sustainability manager and also through the support of specialist external consultants.

The growing risk from political uncertainty and global conflict has also been considered by the Directors. The war in Ukraine has not to date had a material impact on the Group's operations, other than through consequential industry-wide impacts on inflation rates for energy and finished goods. The possibility of conflict between China and Taiwan is growing, and this would have a material impact on the sourcing and potentially pricing of our General Merchandise product ranges. This conflict risk is properly considered through our supply chain principal risk, and the Group has made a conscious decision to not compromise its commercial ranging and to continue to source products using currently optimal channels. The global political landscapes are also likely to change significantly during 2024, particularly given the number of elections being conducted. The Directors concluded that, should these lead to different fiscal policies or regulatory approaches being adopted these could have a material impact on the consumer and operating environment and hence the Group's financial results. In order to ensure that this risk is carefully monitored and mitigated against it has been added as Principal Risk 6 "Political uncertainty".

Principal risks heat map




- 1 Supply chain
- 2 Competition
- 3 Economic environment
- 4 Regulation and compliance
- 5 International expansion
- 6 Political uncertainty
- 7 IT systems, cyber security and business continuity
- 8 Key management reliance
- 9 Store expansion



Link to strategy key

- 1** Existing B&M UK stores
- 2** New B&M UK stores
- 3** France growth
- 4** Heron Foods growth

Risk change key

-  Increased risk
-  No change
-  Decreased risk

1 Supply chain

Description and potential impact

Imported goods from China and other Far East countries represent a very significant proportion of the Group's General Merchandise products, and we have material dependence on the continuing smooth flow of these supply sources.

Any lead time delays in the supply chain could result in lower sales and potential loss of margin through reduced availability and/or higher markdowns if goods arrived out of season. Disruption could arise from a wide range of hard-to-anticipate factors including war, civil unrest, natural disasters, disease pandemics and ethical trading issues.

In particular, the Group notes the rising tensions between China and Taiwan, and the consequential impact on Chinese relationships with the US and European nations. Any disruption to our sourcing channels from China would require a material proportion of our General Merchandise ranges to be switched to potentially less efficient manufacturers in different regions. This process would be significantly disruptive and would place reliance on new manufacturers and products.

Strategic priority

- 1**
- 2**
- 3**
- 4**

Change

- 

Risk mitigations

- The Group has an experienced buying team which is responsible for maintaining an efficient and effective supply chain.
- A range of alternative supply sources are maintained across the product categories, we have explored alternative countries of sourcing, and (subject to a general reliance on China-based merchandise manufacturers) we are not reliant on any one single supplier.
- The Group has anti-bribery and corruption and anti-modern slavery and human trafficking policies in place in relation to its supply chain.
- A combination of individual buyers and sourcing agent employees conduct supplier factory visits.
- Our Import supply chain management system is a multi-carrier option, enabling us to utilise multiple shipping line options across all trade lanes, where necessary.

Key actions in 2023/24

- Stock cover in the B&M business on General Merchandise imported goods ensures levels of inventory are adequate to meet periods of supplier delay. This cover was tested in practice with the Red Sea delays, and it is believed by executive management that the impact on availability and seasonal launches was limited.
- Continued review of supplier social compliance processes by our sustainability manager to monitor transparency in the supply chain.
- Working with suppliers and freight forwarders to forecast and remain vigilant in relation to challenges regarding the transportation of goods:
 - Continued development of an enhanced forecasting system to predict the volume of product sales and provide oversight of the flow of stock through our system.
 - Strengthened supplier performance and lead time reporting, ensuring our approach is dynamic against supply chain distribution risk.

2 Competition

Description and potential impact

The Group operates in highly competitive retail markets in the UK and France which could materially impact the Group's profitability, share price and limit growth opportunities.

Strategic priority

- 1**
- 2**
- 3**
- 4**

Change

- 

Risk mitigations

- Continuous monitoring of competitor pricing, store formats and product offering.
- Development of new product ranges within the product categories to identify new market opportunities and target new customers.

Key actions in 2023/24

- The Group has maintained its stock discipline, ensuring that seasonal ranges are sold through in full. This allows the Group to maximise "newness" for customers each year and avoids the risk of mispriced stock in a period of deflating freight costs.
- The Group has continued to maintain its strict SKU count discipline within product ranges, which enables it to react quickly to ever changing consumer tastes, trends and buying habits.
- Around half of the Group's revenues in the period continues to come from, typically essential, food and FMCG goods. This has allowed the Group to remain insulated from any downturn in consumer spending and resilient against our competitors whilst continuing to meet our customers' needs.

Principal risks and uncertainties **continued**

3 Economic environment

Description and potential impact

A reduction in consumer spending, as a result of either consumer confidence levels or prevailing macroeconomic conditions, could impact upon revenue and profitability.

Strategic priority Change

1 2 3 4 —

Inflation manifesting itself through increases in raw material, fuel and wage costs could adversely affect the profitability of the business.

Risk mitigations

- We have an effective forecasting process that enables operating actions to be undertaken reflecting economic conditions.
- We offer a range of products and price points for consumers which allows them to trade up and down.
- We maintain a low-cost business model that allows us to maintain our selling prices as low as possible and our pricing gap to key competitors.

Key actions in 2023/24

- The Group has engaged extensively with suppliers on proposed price changes. While maintaining a constructive and fair approach, we have continued to ensure our stores are well stocked with the best-selling products, at attractive prices relative to competitors.
- Management has continued to proactively respond to changing sales patterns throughout the year, adapting product ranging and promotion in stores, for example increasing entry level SKU choice.

4 Regulation and compliance

Description and potential impact

The Group is subject to a range of regulatory and legislative requirements, including those relating to the importation of goods, pricing, anti-bribery and corruption, anti-modern slavery, anti-tax avoidance and evasion, health and safety, employment law, general data protection regulation ("GDPR"), control of pollution and contamination to the environment, the Listing Rules, Transparency laws and regulations and the Groceries Supply Code of Practice (the "Groceries Code"). The impact of failure to comply with laws and regulations could lead to financial penalties and significant reputational damage.

Strategic priority Change

1 2 3 4 —

Risk mitigations

- The Group has a number of policies and codes, including a code of conduct which incorporates an anti-bribery and corruption policy, which outlines the mandatory requirements we apply to our business. Our codes and policies are communicated to staff along with our employee handbook which is made available to everyone joining the business.
- We actively seek to identify and manage compliance with all applicable new legislation and regulations which apply to us in Luxembourg, the UK and France. Reports on new regulatory developments are provided by the General Counsel and management directly to the Board as well as its Committees. The Internal Audit function of the Group includes assurance testing and auditing of the Group's implementation of new areas of regulatory compliance.
- We have a whistleblowing procedure and policy which allows colleagues to confidentially report any concerns or inappropriate behaviour within our business.
- In relation to anti-modern slavery and other standards relating to human rights within our supply chain, the buying teams are charged with ensuring that every supplier adheres to our Workplace Policy standards.
- The Company has a Group-wide GDPR policy and all associated materials are reviewed to ensure they are GDPR compliant.
- Our Groceries Code compliance programme includes guidance and training for colleagues, monitoring of compliance, reporting of potential non-compliance issues, dispute resolution procedures and a Code Compliance Officer who oversees compliance and the resolution of code-related issues with suppliers. Oversight of our compliance with the Grocery Code is carried out by management and reviewed by the Audit & Risk Committee as a standing agenda item at each of the meetings of that Committee throughout each year.

Key actions in 2023/24

- Appointment of new Group General Counsel and Chief Compliance Officer during the year.
- Mandatory training for all management and support centre colleagues using an e-learning portal has continued throughout the year.
- Our Groceries Code Compliance Officer and Group Internal Audit team have actively engaged during the year with the Groceries Code Adjudicator ("GCA") in relation to our action plans and follow-up work during the year.
- The Group has continued reporting in line with the Task Force on Climate-related Financial Disclosures ("TCFD"), and has commenced preparations for upcoming changes in UK and EU reporting legislation.

5 International expansion

Description and potential impact	Strategic priority	Change
Developing our businesses in new market territories is important to the Group's strategic plans. Expanding into markets creates additional challenges and risks which could impact the overall performance of the Group, its growth and profitability. The Group operates in highly competitive retail markets in the UK and France which could materially impact the Group's profitability, share price and limit future growth opportunities.	3	—

Risk mitigations	Key actions in 2023/24
<ul style="list-style-type: none"> The Group has international retail experience on the Board. Continued reinforcement and development of the experienced senior leadership teams in France in key operational areas. Given insight, relationships and sourcing scale, UK support is provided for product range development and selection by local buying teams. The Group continues to invest in both the infrastructure and technology of our French business. Given differences in local laws and regulations, external legal support, with strong local relevant experience, is retained in place. 	<ul style="list-style-type: none"> We continued to strengthen the senior leadership team in France and continued the involvement of management from the UK to transfer operational knowledge to colleagues in France. We have continued to open additional stores, increasing the scale and presence from which we operate. A Board visit was organised to the French business, including presentations by the executive team, to ensure that Directors understand first hand the trading environment and management perspectives.

6 Political uncertainty

Description and potential impact	Strategic priority	Change
Upcoming elections across the world create an increased likelihood for governments to adopt different regulatory approaches, political stances and fiscal policies. There is also a growing risk of further armed conflict in Eastern Europe and rising tension between China and Taiwan. This could impact consumer certainty and thus our revenue growth as well as our supply chain and operating costs, thereby affecting the profitability and cash generation of our operations.	1 4	↑

Risk mitigations	Key actions in 2023/24
<ul style="list-style-type: none"> Changes in the operating environment are likely to affect all participants in the retail industry. The Group's business model has been proven to trade well through all economic environments, and has tended to outperform other industry participants in weak market environments. Operating costs are tightly managed, and the Group maintains dynamic monitoring of its trading, in order to respond to the market environment. 	<ul style="list-style-type: none"> Executive management and the Board regularly review market commentary to understand the changing political landscape. Regular Board discussions on the political and regulatory environment.

7 IT systems, cyber security and business continuity

Description and potential impact	Strategic priority	Change
The Group is reliant upon key IT systems, and disruption to such systems would adversely affect business operations including those at the distribution centres and stores. The potential impact of a failure to protect and maintain our data and systems could lead to significant business disruption, reputational damage and in the case of a loss of personal data, potential prosecution. This also applies to any failure to protect the Group's IT systems and data from viruses, cyber invasive threats, corruption or sabotage.	1 2 3 4	—

Risk mitigations	Key actions in 2023/24
<ul style="list-style-type: none"> All critical business systems have third-party maintenance contracts in place and those systems are industry standard retail business systems. IT investments and budgets are reviewed and approved at Board level. IT security is monitored at Board level and includes third-party penetration testing and up-to-date security software. The Group has a disaster recovery strategy and plan in place for all of our key systems. Significant decisions for the business are made by the Group or operational boards with robust IT controls and segregation of duties enforced. 	<ul style="list-style-type: none"> Continued tightening of the Group's cyber posture with introduction of common Group-wide security standards and security platform. Ongoing investment in the Group's technology replacement cycle ensuring hardware and software remains within support. Disaster recovery approach continues to be enhanced with upgrades to back-up, network and testing implemented during the year.

Principal risks and uncertainties **continued**

8 Key management reliance

Description and potential impact

The Group is reliant on the high quality and ethos of the executive team as well as strong management and operational teams. There is a risk that a lack of succession planning for senior colleagues could impact the overall performance of the business.

Strategic priority Change

1 2 3 4 —

Risk mitigations

- Key senior and operational management are appropriately incentivised through bonus and share option arrangements to retain talent.
- The composition of the executive team is kept under constant review to ensure that it has the necessary resources and skills to deliver the Group's plans.
- The Nomination Committee has developed succession plans for the Board of Directors and key senior operational management resourcing positions. It also reviewed the wider senior management resourcing needs of the Group.

Key actions in 2023/24

- Succession planning has been regularly reviewed by the Nomination Committee throughout the year ensuring succession plans for key senior management through to executive positions.
- The Group has continued to develop the senior management teams of its businesses. This has included the appointment of a new General Counsel, ensuring that senior leaders have exposure at the Board and supporting key executives with external leadership training.

9 Store expansion

Description and potential impact

The ability to identify suitably profitable new store locations is key to delivering our growth plans. Failure to identify suitable locations in areas targeted for new stores could impact upon store expansion plans and reduce the rate of growth in the business.

Strategic priority Change

2 3 4 —

Risk mitigations

- Our CEO actively monitors the availability of retail space with the support of internal and external property acquisition consultants.
- The flexibility of the trading format allows us to take advantage of a range of store sizes and locations.
- Each new store opening is approved by the CEO ensuring that property risks are minimised and that lease lengths are appropriate.
- Where new locations may impact on existing locations, the cannibalisation effects are estimated and then monitored and measured to ensure that there is an overall benefit to the Group.

Key actions in 2023/24

- The Group has continued to proactively screen the market for new location opportunities and to also respond swiftly to enquiries. The market is also monitored for opportunities arising from retailer corporate actions (e.g. insolvencies such as that of Wilko).
- Sales densities are measured routinely across all three businesses to ensure that new store space sales densities are accretive to the overall Group. The Group continues to review new store opening opportunities in current store locations, to replace older generation stores with better quality sites and premises, and via acquisition of adjacent space to expand stores and optimise performance.

Viability Statement

In accordance with the UK Corporate Governance Code, the Directors have assessed the viability of the Group. This assessment has been based upon the Group's three-year strategic plan (the "plan") and has taken into account the current position of the Group, the principal risks and uncertainties as detailed on pages 23 to 28 of the Strategic Report and the Group's prospects.

We set out our strategic plan on a three-year cycle, which is common practice in the retail sector. We believe this is appropriate as we operate in a competitive retail environment and need to be able to react to changes in retail markets and consumer trends. Given the fast-moving nature of the retail industry and macroeconomic environment, and the lack of long-term contracts and typically rapid investment cycles, the Board believe that forecasting beyond a three-year period is an unproductive exercise, and note that this is consistent with the approach of many of our analysts.

In making their assessment the Directors considered:

- the Group's current balance sheet, its strong track record of generating operational cash flows and returns to shareholders and stress testing of the key trading assumptions within the Group's plan;
- the Group's published strategy for growth, that encompasses driving UK LFL¹ performance, UK new store rollout and the continued growth of Heron Foods and B&M France;
- the potential impact on the Group's business model, future trading expectations and liquidity of one or more of the principal risks set out on pages 23 to 28 occurring in the period;
- the likely degree and effectiveness of possible mitigating actions in relation to the principal risks; and

- the Group's debt facilities of £450m in relation to the term loan and revolving credit facility which matures in March 2029, the high yield bond of £156m remaining outstanding which matures in July 2025 and the two high yield bonds of £250m each maturing in November 2028 and 2030 respectively. Based on discussions with market professionals and the lenders, the Directors have no reason to believe that the Group would not be able to refinance the £156m bond on acceptable terms, however, the Directors have not relied upon this refinancing occurring in reaching their assessment.

The stress testing undertaken included the flexing of a number of key assumptions within the three-year plan, namely future revenue growth, including both LFL¹ revenues and revenues from the new store openings, gross margins, operating costs, the impact of interest rates and working capital management, which may be impacted by one or more of the principal risks to the Group.

A number of other severe but plausible scenarios were considered by the Board.

They included:

- a decline of 10% of LFL¹ annual sales in the Group's main UK trading business, B&M UK, as a result of competition increasing and B&M returning to a pre-pandemic level of sales;
- a significant decline in the gross margin of the Group's main UK trading business due to higher costs of imported goods arising from commodity price increases, increases in import duties and adverse currency exchange movements; and
- a range of other severe scenarios which could have a material impact on the Group's main UK trading business, including for example, a major fire at one of its distribution centres, cyber threats and significant cost inflation.

The Board considered the mitigating steps which they would take to protect the Group in the event of any of those scenarios arising, and determined that the following measures would be necessary to protect its cash flow and liquidity:

- the temporary suspension of dividend payments;
- limiting capital expenditure to essential maintenance only; and
- suspension of new store opening programmes.

The Board has also considered reverse stress testing to determine the extent to which cash flows would need to deteriorate before fully utilising the Group's funding headroom. Each of the above scenarios exceed the impacts of principal risks which the Group has encountered in its trading experience to date. Based on the assessment, stress testing and mitigating actions referred to above, the Directors confirm they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next three years to 27 March 2027.

1. One-year LFL revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week versus 53 week or 14 week versus 14 week comparison periods. They include each store's revenue for that part of the current period that falls at least 14 months after it opened compared with its revenue for the corresponding part of FY23.

Corporate social responsibility

Our ESG strategy is based around the four pillars of environment, colleagues, communities and supply chain. We continue to make progress in delivering against the targets that underpin our ESG strategy.

Table 1: Our key ESG objectives, targets and progress made in FY24.

Objective	Target(s)	FY24 Progress
Environment		
Reduce absolute Scope 1 and 2 carbon emissions by 25% by 2030 against FY21 baseline.	25% reduction in absolute Scope 1 & 2 by 2030. Install light emitting diode ("LED") lighting in all B&M UK stores by FY27. Maintain BeMS penetration in B&M UK stores.	Our Scope 1 and 2 emissions reduced by 1.3% since FY21 (baseline). Annual average reduction of 2.8% is required to meet the Scope 1 and 2 target. However, we reduced our total emissions (Scope 1, 2 and 3) by 19.7%. LEDs: 661 B&M UK stores (89%). Building energy management systems ("BeMS"): 657 B&M UK stores (89%).
Reduce Scope 3 emissions through working with our suppliers	Engage with 67% of suppliers, by spend, to set science-based targets by FY27.	Engagement with an additional 70 suppliers (52% of spend), in addition to the top 30 engaged with previously. Therefore, we have engaged with 100 suppliers in total.
Maintain a high level of packaging recycling and reduce use of plastic packaging	Maintain progress.	Continued to develop innovative ways to reduce plastic packaging.
Colleagues		
Provide colleague development and promotion opportunities through a range of training programmes	Maintain >90 "Step Up" promotions per annum.	515 colleagues participated in our development "Step-Up" programmes supporting colleagues to become department managers, deputy managers and store managers.
Maintain high levels of colleague engagement across the Group	Maintain.	71% of B&M UK colleagues engaged in our employee survey. While this figure was below the overall target, it provided valuable feedback from most of the employees surveyed. B&M adopted a more streamlined procedure and survey methodology, to enable a more data driven analysis of employee feedback.
Develop a diverse and inclusive workforce	To maintain female representation at Board and Exco level to at least 40%. To increase ethnic diversity in senior management to at least 10% by the end of FY27.	Female Board/Executive Committee reports: 42.7%
Reward strong business performance through payment of discretionary bonuses to Store, Distribution and Support Centre Managers	Maintain.	Discretionary Golden Quarter bonus awarded to high-performing leaders in stores. Discretionary bonuses awarded to high-performing colleagues in distribution and support centre roles.
Communities		
Committed to a target of having not less than 1,200 B&M stores across the UK	Not less than 1,200 stores.	There were 47 B&M UK gross store openings. Total B&M stores across the UK are 741.
Contribute to the regeneration of local communities through the creation of new jobs	Creation of new jobs is linked to new store openings.	Approximately 700 new retail jobs in the UK and France.
Support local and national charitable initiatives	Maintain an ongoing programme.	B&M UK, B&M France and Heron Foods colleagues held and contributed to various charitable initiatives, including Macmillan, Fashion and Textile Children's Trust, and Cash for Kids charities (see page 37).
Supply Chain		
Committed to ensuring ethical business practices and the fair treatment of workers in our supply chain	Maintain.	We have a compliance assurance programme in place that continues with our supply chain. In 2023, B&M came third in the annual Groceries Code Adjudicator compliance survey and ahead of many major UK grocery retailers, with over 97% of grocery suppliers stating that B&M complied with the Groceries Supplier Code of Practice.
Pay all suppliers fairly and treat them with respect	Maintain trade creditor days of <35 (invoices need to be paid in this timeframe).	B&M UK trade creditor days: 26.

Our approach to ESG is to:

- deliver our growth strategy for the benefit of all our stakeholders;
- build our business in a sustainable way; and
- apply our principles of excellence, speed, teamwork and hard work to the successful delivery of our ESG Strategy.

The Board is committed to the implementation and monitoring of our ESG strategy. During the financial year, the Board continued to monitor and receive updates on our ESG strategy and to provide input on our ongoing and planned future projects. Each of the executive directors had an ESG-related target in their annual incentive plan objectives for FY24.

B&M works closely with a specialist third-party consultancy, Inspired ESG, to help benchmark and inform its strategic approach regarding the impact of climate change and to develop its net zero roadmap.

We acknowledge that our approach will need to evolve over time. In that regard, the Board remains committed to monitoring progress against our ESG strategy, and to making further developments when appropriate.

In relation to governance and decision-making regarding stakeholders' interests, please see the Stakeholders and Section 172 report on page 54.

Environment



Our environmental policy is to:

- grow our business sustainably whilst supporting the customers and communities we serve;
- operate and maintain a modern, clean and efficient operational infrastructure in relation to stores, distribution centres and transport fleet for the benefit of all our customers and colleagues in the UK and France; and
- continuously look for opportunities to reduce or minimise our environmental footprint where we can, particularly in areas of scale in our operations where we can make an impact.

Environmental sustainability

For the purposes of this Annual Report, we have outlined below the impacts of our environmental policy, and how we have applied it during this financial year. Additional information regarding progress we have made this year regarding climate change and mitigation measures, are outlined in our TCFD section of the annual report.

Transport and Distribution

From reducing the number of trips to making our fleet greener, we constantly research opportunities to reduce our Scope 1 emissions. Our UK transport fleet is fitted with Euro 6 engines, which are the latest standards for

emission compliance. We have continued to invest in double decker “wedge” trailers, which increase trailer capacity and therefore maximise transport volumes intensity per mile travelled. We have invested in energy-efficient handling equipment including lithium-ion picking and loading forklifts in our warehouses. We are monitoring driver performance across our B&M and Heron Foods transport businesses, rewarding fuel-efficient driving and thus reducing diesel emissions. Training and education sessions are held for our B&M HGV drivers, to embed behavioural changes amongst our colleagues, reducing our transport emissions. We are using Paragon transport planning software system, to identify the most efficient transport routes that minimise the number and distance of trips from distribution centres and stores.

Heron Foods have continued to convert their company car fleet to electric vehicles, resulting in 20% of the fleet being fully electric at the end of 2023. Heron Foods are actively trialling electric HGVs from several manufacturers. However, due to range limitations, it is difficult to currently adopt electric HGVs at a large scale.

Waste and recycling

A major source of waste in our operations results from product packaging. Where possible, we collaborate with our suppliers, to review and identify opportunities to reduce the amount of product packaging. This reduces costs, weight and wastage of excess packaging. Examples of packaging innovation include replacing plastic packaging using cardboard and ribbon-like materials to wrap cushions and developing a hanger made of fabric, as opposed to plastic, to display bedding in stores. This reduces wastage, as left over fabric was used to make the hanger.

We continue to dedicate significant focus on recycling and waste management. The total level of packaging waste recycled by the Group in FY24 was 99.8%.

Energy consumption

All new stores are now opened with energy efficient light emitting diode (“LED”) lighting, which uses up to 70% less energy. Wherever practical, we are fitting LED lighting into existing stores when conducting refurbishments. We have LED and motion-activated lighting installed in our main B&M distribution centre and our Heron Foods distribution centre, to reduce unnecessary electricity usage. As of the end of FY24, 661 of our B&M UK stores (89% of the total B&M UK estate) had LED lighting installed and all B&M France stores are fitted with LED lighting.

We have continued to rollout a Building Energy Management System (“BeMS”) in all new, and many existing, B&M UK stores to manage and reduce their energy consumption. We continue to experiment with variable lighting levels during trading and non-trading replenishment hours. We currently have 657 UK B&M stores (over 88% of the total B&M UK estate) with BeMS fitted. All B&M France stores are fitted with BeMS systems. The installation of both LED lighting and BeMS will be important as the Group strives to achieve our Scope 1 and 2 Science Based Targets initiative (SBTi)-validated targets relating to GHG emissions.

We have a rolling programme to install doors on chillers and refrigerators across our stores. We started in 2023 and advanced this plan in 2024. All new stores opened in the period have been incorporated in this programme, and we are now rolling the programme out to include our other large B&M UK stores and smaller stores, where technology permits.

Our B&M France stores reduce energy consumption by optimising “free-cooling,” a process of using external ambient temperature to reduce heat, rather than using energy-intensive refrigeration processes. For over 10 years, our B&M France stores have been deploying BeMS across our estate portfolio, which allows us to control, analyse and

optimise the energy needs of each of our stores. B&M France have implemented several energy efficient systems, such as lighting that operate on a schedule and temperature controls, where several sensors control the temperature via the opening of air conditioning valves to cool the store using air from outside. B&M France are working on adiabatic (temperature management) system which will be tested in stores in 2024.

We are continuously reviewing our estate to identify potential energy reduction opportunities, including onsite renewable power generation. We are conducting feasibility assessments across our businesses for the installation of solar panels. In FY24, Heron Foods have conducted a pilot project for solar panel installation in its warehouse, with the planning of the installation in the final stages. We will use this project to inform decision making and share best practice across the rest of the Group. We aim to conduct site surveys across our estate, to identify further areas for potential energy saving opportunities.

Colleagues



Our policy and commitment in relation to our people is to:

- provide equality of opportunity in relation to recruitment and promotion;
- provide modern, safe and clean working environments at our stores, distribution centres and in our transport operations; and
- ensure that all colleagues are treated with dignity and respect.

→ See **page 34** for more information on **diversity and equality**

As well as our overall policy above, we also have several detailed supplementary policies relating to our terms and conditions of employment and workplace matters. These policies are designed to ensure that we provide appropriate safeguards and practices for the benefit of all colleagues throughout our business, and to ensure compliance with relevant legislation.

Through these policies, we can support the ongoing growth of the business. The Group employs over 40,300 people across our three businesses, in roles covering stores, distribution and support centres. Attracting new and retaining existing colleagues as our operations expand remains crucial to the continued success of the Group and so we retain a strong focus on colleague development, wellbeing and reward.

In FY24, we created over 700 new retail jobs (excluding the ex-Wilko employees), in the UK and France, driven by our store rollout programme. We continue to make a positive contribution to local communities by offering job opportunities, skills development and training.

Colleague progression

We provide development opportunities for talented colleagues across our business. Our

'Step-Up' career development programme involved over 500 colleagues across our stores train to become Department, Deputy and Store Managers. We have continued our "Warehouse to Wheels" initiative, offering training opportunities for distribution centre colleagues to become HGV drivers.

In FY24, B&M France offered a variety of training programs for colleagues, including office automation and English. These programmes allow our colleagues to learn a new skill, developing their knowledge further.

Colleague engagement

Tiffany Hall is the Group's Designated Non-Executive Director for Workforce Engagement¹. Tiffany oversees the effectiveness of our workforce engagement initiatives, and reports to the Board on the outputs during the financial year.

There is a standing agenda item at two Board meetings each year for the Board to consider reports from the Workforce Engagement Director. This enables the Board to monitor progress, consider feedback and discuss outputs and actions with the executive management team. This is supplemented by reports provided each year on colleague engagement and pay by the General Counsel to the Remuneration Committee.

1. As announced on 5 June 2024, Paula MacKenzie will succeed Tiffany Hall as Designated Non-Executive Director for Workforce Engagement on conclusion of the Annual General Meeting on 23 July 2024.

We continued to build our colleague engagement survey this year, for B&M UK and Heron Foods employees. The B&M UK response rate was 71% and we were pleased to see high levels of employee engagement.

Based on the feedback from our colleagues through the engagement surveys and regular listening sessions, we implemented several additional steps. As a result, the following outputs have been implemented by the senior management team:

- a new Employee Assistance Programme (EAP) launched across the business;
- mental Health First Aiders re-published and communicated, ensuring trained colleagues can spot and support colleagues exhibiting mental health challenges; and
- B&M Benefits online platform offers instant discount codes, helping colleagues receive discounts on shopping, travel and entertainment with other organisations; and
- B&M Benefits Reward and Recognition launched e-cards for UK colleagues, enabling colleagues to share their appreciation and thanks.

We have created a new bulletin section on our B&M Benefits online platform, with regular blogs and company updates. In FY24, we developed the online HUB, which delivers regular communication for stores, with an app version for managers in retail. Furthermore, 'Comms Zones' have been introduced in all distribution centres and transport hubs for employees. We host regular listening groups for colleagues across retail, supply chain and support centre.

Colleague wellbeing

We provided colleagues with "double discount" weekends on General Merchandise products on eight separate occasions and on three of those occasions it was across all departments. Double discount is applied as a thank you to all colleagues for their efforts and contribution throughout the year, recognising the cost-of-living pressures on many of our colleagues and to recognise their loyalty and hard work. Other colleague wellbeing initiatives have also occurred in FY24, including advocating Movember and raising money for MacMillian Cancer Support. In FY24, we introduced mental health training to all store managers.

B&M and Heron are advocates for mental wellbeing. In FY24, Heron held menopause, mental health, and domestic abuse awareness sessions. Mental health training was continued in FY24.

B&M UK and Heron both launched online Employee Assistance Programmes. The Programmes provide a comprehensive telephone helpline available 24 hours a day, 7 days a week, 365 days per year to provide all colleagues with immediate telephone support where they may need it most, including:

- work related issues including management, stress, workplace relationships, bullying and harassment;
- anxiety, stress, depression, low self-esteem, anger management;
- family, Marital and relationship issues;
- substance and alcohol misuse/dependency;
- retirement;
- domestic abuse;
- health, critical illness and bereavement;
- lifestyle, exercise, diet and general wellbeing;
- personal legal information;
- medical information (available Monday to Friday, between 9am and 5pm);
- telephone advice relating to critical incidents;
- management consultancy support.

The benefit of offering this type of service is improving the wellbeing of colleagues. It can help reduce absenteeism and improve productivity of colleagues in the workplace.

Colleague reward and recognition

We reward our store managers and supervisors through an annual bonus scheme, which we supplemented with a further Golden Quarter bonus for the top quartile of store managers based on sales performance and store standards. Our schemes are kept simple and transparent, and are designed to be stretching and motivating, ensuring our stores deliver the best possible shopping experience to customers. We have an annual bonus scheme for managers in our distribution centres who lead various warehouse and transport teams.

Diversity and equality

In relation to diversity the B&M Board had a 37.5% female representation at the year-end, with three females out of the eight Board members. In accordance with Listing Rules targets, the Board has one female Board member in a senior position, and one Board member is from an ethnic minority background. In May 2024, Nadia Shouraboura will be appointed at the OGM, which will increase the proportion of female directors on the Board, therefore in the next financial year we will meet our 40% target. Following Ron McMillan's retirement at the Annual General Meetings (AGM) in July 2024, the proportion of female directors on the Board will increase to 50%.

The percentage of female representation within the senior management of the Group, reporting either directly to the Board or the Executive Committee, was 42% (FY23: 40.3%). In relation to all employees of the Group, the percentage of female colleagues was 57%, (FY23: 55.6%).

The percentage of ethnic minority representation within the senior management of the Group reporting either directly to the Board or the Executive Committee was 3.7% at the end of FY24. As recommended by the Parker Review, the Company has voluntarily set targets for 10% ethnic minority representation within the senior management by the end of FY27.

In FY24, the Company collected data in respect of diversity from its new starters. Colleagues are encouraged to provide their ethnic origin, sexual orientation, religion, any disability and gender in accordance with government guidelines. Data collection is performed based on self-reporting by the individual.

Our equal opportunities policies in relation to our workforce are designed to recognise and actively encourage the benefits of having a diverse workforce across our business, which is inclusive of all types of diversity. We aim to ensure that all colleagues are treated fairly and with respect, and that no employee is discriminated against on grounds of gender, race, colour, religion, age, disability or sexual orientation.

This financial year, we signed the Disability Confident Covenant. This means that our recruitment processes support those with a disability by being inclusive and accessible as our vacancies are communicated through a range of channels. We offer interviews to those who declare a disability and explore ways in which we can make reasonable adjustments in the workplace, and support those already employed in the workplace with disabilities.



Our diversity policy in relation to the Board and senior management is:

- to ensure that the Company maintains the necessary skills, experience and independence of character and judgement of its Board members and senior management team, for the Group to be managed effectively for its long-term success;
- while making appointments based on merit so the best candidates are appointed, the Company recognises the value which a diverse Board and senior management team brings to the business and it embraces diversity in relation to gender, race, age, educational and professional backgrounds; and
- together with the above criteria, the Company also recognises that diversity in relation to international experience, recent senior management roles within retail and/or supply chain sectors, and previous experience regarding membership and leadership of Board committees are also relevant factors.

Gender pay gap reporting

In accordance with the Equality Act (Gender Pay Gap Information) Regulations, we have published our data online in relation to each of our B&M UK and Heron Foods businesses as of 5 April 2023.

The mean hourly pay rate of B&M UK colleagues was 9.9% higher for males than for females. This was equal when measured as a median average. For Heron Foods, the mean hourly rate for males was 21.2% higher than females and the median hourly rate for males was 4.8% higher than for females.

In relation to bonuses of B&M UK colleagues, 7.9% of females and 19.1% of males were paid a bonus. On average, male colleagues received bonuses 11.1% higher than their female counterparts. However, when considering the median average, male bonuses were 125.7% lower than female bonuses. For Heron Foods, 4.2% of females and 28.1% of males were paid a bonus. The mean bonus pay for females was 36.5% lower than males and the median bonus pay for females was 48.7% lower than

males. Colleagues of the Group in France and Luxembourg are not included in this data. Full details of the reports are available on our websites at www.bandmretail.com and www.heronfoods.com and on gender-pay-gap.service.gov.uk.

Communities



Our policy in relation to social and community engagement is to:

- continue to make investments in new stores and new jobs in local communities where we are under-represented or not represented at all;
- provide value for money to our customers;
- build long-standing relationships with our suppliers; and
- promote ethical trading policies and practices within our supply chains.

In the communities we serve, we provide shoppers with great prices, create local jobs and help colleagues develop new skills. We have continued to invest in new stores throughout FY24, aiming to extend the reach of our value for money proposition to areas where we are under-represented or not represented at all. This financial year, we opened 47 B&M UK new stores 20 in Heron and 11 B&M France new stores.

When we open a new store, we try to find a hero from the local community known for their charitable work, to perform the ribbon-cutting ceremony on the opening day, generating some publicity with the local media. We actively encourage our store managers to maintain relationships with the local hero going forward, and to support the good work they do in their community. In addition, for every new store we opened in FY24, B&M donated £250 to a local charity and invite them as the VIP to open the new store.

We recruited 2,146 new store colleagues for ex-Wilko stores in locations in England, Scotland and Wales. Of this, 1,395 of the colleagues are ex-Wilko colleagues. As these colleagues already were employed, they were not included in the new retail job figure in table 1.

B&M UK created a national work experience programme in partnership with the Department for Work and Pensions and Department for Communities in Northern Ireland. These programmes have helped the long term unemployed get back to work, providing valuable work experience in a retail environment, with supportive mentors, and a guaranteed interview at the end of the placement. Over 1,790 colleagues completed the 4-week programme and 1,203 were offered employment.

In FY24, Heron Foods colleagues visited schools to provide mentoring, apprenticeship services and advice, as well as attending careers events. Heron participates in the 'Too Good To Go' scheme, which allows local communities to buy discounted food from shops, which would otherwise go to waste.

Charitable initiatives

In FY24, B&M UK, B&M France and Heron Foods continued to support multiple charities. For example, B&M chose to support Macmillan, Fashion and Textile Children’s Trust and Cash for Kids charities. There is now an option for colleagues to donate cashback to Fashion and Textile Children’s Trust.

Heron Foods have celebrated their top ten fundraising stores for Cash for Kids. Certificates are proudly displayed framed in each store. Heron Foods held a summer of giving incentive, where every store that raised more than £300 over the summer, provided their Area Manager (AM) with a ticket into a prize draw.

In FY24, B&M UK raised £20,000 as our Support Centre colleagues participated in Race for Life. We raised £3,000 for Macmillan, through coffee mornings held amongst our Supply Chain and Support Centre employees. B&M UK partnered with Proctor and Gamble to raise money for Alder Hey hospital. Specifically, our charitable donation totalled £11.4m in this period. We also provided support through the donation of 199 pallets of additional stock.

Health and safety

The Board has overall responsibility for ensuring that we maintain high standards of health and safety across the Group. The Board and the executive management team monitor key performance indicators in relation to health and safety trends in the business on a bi-monthly basis, including reports on the number of accidents and those reported to the health and safety executive. We have a dedicated health and safety team of qualified professionals who are responsible for ensuring that we comply with current statutory requirements, and that our health and safety policies are communicated to all our colleagues. Our approach to health and safety is one of education and continuous improvement.

Our store management teams are trained as responsible persons under our health and safety policy for stores. There is a continuous programme of training new recruits, where the training is carried out for each new colleague with reviews (and refreshers as required) also taking place during the next 12 weeks thereafter. Refresher training occurs for store management colleagues. Over the course of

the last five years, over 5,000 store colleagues have been trained as a responsible person, demonstrating our commitment to the safety of colleagues.

In FY24, there were 69 reported accidents (0.09 per store) reportable to the health and safety executive relating to the B&M business in the UK (FY23: 121 reported accidents and 0.17 per store). This is in the context of over 277.4 million shopper visits over the course of the year.



Supply chain



Our policy in relation to supply chain engagement is to:

- ensure ethical business practices and the fair treatment of workers in our supply chain;
- utilise sustainable or recycled materials when designing own-brand products wherever possible; and
- pay all suppliers fairly and treat them with respect.

We aim to foster long standing relationships with our suppliers, who we regard as business partners in terms of our relationships and dealings with them. Many of our suppliers have worked with B&M for several years and have been able to share in our growth and success during that time. They value the simple, transparent pricing model that we adopt, minimising the use of rebates and retrospective discounts.

This year, we engaged with an additional 70 suppliers in addition to the 30 largest suppliers already engaged with, selected based on financial spend, compared to FY23. Our ESG supplier questionnaire will help us to obtain information regarding their GHG emission measurement processes, reduction efforts of our suppliers and their wider ESG ambitions. This programme forms part of our supplier engagement target to have 67% of suppliers based on spend to set science-based targets, which has been validated by the SBTi.

Ethical trading and our supply chain

We regard our supply chain as a key differentiator, with our disruptive sourcing process an essential feature of the B&M business model. We are equally driven by the need to ensure our supply chain partners remain transparent, fair in their business dealings and robust in their welfare policies for their colleagues.

We recognise the need to ensure that the products we sell are safe and fit for purpose for our customers. As such, we have several formal policies for suppliers, to ensure they comply with local laws and regulations and our own policy standards. These include:

- anti-bribery and corruption;
- supplier workplaces, covering anti-slavery and respect for human rights, which all suppliers are required to adhere to; and
- whistleblowing, in relation to reporting of any suspected wrong-doing or malpractice.

Our policies and procedures are geared toward what we think are effective, balanced and reasonable processes. We strive to find practical ways of improving the communication of and adherence to our ethical business practices.

Anti-bribery and corruption

We have a zero-tolerance approach to anti-bribery and corruption. Colleagues in each of our businesses are aware of the importance of reporting any offers of inducements by third parties immediately to the appropriate executive management team director.

Each year an annual review is undertaken of our buying teams in the UK and France. For the year under review, this due diligence process disclosed no instances of any such activity having taken place or having been suspected in our business.

B&M UK, B&M France and Heron Foods all have clearly communicated whistleblowing procedures and processes. In the year under review, no reports were made in any of our three businesses of any instances of suspected bribery or corruption in relation to employees with suppliers or other third parties.

Anti-modern slavery

We have a zero-tolerance policy on slavery, forced labour and human trafficking of any kind in relation to our business and our supply chains. In the last year, all three businesses have continued to communicate our Workplace Policy on the welfare rights of workers to their existing and new suppliers. The standard terms and conditions of purchase used with all suppliers make it a condition that they adhere to these Workplace Policy standards.

B&M communicate with suppliers on good practise, ensuring they meet our standard of

ethical practise. The B&M Group is committed to enforcing ethical business practices throughout its supply chain through the audit of its factories.

In the year under review, no reports have been made to the Group of any instances of actual or suspected modern slavery or human rights abuses relating to human trafficking or other kinds of forced labour in our supply chain. A copy of our Anti-Slavery Statement and Workplace Policy is available on our websites at www.bmstores.co.uk, www.bandmretail.com and at www.heronfoods.com.

Approach to risk management and due diligence in our supply chain

In relation to the Group's assessment of risk, for leading household brand name suppliers we operate based on reasonable reliance being placed on those suppliers having their own comprehensive procedures and policies. For all other suppliers, particularly those supplying General Merchandise goods from overseas, the Group has alternative forms of checks and verification processes. All overseas suppliers are required to provide social compliance reports, as a check on compliance with local laws and regulations, including labour

practices. The Group outsources the vetting and reviewing of those reports, to a specialist team at our sourcing agent in Hong Kong, Multi Lines International Company Ltd ("Multi Lines"). They have a locally based team and well-established processes and expertise in performing such procedures. The Multi Lines team conducts this service in relation to suppliers sourced by them in their capacity as sourcing agent for the Group and those suppliers sourced directly by buying teams in the UK. In addition, members of our buying teams, where practical, visit new suppliers as part of our verification processes.

Quality assurance

In relation to General Merchandise products which are manufactured for the Group, we have a well-established process of pre- and post-production sample testing and approvals. This is supported by our quality assurance team and our own or suppliers' external testing houses being global certification providers. It is supplemented by our own programme of quality control inspections performed by Multi Lines at factory premises prior to shipment.



Task Force on Climate-related Financial Disclosures

Introduction

B&M ("the Group") understands that the threat of climate change to businesses is mounting, and we all must play our part to reduce its impact. B&M is a partner of wider industry and national commitments. For example, the British Retail Consortiums ("BRC") net zero by 2040. Net zero is defined as a 90% absolute reduction in Scope 1, 2 and 3 emissions by 2040 and offsetting the remaining 10%, which will be essential to lower global emission levels.

The Task Force on Climate-Related Financial Disclosures (TCFD) offers a framework for businesses, to assess and manage climate-related risks and opportunities. This framework is structured around four key areas: Governance, Strategy, Risk Management, and Metrics & Targets. These areas align with the core elements of how an organisation operates. Within these areas, the TCFD recommends 11 specific disclosures. These disclosures provide a roadmap for transparent reporting to stakeholders, ensuring a comprehensive understanding of the Company's position regarding climate change.

We are pleased to publish our disclosure aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for the third year in a row, outlining our progress in responding to the challenges of climate change and embedding TCFD guidance into our business operations. This report builds upon our existing business processes and environmental policy, by

incorporating the risks and opportunities of climate change. In FY24, B&M complied with the requirements of the Listing Rule ("LR") 9.8.6R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. We consider our disclosure to be consistent with all the TCFD recommendations and recommended disclosures including Section C of the 2021 TCFD Annex entitled 'Guidance for all sectors' and Section E of the TCFD Annex entitled 'Supplemental Guidance for Non-financial Groups'.

Governance Board oversight

The Board is responsible for overseeing management's response to climate-related impacts and ensuring action plans are embedded into the business strategy and future financial planning, to mitigate climate-related risks and capitalise on opportunities. The Board ensures that there is an effective system of internal controls within the Group for the assessment and management of key risks. For the year ahead, the Board retains overall responsibility for climate governance and action as this is integrated into our developing ESG strategy. The Group encourage constant communication and collaboration across all levels of management, so that clear action towards mitigating climate change is taken.

ESG, including climate change and associated initiatives, is a standing agenda item at all Board meetings each year, and was discussed

at each of the six Board meeting in FY24. Climate-related issues are considered by the Board, when making strategic or operational decisions, to ensure it is embedded into the business strategy and future financial planning, to mitigate climate-related risks and capitalise on opportunities. The Board's approach to ESG governance, including climate-related risks and opportunities, remains an "at-one" approach. We recognise the importance of collective input, as we begin to implement our ESG strategy. The Board reviews the need for a separate governance committee annually. To support the Board in fulfilling their climate-related responsibilities, a training session was held by our ESG Consultants, Inspired ESG, in FY23, which covered climate change, TCFD, ESG and net zero.

To demonstrate our commitment, Executive Directors' remuneration has been linked to the Group's achievement of metrics relevant to our ESG strategy, including those of climate-related matters.

Management's role

The Board delegates the implementation of processes and controls concerning the management of climate-related risks to the Executive Management Team (Exco) of the UK and French businesses. Exco is responsible for identifying and evaluating new and emerging climate-related risks and assigning mitigating actions. The assessment of the potential impact of climate change on our business is delegated to the sustainability manager.

Table 1: The Group Board and Committee structure used to disseminate climate-related information in the business (as at 4 June 2024).

B&M's Board

The Board of Directors of B&M has 9 members comprising the Chair, a Chief Executive Officer, a Chief Financial Officer, a Senior Independent Non-Executive Director and 5 Independent Non-Executive Directors.

Audit & Risk Committee	Nomination Committee	Remuneration Committee	Workforce Engagement NED
This Committee is made up of 4 Independent Non-Executive Directors	This Committee is made up of the Chair and 6 Independent Non-Executive Directors	This Committee is made up of 3 Independent Non-Executive Directors	Tiffany Hall is the Designated Non-Executive Director for Workforce Engagement ¹

Executive management (Exco)

The Group's Exco are responsible for the day-to-day operational and strategic matters in relation to each of the businesses of the Group, which includes B&M UK, B&M France and Heron Foods. Members of the broader senior management team hold regular monthly meetings led by the Sustainability Manager to review progress and agree actions.

1. As announced on 5 June 2024, Paula MacKenzie will succeed Tiffany Hall as Designated Non-Executive Director for Workforce Engagement on conclusion of the Annual General Meeting on 23 July 2024.

Strategic decision-making on climate-related matters is led by the sustainability manager and the Group's executive management. First, the sustainability manager takes the lead on assessing the potential impact and likelihood of climate-related issues, which is presented to executive management or their team members, including the General Counsel, internal audit, investor relations, operations, and finance teams. Inspired ESG conduct the climate scenario model analysis, which uses the TCFD guidelines to compare our performance against the recommended climate-related risks, both transition and physical. Decisions on how to manage the Group's risk responses are taken by the Group's Exco. Exco were informed about climate change and the risks and opportunities through the climate risk workshop in February 2024, which follows on from the workshop and climate analysis conducted in FY23 and FY22. The workshop was attended by a range of business stakeholders, including members of our ESG steering group, legal team, supply chain team and buying team. The ESG steering group meets twice a year and is responsible for co-ordinating ESG-related initiatives in the business, such as the LED lighting rollout.

Exco are informed about climate issues that could be material to their line of responsibility by either their team members responsible for ESG matters, or directly by the sustainability manager. The sustainability manager works across the business, interacting with several departments through our flat management structure. The CFO is the executive director responsible for updating the of the Board on key climate-related information, which occurs six times a year. The sustainability manager reports to the CFO on climate-related matters six times a year, prior to the CFO updating the Board at meetings.

In FY24, we held regular ESG meetings, which were attended by the members of Exco, members of the Board, senior management, our sustainability manager, and our third-party ESG consultancy, Inspired ESG. These meetings were used to discuss key ESG and TCFD topics and progress towards our targets, and to develop our climate-related strategy, such as the rollout of LED lighting and Building and Energy Management Systems (BeMS).

Financial planning

Led by B&M's Exco and Finance team, our financial planning encompasses the Group's strategic vision, integrating forecasted changes in the business along with significant revenue and cost assumptions. Consequently, climate-related expenses or investments made to mitigate our carbon footprint are aligned with the Group's climate ambition to be net zero by 2040. Our consultants guide us in our decision-making regarding how to

prioritise climate-related investments, such as investing in a carbon-friendly refrigeration upgrade in our stores, introducing building energy management systems or considering introducing water limpets. We consistently refine our approach to managing financial planning and investigate enhancements in our financial modelling tools, to bolster our evaluation of risks and opportunities, particularly those associated with climate change.

Strategy

B&M's strategy is consistent year-on-year and is focused on acting in the best interests of our shareholders and customers, whilst being proactive in minimising global warming. Aligning with the TCFD recommendations, we used climate scenarios to examine a range of possible future global warming pathways, to identify our business's transition and physical risks and opportunities over the short, medium, and long term.

Last financial year, we worked to conduct climate scenario analysis for our Heron Foods and B&M France sites for the first time. This financial year, our consultant, Inspired ESG, held a climate risk management workshop in February 2024. In addition to the work completed last year, we expanded the scope of our climate scenario analysis, to incorporate climate-related risks across nine key suppliers, and three critical supply chain routes. This has allowed us to forecast the potential impacts of climate-related risks on our supply chain, from which we can implement appropriate mitigation measures. In subsequent years, we will continue to build upon our existing process and further develop our financial climate risk assessment. This will help us to assess how financial impact modelling impacts specific areas of our growing operations.

The climate modelling considered the transition risks for B&M at a Group level, and physical risks at a site level across the 12 largest sites by square metre for each fascia: B&M Retail, B&M France, and Heron Foods. In total, we identified six transition risks, one physical risk and two opportunities that could be material to our business, as outlined in the table below. As the physical risks are only significant in the medium to long term, they do not pose a high financial exposure to the Group and its assets. However, with the increasing likelihood of flooding, we will continue to monitor the changes in physical risks annually. Overall, our analysis determined there is a low risk to the business model and strategy, and that B&M is well positioned to mitigate the material transition risks identified.

Climate resilience refers to B&M's capacity to respond to climate change, appropriately manage the associated risks and capitalise on the opportunities identified. Aligning

with the TCFD process is a crucial measure aimed at enhancing the business' resilience by integrating climate-related risks and opportunities into strategic and financial planning for the upcoming financial year. We continue to develop mitigation measures to improve the resilience of our business strategy to climate change. See table 2 for more information.

The climate-related metrics that are used to measure and manage our climate-related risks can be found in the Metrics and Targets section of this report.

Climate scenario analysis

In a world of uncertainty, climate scenarios are intended to explore a range of potential futures that may significantly alter the basis for a "business-as-usual" approach. Multiple scenarios should be used to analyse how different variables can result in varying outcomes. The climate models used for this analysis includes data from the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCP), the International Energy Agency's (IEA) World Energy Model (WEM), the Network for Greening the Financial System (NGFS) and other existing models.

The TCFD recommends the use of climate scenarios that should be plausible and credible. Each scenario should focus on a different combination of key factors. The scenarios used in this year's analysis are in alignment with the ISO 14091 standard. Climate scenarios should be used to differentiate a range of possible futures rather than a single theme. Each climate scenario should contribute insight into the future that relate to strategic and/or financial implications of climate-related risks and opportunities. Scenarios provide a common reference point for understanding how climate change could evolve under different futures. Each scenario was chosen to show a range of higher and lower-risk outcomes.

Each climate-related risk is assessed to determine its overall impact to B&M using risk thresholds. The risk thresholds are reached when a certain change from the baseline period is experienced. Each threshold used signifies an increase in the level of risk its potential impacts.

It is important to remember that climate scenarios make projections on hypothetical futures and as such come with a degree of uncertainty. While some of the information obtained from existing climate models have a high degree of accuracy, there is still a level of uncertainty. As a result, scenario analysis is only used as a guide for climate-related risks and opportunities.

The climate scenario analysis was updated in December 2023. In performing the Group’s climate scenario analysis, the Group has considered the following additional factors, again in line with TCFD guidance:

- Physical and transition risks of climate change. Transition risks are those risks related to moving towards a decarbonised economy. These include potential issues to policy and legal, technology, market and reputational matters. Physical risks may impact a business, such as flooding, rising mean temperatures, and water stress.
- Different time horizons to consider whether risks are likely to occur in the short-term (2023-2027), medium-term (2028-2037) or long-term (2038-2052). The impacts of climate change extend beyond traditional business planning horizons. Since the UK

has net zero targets for 2050, the long-term horizon has been aligned with this timeframe.

- Different warming pathways, dependent on differing global responses to the climate change by 2100:
 - <2°C (proactive scenario) where organisations align with the Paris Agreement and therefore set net-targets by 2050. Governments introduce policies in a structured manner, with companies investing in low-emission technology.
 - 2-3°C (reactive scenario) results from the commitments made at COP26. The response to climate change is delayed, with governments implementing policies and legislation in an uncoordinated manner, leading to high transition risks in the medium-term. Business continues

as usual in the short-term, whilst decarbonisation efforts remain in the high emitting sectors.

- <3°C (inactive scenario) is where businesses continue as normal with limited climate action occurring, and emissions therefore rise until 2040. Governments are under pressure to take climate action, with policies introduced in a sporadic manner, and energy markets are highly volatile.

Table 2: Summary of climate-related risks and opportunities

Key area	Climate-related risk category	Description of climate-related risk	B&M risk category	Timeline and warming pathways	Classification ¹	Mitigating action	Financial impact
Transition risks	Policy & legal	<p>Mandates on and regulation of existing products and services</p> <p>Existing regulation is expected to be tightened. The impact is currently minimal, but emerging legislation such as the UK plastic tax on packaging produced or imported into the UK that does not contain at least 30% recycled plastic, and the Extended Producer Responsibility (“EPR”) legislation aiming to increase waste handling fees for business.</p> <p>In addition, the new carbon tax on imported raw materials into the EU, the Carbon Border Adjustment Mechanism (“CBAM”), has the potential to impact B&M France.</p> <p>Carbon pricing would put a price on the direct emissions of B&M, therefore increasing operational and compliance spending. Carbon pricing can be a variable cost and can be increased by governments to further reduce emissions.</p>	Compliance and reporting	Short to medium term (2024-2037) <2°C and 2-3°C	B	<p>We currently recycle 99.8% packaging waste and aim to increase the use of recycled plastic in our packaging. We plan to engage with suppliers to introduce recycling initiatives.</p> <p>Our teams in France are currently researching the impact the CBAM might have on our business, and we will publish our findings in the next financial year. CBAM is a policy that puts a price on the carbon emissions of certain goods imported into the EU, such as steel.</p>	<p>We expect to maintain our high levels of recycling. The ongoing cost of doing so will relate to the upkeep and maintenance of existing recycling facilities, which would be immaterial in the context of Group annual capex. In terms of the new UK plastic tax, we anticipate the annual cost of this to be low in the context of the Group’s scale and new internal processes to monitor and report this are already in place.</p> <p>Related metrics and targets: Scope 1, 2 and 3 emissions and net zero strategy.</p>

Key area	Climate-related risk category	Description of climate-related risk	B&M risk category	Timeline and warming pathways	Classification ¹	Mitigating action	Financial impact
Transition risks	Market	<p>Increased costs of raw materials</p> <p>Climate change may disrupt our energy and stock suppliers, increasing costs across the Group. Many of our suppliers have identified climate change as a risk to their operations and productivity. This risk could impact several business areas, and although we are not manufacturers, we must be aware of our supplier input cost prices.</p>	Strategic	<p>Short to long term (2023-2052)</p> <p><2°C and 2-3°C</p>	B	<p>We anticipate the need to continually review our supply chain routes, suppliers and energy saving opportunities.</p> <p>We have invested in three high power generators, to reduce the impact of blackouts from wider geopolitical issues. This will help to mitigate climate risks.</p>	<p>While energy costs continue to rise, these represent a minimal part of our overall cost base, which represent less than 1% of Group sales. Additional costs include £0.1m for three high-power electricity generators, to mitigate the impact of potential power outages.</p> <p>We sell branded products, which may increase in cost due to climate change. We buy in large volumes and are well positioned to ensure we remain competitive in the market as a value retailer.</p> <p>Related metrics and targets: Scope 1, 2 and 3 emissions and net zero strategy.</p>
	Market	<p>Uncertainty in market risks</p> <p>Impacts of climate change are varied and complex. Changes in policies can lead to sudden changes in markets. For example, decreased access to capital as a lack of clear transition plans to net zero, or new competitors may offer customers more sustainable alternatives.</p>	Strategic	<p>Medium term (2028-2037)</p> <p><2°C and 2-3°C</p>	B	<p>Further energy reduction trials may be needed, lowering the impact on profit and loss and freeing capital for future projects.</p>	<p>Future financial planning and budgeting may become increasingly difficult, as the market becomes more volatile and reactive to climate driven events. B&M is focusing on reducing energy costs, to allocate the savings for other carbon friendly investments, such as BEMs and LED lighting.</p>
	Reputation	<p>Increased stakeholder concern</p> <p>As the world transitions to a decarbonised economy, stakeholders are likely to have increased interest and concern regarding sustainability credentials.</p> <p>If perceived to be taking minimal action to reduce our overall carbon footprint is likely to negatively impact investor sentiment/ ratings, potentially limiting access to capital.</p>	Strategic	<p>Short to medium term (2023-2037)</p> <p><2°C 2-3°C >3°C</p>	B	<p>We engaged a third party to ensure B&M publish and comply with all relevant climate-related reporting requirements and they are working with our Sustainability Manager to promote our climate-related goals. We have published ESG and TCFD disclosures in our Annual Report for the past three years, aiming to ensure stakeholder transparency.</p>	<p>The financial impact of increased stakeholder concern has not yet been fully assessed. However, we have allocated £0.1m per annum for third-party guidance on TCFD and SECR compliance.</p> <p>Related metrics and targets: Scope 1, 2 and 3 emissions and net zero strategy.</p>

Key area	Climate-related risk category	Description of climate-related risk	B&M risk category	Timeline and warming pathways	Classification ¹	Mitigating action	Financial impact
Opportunity	Technology	<p>Costs to transition to lower-emissions technology</p> <p>Our aim to reduce our absolute emissions means we need to be aware of the cost of transitioning to lower emission technology. However, we expect such changes to gradually occur over time, allowing us to evaluate our response. The risk is labelled as a medium impact with a high likelihood.</p>	Strategic	<p>Medium term (2028-2037)</p> <p><2°C and 2-3°C</p>	B	<p>We have several energy efficiency and generation projects ongoing and planned, that will reduce operating costs for the business. The rollout of LED lighting across our B&M France stores has reduced the businesses' energy consumption by 70%. We will hold site surveys to evaluate energy-saving opportunities and schemes which will counteract the upfront cost of installing energy efficiency technology.</p>	<p>As B&M aims to reduce carbon emissions, we may need to invest in additional lower-emission technologies, resulting in increased capital expenditure costs which we anticipate will increase in the short to medium term.</p> <p>We already invested in the rollout of LED, BeMS and laminated doors for refrigerators in nearly 800 stores around the UK and France, and plan to continue this programme until we cover 100% of our stores.</p> <p>Payback periods for some technology can take years, which may affect profit and loss forecasts.</p> <p>Also, early retirement of existing technology may be required. So far, our investment in BeMS have between an 18-month to four-year payback period.</p> <p>The capital investment required by these initiatives already forms part of the Group's strategic planning projections. We continue to evaluate the feasibility of installing on-site renewable power generation systems across our businesses. Heron Foods is the furthest along with this journey, with a budget of £1m set aside for a solar project in FY25.</p> <p>Related metrics and targets: Scope 1, 2 and 3 emissions and net zero strategy.</p>
	Technology	<p>Costs to transition to lower emissions products</p> <p>Low-emission technology can be more expensive compared with traditional high-emission alternatives, resulting in high capital costs.</p> <p>More sustainable technology is likely to come onto the market over the coming years. As B&M Retail aims to reduce its carbon emissions, it may need to invest in lower-emission technology, resulting in increased costs.</p>	Strategic	<p>Medium term (2028-2037)</p> <p><2°C</p> <p>2-3°C</p>	B	<p>We partner with many leading brands and are proud to showcase their sustainable products in our stores, and we hope to do more of this moving forward. In addition, we have a broad and agile supplier base, which manufacture own branded products on our behalf.</p>	<p>The financial impact of the costs to transition to lower-emission products has not yet been fully quantified. However, the success of lower-emission products is tested in stores, before large investments are made.</p>

Key area	Climate-related risk category	Description of climate-related risk	B&M risk category	Timeline and warming pathways	Classi- fication ¹	Mitigating action	Financial impact
Transition risks	Acute physical risk	<p>Increased severity of flooding</p> <p>Nine of B&M Retail's largest 12 stores (by Sq ft) in the UK, seven of Heron Foods largest 12 stores (by Sq ft) and nine of B&M France's 12 stores (by Sq ft) are at risk from flooding. Examples of the B&M Retail sites at risk include Bournemouth and Bristol.</p> <p><i>Direct Impacts</i></p> <p>Flood events could lead to a closure of sites, which will result in lost trading days and reduced revenue.</p> <p>If our properties are damaged, repair and maintenance costs will be required. In addition, products in store may be damaged, resulting in a potential loss of revenue. Flooding may result in a decreased footfall if transport networks are disrupted</p> <p><i>Indirect Impacts</i></p> <p>If transport routes are disrupted, employees may be unable to reach the site, leading to reduced productivity and disruption to shifts.</p> <p>Research shows that sites in or around high flood risk zones are expected to see a 29% rise in insurance premiums by 2040 without climate action.</p>	Operations	Medium to long term (2028-2052) >3°C	B	Where needed, we would conduct site specific flood risk assessments for our distribution centres. We continually monitor flood risk at sites for long-term impact, conducting annual climate scenario analysis.	The financial impact of the flooding has not yet been fully quantified. We aim to quantify this risk in FY25.

Key area	Climate-related risk category	Description of climate-related risk	B&M risk category	Timeline and warming pathways	Classification ¹	Mitigating action	Financial impact
Opportunity	Technology	Use of energy efficient technology	Operations	Short to medium term (2024-2037) <2°C and 2-3°C	A	Continue to identify future opportunities to streamline processes to make them more efficient across the businesses. Share best practice from B&M Retail with Heron Foods and B&M France in relation to our fleet management.	<p>Reduced operating costs and emissions.</p> <p>We have commenced our net zero journey. As part of this work, we are implementing energy efficient technology across operations. While the technology may have a high capital cost, an improvement in efficiency will help to reduce operational costs, resulting in net financial gain over the technology's lifetime. For example, an investment in one BeMs is estimated at £36,000 on average and has a 18 month to 4 year payback period.</p> <p>We routinely review how we can reduce the number of trips taken from our transport fleet. When loading our trailers, we ensure each one is packed as efficiently as possible, reducing unnecessary journeys when delivering from our warehouses to stores. The annual benefit of the Bedford facility is calculated to provide a reduction of approximately six million delivery miles travelled, resulting in a cost and emissions saving.</p> <p>Related metrics and targets: Scope 1, 2 and 3 emissions and net zero strategy.</p>
	Technology	Use and installation of low-emission energy technology	Operations	Short to medium term (2024-2037) <2°C and 2-3°C	A	<p>Possible options such as installing solar PV on site would allow us to generate electricity and transition away from grid reliance, reduce operational costs and reduce emissions.</p> <p>B&M could make use of several financing schemes and investment opportunities to help subsidise the upfront costs of low-emission technology.</p>	<p>Once our examination of renewable technology installation is complete, we will aim to publish our financial impact.</p> <p>Capitalising on this opportunity will help increase our resilience to both transition and physical risks.</p> <p>Related metrics and targets: Scope 1, 2 and 3 emissions and net zero strategy.</p>

1. See figure 1 for the Group's risk classification matrix.

Risk management

The Audit & Risk Committee, together with the support of the internal audit department and the Group’s General Counsel, are responsible for monitoring risks and overseeing progress against goals and targets for addressing climate-related issues. For now, B&M does not incorporate the climate risk register into the business risk register and instead all corporate risks are considered through a climate lens. We will review the possibility of incorporating our climate risk register with our business risk register in FY25.

Step 1: Identification of risks

The identification of climate change risks within our operations, is integrated into our general bottom-up approach to identifying risks. With the help of Inspired ESG in February 2024, we held a climate risk workshop where we assessed the impact of both transition and physical risks on our business and business model. These were discussed in the climate risk workshop with the various teams: sustainability, health and safety, operations, marketing, buying, finance, Internal Audit and legal. At the end of the workshop, our teams identified the risks they consider material to the business and formed our FY24 climate-risk register, which we intend to reassess each year by conducting a climate risk workshop. Overall, we assessed the impact of 20 climate-related risks on our operations in the UK and France and five opportunities.

Step 2: Evaluation of risks

Evaluation is focused on understanding the materiality of climate-related risks to our business. Therefore, the climate risk register is separated into three-time horizons, and three global warming scenarios, so that we can categorise risks accordingly. We evaluated material risks with an indication of when they might occur. Material risks are determined by the estimated financial impact and time of occurrence. The rating is agreed between the Sustainability Manager and the relevant teams.

In the climate risk workshop, the teams’ heads allocated a risk likelihood and an estimated financial impact for both transition and physical risks. Physical risks arise from climate events, whilst transition risks result from actions taken by governments to move towards a decarbonised economy, by setting new regulations. When a team expect their costs or revenue to be impacted by the climate-related risks, they rated the level of impact according to the following matrix:

Climate-related risks labelled with an “A” or “B” rating are considered significant and are deemed material. This includes potential risks that we anticipate that could have an impact on our business directly or indirectly, and actual risks that have occurred and impacted our business financially. For example, plastic tax or increasing climate reporting obligations. A risk classified as “A” represents an immediate

risk, and a risk management plan is required. Alternatively, a “B” risk classification indicates that action and contingency plans should be considered. After selecting the ratings for the climate risks, these are prioritised by the impact they could have on our business.

Step 3: Management of risks

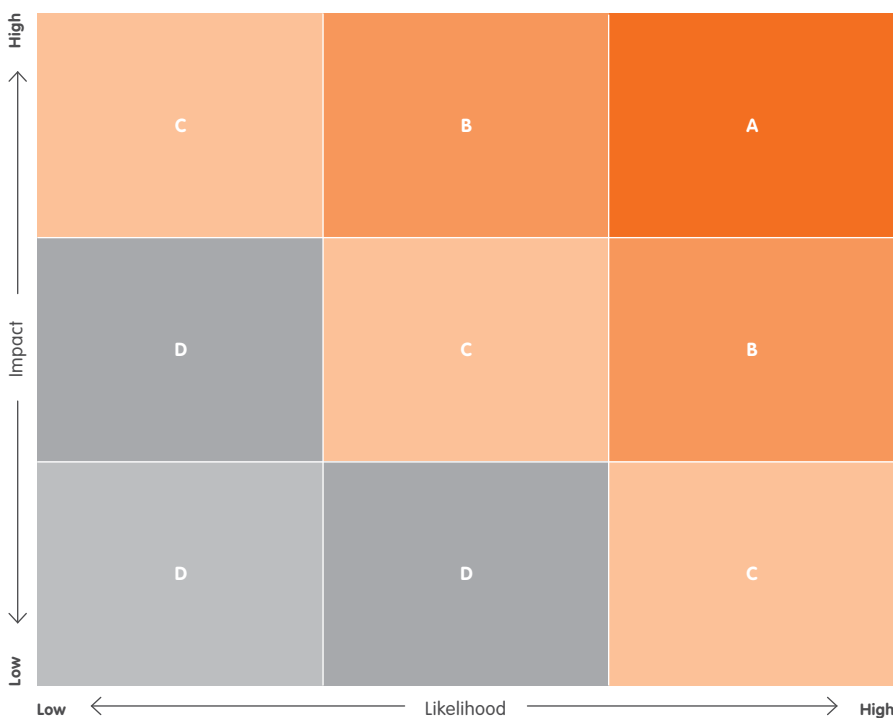
Our approach considers active engagement with internal stakeholders across the Group, seeking insights into existing mitigation processes. We employed a “climate lens” to evaluate existing mitigation strategies across all our divisions and implemented new management procedures, as needed. Risks that we deem as material to the business were discussed internally between the individual teams, the sustainability manager, and the sustainability and health and safety manager. When required, the sustainability manager works directly with the Board, if mitigation requires initiating processes with significant a cost or when wide organisational collaboration is required.

For example, in November 2023, we held a meeting with 20 colleagues from the buying team, to discuss our mitigation steps, to reduce the impact of the risk from the UK’s PPT (Plastic and Packaging Tax) and the EPR (Extended Producer Responsibility). Mitigation steps reviewed included ways to introduce carbon-friendly packaging, reduce our waste, and ensure that the buying team engages with our suppliers, to jointly reduce the weight and redundant materials during packaging and logistics.

To ensure ongoing vigilance, the climate risk register is planned to be reviewed every year, to assess if mitigation steps are still relevant. Should we find that our risk management plans are not adequately addressing climate risks or seizing potential opportunities, we will seek to gain a deeper insight into our strategies and additional mitigation measures will be introduced, where needed and feasible.

Climate change has continued to be considered at key events during the financial year, including the Group’s annual strategy day in March 2024 where principal risks relevant to the Group were reviewed. It was determined by the Board, at this time, that climate change does not represent a principal risk given the detailed risk assessment performed by management this financial year and how the outcome of that assessment compares to the principal risks already identified. However, this assessment will be reviewed at least annually by management and the Board.

Figure 1: The Group’s existing risk classification matrix



Metrics & targets

The best way to mitigate the climate-related risks, both transitional and physical, is to decarbonise our operation in line with our path to net zero. We have set an ambition to align with the BRC's net zero plan by 2040 reflecting an absolute 90% reduction in our Scope 1, 2 and 3 emissions and offsetting the remaining 10% until our operation is emissions-free in 2043, against a FY21 baseline. These targets aim to minimise our material risk. Refer to Table 2 in the Strategy section of the report. We have developed a range of initiatives to help achieve our ambition to be net zero by 2040, please see the Group's FY24 TCFD standalone report on our corporate website for further details on our transition plan.

In FY24, our Scope 1 & 2 emissions decreased by 1.3% compared to our FY21 baseline. Our

total Scope 1, 2 and 3 emissions, across Heron Foods, B&M Retail and B&M France decreased by 19.7%, compared to a FY21 baseline. This was a joint effort of B&M Retail, B&M France, and Heron Foods to focus on the most effective solution to decarbonise our operation and value chain using LED installation, BeMs rollout, doors on chillers, replacing our trucks, and reducing the number of journeys of our fleets. We know that nearly 92.6% of our emissions come from Scope 3, our value chain, and this is why in FY23 we engaged with our top 30 suppliers, and an additional 70 suppliers in FY24, which in total is 61% of our spend. The survey collected ESG data to ensure we collect accurate data and work in tandem with our suppliers to reduce their emissions.

We are currently considering introducing water limpet readers into our stores which would

allow us to monitor our water meter readings accurately and track consumption. This would improve our data collection capabilities in FY25, with the setting of targets to follow in later years, if appropriate.

Greenhouse gas emissions

We measure our climate impact using metrics that include greenhouse gas emissions, energy usage and transport & distribution efficiency. We have been calculating our Scope 3 data since FY21, and Scope 1 and 2 greenhouse gas emissions since FY15 and specifically under the UK Streamlined Energy & Carbon Reporting (SECR) since 2018. The data for our Scope 1, 2 and 3 emissions were provided to our ESG consultancy, Inspired ESG, for calculation, but no formal assurance has been provided. Scope 1 emissions are emissions associated with natural gas, other fuels used at our estate,

Table 3: FY24 Group Carbon Balance Sheet

Emissions Scope and Scope 3 category	Gross emissions (tCO ₂ e)*				Percentage of total emissions (B&M total)
	Group	B&M Retail	Heron Foods	B&M France	
Scope 1	56,861	46,575	9,278	1,008	4.2%
Natural gas, other fuels & refrigerants	12,732	12,693	0	39	0.9%
Transportation (excluding grey fleet)	38,629	29,614	8,289	727	2.8%
Other fuels	5,499	4,268	989	242	0.4%
Scope 2 (location based)	43,123	31,073	10,767	1,283	3.2%
Scope 3	1,259,295	987,907	169,392	101,996	92.6%
1. Purchased goods and services	823,995	593,447	146,349	84,200	60.6%
1a. All other purchased goods and services	17,162	13,631	1,040	2,490	
1b. Purchased goods and services – stock purchases	806,833	579,816	145,308	81,710	
2. Capital goods	26,903	21,376	3,021	2,506	2.0%
3. Fuel-related emissions	27,127	19,474	5,540	2,113	2.0%
4. Upstream transportation and distribution	36,869	23,878	5,221	7,770	2.7%
5. Waste generated in operations	1,782	1,101	150	531	0.1%
6. Business travel	1,274	720	136	418	0.1%
7. Employee commuting	71,608	61,141	8,974	1,493	5.3%
8. Upstream leased assets	N/A	N/A	N/A	N/A	0.0%
9. Downstream transportation and distribution	N/A	N/A	N/A	N/A	0.0%
10. Processing of sold products	N/A	N/A	N/A	N/A	0.0%
11. Use of sold products	259,853	257,334	N/A	2,518	19.1%
12. End-of-life treatment of sold products	5,380	4,931	N/A	448	0.4%
13. Downstream leased assets	3,153	3,153	N/A	N/A	0.2%
14. Franchises	N/A	N/A	N/A	N/A	0.0%
15. Investments	1,352	1,352	N/A	N/A	0.1%
Total all scopes	1,359,278	1,065,555	189,436	104,287	100.0%

* Emissions data has been rounded to the nearest whole number.

and fuel used in our vehicle fleet. Scope 2 emissions come from electricity we use, and Scope 3 emissions are indirect emissions associated with our value chain. We followed the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, to calculate the emissions associated with our value chain.

Among all fifteen categories of Scope 3 emission, eleven categories are applicable to B&M. The categories that were not relevant are 8, 9, 10 and 14. Category 8 (upstream leased assets) was excluded as the Group does not have any leased assets that were not already included in Scope 1 and 2. Category 9 (downstream transportation and distribution) is excluded as all postage is paid for by B&M. No products sold by the Group are not in their final

stage of production, excluding category 10, and the Group has no Franchises (category 14).

The Group's total greenhouse emissions were 1.4m tCO₂e in FY24. Our Carbon Balance Sheet details that our Scope 1 and 2 emissions represent 7.4% of our total impact, with Scope 3 emissions representing the 92.6%. Our Scope 1 and 2 emissions increase by 1.3% between FY24 and FY31, driven by an increase in Scope 1 Transport and Refrigerant emissions. The Group's Scope 3 emissions decreased by 9% between FY23 and FY24, driven by a 23% decrease in the Purchased Goods & Services, our highest emitting category.

Most of our GHG emissions, 60%, stem from category 1 – Purchased Goods and Services. Hence why, moving forward we will utilise our

supplier engagement processes, to gather more specific data regarding the goods and services provided to us, to improve the accuracy of category 1.

Streamlined Energy and Carbon Reporting ("SECR")

The following section summarises the energy usage, associated emissions, energy efficiency action and energy performance for the Group, under the government policy SECR, as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Please see page 32 of this report for information on our energy efficiency actions.

Table 4: B&M Retail, B&M France and Heron Foods total energy consumption (kWh) SECR (Scope 1, 2 and Scope 3 category 6: business travel)

Utility and Scope	FY24 consumption kWh			FY23 consumption kWh**		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Scope 1 total	227,955,715	3,254,572	231,210,287	232,156,125	2,926,117	235,082,242
Gaseous and other fuels (Scope 1)	69,388,545	214,073	69,602,618	77,655,430	527,339	78,182,769
Transportation (Scope 1)	158,567,170	3,040,499	161,607,669	154,500,695	2,398,778	156,899,473
Scope 2 total	202,051,876	28,464,542	230,516,418	194,834,662	38,647,347	233,482,009
Grid-Supplied electricity (Scope 2)	202,051,876	28,464,542	230,516,418	194,834,662	38,647,347	233,482,009
Scope 3 total	903,159	384,594	1,287,753	1,575,910	N/A*	1,575,910
Transportation (Scope 3)	903,159	384,594	1,287,753	1,575,910	N/A*	1,575,910
Total	430,910,750	32,103,708	463,014,458	428,566,697	41,573,464	470,140,161

* Scope 3 transport was not included in the previous year's calculations for B&M France.

** In Table 4, reported electricity and natural gas consumption and the resulting emissions for FY23 have been updated following an extensive data review, due to the crediting and subsequent rebilling of previously used invoices.

Table 5: B&M Retail, B&M France and Heron Foods total location-based SECR emissions (tCO₂e) (Scope 1, 2 and Scope 3 category 6: business travel)

Utility and scope	FY24 consumption tCO ₂ e			FY23 consumption tCO ₂ e**		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Scope 1 Total	55,852.60	1,007.90	56,860.50	52,565.55	674.73	53,240.27
Gaseous and other fuels (Scope 1)	17,950.43	281.30	18,231.73	15,309.52	96.26	15,405.78
Transportation (Scope 1)	37,902.17	726.60	38,628.77	37,256.03	578.47	37,834.49
Scope 2 total	41,839.75	1,282.97	43,122.72	37,677.13	7,473.62	45,150.75
Grid-supplied electricity (Scope 2)	41,839.75	1,282.97	43,122.72	37,677.13	7,473.62	45,150.75
Scope 3 total	203.13	86.56	289.69	363.49	N/A*	363.49
Transportation (Scope 3)	203.13	86.56	289.69	363.49	N/A*	363.49
Total	97,895.48	2,377.43	100,272.91	90,606.16	8,148.35	98,754.51

* Scope 3 transport was not included in the previous year's calculations for B&M France.

** In Table 5, reported electricity and natural gas consumption and the resulting emissions for FY23 have been updated following an extensive data review, due to the crediting and subsequent rebilling of previously used invoices.

Subsidiaries of B&M Retail Limited

Table 6: Heron Foods total energy consumption (kWh) SECR (Scope 1, 2 and Scope 3 category 6: business travel)

Utility and scope	FY24 consumption kWh		FY23 consumption kWh	
	UK	Total	UK	Total
Scope 1 total	34,669,323	34,669,323	33,200,035	33,200,035
Gaseous and other fuels (Scope 1)	0	0	257,388	257,388
Transportation (Scope 1)	34,669,323	34,669,323	32,942,646	32,942,646
Scope 2 total	51,994,031	51,994,031	47,942,646	47,942,646
Grid-supplied electricity (Scope 2)	51,994,031	51,994,031	47,942,646	47,942,646
Scope 3 total	555,651	555,651	640,215	640,215
Transportation (Scope 3)	555,651	555,651	640,215	640,215
Total	87,219,005	87,219,005	81,782,896	81,782,896

* Heron Foods' energy consumption is included under UK totals in Table 4.

Table 7: Heron Foods total location-based Emissions (tCO₂e) SECR (Scope 1, 2 and Scope 3 category 6: business travel)

Utility and scope	FY24 consumption tCO ₂ e		FY23 consumption tCO ₂ e	
	UK	Total	UK	Total
Scope 1 total	9,278.05	9,278.05	8,602.28	8,602.28
Gaseous and other fuels (Scope 1)	0.00	0.00	46.98	46.98
Transportation (Scope 1)	8,288.60	8,288.60	7,942.30	7,942.30
Refrigerants (Scope 1)	989.45	989.45	613.00	613.00
Scope 2 total	10,766.63	10,766.63	9,196.12	9,196.12
Grid-supplied electricity (Scope 2)	10,766.63	10,766.63	9,196.12	9,196.12
Scope 3 total	124.97	124.97	147.67	147.67
Transportation (Scope 3)	124.97	124.97	147.67	147.67
Total	20,169.65	20,169.65	17,946.07	17,946.07

* Heron Foods' emissions is included under UK totals in Table 5.

Table 8: B&M France's total energy consumption (kWh) SECR (Scope 1, 2 and Scope 3 category 6: business travel).

Utility and scope	FY24 consumption kWh		FY23 consumption kWh	
	France	Total	France	Total
Scope 1 total	3,254,572	3,254,572	2,926,117	2,926,117
Gaseous and other fuels (Scope 1)	214,073	214,073	527,339	527,339
Transportation (Scope 1)	3,040,499	3,040,499	2,398,778	2,398,778
Scope 2 total	28,464,542	28,464,542	38,647,347	38,647,347
Grid-supplied electricity (Scope 2)	28,464,542	28,464,542	38,647,347	38,647,347
Scope 3 total	384,594	384,594	N/A*	N/A*
Transportation (Scope 3)	384,594	384,594	N/A*	N/A*
Total	32,103,708	32,103,708	41,573,464	41,573,464

* Scope 1 refrigerants and Scope 3 transport energy consumptions and emissions were not included in the previous year's calculations for B&M France.

Table 9: B&M France's total location-based Emissions (tCO₂e) SECR (Scope 1, 2 and Scope 3 category 6: business travel).

Utility and scope	FY24 consumption tCO ₂ e		FY23 consumption tCO ₂ e	
	France	Total	France	Total
Scope 1 total	1,007.90	1,007.90	674.73	674.73
Gaseous and other fuels (Scope 1)	39.16	39.16	96.26	96.26
Transportation (Scope 1)	726.60	726.60	578.47	578.47
Refrigerants (Scope 1)	242.14	242.14	n/a*	n/a*
Scope 2 total	1,282.97	1,282.97	7,473.62	7,473.62
Grid-supplied electricity (Scope 2)	1,282.97	1,282.97	7,473.62	7,473.62
Scope 3 total	86.56	86.56	N/A*	N/A*
Transportation (Scope 3)	86.56	86.56	N/A*	N/A*
Total	2,377.43	2,377.43	8,148.35	8,148.35

* Scope 1 refrigerants and Scope 3 transport energy consumptions and emissions were not included in the previous year's calculations for B&M France.

Reducing our emissions

Reducing our emissions is the Group's core focus for managing our climate-related risks, as it impacts every aspect of our operations. A fundamental balancing act at B&M is

delivering our growth strategy, through our store opening programme, whilst identifying opportunities to mitigate our environmental footprint and reduce emissions. By understanding the emissions associated with

our value chain in table 3 above, we are better equipped to set realistic targets and identify areas for reduction.

Table 10: Our emissions and reduction performance so far, FY21-FY24, B&M Retail, B&M France and Heron Foods.

Emissions Scope	Gross emissions (tCO ₂ e)			Percentage change from FY21 (baseline) (+/-)
	FY24	FY23	FY21	
Scope 1	56,861	53,239	49,210	+15.5%
Scope 2 (location-based)	43,123	45,151	52,124	-17.3%
Scope 3	1,259,295	1,386,609	1,598,050	-21.2%
Total	1,359,278	1,485,000	1,699,384	-19.7%

The key climate-related risks identified can potentially impact our stakeholder's concerns, products and existing technology. To help manage these risks, our sustainability manager, evaluates energy-saving opportunities, monitor potential sustainable product partnerships, review our supply chain and work collaboratively with other colleagues within the Group.

The targets in table 11 show how we will track our progress. We have engaged a third-party specialist, to advise us on our sustainability reporting and initiatives, to reduce the environmental impact and related emissions of our products and technology. The initiatives we intend to roll out will help reduce the GHG emissions relating to our supply chain, transport fleet, energy usage, and products (see page 32 for more details). Our GHG emission reduction targets, enable us to address the climate-related risks referred to in Table 2. We will measure this reduction annually and by communicating our progress, we intend to satisfy any stakeholder concerns regarding our exposure to climate-related risks.

Targets

To align with the BRC's Climate Action Roadmap, the Group aspire to achieve absolute net zero Scope 1, 2 and 3 emissions by 2040 (from a FY21 year baseline), which will require significant effort to decarbonise our value chain.

Our Scope 3 emissions are key in developing our net zero strategy to achieve the Group's net zero ambition. Our focus will be on collaboration with our supply chain to decarbonise our goods and services as far as possible. This approach provides us with a consistent way to report and measure our progress year-on-year and track progress.

In the short term, we plan to reduce our operational (Scope 1 and 2) emissions on an absolute basis and engage with our suppliers, as per the Science Based Targets Initiative (SBTi) guidelines. Our Scope 1 and 2 reduction targets have been validated by the SBTi. We are committed to achieving a 25% reduction in absolute Scope 1 and 2 emissions by 2030 (from an FY21 baseline), aligned with the SBTi well-below-2°C (WB2C) scenario.

As of July 2022, we are aware that the SBTi is updating its minimum criteria to a 1.5°C scenario, and we intend to update our targets in five years as required by the SBTi. We have set a short-term Scope 1 and 2 emission reduction pathways, which follow a WB2C scenario up to 2027 and then a 1.5°C scenario from 2027 to 2030. Our short-term Scope 3 target is based on enhancing our engagement with our suppliers; as per the SBTi guidelines, we aim to have engaged with 67% of our suppliers (based on spend) set science-based targets by 2027. The 2030 targets for Scope 1 and 2 differ from the 2027 objectives for Scope 3, as engaging with suppliers is financial easier than reducing our Scope 1 and 2 emissions.

Table 11: Scope 1, 2 and 3 emissions and the associated targets.

Emissions scope	FY24 Gross emissions (tCO ₂ e)	Percentage of total emissions	Reduction target	Progress to meet target
Scope 1	56,861	4.2%	25% reduction by 2030 absolute from a FY21 baseline	Our Scope 1 and 2 emissions reduced by 1.3% since FY21 (baseline). Annual average reduction of 2.8% is required to meet the Scope 1 and 2 target. We also reduced our total emissions (Scope 1, 2 and 3) reduced by 19.7% against FY21 baseline.
Scope 2 (location based)	43,123	3.2%		
Scope 3	1,259,295	92.6%	Engage with 67% of suppliers, by spend, to set science-based targets by FY27.	Engaged with an additional 70 suppliers (20% of spend) in FY24 (FY23: 30 suppliers, 41% of spend). In total, we have therefore engaged with 100 suppliers (61% of spend).
Total	1,359,278	100%	Ambition to be net zero by 2040 from a FY21 baseline	An annual reduction of 4.7% is required to meet our net zero target (from a FY21 baseline). Our Scope 1, 2 and 3 emissions reduced by 19.7% since FY21.

To de-risk the potential financial impact on B&M, by avoiding an early write-off of our existing assets, negative customer perception, potential carbon taxes, or increased cost of purchased goods, we want to focus on reducing our emissions in the most effective way while ensuring the growth of B&M continues as planned.

SECR Methodology

The Group's Scope 1, 2 and 3 consumption and CO₂e emissions data has been calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard; Greenhouse Gas Protocol – Scope 2 Guidance and Environmental Reporting Guidelines: Including Streamlined Energy and Carbon

Reporting Guidance. Government Emissions Factor Database 2023 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 01/04/2023 – 31/03/2024.

Table 12: SECR intensity metrics for B&M Retail, B&M France and Heron Foods.

	B&M Retail	Heron Foods	B&M France	Group Total
Revenue (£m)	4,410.32	559.82	513.86	5,484
Total emissions	77,725.83	20,169.65	2,377.43	100,272.91
intensity metric (tCO ₂ e.£m revenue)	17.62	36.03	4.63	18.28

Our stakeholders' interests

This report describes how the Directors have had regard to sections 172(1) (a) to (f) of the Companies Act 2006 in relation to their decision making.

The Company is a Luxembourg registered company and is not subject to the Companies Act 2006 or to the Companies (Miscellaneous Reporting) Regulations 2018 (together, the "Regulations"). It is however subject to the UK Corporate Governance Code 2018 (the "Code"). The Board considers the Regulations to be reflective of best practice. Accordingly, it has followed that practice where practical, while maintaining its status as a Luxembourg registered company.

Stakeholders

Achieving our vision and fulfilling our purpose (as set out opposite) means that evaluating and considering the interests of our stakeholders in our decision making are key to the Group's success. The Group's key stakeholders include its customers, shareholders, employees, suppliers, and the environment and communities supporting our business and stores.

The Board uses a number of mechanisms through which it is able to determine and appraise the interests of stakeholders to

inform discussion by the Board and its decision making. This includes a range of activities from regular management reports through to other forms of direct engagement by members of the Board.

We describe on the following pages how we have engaged with the particular key stakeholder groups and considered their interests in the last year. We have also provided further details of our engagement with colleagues in the Colleagues section of our Corporate social responsibility report on page 30.



	 Customers	 Colleagues
Why we engage	Providing great value to our customers is our core purpose as a business. We monitor and respond to our customers preferences and needs to ensure we maintain a compelling product offering and price proposition at our stores.	Engagement with our colleagues is key to understanding how the business can support them in carrying out their roles effectively, make improvements in our business, and recognise and reward exceptional performance. To develop a diverse and inclusive workforce that reflects the wider communities that we serve.
How we engage, measure and monitor	Monitoring our LFL transaction volume and sales trends. Holding in-store promotional themed events to measure customer response and reaction to extra value propositions in different product areas.	Regular engagement programmes including colleague listening groups, apprentice listening groups, new store and distribution centre colleague surveys and bi-annual business updates from management. Twice yearly colleague surveys for retail, distribution and central support colleagues in the UK and annual colleague survey in France. Provide colleague development and promotion opportunities through a range of training programmes. Twice yearly updates to the Board on colleague engagement by Tiffany Hall, the designated director for workforce engagement ¹ . Reward strong business performance through payment of discretionary bonuses to store, distribution and support centre managers.
Examples of actions in FY24	The Board reviews LFL sales data every month in the Group's management account reports. This is analysed across each business fascia, the Grocery and General Merchandise product split and for each main product line within those categories. The Company took decisive action in driving its store availability and standards, to improve customer experience and to encourage repeat visits (whilst also ensuring that shareholder's cash is not tied up in excess stock).	The business continued with listening groups in its retail, distribution and central support operations. The bi-annual colleague survey was completed this year by our B&M UK and Heron Foods colleagues across all the main operating functions of those businesses. The survey measured against five key questions: (i) what is expected at work; (ii) if colleagues have all information, knowledge, skills and resources to do their jobs well; (iii) if colleagues would recommend B&M as a good place to work; (iv) are they happy to work at B&M; and (v) if managers have spoken about development in the last 12 months. In addition, we carried out another B&M France colleague survey in the year, broadening the number of respondents across the business. This will continue into FY25. Our Step-Up development programmes continued offering career progression for colleagues looking to apply for Retail Management, Distribution Centre Manager and first time manager roles in our Support Centre. Targets set to increase ethnic diversity in senior management to 10% by 2027. To maintain target of female representation at Board and senior management level of at least 40%.
Examples of outcomes in FY24	The three-year LFL data suggests that the Company has been successful in attracting new customers while retaining those customers who shopped with our stores us in FY21.	71% of B&M UK colleagues engaged in our employee survey with over 76% confirming that they were happy working at B&M. We adopted a more streamlined procedure and survey methodology to enable a more data driven analysis of employee feedback and will carry this approach into FY25. 515 colleagues participated in our development "Step-Up" programmes, designed to help colleagues progress to department managers, deputy managers and store managers. Discretionary Golden Quarter bonus awarded to high-performing leaders in stores. Discretionary bonuses awarded to high-performing colleagues in distribution and support centre roles. Female Board/Executive Committee reports: 42.7%. Ethnic diversity in senior management currently reflects local demographic at 3.7%.
Links and more information	 See the Financial review on page 18	 See the Colleagues section in the Corporate social responsibility report on pages 33 to 35

1. As announced on 5 June 2024, Paula MacKenzie will succeed Tiffany Hall as Designated Non-Executive Director for Workforce Engagement on conclusion of the Annual General Meeting on 23 July 2024.



Communities

Why we engage	The relationships we have with the communities where we operate our stores and distribution centres are key to the sustainable development and growth of our business. We want to serve customers locally with what they want and at great value. We also want to support the communities where we operate by providing jobs and career opportunities locally.
How we engage, measure and monitor	<p>Evaluating real estate opportunities for opening new stores in catchments where we are either under-represented or not represented at all. This provides jobs and access to our value-led proposition to more communities every time we open new stores.</p> <p>Providing support for the community at local and national levels where we can contribute to society more generally. Each time we open a new store in the UK we try to find a local charity to perform the ribbon-cutting ceremony to promote the good work they do in the community and generate some publicity with the local media. We actively encourage our store managers to maintain those relationships in the future and give continued support.</p>
Examples of actions in FY24	<p>The Board continued to support the new store openings programme of its B&M and Heron Foods businesses in the UK. That also includes the relocation of stores in existing areas where better real estate opportunities exist, and capital and maintenance expenditure on stores ear-marked for refurbishment within the existing estate.</p> <p>The opening of new stores and relocations of stores (often to larger premises) create new jobs and promotion opportunities at those stores and also in our distribution centres, while our business continues to grow.</p> <p>The addition of new Wilko stores means the store pipeline for the next two years remains strong and the long-term potential is now not less than 1,200 stores. Importantly, the new stores are performing very well.</p> <p>In FY24, for every new store we opened B&M donated £250 to a local charity and invited them as the VIP to open the new store.</p> <p>B&M UK also created a national work experience programme in partnership with the Department for Work and Pensions and Department for Communities in Northern Ireland. These programmes have helped the long term unemployed get back to work, providing valuable work experience in a retail environment, with supportive mentors, and a guaranteed interview at the end of the placement. Over 1,790 colleagues completed the 4-week programme and 1,203 were offered perm/temp employment.</p> <p>In FY24, Heron Foods colleagues visited schools to provide mentoring, apprenticeship services and advice, as well as attending careers events.</p> <p>Heron Foods also participated in the 'Too Good To Go' scheme, which allows local communities to buy discounted food from shops which would otherwise go to waste</p> <p>In FY24, B&M UK, B&M France and Heron Foods continued to support multiple charities. For example, B&M chose to support Macmillan, Fashion and Textile Children's Trust and Cash for Kids charities. There is also now an option for colleagues to donate cashback to Fashion and Textile Children's Trust.</p> <p>Heron Foods have celebrated their top 10 fundraising stores for Cash for Kids. Certificates are proudly displayed framed in each store. Heron Foods also held a summer of giving incentive, where every store that raised more than £300 over the summer, provided their Area Manager (AM) with a ticket into a prize draw.</p> <p>Our total charitable donations in FY24 were £11,405,053 (in kind and cash). Total additional stock donated in FY24 came to 199 pallets. Examples of our charitable activities in FY24 include:</p> <ul style="list-style-type: none"> • £20,000 as our Support Centre colleagues participated in Race for life. • £3,000 for Macmillan, through coffee mornings held amongst our Supply Chain and Support Centre employees. • Over £55,000 through partnership with Proctor and Gamble to raise money for Alder Hey hospital; and • £11.2 million in total for Mission Christmas "Cash for Kids" product donations through customers and colleagues. This helped 212,000 kids at Christmas <p>We are extremely proud of the efforts and support of everyone getting behind all of these charities, especially during these difficult economic times for many.</p>
Examples of outcomes in FY24	<p>We opened 47 gross B&M UK stores, 11 B&M France stores and 20 Heron Foods stores (including relocations) in the financial year under review.</p> <p>Within this number we opened five B&M UK replacement stores, where older, smaller legacy stores were replaced with newer B&M state-of-the-art stores, often with small garden centres. Typically, replacement stores are at least twice the size of the stores they replace and are an important part of the growth strategy.</p> <p>We recruited 2,146 new store colleagues for ex-Wilko stores in locations in England, Scotland and Wales.</p> <p>With the rising cost of living, our value-for-money proposition plays an important role in helping a large number of customers afford their everyday essentials.</p>
Links and more information	<p>➔ See the Communities section in the Corporate social responsibility report on pages 36 and 37</p>

	 Suppliers	 Investors
Why we engage	<p>We regard our suppliers as key business partners. Many of them have worked with us for a number of years. We like to build long term relationships with suppliers to support our business. Our continued growth gives our suppliers the potential to grow with us, which also further strengthens those relationships.</p>	<p>Our investors include shareholders, bondholders and banks. They have a direct financial interest in the performance of our business and our continued success.</p>
How we engage, measure and monitor	<p>There is regular engagement with the Group's suppliers led by the Group's Trading Director, Grocery Controller, senior members of the Group's buying and merchandising teams and our Hong Kong based sourcing agents. This includes a range of supplier visits, meetings and presentations, factory visits and trade fair meetings in China, the UK, the US, and the EU with both existing and new suppliers.</p>	<p>The management team have roadshow presentations and one-to-one meetings with investor groups each year on the announcements of our half-year and full-year results. Presentations and conference calls with question and answer sessions are also held on the announcement of the Q1 and Q3 trading updates announcements.</p> <p>One-to-one conference calls and meetings are also held during the year with both existing and potential new institutional investors.</p> <p>The Board reviews investor relations reports and market updates as a standing agenda item at each of its meetings throughout the year. It also has an investor relations agenda item with its corporate brokers at its strategy day meetings each year.</p>
Examples of actions in FY24	<p>There has been a continuous rolling programme of ensuring suppliers meet appropriate levels of external audit social compliance checks. This is important to the welfare of the employees of our suppliers, and the maintenance of their ongoing trading relationships with our Group. This year, we engaged with an additional 70 suppliers (in addition to the 30 largest suppliers already engaged with) selected based on financial spend, compared to FY23. The ESG supplier questionnaire will help us to obtain information regarding their carbon measurement processes and reduction efforts, as well as wider ESG ambitions. This programme forms part of our supplier engagement target which has been validated by the SBTi.</p> <p>As referred above, the B&M and Heron Foods UK businesses have continued with their new store openings and existing store refurbishment programmes during the year. This is important to our main building services contractors, many of whom have worked on stores with us for several years.</p>	<p>Regular investor briefings help with our substantial number of overseas shareholders, including regular updates with such shareholders in Australia and North America.</p> <p>The Group extended its borrowing maturity profile through a bank facility extension and in support of our overall leverage levels.</p> <p>The Group carried out a bond offering in November 2023 of senior secured notes in an aggregate principal amount of £250 million due 2030.</p> <p>The gross proceeds from 2030 Notes were used to purchase up to £250 million in aggregate principal amount of its existing £400 million 3.625% Senior Secured Notes due 2025 in a cash offer to holders of 2025 Notes.</p> <p>The Group continued to generate strong results against pre-pandemic levels in the financial year under review. The Board considered within the context of its capital allocation policy, the opportunity to make further returns to shareholders in addition to its ordinary dividend policy.</p>
Examples of outcomes in FY24	<p>The Company has continued to outsource the audit checking processes to Multi-Lines International Company Limited ("Multi-Lines") in relation to the Group's own direct/non-Multi-Lines sourced suppliers. This has enabled the Group to apply a consistent and established methodology and utilise Multi-Lines expertise and connections across Asia on our behalf.</p> <p>The B&M UK business has continued to use its main store fit-out contractors where available to carry out new store opening and existing store estate refurbishment works during the year. That has provided them with a level of ongoing workstreams.</p>	<p>The company declared the following dividends in FY24:</p> <ul style="list-style-type: none"> • a special dividend of 20.0p per share in January 2024. • an interim dividend of 5.1p per share paid in December 2023. • subject to approval from shareholders a final dividend of 9.6p in June 2024.
Links and more information	<p>➔ See the Supply Chain section of the Corporate social responsibility report on pages 38 and 39.</p>	<p>➔ See the Viability Statement on page 29 and also the Financial review on page 18.</p>

A strong foundation of corporate governance for continued growth

Dear Shareholder,

This report sets out the main elements of the Company's corporate governance structure and how it complies with the UK Corporate Governance Code. It also includes information required by the Listing Rules and the UK Financial Conduct Authority ("FCA") Disclosure and Transparency Rules ("DTRs"). We have applied our principles and consider the

interests of all stakeholders in developing our governance framework and in our ongoing decision making. In my Chairman's statement on pages 8 to 9, I have highlighted a number of topics which indicate how our approach to governance has continued to evolve with the growth of our Company and constantly developing framework of reporting requirements. We continue to make good progress in implementing our ESG strategy.





Changes made to our Board recognise the continuing importance of gender and ethnic diversity and we have set stretching targets to grow our ethnic minority representation within our senior executive leadership team. A strong foundation of corporate governance provides a firm basis for the continued growth and success of B&M.



The Board of Directors of B&M European Value Retail S.A.

Meet our Board

Committee membership key

-  Audit & Risk
-  Remuneration
-  Nomination
-  Chair

**Peter Bamford**

Non-Executive Chairman of the Board and Chairman of the Nomination Committee

Appointment: March 2018

Peter joined the Board of B&M as Non-Executive Chairman on 1 March 2018. He has extensive experience, in both executive and non-executive roles, of the retail sector and high-growth international businesses and brands. He is also a seasoned PLC Director and Chairman having served on PLC boards for over 27 years in a variety of roles. In his non-executive career this has included Chairman of Superdry plc, Deputy Chairman and Senior Independent Director of Spire Healthcare Group plc and Non-Executive Director at Rentokil-Initial plc. In his executive career he was a Director of Vodafone Group plc from 1998 to 2006 where he held senior executive roles, including Chief Marketing Officer and Chief Executive of Vodafone NEMEA region. Prior to that he held a number of board and senior executive positions with leading retailers including WH Smith, Tesco and Kingfisher.

On 22 January 2024 the Company announced the retirement of Peter as Chairman. As announced on 5 June 2024, Tiffany Hall will succeed as Chair on conclusion of the Annual General Meeting on 23 July 2024.

Committee membership:

**Alex Russo**

Chief Executive Officer

Appointment: November 2020

Alex joined the B&M Group on 5 October 2020 and the Board as the Group's Chief Financial Officer on 16 November 2020. On 26 September 2022, Alex was appointed as Chief Executive Officer.

Alex has had a long senior career in retail, having successfully held executive board positions in leading international retailers including Asda Walmart, Tesco, Kingfisher, and Boots. He served as Chief Financial Officer, Senior Vice President, at Walmart's Asda business between 2014 and 2018. Prior to joining Asda, he was Tesco's Chief Financial Officer of South Korea, its largest international subsidiary. Prior to that, he was Tesco's Commercial Financial Director for its UK business. His broad retail career covers the UK, Europe, America and Asia. His experience spans listed multinational, PE and family-owned businesses.

Alex has also been a Non-Executive Director in leading consumer goods businesses in the UK and internationally.

Alex holds an MBA from the London Business School with Distinction, and undergraduate first class degrees in Engineering and Finance.

Committee membership:

Nil

**Mike Schmidt**

Chief Financial Officer

Appointment: November 2022

Mike joined the B&M Group on 17 October 2022 and the Board as the Group's Chief Financial Officer on 1 November 2022.





Prior to joining B&M, Mike spent over eight years at publicly listed home furniture retailer DFS Furniture plc, where he was appointed Group Chief Financial Officer in 2019. During his time at DFS, Mike additionally held executive responsibility for property, strategic development, legal & compliance, and financial services activities, and was Non-Executive Chair of DFS's trading subsidiaries Dwell and Sofa Workshop. Mike began his career in corporate finance, and gained 13 years' experience of working for top tier investment banks including Citi and UBS, across equity, debt and M&A advisory for various large cap international corporations. Mike has an MA in Economics and Management from Cambridge University.

Committee membership:

Nil

Meet our Board

Committee membership key

-  Audit & Risk
-  Remuneration
-  Nomination
-  Chair



Ron McMillan
Independent Non-Executive Director
Appointment: May 2014

Until 2013 Ron worked in PwC's assurance business for 38 years and has deep knowledge and experience in relation to auditing, financial reporting, regulatory issues and governance. He was the Global Finance Partner and Northern Regional Chair of PwC in the UK and Deputy Chair of PwC in the Middle East and acted as the audit engagement leader to a number of major listed companies.

The Company announced that Ron would retire from the business at the Annual General Meeting of the Company in July 2024, at which time he would have completed ten years' service in the role. Oliver Tant replaced Ron as Chair of the Audit & Risk Committee in September 2023 and Tiffany Hall succeeded Ron as Senior Independent Director of B&M following the Annual General Meeting of the Company in July 2023.

Committee membership:



Tiffany Hall
Senior Independent Non-Executive Director² and Chair of the Remuneration Committee³

Appointment: September 2018

Tiffany's experience is in marketing, sales and customer services. She previously served as Chief Executive Officer of BUPA Home Healthcare, Marketing Director at BUPA, Head of Marketing at British Airways and also Chair of Airmiles and BA Holidays. Prior to that, she held various other senior positions at British Airways including Head of UK Sales and Marketing.

Tiffany succeeded Ron McMillan as Senior Independent Director after the Annual General Meeting of the Company in July 2023.

As announced on 5 June 2024, Tiffany Hall will succeed as Chair on conclusion of the Annual General Meeting on 23 July 2024.

External appointments:
Tiffany is a Non-Executive Director of Symington Family Estates SA.

Committee membership:



Tiffany is also the Designated Non-Executive Director for Workforce Engagement¹.



Paula MacKenzie
Independent Non-Executive Director¹
Appointment: November 2021

Paula has a strong background in general management and finance. Paula is Chief Executive Officer of Pizza Express and her experience is in transforming Food & Drinks businesses, having worked for some of the world's most recognised companies including KFC, Diageo, GSK and innocent. Paula led the KFC business (part of Yum! Brands) in the UK and Ireland as Managing Director, and in her 11 years at Yum! had a range of senior executive roles including Chief Finance Officer, Chief Development Officer and Chief Marketing Officer.

External appointments:
Paula is an Advisory Board member for Pennies, the micro-donation charity.

Committee membership:



1. As announced on 5 June 2024, Paula MacKenzie will succeed Tiffany Hall as Designated Non-Executive Director for Workforce Engagement on conclusion of the Annual General Meeting on 23 July 2024.
2. As announced on 5 June 2024, Oliver Tant will succeed Tiffany Hall as Senior Independent Director on conclusion of the Annual General Meeting on 23 July 2024.
3. As announced on 5 June 2024, Hounaida Lasry will succeed Tiffany Hall as Chair of the Remuneration Committee on conclusion of the Annual General Meeting on 23 July 2024.



Oliver Tant

Independent Non-Executive Director and Chair of the Audit & Risk Committee²

Appointment: November 2022

Oliver has over 40 years' experience as a finance professional most recently as Chief Financial Officer of Imperial Brands plc the FTSE 30 listed consumer brands company and prior to that for 30 years at KPMG. At Imperial Brands plc, Oliver held responsibility for Finance but also IT, Procurement, Legal and Corporate Development. At KPMG he was a Vice Chair and during 20 years as a partner he served a wide variety of listed and privately-owned clients and also ran KPMG's UK Audit and Global Financial Advisory Services businesses.

Oliver became Chair of the Audit & Risk Committee after the Annual General Meeting in July 2023.

External appointments:

Oliver is a Non-Executive Director and Chair of the Audit Committee at Redrow plc., and an Independent Non-Executive Director of Mazars LLP and the Chair Designate of the Audit Board.

Committee membership:



Hounaïda Lasry

Independent Non-Executive Director³

Appointment: September 2023

Hounaïda has international experience in general management and marketing. She previously spent almost 30 years at Procter & Gamble across various sectors and geographies. In her final role, she had responsibility for a portfolio of Skin & Personal Care brands across Europe. Hounaïda was also a Non-Executive Director on the Advisory Board of the Geneva School of Economics and Management.

External appointments:

Hounaïda is a Non-Executive Director at Britvic plc.

Committee membership:



Nadia Shouraboura

Independent Non-Executive Director

Appointment: May 2024

Nadia has a very broad range of experience which includes public company roles and leading entrepreneurial ventures in retail and other sectors. An entrepreneur and former senior Amazon executive she played a key role in building out the company's technology and supply chain capability during a period of unprecedented growth in the 2000s and early 2010s.

External appointments:

Nadia is currently serving as a Non-Executive Director at Ferguson plc, MTS Group/Mobile Telesystems PJSC, Tosca Limited and Ocado Group plc.

Alongside her three public board roles, Nadia has several private and advisory roles including New Mountain private equity, Formlabs Inc. and Tosca Limited.

Committee membership:



Outgoing Members

Simon Arora

Executive Director

Retirement: April 2023

Simon served as Chief Executive Officer from 2004 until September 2022 and subsequently as Executive Director until his retirement from the Board on 21 April 2023.

Carolyn Bradley

Independent Non-Executive Director

Retirement: Carolyn

served as an Independent Non-Executive Director from November 2018 until July 2023 where she decided not to stand for re-election to the Board at the AGM.

This report sets out the main elements of the Company's corporate governance structure and how it complies with the UK Corporate Governance Code. It also includes information required by the Listing Rules and the UK FCA DTRs.

Code compliance

The Board is committed to high standards of corporate governance. Except where referred to on page 78, (workforce engagement on executive pay and the gender and diversity targets for Board as described on page 65), the Company has complied throughout the year under review with the provisions of the Listing Rules, the Code published in July 2018 and the DTRs. At the date of this report the Company is fully compliant with gender and diversity targets required by the Listing Rules. In addition, the Board is working towards compliance with changes to the Code which come into force in 2025. A copy of the Code is available on the UK Financial Reporting Council's ("FRC") website at www.frc.org.uk.

Management responsibilities

The Executive Directors of the Group and of its three main businesses are responsible for the day-to-day operational and strategic matters in relation to each of the businesses, which includes B&M UK, Heron Foods and B&M France. Members of the broader senior executive team hold regular weekly meetings led by the CEO to review progress and management activities of the Group.

Schedule of matters reserved to the Board

The following matters are reserved to the Board for its approval:

Approve



- approving the long-term strategy and objectives of the Group and reviewing the Group's performance and management controls;
- approving any changes to the capital structure of the Group;
- approving the financial reporting, budgets, dividend policy and any significant changes in accounting policies and practices of the Group;
- approving any major capital projects of the Group;
- approving the structure, size and composition of the Board and remuneration of the Non-Executive Directors; and
- approving and supervising any material litigation, insurance levels of the Group and the appointment of the Group's professional advisors.

Ensure



- ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives; and
- ensuring the maintenance of a sound system of internal controls and risk management.

Review



- reviewing the Company's overall corporate governance and approving the division of responsibilities of members of the Board.

Board and Committee attendance at scheduled meetings during FY24¹:

	Board 5 Attended	Audit & Risk Committee 3 Attended	Nomination Committee 3 Attended	Remuneration Committee 5 Attended
Directors				
Peter Bamford – Chairman	5	–	3	–
Alex Russo	5	–	–	–
Ron McMillan	5	3	3	5
Tiffany Hall	5	–	3	5
Paula MacKenzie	5	3	3	–
Mike Schmidt	5	–	–	–
Oliver Tant ²	4	3	2	2
Hounaïda Lasry ³	3	–	2	3
Directors who retired from the Board during FY24				2 ¹

1. Simon Arora and Carolyn Bradley both retired from the Board during FY24. Simon Arora did not attend any Board or Committee meetings during FY24 prior to his retirement on 21 April 2023. Carolyn Bradley had a full attendance record up to her resignation from the Board on 25 July 2023.
2. Oliver Tant has a partial attendance record for the year under review due to family commitments preventing the attendance at one Board meeting.
3. Hounaïda Lasry has a full attendance record from her appointment as a Non-Executive Director on 22 September 2023.
4. There were six meetings of the Board scheduled for FY24. However, due to severe weather warning in Luxembourg, the meetings of the Board and Committees convened on 18 January 2024 were cancelled. Committees deliberated by way of circular resolutions in accordance with Luxembourg Law of 10 August 1915 on commercial companies (article 444-4) and the Company's Articles (article 13.7).

How we govern

The Board and Committee structure of the Company is as follows:



B&M's Board

The Board of Directors of B&M as at the date of this report has nine members comprising the Chair, two Executive Directors and six Independent Non-Executive Directors.

→ See pages 59, 60 and 61 for more information



Audit & Risk Committee

This Committee is made up of four Independent Non-Executive Directors

The main responsibilities of the Committee are:

- reviewing and monitoring the integrity of the financial statements and price sensitive financial releases of the Company;
- monitoring the quality, effectiveness and independence of the external auditors and approving their appointment fees;
- monitoring the independence and activities of the Internal Audit function;
- assisting the Board with the risk management strategy, policies and current risk exposures;
- reviewing the adequacy and effectiveness of the Group's internal financial controls and control and risk management systems; and
- maintaining effective oversight of compliance by our UK businesses with the Groceries Code.

→ See page 69 for a copy of the Committee's report

Nomination Committee

This Committee is made up of the Chair and six Independent Non-Executive Directors

The main responsibilities of the Committee are:

- reviewing the structure, size, diversity and composition of the Board, including the balance of Executive and Non-Executive Directors;
- putting in place plans for the orderly succession of appointments to the Board and to senior management;
- identifying and nominating candidates, for approval by the Board, to fill Board vacancies as and when they arise;
- ensuring, in conjunction with the Chair of the Company, that new Directors receive a full, formal and tailored induction; and
- keeping under review the leadership and senior management needs of the Group including Executive and Non-Executive Directors and the wider senior management team, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.

→ See page 74 for a copy of the Committee's report

Remuneration Committee

This Committee is made up of four Independent Non-Executive Directors

The main responsibilities of the Committee are:

- setting the policy for the Group on executive remuneration;
- determining the level of remuneration of the Chair, the Executive Directors of the Company, the Group's General Counsel and the first layer of senior management of the Group below the Board;
- preparing an annual Directors' remuneration report for approval by shareholders at the Annual General Meeting of the Company;
- designing share schemes for approval by the Board for employees and approving awards to Executive Directors and certain other senior management of the Group; and
- reviewing pay and conditions across the Group's wider workforce.

→ See page 76 for a copy of the Committee's report



Workforce Engagement NED

Tiffany Hall is the Designated Non-Executive Director for Workforce Engagement¹

The main responsibilities of this role are the governance and oversight of the following matters:

- to consider with the Board the mechanisms required from time to time by the Group in relation to Workforce Engagement to enable the Board to be appropriately appraised on colleague engagement;
- to coordinate such direct engagement between the Non-Executive Directors and the workforce as is considered appropriate;
- to ensure the workforce engagement mechanisms which are approved by the Board are put in place and are effective;
- to report on the outputs from those mechanisms to the Board at least twice a year, and make any recommendations arising from those reports to the Board; and
- the holder of this office is also supported by members of the senior executive team of the Group who are responsible for the day-to-day implementation of the Workforce Engagement mechanisms by the Group.

→ See page 33 on Workforce Engagement



Terms of reference of each of the Committees are available on B&M's website at www.bandmretail.com

Executive management

The Executive Directors of the Group and of its three main businesses are responsible for the day-to-day operational and strategic matters in relation to each of the businesses of the Group, which includes B&M UK, B&M France and Heron Foods. Members of the broader senior executive team hold regular weekly meetings led by the CEO to review progress and management activities of the Group.

1. As announced on 5 June 2024, Paula MacKenzie will succeed Tiffany Hall as Designated Non-Executive Director for Workforce Engagement on conclusion of the Annual General Meeting on 23 July 2024.

Board responsibilities

The Board is collectively responsible for the strategy and long-term success of the Group, and for ensuring there is an effective system of internal controls within the Group for the assessment and management of key risks.

The Board has delegated certain responsibilities to three main Committees to assist in discharging its duties and the implementation of matters approved by it (see the table on page 63). The reports of each of the Committees for the year under review are set out on pages 69, 74 and 76.

A presentation of each of the B&M UK, Heron Foods and B&M France businesses and their up-to-date trading performance is provided by the CEO at each Board meeting, together with comprehensive financial reports and analyses presented by the CFO. During those months that fall outside the regular cycle of Board meetings, the CEO and CFO also provide reports and management accounts packs updating the Board on the current trading performance of each of the Group's businesses.

Members of the broader senior management teams of B&M UK, Heron Foods and B&M France participate at certain meetings of the Board and store tours with the Board during the course of the year. The senior executive team participates in the annual strategy day of the Group.

The implementation of the Board-approved strategy, policies and decisions is delegated to the Executive Directors of the Company to execute them in relation to the day-to-day operational management of the Group's main businesses. The Executive Directors are also supported by senior management teams in each of the B&M UK, Heron Foods and B&M France businesses of the Group. The leadership teams of those businesses regularly have business update and trading review meetings with the Group CEO and CFO.

In addition to the regular scheduled meetings, the Board and Committees have passed a series of written resolutions during the year in relation to the formal decisions taken by them. Meetings between the Non-Executive Directors and Chair have taken place and the Non-Executive Directors have met without the Chair being present.

The Chair has also had one-to-one meetings in the year under review with each of the Independent Non-Executive Directors.

The Company held three general meetings of shareholders in the year under review, being the Annual General Meeting and Extraordinary General Meeting on 25 July 2023 and one Ordinary General Meeting on 22 September 2023. In addition, one Ordinary General Meeting was held after the year end on 29 May 2024 to appoint Nadia Shouraboura.

Board composition

Peter Bamford notified the Board in January 2024 of his intention to retire during the calendar year. An executive search firm was appointed and a recruitment process for a new Chair commenced. Russell Reynolds carried out preliminary interviews to create a short list of candidates to be considered by the Nomination Committee. In addition, an internal candidate, Tiffany Hall, was approached by the Committee to consider the role of Chair, and she confirmed her willingness to be appointed as Chair. As a result Tiffany Hall was appointed on 4 June 2024 as Chair of the Board of Directors. Peter will not stand for re-election at the AGM in July 2024, at which point Tiffany will takeover as Chair and Peter will ensure an orderly handover to his successor.

As previously announced, Simon Arora continued as an Executive Director until his retirement from the Company on 21 April 2023.

During the financial year 2023/24 the Board approved the appointment of Tiffany Hall, as Senior Independent Director¹ and the appointment of Oliver Tant as Chair of the Audit & Risk Committee, each in succession to Ron McMillan. It was determined both individuals had the requisite skills and experience to fulfil the respective roles, having had a number of years' experience on a variety of public company boards as Non-Executive Directors.

Carolyn Bradley did not stand for re-election at the AGM in July 2023. Hounaida Lasry joined the Board as Independent Non-Executive Director in September 2023, following the approval of her appointment by the Company's shareholders at the OGM held on 22 September 2023. Nadia Shouraboura joined the Board as Independent Non-Executive Director in May 2024 following the approval of her appointment by the Company's shareholders at the OGM held on 29 May 2024.

Ron McMillan will continue in the role of Non-Executive Director until the AGM in July 2024, following which he will retire from the Board.

The Board comprises the Chair, two Executive Directors, being the CEO and CFO, and six Independent Non-Executive Directors.

The Code recommends that at least half of the Board, excluding the Chair, should comprise Independent Non-Executive Directors. The Company met this requirement during the whole of the year under review, with each of Ron McMillan, Tiffany Hall, Paula MacKenzie, Oliver Tant and Hounaida Lasry being Independent Non-Executive Directors. With the appointment of Nadia Shouraboura this requirement continues to be met following the year end.

Each of the Independent Non-Executive Directors who served during the year under review was and continues to be considered by the Board to be independent in character and judgement. The Code recommends that the Board identifies each Non-Executive Director it considers to be independent and any circumstances which are likely to impair, or could appear to impair a Non-Executive Director's independence. By 4 June 2024, Ron McMillan will have served on the Board for more than ten years from the date of his first appointment. The Board nonetheless considers that Ron remains independent in character and judgement. Ron and all the Non-Executive Directors are free from relationships or circumstances which may affect, or could appear to affect, their judgement as Directors.

Independence is determined by ensuring that the Non-Executive Directors do not have any material business relationships or arrangements (apart from their fees for acting as Non-Executive Directors) with the Group or its Directors, which in the opinion of the Board could affect their independent judgement.

Simon Arora, Bobby Arora and Robin Arora and SSA Investments S.à r.l. ("SSA Investments") (together the "Arora Family") entered into a relationship agreement with the Company (the "Relationship Agreement") which came into effect on the admission of the Company's shares to trading on the London Stock Exchange in June 2014.

On 13 December 2023, SSA Investments sold an aggregate of 27.8 million ordinary shares in B&M, representing approximately 2.8% of B&M's issued ordinary share capital. Following settlement of the placing, SSA Investments hold approximately 4.19% of B&M's ordinary shares, taking SSA Investments' shareholding below 5%. As a consequence of moving below the 5% threshold, the Relationship Agreement expires.

1. As announced on 5 June 2024, Oliver Tant will succeed Tiffany Hall as Senior Independent Director on conclusion of the Annual General Meeting on 23 July 2024.

SSA Investments has undertaken that, subject to certain customary exceptions, it will not dispose of any further B&M shares for a period of 180 days following completion of the placing.

SSA Investments continues to be a related party due to Bobby Arora's continued directorship of B&M Retail Limited.

All Directors have service agreements or letters of appointment in place and the details of the terms of them are set out in the Directors' remuneration report on pages 76 to 95.

Diversity policy

The diversity policy applied to the Board is based upon the Listing Rules requirements of LR 9.8.6 (9) (as amended in 2022). The overall objective of the Company's diversity policy is to ensure that the Company has a well-balanced Board at all times in terms of the necessary skills, experience and independence of character and judgement of its members, for the Group to be managed effectively for its long-term success.

Appointments to the Board are based on merit so that the best candidates are appointed, but within that the Company recognises the value which a diverse Board brings to the business and it embraces diversity in relation to gender, race, age, educational and professional backgrounds. The Board is well placed to meet the Listing Rules requirement in relation to diversity. Along with that criteria, diversity in relation to international experience (in particular in relation to the Group's chosen markets), recent senior management or professional experience in retail and/or supply chain sectors and functional experiences in relation to membership and chair of board committees are also relevant criteria of the Company.

Details of the Company's ethnic and gender diversity in relation to the Board and executive management of the Group are included in the Corporate social responsibility report on page 34.

During the year under review the Board was not fully compliant with LR 9.8.6 (9) (a) (iii) with respect to diversity. For the first month of the year the Board had one member from an ethnic minority background. The position held by this Director (Simon Arora) was Executive Director. From May 2023 until September 2023 the Board did not have a member from an ethnic minority background, with this position changing with the appointment of Hounaïda Lasry in September 2023.

The Executive Committee being the first level of senior management below the Board, has one ethnic minority member out of a total of ten members, being the Group Trading Director. As recommended by the Parker Review, the Company has voluntarily set targets for 10% ethnic minority representation within the senior management by the end of FY27. Senior management is defined as the Executive Committee and their direct reports.

During the year under review the Board did not fully comply with the requirement of LR 9.8.6 (9) (a) (i) to have 40% of the Board as female. The Company had three female Board members until July 2023 giving a percentage of female Board members in the first half of the year of 37.5%. In the following months to October 2023, the percentage was 28.6%. With the appointment of one new female Director in September 2023 the percentage of female Board members as at the year end was 37.5%. With the appointment of one female Director in May 2024 and the retirement of one male Director in July 2024, the Board will have 50% female representation directly following the 2024 AGM on 23 July 2024.

In accordance with LR 9.8.6 (9) (a) (ii), for the year under review, one of the female Board members, Tiffany Hall is the Senior Independent Director.

The Executive Committee of the first level of senior management below the Board has one female member out of a total of ten members, being the Group IT Director. The Company has a target for 40% female representation within the senior management by the end of FY27.

In FY24 the Company collected data in respect of diversity from its new starters. Colleagues are encouraged to give their ethnic origin, sexual orientation, religion, any disability and gender in accordance with government guidelines. Data collection is performed on the basis of self reporting by the individual concerned.

Conflict of interests

Bobby Arora owns shares in SSA Investments S.à r.l., which (together with Praxis Nominees Limited as its nominee) holds 4.19% of the ordinary share capital and voting rights in the Company either directly or indirectly as the beneficial owner.

Bobby Arora, Ropley Properties Ltd and Triple Jersey Ltd are all landlords of certain properties leased by the Group. Ropley Properties Ltd and Triple Jersey Ltd are owned by Arora family trusts.

Except as referred to above there are no potential conflicts of interest between any of the Directors or senior management with the Group and their private interests.

There is an established process of the Board for regularly reviewing actual or potential conflicts of interest. In particular, there is a process for reviewing property lease transactions proposed to be entered into by related parties of Directors with any entities in the Group, including the provision of professional advice and consideration of it by a Related Party Transactions Committee of the Board (which includes the Chair of the Board, Chair of the Audit & Risk Committee and the General Counsel of the Group) and also by the Company's Sponsor in providing its opinion on the application of the Listing Rules and the applicability and appropriateness of any exemptions in respect of any transactions in the ordinary course of business. Each of the transactions are also reported to general meetings of shareholders in accordance with Luxembourg Law. The above processes include:

- reports by the property estates team of B&M on the relevant subject store's suitability and location and details of the principal terms of the proposed lease;
- reports from the external Property Consultants of B&M who are retained to advise on new store acquisitions, store suitability and location strategy;
- reports from external independent Property Consultants on the principal commercial terms of the proposed lease and site location of the proposed new store;
- each of the Chair and General Counsel, and also independently of them, the Company's Sponsor, discuss where necessary, the reports of the external independent Property Consultants with them as part of the process of the review by the Related Party Transactions Committee of the Board;
- the Company's Sponsor provides a written opinion to the Company in advance of the Related Party Transactions Committee's consideration of the relevant proposed transactions;
- copies of all the reports referred to above and the Sponsor's Opinion are reviewed by the Related Party Transactions Committee on behalf of the Board, and, in its updates to the Board the Committee provides copies of all the above reports and opinions to the Board; and
- the Related Party Transactions Committee of the Board considers the appropriateness of the relevant transactions independently of Arora Family interests.

The same process above applies to the purchase of freehold store premises by the Group from those related parties.

In addition to the above processes, the Chair of the Audit & Risk Committee monitors on behalf of the Board a rolling report produced to the Related Party Transactions Committee, the Board and the Sponsor, which is updated throughout the year, on the number of related party leases and rents as a proportion of the overall property estate and rents of the Group.

See page 98 in relation to details of related party transactions entered into in the financial year 2024, also set out in note 27 on pages 147 to 150 of the financial statements.

Audit & Risk Committee

Oliver Tant succeeded Ron McMillan as Chair of the Audit & Risk Committee on conclusion of the AGM in July 2023. Oliver has the requisite recent and relevant financial experience for the role. Details of Oliver's experience is detailed in his biography on page 61.

As at the date of this report, the Audit & Risk Committee consists of four Independent Non-Executive Directors and the Chair of the Committee has recent and relevant financial experience.

The members of the Committee during the year under review were Oliver Tant (Chair) Ron McMillan, Carolyn Bradley (until her resignation in July 2023) and Paula MacKenzie. Nadia Shouraboura joined the Committee following the approval of her appointment by shareholders at the OGM on 29 May 2024. The Committee as a whole has competence relevant to the retail sector. See further the biographies of each of the members of the Committee on pages 60 and 61.

The duties of the Committee as delegated by the Board are contained in the terms of reference available on the Group's corporate website (as referred to above) and are also summarised in the table on page 63.

All meetings of the Committee are attended by the CFO. The Chair of the Board and the CEO are also invited to attend. The Group's Internal Audit function, the Group Financial Controller and the Luxembourg and UK audit partners of the Group's external auditors also attend.

The Audit & Risk Committee report on pages 69 to 73 sets out details of the role and activities of the Committee in the last financial year.

Remuneration Committee

The Remuneration Committee consists of four Independent Non-Executive Directors. The members of the Remuneration Committee during the year under review were Tiffany Hall (Chair)¹, Ron McMillan, Oliver Tant, Hounaïda Lasry (following her appointment in September 2023) and Carolyn Bradley (until her resignation in July 2023).

The terms of reference of the Remuneration Committee are available on the Group's corporate website (as referred to above) and are also summarised in the table on page 62.

The Chair of the Board, the CEO and General Counsel regularly attend meetings of the Committee, at the invitation of the Chair of the Committee. The Committee retains external advisors who attend and participate at all meetings at the request of the Chair of the Committee.

The Directors' remuneration report on pages 76 to 95 sets out details of the role and activities of the Remuneration Committee in the last financial year.

Nomination Committee

As at the date of this report, the Nomination Committee consists of seven Directors, being the Chair of the Board (who chairs the Nomination Committee), and each of the six Independent Non-Executive Directors of the Company. The members of the Nomination Committee during the year under review were Peter Bamford (Chairman of the Committee), Carolyn Bradley (until she stepped down on 25 July), Ron McMillan, Tiffany Hall, Paula MacKenzie, Oliver Tant and Hounaïda Lasry (subsequent to her appointment on 22 September 2023). Nadia Shouraboura joined the Committee following the approval of her appointment by shareholders at the OGM on 29 May 2024.

The duties of the Nomination Committee as delegated to it by the Board are contained in the terms of reference available on the Company's corporate website (as referred to above) and are also summarised in the table on page 63.

The Nomination Committee report on pages 74 and 75 sets out details of the role and activities of the Committee in the last financial year.

Board and Committees effectiveness review

A formal external review of the effectiveness of the Board and its three main standing Committees was last conducted in October 2023 and gave positive and constructive feedback.

The Directors completed confidential questionnaires with an external process coordinated by Linstock and the Group's General Counsel. An independent report on the feedback provided by the Directors was presented to the Board to discuss the main themes and points arising from the review.

The evaluation exercise has given a positive review of how the Board and its Committees operate. The key area for improvement identified was better communications between the CEO and the Non-Executive Directors which has been addressed. In addition, the support given by the Company Secretarial function was highlighted as requiring improvement. Changes to the leadership and management of this function have improved the support significantly. No further areas of focus were highlighted and there were no major items of concern identified.

In addition to the external review process the Chairman has discussions with Executive Directors on a one-to-one basis, the Non-Executive Directors on a one-to-one basis and together as a group to discuss matters relating to the Board, its balance and monitoring of the exercise of powers of the Executive Directors.

In relation to other Code matters regarding the effectiveness of the Board and its members, where Directors have external appointments, the Committee and the Board are satisfied that they do not impact on the time the Director needs to devote to the Company.

Approach to ESG governance

The Board held a number of discussions throughout FY24 as the management team continued to develop their proposed ESG strategy and progressed with a number of different workstreams. Good progress was made in executing the ESG programme in accordance with the Board's ESG strategy. The Board is also committed to keeping ESG as a standing agenda item for the coming year as it looks to maintain momentum in this area.

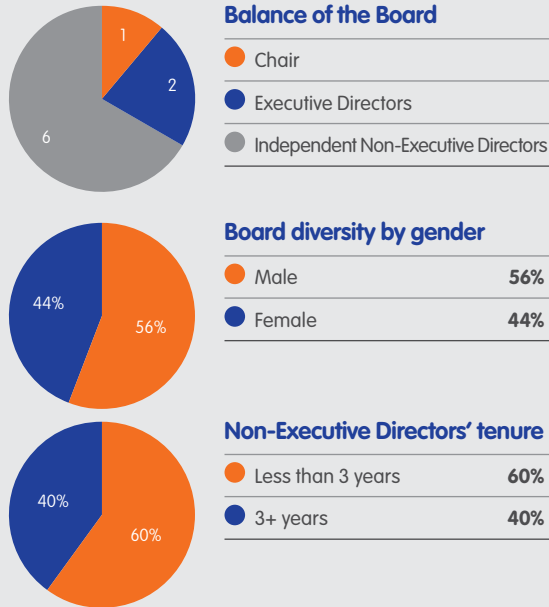
The Board considered whether to create a separate ESG Committee but decided to continue to keep the review of the ESG strategy at Board level.

Appointments, induction and development

Where any new Director is appointed by the Board, the Nomination Committee leads the process and evaluates the balance of skills, experience, independence, and knowledge and diversity on the Board. In light of that process, it approves a description of the role and capabilities required and identifies candidates for the Board to consider using external search consultants.

1. As announced on 5 June 2024, Hounaïda Lasry will succeed Tiffany Hall as Chair of the Remuneration Committee on conclusion of the Annual General Meeting on 23 July 2024

Board composition at 4 June 2024



Division of responsibilities

There is a clear division of the roles and responsibilities between the Chair and the CEO and no individual has unrestricted powers of decision making.

Chair's key responsibilities:

Peter Bamford, as the Chair of the Board, is responsible for leading the Board and ensuring its effectiveness, setting its agenda and high standards of corporate governance. The Chair facilitates the contribution of the Non-Executive Directors and constructive relations between them and the Executive Directors.

Chief Executive's key responsibilities:

Alex Russo, as the Group CEO, is responsible for the day-to-day management of the Group and implementation of strategy approved by the Board and other Board decisions. His role is supported by the Group CFO and the senior executive management teams in each of the Group's businesses.

All new Directors receive a full, formal and tailored induction programme and briefing with members of senior management. They are also required to meet major shareholders where requested.

A manual of documents is available for new Directors containing information about the Group, Directors' duties and liabilities under Luxembourg Law and obligations under the Listing Rules, DTRs and the EU and UK Market Abuse Regulations, together with governance policies and the UK Corporate Governance Code.

The induction of Hounaida Lasry as a new Non-Executive Director took place this year with a series of structured meetings with the Executive Directors and other members of the broader senior management team of B&M. A similar induction for Nadia Shouraboura will take place shortly after the publication of this document.

The Directors update their knowledge and familiarity with the businesses of the Group throughout each year with a mix of central operations and store tours of B&M UK, Heron Foods and B&M France stores along with members of the senior management of each of those businesses. They also participate in senior management briefings and presentations in relation to each of the B&M UK, Heron Foods and B&M France businesses.

The Nomination Committee considers the training and development needs of the Executive Directors. The Directors also receive regular updates at Board and Committee meetings on law, regulatory and governance matters and future developments from the Group's General Counsel.

There is a procedure for Directors to have access to independent professional advice, at the Company's expense, in relation to their duties should they require it at any time.

Re-election of Directors

The Nomination Committee has recommended that each of the Directors be re-elected to the Board. This is except for Ron McMillan and Peter Bamford who have notified the Company of their retirement and that they will not be seeking re-election to the Board at the AGM on 23 July 2024.

The Board and the Chair consider that all the members of the Board standing for re-election at the AGM continue to be effective and demonstrate commitment to their roles, and are able to devote sufficient time to their Board and Committee appointments, responsibilities and duties.

Risk management and internal control

The Board has overall responsibility for ensuring that the Group maintains a strong system of internal controls.

The system of internal controls, supported by the Internal Audit function, is designed to identify, manage and evaluate, rather than eliminate, the risk of failing to achieve business objectives. It can therefore provide reasonable but not absolute assurance against material misstatement, loss or failure to meet objectives of the business, due to the inherent limitations of any such system.

The Board carried out a review of the key risks to the Group's businesses at its annual strategy day conference in the year under review. The Board is satisfied that those risks and relevant mitigating actions are acceptable for a business of the type, size and complexity as that operated by the Group.

The key elements of the Group's system of internal controls are as follows:

Financial reporting: monthly management accounts are provided to the members of the Board that contain current financial and operational reports. Reporting includes an analysis of actual versus budgeted performance and overviews of reasons for significant differences in outcomes. The annual budget is reviewed and approved by the Board. The Company reports half yearly and publishes trading updates in line with market practice;

Risk management: the creation and maintenance of a risk register, which is continuously updated and monitored, with full reviews occurring on a bi-annual basis, facilitated by the Internal Audit function of the Group. Each risk identified on the risk register is allocated an owner, at least at the level of a senior manager within the business, and the action required, or acceptance of the risk is also recorded. The risk registers are provided to the Audit & Risk Committee and the Committee reports key risks and mitigating actions to the Board for monitoring as appropriate;

Monitoring of controls: the Audit & Risk Committee receive regular reports from the Internal Audit function as well as those from the external auditors. There are formal policies and procedures in place to ensure the integrity and accuracy of the accounting records of the Group and to safeguard its assets;

Staff policies: there are formal policies of the Group in place in relation to anti-bribery and corruption, anti-slavery and whistleblowing policies in relation to reporting of any suspected wrongdoing or malpractice. Those policies are reviewed and updated by the Group as required from time to time.

The Board and the Audit & Risk Committee have carried out a review of the effectiveness of the system of internal controls during the year ended 30 March 2024 and for the period up to the date of approving the Annual Report and financial statements.

Information on the key risks and uncertainties of the Group are set out on pages 23 to 29.

Regulatory framework

Shares in the Company are dematerialised and held through an EU member state central securities depository.

The Articles of Association of the Company require continued adherence to the UK City Code on Takeovers and Mergers (the "City Code") and the Luxembourg Law of 19 May 2006 on takeovers which contain squeeze-out and sell-out rights of minority shareholders.

Shareholder relations

The Board recognises that good communication is key to maintaining shareholder relations. The Company has a senior investor relations professional to act as the first point of contact with shareholders. Meetings and calls are regularly held with institutional investors and analysts in order to provide the best quality information to the market.

The formal reporting of our full year results will be a combination of webcasts, in-person presentations, one-to-one virtual meetings and conference calls. The Board members, including the Chair, the Senior Independent Director and each of the other Non-Executive Directors, are available to meet with major shareholders where they wish to raise issues outside of the above environments.

The Company will also communicate with its shareholders through the AGM on 23 July 2024, at which an account of the progress of our businesses over the past year will be given with the opportunity for shareholders to raise any questions.

The Company holds conference calls and one-to-one virtual meetings where practical in accordance with market practice generally during the course of each financial year with bondholders.

The Company's corporate website at www.bandmretail.com is regularly updated with our releases to the market and other information and includes a copy of this Annual Report and financial statements.

Other disclosures

Where information is applicable under Listing Rule 9.8.4R in relation to the Group, the independence statement can be found on page 98 of this report.

Disclosures under DTR 7.2.6R with regard to share capital are set out in the sections headed "Share capital", "Shareholders" and "Section (a) Share capital structure", in the Directors' report and business review on pages 96 to 100.

Peter Bamford

Chairman
4 June 2024

Audit & Risk Committee report

The Committee has oversight of the external financial reporting of the Group, risk management and mitigation, the internal control framework and the effectiveness of internal and external audit.



Dear Shareholder,

During the financial year, the Audit & Risk Committee has continued to carry out a key role within the Group's governance framework, supporting the Board in risk management, internal control and financial reporting.

The Committee exercises oversight of the Group's financial policies and reporting. It monitors the integrity of the financial statements and reviews and considers significant financial and accounting estimates and judgements. The Committee satisfies itself that the disclosures in the financial statements about these estimates and judgements are appropriate and obtains from the external auditor an independent view of the key disclosure issues and financial statement risks. In relation to risks and controls, the Committee ensures that these have been identified and that appropriate responsibilities and accountabilities have been set.

A key responsibility of the Committee is to review the scope of work undertaken by the internal and external auditors and to consider their effectiveness.

The Committee has also considered the narrative in the Strategic Report and believes that sufficient information has been provided to give shareholders a fair, balanced and understandable account of the Group's business.

During the year, the Committee again oversaw the process used by the Board to assess the viability of the Group, the stress testing of key trading assumptions and the preparation of the Viability Statement, which is set out on page 29, in the Principal risks and uncertainties section of the Strategic Report.

The Committee has continued to monitor related party transactions and has monitored the Group's compliance with the Groceries Code.

Further information on the Committee's responsibilities and the manner in which they have been discharged is set out below.

Going forward, I shall ensure that the Committee continues to acknowledge and embrace its role of protecting the interests of shareholders as regards the integrity of published financial information and the effectiveness of audit.

The Committee continues to monitor the outcome of the consultations on the UK Government's proposals to restore trust in audit and corporate governance.

I am available to speak with shareholders at any time and will also be available at the AGM on 23 July 2024 to answer any questions you may have on this report.

I would like to thank my colleagues on the Committee for their continued help and support during the year.

Oliver Tant

Chair of the Audit & Risk Committee
4 June 2024

Audit & Risk Committee report **continued**

Committee composition

Throughout FY24 the Committee comprised three members, each of whom is an Independent Non-Executive Director of the Company. Two members constitutes a quorum. The Committee must include one financially qualified member with recent and relevant financial experience. Each of the Committee Chair, Ron McMillan and Paula MacKenzie fulfil that requirement. All members are expected to understand financial reporting, the Group's internal control environment, relevant corporate legislation, the roles and functions of internal and external audit and the regulatory framework of the business. As reflected in the biographical summaries on pages 60 and 61, all members of the Committee have significant experience of working in or with companies in the retail and consumer goods sectors and, as such, the Audit & Risk Committee as a whole has competence relevant to the retail sector.

During FY24, the members of the Committee were Oliver Tant, Ron McMillan, Paula MacKenzie and Carolyn Bradley (until her resignation in July 2023). Nadia Shouraboura joined the Committee following the approval of her appointment by shareholders at the OGM in May 2024 bringing total membership of the Committee to four members. Details of Committee meetings and attendance are set out on page 62 of the Corporate Governance report. The timing of Committee meetings is set to accommodate the dates of release of financial information and the approval of the scope and reviews of outputs from work programmes executed by the internal and external auditors. In addition to scheduled meetings, the Chair of the Committee has had many discussions with the CFO and the internal and external auditors during the course of the year.

Although not members of the Committee, Mike Schmidt (CFO), Alex Simpson (General Counsel), Peter Waterhouse (Group Financial Controller) and representatives from the internal and external auditors attended Committee meetings. The Chair of the Board and the CEO have also attended Committee meetings upon the invitation of the Chair of the Committee.

Responsibilities

The responsibilities of the Audit & Risk Committee, as delegated by the Board, are set out in its terms of reference which are available on the Group's corporate website. They include the following:

- reviewing the integrity of the financial statements, price sensitive financial releases of the Group and the significant financial judgements and estimates relating thereto;

- monitoring the scope of work, quality, effectiveness and independence of the external auditors and approving their appointment, reappointment and fees;
- monitoring and reviewing the independence and activities of the Internal Audit function;
- assisting the Board with the development and execution of a risk management strategy, risk policies and current risk exposures, including the maintenance of the Group's risk register;
- keeping under review the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems;
- making recommendations to the Board in relation to the appointment of the external auditor; and
- maintaining effective oversight of compliance by our UK businesses with the Groceries Code.

Committee activities in FY24

In discharging its oversight of the matters referred to in the introductory letter to this report and as set out below, the Committee was assisted by management, the Group's General Counsel and the internal and external auditors.

The recurring work of the Committee

The Committee considered the following matters during the year:

- consideration of the Annual Report and financial statements of the Group;
- consideration of the interim results report and non-statutory financial statements of the Group for the half year;
- consideration of regulatory news service announcements by the Company;
- consideration of significant areas of accounting estimation or judgement;
- consideration of the significant risks included in the Annual Report and of the risk management processes applied including satisfying itself that those processes are rigorous and that the risks emerging are appropriately disclosed;
- consideration of fraud risks and the controls in place to detect any occurrences;
- approval of the external auditors terms of engagement, audit plan and fees;
- review of the effectiveness and independence of the external auditors;
- review of the going concern and viability statements;
- approval of the internal audit plan; and
- reports of the UK businesses of the Group regarding compliance with the Groceries Code and the annual compliance report to be filed with regulatory bodies.

Accounting matters

The Committee considered the following accounting matters during the year:

- the methodology and assumptions applied by the Group to the value of inventory;
- the relative of prominence of IFRS figures and other financial metrics;
- accounting practices in relation to warehouse dilapidations liabilities;
- goodwill impairment in relation to each of the companies in the Group;
- hedge accounting;
- preparations for upcoming changes to UK Corporate Governance legislation; and
- the process and controls around the rollout of the new finance system.

The Group's performance measures continue to include some measures which are not defined or specified under IFRS. The Committee has considered presentation of these additional measures in the context of the Guidance issued by the European Securities and Markets Authority and the FRC in relation to the use of Alternative Performance Measures ("APMs"), challenge from the external auditor, and the requirement that such measures provide meaningful insight for shareholders into the results and financial position of the Group and that the APMs support understanding of the financial statements. These APMs are described in note 1 of the financial statements and a reconciliation of the APMs to the equivalent IFRS measures is provided in note 3.

In considering the accounting matters referred to above the Committee had regard to papers and reports prepared by the Group's finance department and the external auditors and the explanations and disclosures made in the Group's financial statements. The Committee also considered the significance of these accounting matters in the context of the Group's financial statements and their impact on the Group's statement of comprehensive income and the statement of financial position.

The meetings at which the following matters were considered are set out below:

	September 2023	November 2023	January 2024	May 2024
Internal Audit				
Internal Audit annual evaluation				•
Internal Audit work plans, reports and updates	•	•	•	•
External Audit				
Audit reports on preliminary results and Annual Report FY24				•
Audit report on the Group's interim results FY24		•		
External audit plan and strategy		•		
External auditor's effectiveness/independence and quality of audit				•
Non-audit services provided by the external auditor		•		•
Accounting matters				
The methodology applied to inventory valuation		•		•
Adopting accounting for hedging instruments and policy		•		•
Relative prominence of non-IFRS measures				•
Accounting for property dilapidation costs				•
Goodwill impairment testing		•		•
Preparations for upcoming changes to UK Corporate Governance legislation			•	•
The process and controls around the rollout of the new finance system			•	•
Other matters				
Review of the internal controls framework to prevent fraud				•
Review of the corporate risk register and risks included in the Annual Report	•		•	•
Review of related party transactions (flights)	•	•	•	•
Quarterly reviews of related party transactions (associated companies)	•	•	•	•
Year-end final review of related party transactions (store leases)	•			•
Consideration of post-Brexit implications for financial reporting		•	•	
Review of Groceries Code compliance and complaints	•	•	•	•
Review of going concern and viability for FY23 and FY24	•			•
B&M UK				
IT security controls			•	
Distribution centre accident reporting and investigations	•			
Risk register mitigations				•
UK SOx readiness (deferred)	N/A	N/A	N/A	N/A
Foreign exchange hedging		•		
Payroll	•			
Distribution centre security		•		
FMCG delisting			•	
Supply chain – direct imports QA				•
Distribution centre goods-In	•			
Mandatory training		•		
UK store standards assessment process				•
Corporate policy compliance				•
Third-party sales ledger		•		
Supplier backhaul	•			
Store cash banking				•
Stores repairs and maintenance	•			
Distribution centre agency costs			•	
Employability programmes				•
Store stocktake attendance				•
Heron Foods				
Store support centre payroll			•	
Corporate policy compliance				•
Distribution centre goods-in				•
Transport – operator licence compliance	•			
B&M France				
Store standards	•			
Corporate policy compliance				•
New stores opening procedures				•
New stores identification			•	
Other Tasks				
Follow-up of recommendations and management actions	•	•	•	•

IT systems and business continuity

The success of the business relies on the development and operation of IT systems which are efficient and effective. In addition, the integrity and security of the IT systems are vital from a commercial standpoint. IT systems, cyber security and business continuity are acknowledged as being significant risks and the risk mitigations and key actions in FY24 are set out in the principal risk section of this Annual Report on page 27 and include the benefits from significant investment in new IT systems during FY24.

Regulation

The Group operates within a fast-moving and increasingly regulated marketplace and is challenged by regulatory requirements across the board, including those controlling bribery and corruption, the importation of goods, data protection and health and safety. This creates risk to the organisation as non-compliance can lead to financial penalties and reputational damage in respect of customers, employees, suppliers and stakeholders.

The Board reviewed the Group's compliance procedures and the application of policies relating to fraud, anti-money laundering and anti-bribery.

As a standing agenda item at each of its meetings, the Committee considered and reviewed B&M and Heron Foods' compliance with the Groceries Code. After the year end the Committee also reviewed the annual compliance report of B&M and Heron Foods in relation to the Groceries Code and approved it for submission to the regulatory bodies in accordance with The Groceries (Supply Chain Practices) Market Investigation Order 2009.

Related party transactions

There is an established process for the consideration and review of related party store lease and freehold acquisition transactions of the Group with the Arora Family. Details of that process are set out on pages 65 and 66 of the Corporate Governance report above.

The Committee reviews and monitors for the Board the overall total number of related party store leases and rents of the Group with those related parties during the course of the year, with a view to assessing any potentially material increases in the proportion of those store leases or rents compared with the overall store estate and rent roll.

Internal control and risk management

The Board has overall responsibility for ensuring that the Group maintains a sound system of internal controls. There are inherent limitations in any system of internal controls and no system can provide absolute assurance against material misstatements, loss or failure.

Equally, no system can guarantee elimination of the risk of failure to meet the objectives of the business. Against that background, the Committee has helped the Board develop and maintain an approach to risk management which incorporates the framework within which risk is managed and the responsibilities and procedures pertaining to the application of the policy.

The Group is proactive in ensuring that corporate and operational risks are identified and managed. A corporate risk register is maintained which details:

1. the risks and the impact they may have;
2. actions to mitigate risks;
3. risk scores to highlight the implications of occurrence;
4. ownership of risks; and
5. target dates for actions to mitigate risks.

A description of the principal risks is set out on pages 23 to 28.

The Board has confirmed that it has carried out a robust assessment of the principal risks facing the Group, including emerging risks and those which threaten its business model, future performance, solvency or liquidity.

The Board considers that the processes undertaken by the Committee are appropriately robust and effective and in compliance with the guidelines issued by the FRC. During the year, the Board has not been advised by the Committee nor has it identified itself, any failings, frauds, or weaknesses in internal control which it has determined to be material in the context of the financial statements.

The Committee continues to believe that appropriate controls are in place throughout the Group, and that the Group has a well-defined organisational structure with clear lines of responsibility and a comprehensive financial reporting system. The Committee also believes that the Company complies with the FRC guidance on Risk Management, Internal Control and related Financial Business Reporting.

Furthermore, the Internal Audit function has carried out an assessment of the effectiveness of actions taken by management to mitigate significant risks and this has been reviewed by the Committee.

Reviewing the draft interim and annual reports

The Committee considered in particular the following:

- the accounting principles, policies and practices adopted and the adequacy of related disclosures in the reports;

- the significant accounting issues, estimates and judgements of management in relation to financial reporting;
- whether any significant adjustments were required as a result of the audit;
- compliance with statutory tax obligations and the Group's tax policy;
- whether the information set out in the Strategic Report was balanced, comprehensive, clear and concise and covered both positive and negative aspects of performance; and
- whether the use of APMs obscured IFRS measures.

Going concern and financial viability

The Committee reviewed the appropriateness of adopting the going concern basis of accounting in preparing the financial statements and assessed whether the business was viable in accordance with the Code. The assessment included a review of the principal risks including emerging risks facing the Group, their financial impact, how they are managed, the availability of finance and the appropriate period for assessment. The Committee also ensured that the assumptions underpinning forecasts were stress tested.

During the year, the Group refinanced part of its existing 2020 £400m high yield notes and issued new £250m notes maturing in November 2030. The remaining £156m outstanding matures in July 2025 with no issues foreseen with refinancing. The Group also enacted the one-year extension to our Group term loan and revolving credit facility until March 2029, including a further one-year extension option.

As a result, the Committee is satisfied that the going concern basis of accounting is appropriate and the Group is viable over its assessment period. Further information is included within the Group's Viability Statement on page 29.

Fair, balanced and understandable

The Committee considered whether the 2024 Annual Report is fair, balanced and understandable and whether it provides the necessary information to shareholders to assess the Group's position, performance, business model and strategy. The Committee considered management's assessment of items included in the financial statements and the prominence given to them. The Committee and subsequently the Board were satisfied that, taken as a whole, the 2024 Annual Report and Accounts are fair, balanced and understandable.

External auditors

KPMG Audit S.à r.l. ("KPMG") were reappointed by shareholders at the AGM on 25 July 2023 as the Group's independent external auditors (réviseur d'entreprises agréé) for the financial year ended 30 March 2024. The partners responsible for the audit are Fabien Hedouin, a partner in KPMG's Luxembourg office and Andrew Cawthray, a partner in KPMG's Birmingham office. In accordance with best practice, the Company will review the provision of audit services and KPMG will be invited to participate in the tender to be carried out in the second half of FY25.

Audit independence

The Committee sought and was provided with assurance from the Audit Engagement partners that they and all members of KPMG's staff engaged in the audit had confirmed that they and their dependents were independent and that KPMG as a firm was independent.

Audit quality

The Committee assessed the quality of KPMG's audit in a number of ways:

1. the Committee met with the senior members of the KPMG audit team on three occasions during the year and discussed the planning, execution and reporting of audit work and findings. All senior members of the KPMG team contributed to these meetings;
2. in conjunction with the CFO and senior members of the finance team, the Audit & Risk Committee discussed and assessed KPMG's approach to the execution of and reporting of their audit and related findings; and
3. the Committee considered the matters set out in KPMG's 2023 Transparency Report, dealing with audit quality monitoring and remediation. It considered the results of internal and external engagement reviews and the steps being taken by KPMG to address findings. Within KPMG, audit quality is monitored at a global level and at an engagement level with all engagement partners being reviewed at least once in a three-year cycle.

In reviewing KPMG's 2023 Transparency Report, the Committee noted the firm's commitment to delivering the right standards of governance, culture, quality and risk management. The Committee also discussed with KPMG the results of the FRC Audit Quality Inspection of the UK firm, which were published in July 2023.

The Committee recognised that the majority of the audits inspected were found to not require more than limited improvements and that over a three year period KPMG's results remained in line with their peers whilst they continue to invest with no complacency in regards to their audit quality.

In relation to the Group's audit, the Committee has reviewed the performance of KPMG with input from management, the Group's finance and Internal Audit functions and the General Counsel. The conclusions reached were that KPMG has continued to perform the external audit in a very professional and efficient manner and it is, therefore, the Committee's recommendation that the reappointment of KPMG be put to shareholders at the AGM on 23 July 2024.

The Committee reviewed the reports prepared by KPMG on key audit findings as well as the recommendations made by KPMG to improve processes and controls together with management's responses to those recommendations. Management has committed to making appropriate changes in controls in the areas highlighted by KPMG.

The Committee considered in detail KPMG's audit planning documentation and satisfied itself that the audit work to be carried out by KPMG covered all significant aspects of the Annual Report and Accounts. There were no areas which the Audit & Risk Committee asked KPMG to look at specifically. KPMG's report to the Audit & Risk Committee at the conclusion of the audit confirmed that the audit had been carried out as set out in the planning documentation and the Audit & Risk Committee considered the findings of KPMG as reflected in their audit opinion and their year end report to the Board. KPMG's audit opinion sets out the key matters that, in their professional judgement, were of most significance in their audit. These are consistent with the key matters considered and agreed with the Audit & Risk Committee when the audit was planned. KPMG's opinion describes how these matters were addressed in the audit and the scope and nature of their work reflects the thoroughness of their approach and the degree of scepticism applied.

Non-audit work

The Board's policy in relation to the auditors undertaking non-audit services is that they are subject to tender processes with the allocation of work being done on the basis of competence, cost effectiveness, regulatory requirements, potential conflicts of interests and knowledge of the Group's business. Fees for new audit work must be approved by the Committee in advance.

KPMG were paid £1,468,000 during the year in relation to audit work and £100,000 in relation to work associated with audit-related assurance services. Fees for other services provided by KPMG were £160,381 which principally related to other assurance services.

The Committee is mindful of the attitude investors have to the auditors performing non-audit services. The Committee monitors the appointment of the auditors for non-audit services with a view to ensuring that non-audit services do not compromise the objectivity and independence of the auditors. The Committee will continue to ensure that fees for non-audit services will not exceed 70% of aggregate audit fees measured over a three-year period.

Critical judgements

Critical judgements and key sources of estimation uncertainty are set out on page 118 of the Annual Report. These relate to investments in associates and hedge accounting.

Internal audit

The Group Internal Audit function has a direct reporting line to the Committee and they were represented at all Committee meeting discussions throughout the year. During the year, the Group Internal Audit team undertook a programme of work which was discussed with and agreed by both management and the Committee, and which was designed to address both risk management and areas of potential financial loss.

During the year, the Committee received reports from the Internal Audit function as set out on page 71.

In relation to each of the areas covered, Internal Audit made recommendations for improvements, all of which were agreed by management and either have been or are being implemented. Where areas requiring improvement have been identified, the Committee has satisfied itself that processes are in place to ensure that the necessary action is taken and that progress is monitored.

The Committee has evaluated the performance of Internal Audit and has concluded that it provides constructive challenge to management and demonstrates a constructive and commercial view of the business.

Committee performance

The performance of the Committee during the year was evaluated as part of a broader Board effectiveness review conducted externally and led by the Chair of the Board, as described on page 66.

Oliver Tant

Chair of the Audit & Risk Committee
4 June 2024

The Nomination Committee has responsibility for regularly reviewing the structure, size and composition, and diversity of the Board. It also reviews the leadership and senior management needs of the Group, with the aim of ensuring the continued ability of the Group to compete effectively in the marketplace.



Dear Shareholder,

The Nomination Committee's report for the year ended 31 March 2024 is set out below.

Committee composition, responsibilities and effectiveness

The members of the Committee during the year were Peter Bamford (Chairman of the Committee), Carolyn Bradley (until 25 July 2023) and each of the five Non-Executive Directors being Ron McMillan, Tiffany Hall, Paula MacKenzie, Oliver Tant and Hounaïda Lasry (following her appointment on 22 September 2023). Although not members of the Committee, the CEO Alex Russo and the General Counsel attended each of the Committee's meetings during the year. In addition, the Committee invited the Group People Director as and when it considered appropriate to attend the meeting. Details of Committee meetings, and attendances are set out on page 62 of the Corporate Governance report.

The Committee has responsibility for reviewing the structure, size and composition of the Board, including the skills, knowledge, experience and diversity of the Board. Further details of the other main responsibilities of the Committee are set out on page 63 of the Corporate Governance report. The Committee's terms of reference are also available on the Company's website at www.bandmretail.com

The effectiveness of the Committee during the year was evaluated in September 2023 as part of a broader Board performance review conducted externally and led by the Chairman of the Board.

Committee activities

During the year under review the main activities of the Committee was primarily focused on succession planning for the several key roles on the Board. Diversity, wider executive team development, retention and conflicts of interest were also considered, each of which are described in further detail below.

Board succession

In the period under review, the Committee, led by the Chairman, oversaw the process of identifying and recommending the appointment of two new Non-Executive Directors. The searches were carried out by Adeliss Limited and Russell Reynolds Associates, who carried out preliminary interviews to create a short list of candidates to be considered by the Nomination Committee. As a result of the process Hounaïda Lasry joined the Board on 22 September 2023 as an Independent Non-Executive Director. The work of the Committee resulted in Nadia Shouraboura's appointment early in FY25 on 29 May 2024.

The Committee ensures that a comprehensive induction process is carried out with all new Directors on their appointment to the Board. The details of the induction process carried out with Hounaïda is set out on page 66 and 67. A similar induction will follow for Nadia after publication of this document.

Oliver Tant succeeded Ron McMillan as Chair of the Audit & Risk Committee following the AGM in July 2023 when Ron stepped down from his roles as Senior Independent Director and Chair of the Audit & Risk Committee. Oliver has the requisite recent and relevant financial experience for the role. Tiffany Hall succeeded Ron as Senior Independent Director following the AGM in July 2023. Tiffany has served on the Board for six years and has been Chair of the Remuneration Committee since 1 January 2020 and has a wealth of public company board experience including formerly Senior Independent Director at Howden Joinery Group plc.

Carolyn Bradley decided not to stand for re-election as a Non-Executive Director at the FY23 AGM. In order to ensure continuity on the Board with the number of changes in other roles in FY24, Ron McMillan agreed to continue the role of Non-Executive Director for an additional year until the AGM in July 2024. As previously announced, Ron will retire from the Board at the conclusion of the Company's AGM on 23 July 2024.

Peter Bamford notified the Board in January 2024 of his intention to retire during the calendar year and Tiffany Hall, acting in her capacity as Senior Independent Director, was appointed by the Nomination Committee to lead the recruitment process. An executive search firm, Russell Reynolds was appointed who created a shortlist of external candidates for interview in consultation with the Nomination Committee. In addition to the external candidates, an internal candidate, Tiffany Hall, was approached for consideration and she confirmed her willingness to be considered for the role of Chair. Following Tiffany's confirmation of interest in the role of Chair, the Chair recruitment process was led by Ron McMillan. Following careful consideration of all the candidates, the Nomination Committee recommended Tiffany's appointment to the role of Chair which was subsequently approved by the Board. As a result Peter will not stand for re-election at the AGM in July 2024 and following conclusion of the meeting Tiffany will be appointed as Chair.

As announced on 5 June 2024, Oliver Tant will succeed Tiffany Hall as Senior Independent Director, Hounaïda Lasry will succeed Tiffany as Chair of Remuneration Committee and Paula MacKenzie will succeed Tiffany Hall as the Designated Non-Executive Director for Workforce Engagement from conclusion of the Annual General Meeting on 23 July 2024.

Board diversity

Throughout the year, the Committee has continued to develop its succession planning in relation to both executive and non-executive roles. In particular, the Committee has continued to review the Group's diversity in relation to the Board and at other levels of senior management in the business. As referred to on page 65, the Group's recruitment processes and diversity policy, recognise the value which a diverse board brings to its business.

The Committee is aware that the Listing Rules require UK listed companies to report information and disclose against targets on the representation of women and ethnic minorities on their boards, with the intention of making it easier for investors to see the diversity of their senior leadership teams. The rules apply to premium listed companies and the period under review in this report requires reporting against the Listing Rules requirement.

For the first half of FY24 as a consequence of succession planning for key roles the proportion of female Directors on the Board fell below the Listing Rules gender targets of at least 40% of females appointed to the Board. In the second half of FY24 with the appointment of Hounaïda Lasry this proportion increased to 37.5% of females appointed to the Board. However, as a consequence of the appointment of Nadia Shouraboura the proportion of female Directors on the Board now stands at 44% exceeding the Listing Rules target of 40%. Following Ron McMillan's retirement at the AGM in July 2024, the proportion of female Directors on the Board will increase to 50%.

As set out above, the Board appointed Tiffany Hall to the position of Senior Independent Director from July 2023. This satisfies the target that at least one of the senior Board positions, Chair, CEO, CFO or Senior Independent Director should be a woman. This target will continue to be satisfied from conclusion of the Annual General Meeting in July 2024 when Tiffany Hall will be Chair of the Board of Directors.

Prior to Simon Arora's retirement early in FY24, the Board complied with ethnic diversity targets of having at least one director with an ethnic minority background on the Board. From its initial public offering in 2014, the Company has had continual ethnic minority representation on its Board. In the period under review, the Committee, led by the Chairman, oversaw the process of identifying and recommending the appointment of Hounaïda Lasry. The Committee appointed Audeliss Limited with the aim of meeting the Listing Rules requirement of at least one member of the Board being from an ethnic minority background. Hounaïda's appointment means the Board is compliant with this requirement.

Page 67 sets out numerical information on the diversity of the Board and executive management by gender and ethnicity.

Further details of the Group's ethnic and gender diversity policies are set out on page 65.

The percentage of female representation within the senior management of the Group reporting either directly to the Board or the Executive Committee was 42.7% at the end of FY24.

The percentage of ethnic minority representation within the senior management of the Group reporting either directly to the Board or the Executive Committee was 3.7% at the end of FY24.

As recommended by the Parker Review, the Company has voluntarily set targets for 10% ethnic minority representation within senior management by the end of FY27. The Company maintained its target for 40% female representation within the senior management team.

In FY24 the Company collected data in respect of diversity from its new starters. Colleagues are encouraged to give their ethnic origin, sexual orientation, religion, any disability and gender in accordance with government guidelines. Data collection is performed on the basis of self-reporting by the individual concerned.

Wider executive team developments

The Committee has a role in reviewing the senior management requirements of the Group to ensure a strong management team to support the growth and complexity of the Group. The Committee is pleased to report the following key changes and appointments:

- Summer 2023 – Patrick Rawnsley retired as General Counsel and Allison Green, Group People Director left the organisation.
- August 2023 – Alex Simpson was appointed as the Group's General Counsel with responsibility for governance, legal and compliance, and human resources. Alex was also appointed to the Executive Committee of the Group.
- September 2023 – Suzie Williams, Group IT Director was appointed to the Executive Committee of the Group.
- April 2024 – Peter Waterhouse (Group Financial Controller) and James Kew (Director of Retail Operations) were promoted internally to membership of the Executive Committee.

The above appointment and promotions recognise the important skill sets and experience required to support the Group's continuing growth, whilst maintaining the key principles of the business model of keeping things simple with a tightly managed core team with complimentary attributes.

Other senior recruitments have been made or are planned in relation to other areas of strategic and operational importance as the Group continues to grow in the UK and France.

The Committee receives reports from the CEO and Group's General Counsel in relation to progress with planned recruitments to the broader executive team as a regular agenda item of the Committee's business.

Retention of senior management

Senior executives are appropriately incentivised through bonus and share option arrangements and a package of market competitive benefits.

Conflict of interests

The Committee requires any proposed appointee to the Board to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

The Committee carried out the above process on behalf of the Board in considering any conflicts of interest of Non-Executive Directors where they disclosed their intention to take up other additional external appointments during the year. The Committee is assisted by the Group's General Counsel who maintains a register of external appointments of the Company's Board members and sectors within which companies they are appointed to operate.

Peter Bamford

Chairman of the Nomination Committee
4 June 2024

Annual statement by the Chair of the Remuneration Committee



Dear Shareholder,

I am pleased to present the Company's remuneration report for 2023/24. This report contains:

- The Company's forward-looking Directors' Remuneration Policy on pages 79 to 85, which will apply from 31 March 2024 onwards, and which is subject to a shareholder advisory vote at our 2024 AGM.
- The Company's Annual Report on Remuneration on pages 86 to 95, which details the remuneration paid to the Directors in the 2023/24 financial year, and which is subject to a shareholder advisory vote at our 2024 AGM.

Market overview and performance

Many retailers continue to find it tough, and the last financial year has seen a number of medium sized retailers fail, has seen numerous profit warnings by a wide variety of retailers and has seen 10,000 stores closed and 120,000 jobs lost in the retail industry¹. Against this competitive and difficult background for retailers and consumers, B&M has prospered. Store openings have accelerated and the long-term store target has been increased from 950 to 1,200. There have been 78 Group gross store openings over the year, and we now have 741 B&M stores in the UK, 124 B&M stores in France and 335 Heron Foods discount convenience stores in the UK. Under Alex Russo's leadership the B&M model has been refined and improved with a relentless focus on high store standards, buying well and cost control to deliver everyday low prices to customers. The strength and depth of the management team has been improved with a combination of new hires and development of internal talent and employee engagement scores for the wider workforce continue to be high.

In terms of financial performance, it has been a strong year for the Group, with increased profits and cash generation. We have delivered a record Group adjusted EBITDA (pre-IFRS 16) of £629m at a margin of 11.5%, exceeding our "lockdown" peak of £626m. This has been driven by a record year of revenues of £5.5bn, up 10.1%, and maintaining our discipline on ensuring growth translates into cash. We declared £348m as ordinary and special dividends, bringing the cumulative total of cash returns to shareholders to £1.8bn over the last four financial years.

Incentive outcomes for 2023/24

The EBITDA element of the Annual Incentive Plan ("AIP") was met in full, and the personal objectives were close to maximum, with performance and assessment detailed on pages 87 and 88. The resulting AIP outcome as a percentage of maximum was 98.75% for Alex Russo and 96.25% for Mike Schmidt for the 2023/24 performance year.

The three-year performance period for the 2021-2024 Long-Term Incentive Plan ("LTIP") awards ended on 31 March 2024. Mike Schmidt did not receive this award, as he had not yet joined B&M. Alex Russo was granted this

LTIP award on 3 August 2021. It is subject to two performance conditions: 50% adjusted earnings per share ("EPS"); and 50% relative total shareholder return ("TSR") against FTSE 350 retailers. B&M's TSR performance was between median and upper quartile, and resulted in 87.88% vesting of the TSR element. B&M's adjusted EPS was 36.8p relative to a maximum target of 42.3p, and resulted in 48.44% vesting of the EPS element. Taken together, overall vesting due to performance is 68.16% of maximum. This award is due to vest on 3 August 2026, five years from grant following the expiry of a two-year holding period.

The EPS target ranges for the 2021 LTIP award were initially set at grant as 37p to 45p. These were set assuming a corporation tax rate of 19% which was subsequently increased to 25% during the performance period. In determining performance assessment for this award, the Committee made an adjustment to the EPS target ranges to ensure that performance is measured on a consistent LFL basis with the stretch envisioned and intended at the time of grant. The adjusted ranges against which EPS performance of 36.8p was measured is 34.3p to 42.3p. These targets are no easier and no harder than originally intended. Without this adjustment, the level of vesting of the EPS element would not be a fair reflection of management performance and the strong underlying earnings growth that has been delivered for shareholders.

Finally, the Committee has discretion to adjust the level of vesting of incentives if it determines this to be appropriate. After careful consideration of overall B&M performance, individual performance, the experience of employees and shareholders, it determined that the formulaic outcomes described above under both the AIP and LTIP were appropriate, and therefore did not exercise any discretion.

Remuneration policy review

The current remuneration policy is due for renewal this year in line with the usual three-year timescales for UK listed companies and the Committee has undertaken a full review. The review has been undertaken in the context of B&M's place as a firmly established FTSE 100 company; consistent outperformance of retail grocery peers; strong shareholder returns; and overall market competitiveness.

1. "120,000 jobs lost in 2023", Retail Gazette, 8 January 2024.

B&M has seen strong relative and absolute performance against an uncertain backdrop and continues to deliver industry-leading profit margins. In the time since our last policy review, Alex Russo was appointed CEO and there has been a seamless transition from an entrepreneurial founder to a professional manager. Under his leadership our overall corporate culture has improved through relentless focus on store standards and B&M continues to deliver sustainable, profitable, cash-generating growth.

Following the formulation of a set of initial proposals, we conducted an extensive consultation exercise with shareholders, engaging with over 30 shareholders representing nearly two-thirds of our share capital as well as with major investor advisory bodies. The feedback we gathered was invaluable in shaping our plans and we adjusted the proposed policy as a result of the feedback. We were happy there was broad support for our proposals.

The Committee believes the current policy is largely fit for purpose from an overall structure and best practice perspective but are proposing quantum increases in order to address market competitiveness and future-proof for the next three years. For the CEO, the incentive opportunity will be increased by 50% of salary (to 250%) across both the annual bonus and LTIP and for the CFO the headroom under the policy will be increased to a maximum opportunity of 200% of salary for both the annual bonus and the LTIP although there is no intention to utilise this headroom for the CFO in FY25. It is also proposed that the benefits cap of £75,000 be removed although the benefits value is not expected to exceed £100,000 in any given year.

It is proposed that the in-employment and post-employment shareholding requirements are increased to 250% of salary to align with the increased LTIP opportunity for the CEO. Further, where guidelines have been met partially or in full, we are introducing a relaxation of bonus deferral provisions (described below). Note that the Committee has taken a principle-based approach to ensuring the policy supports the attraction and retention of high-quality talent, whilst ensuring that Executive Directors' interests are aligned with those of shareholders. Under the new policy the deferral will be linked to the Executive Director meeting the shareholding guideline. We believe this is a proportionate and principle-based approach that will provide B&M with a competitive edge in attracting and retaining executive talent whilst still having a clear emphasis on shareholder alignment across the arrangements as a whole. Taking account of his performance in role and market competitiveness, we are also proposing

an increase of 9.4% to the CEO's salary. This increase is the second part of a phased increase for Alex Russo with the initial increase applied on his appointment as CEO. Taken with the above, the proposed increase to the CEO's overall remuneration package recognises his individual and the Group's strong performance and takes appropriate account of market reference points. The positioning of the total package at maximum performance is around the upper quartile compared to FTSE 100 UK retail peers and reflects that it is vital we ensure our high-performing CEO is retained and remains motivated.

Implementation of remuneration policy for 2024/25

Alex Russo will receive a salary increase of 9.4% from 31 March 2024, which is below the real living wage increase of 9.8%, which the majority of our employees will receive in April 2024, as they are hourly paid. Mike Schmidt will receive a salary increase of 3%, in line with increases for our salaried employees.

The Committee also intends to provide a £30,000 per annum accommodation allowance to Alex Russo. This is in recognition of the need for Alex to maintain a base in London and a base in the north of England due to his focus on frequent store visits across the network.

The resulting operation of policy for 2024/25 will be as follows:

Element	Implementation for 2024/25
Base salary	<ul style="list-style-type: none"> Alex Russo (CEO): Increase from £832,000 to £910,000 (+9.4%) Mike Schmidt (CFO): Increase from £468,000 to £482,040 (+3.0%)
AIP	<ul style="list-style-type: none"> For CEO, maximum opportunity increased from 200% to 250% of salary For CFO, maximum opportunity remains at 150% of salary 75% based on Group adjusted EBITDA and 25% based on personal objectives 50% of any bonus earned will be deferred into shares for three years (subject to interaction with shareholding guidelines below)
LTIP	<ul style="list-style-type: none"> For CEO, 2024 award of 250% of salary (2023: 200% of salary) For CFO, 2024 award of 175% of salary (2023: 175% of salary) 50% based on adjusted EPS and 50% based on relative TSR vs FTSE 350 retailers
Pension	<ul style="list-style-type: none"> 3% of salary less employer's National Insurance contributions ("NICs"), in line with the wider workforce
Shareholding guidelines (including interaction with bonus deferral)	<ul style="list-style-type: none"> Increase in-employment and post-employment shareholding guidelines from 200% to 250% of salary for CEO, in line with increase in LTIP maximum Introduction of a phased relaxation of bonus deferral provisions relative to shareholder guidelines. If the shareholding guidelines have not been met, 50% of bonus is deferred into shares (as usual). If half of the guidelines are met, 25% of bonus is deferred into shares. If the guidelines have been met, no bonus deferral applies.

Conclusion

I hope that you find the information in this report helpful and informative, and that you can support the decisions made this year in relation to the implementation of our remuneration policy for 2023/24 and how we intend to operate our proposed policy for 2024/25. The Committee believe the proposed policy changes increase market competitiveness and future-proof the policy for the next three-years.

As announced on 5 June 2024, Hounaïda Lasry will be appointed as Chair of the Remuneration Committee on conclusion of the Annual General Meeting on 23 July 2024

The Committee is keen to hear any feedback on the information set out in this report. If any questions or comments do arise then please contact me, or alternatively I will be available at the AGM to take any questions.

Tiffany Hall

Chair of the Remuneration Committee
4 June 2024

Directors' remuneration report **continued**

Role of the Remuneration Committee

The Committee has responsibility for determining the Company's policy on remuneration of the Executive Directors and the Chair, the first layer of senior management of the Group below the Board and the Group's General Counsel. Its terms of reference are reviewed annually, with changes made to take account of corporate governance developments and best practice.

Provision 41 (bullet 6) of the UK Corporate Governance Code 2018, provides for the Remuneration Committee to describe what engagement with the workforce has taken place to explain how executive remuneration aligns with wider Company policy.

The Committee does not consult directly with employees when reviewing levels of Executive Directors' remuneration but it takes account of pay policies for the broader salaried workforce when undertaking annual salary reviews for the Executive Directors, as well as reviewing policy and practices for employees when determining remuneration policy for Executive Directors.

The Committee's terms of reference are available on the Company's website at www.bandmretail.com.

Corporate Governance Code

The Committee is conscious of the Code's references to remuneration arrangements being clear, simple, predictable, proportionate and to take adequate account of risk while being aligned to culture. These factors have been considered and are felt to be satisfied through:

- **Clarity** – the Company's remuneration policy and implementation of policy are clearly disclosed each year in this report. The Committee proactively engages with shareholders and their representative bodies as part of the triennial policy renewal process and is available to discuss matters at any other time;
- **Simplicity** – the Company operates a simple pay model which encourages superior performance, and only rewarding sustained success achieved in a manner consistent with the Board's overall objectives to deliver superior returns for our shareholders. This is set by the operation of a mix of absolute profit targets and relative TSR assessed alongside stretching personal objectives which recognise delivery against defined goals. We will continue with this approach for 2024/25 in line with the approach for 2023/24;
- **Risk** – the overall policy offers reward subject to the operation of suitably stretching targets, which is consistent with our business model as a value retailer. We have again set stretching targets for

variable pay in 2024/25 in the context of the business plan. Payments of variable pay are subject to the Committee being satisfied that the outcome is appropriate, and all our variable pay plans include the ability to operate malus and clawback where necessary;

- **Predictability** – the Directors' Remuneration Policy includes a scenario chart showing potential pay levels on various assumptions and all awards are subject to maximum grant levels as set out in the policy;
- **Proportionality** – the out-turn in respect of variable pay is clearly set out in this report and payments are contingent on the strategic pillars of EBITDA, EPS, relative TSR and personal objectives pre-set by the Board. As indicated under "Risk" above, the out-turn can be reduced as appropriate; and
- **Alignment to culture** – the variable pay plans are consistent with our focus on performance and incentivisation down to store and deputy store manager levels.

Luxembourg Law

The Luxembourg Law of 24 May 2011 on certain rights of shareholders at general meetings of listed companies (as amended by the Law of 1 August 2019) which adopts the EU Shareholders' Directive 2017/828 on directors' remuneration requires that the remuneration policy of the Company be put to shareholders to vote at least once every four years. However, in accordance with the Company's voluntary policy since the IPO of putting the remuneration policy to shareholders for voting on every three-years, that practice will continue to be followed, which will comply with the Luxembourg Law.

The Annual Report on Remuneration has been prepared to comply with the reporting requirements of the Luxembourg Law on directors' remuneration referred to above. The Company, as a Luxembourg registered company, is not subject to the regulations adopted in the UK in 2013 (and as amended) for the reporting of executive remuneration. However, in addition to the Luxembourg Law reporting requirements, the Committee considers the UK regulations to also be reflective of best practice and helpful to shareholders to maintain consistency with the Company's reporting in previous years while also complying with the requirements of the Luxembourg Law. The report has therefore been prepared by the Company to follow the practice (as in previous years) of also voluntarily adopting the UK reporting regime where practical.

Directors' Remuneration Policy

The Remuneration Committee presents the Directors' Remuneration Policy which will be put to an advisory vote at the AGM on 23 July 2024. The revised policy, if approved by shareholders, will take effect from the start of the 2024/25 financial year and is expected to remain in force until the conclusion of the 2027 AGM.

The Committee has undertaken a thorough review of the Directors' Remuneration Policy, with support from external advisors and management (with no Director being present when decisions relating to their own remuneration were being made) and with particular reference to: B&M's place as a firmly established FTSE 100 company; consistent outperformance of retail grocery peers; strong shareholder returns; and overall market competitiveness.

Business context to review the Directors' Remuneration Policy

B&M has seen strong relative and absolute performance against an uncertain backdrop. The consumer is still struggling and the macro environment remains very uncertain with many retailers failing. B&M however is still delivering industry-leading profit margins and sustainable, cash-generating, profitable growth under Alex Russo's leadership. The cost-of-living crisis continues but B&M is playing a key role in helping consumers with low prices and relevant ranges.

Under Alex's tenure, we are on course to match and surpass our peak COVID profitability. Additionally, our stock position has improved materially. Improving cash flow and strong cash flow returns to shareholders are now embedded in the business and part of our core mantra "to drive profitable, cash-generating growth".

Proposed changes to remuneration policy

The proposed changes to the policy and the rationale for those changes are set out in the table opposite.

Element of policy	Changes to policy	Rationale
Benefits	<ul style="list-style-type: none"> Removal of the £75k cap, albeit not expected to exceed £100k in any given year 	<ul style="list-style-type: none"> Builds additional flexibility into policy Increases market competitiveness
Bonus quantum	<ul style="list-style-type: none"> Increase maximum bonus opportunity for CEO from 200% to 250% and for CFO from 150% to 200% (although no intention to utilise additional headroom for the CFO in 2024/25) 	<ul style="list-style-type: none"> Addresses market competitiveness challenges Supports retaining and motivating a high-performing CEO Aligned with closest FTSE 100 UK retail peers
Bonus deferral	<ul style="list-style-type: none"> Introduction of a phased relaxation of bonus deferral provisions relative to shareholding guidelines If the shareholding guidelines have not been met, 50% of award obtained is deferred into shares. If half of the guidelines are met, 25% of amount earned is deferred into shares. If the guidelines have been met, no deferral. 	<ul style="list-style-type: none"> Policy continues to align with best corporate governance principles for UK plc companies around shareholder alignment but the Committee believes relaxing deferral provisions once shareholding guidelines are met is appropriate for B&M. LTIP awards remain subject to a five-year time horizon from grant and shareholding guidelines have been increased to 250% of salary for the CEO.
LTIP quantum	<ul style="list-style-type: none"> Increase maximum LTIP opportunity for CEO from 200% to 250% and for CFO from 175% to 200% (although no intention to utilise additional headroom for the CFO in 2024/25) 	<ul style="list-style-type: none"> Addresses market competitiveness challenges Supports retaining and motivating a high-performing CEO Aligned with closest FTSE 100 UK retail peers
In-employment and post-employment shareholding guidelines	<ul style="list-style-type: none"> Increase in-employment and post-employment shareholding guidelines from 200% to 250% of salary for CEO 	<ul style="list-style-type: none"> Ensures alignment with increased LTIP opportunity for CEO

Benchmarking context

The review of our remuneration policy has been informed by examining benchmarking data for a comparable group of FTSE 100 retailers with B&M sitting broadly in the middle when ranked by market capitalisation. The comparator companies considered were as follows: Howden Joinery; JD Sports; Kingfisher; Marks & Spencer; Next; Ocado; Sainsbury's; and Tesco.

How the views of shareholders are taken into account

The Committee undertook an extensive shareholder consultation exercise over several months in determining and refining the proposed changes to the policy. We engaged with over 30 shareholders representing nearly two-thirds of our share capital, as well as with major investor advisory bodies. The feedback we gathered was invaluable in shaping our plans. For example, the increased in-employment and post-

employment shareholding requirement of 250% of salary for the CEO to align with the increased LTIP opportunity was implemented as a direct response to consultation with our shareholders. Overall, we were pleased that there was broad support for our final proposals.

Policy table

The table below describes the elements of remuneration policy for our Executive Directors:

Element and purpose	Policy and opportunity	Operation and performance conditions
<p>Base salary</p> <p>This is the basic pay and reflects the individual's role, responsibility and contribution to the Group.</p>	<p>Base salaries are normally reviewed annually. Changes typically take effect from the beginning of the relevant financial year.</p> <p>On review, consideration is given by the Committee to a range of factors including the Group's overall performance, market conditions and individual performance of executives and the level of salary increase given to employees across the Group.</p> <p>Base salaries are targeted at market levels, with reference to companies with a comparable market capitalisation.</p> <p>Salary increases will typically not exceed the general level of increase awarded to other salaried staff. However, higher increases may be awarded in appropriate circumstances, including in the event of a change the roles and responsibilities of an Executive Director or when there are changes to the size and/or complexity of the business.</p>	<p>Base salary is typically paid monthly in cash.</p>

Directors' remuneration report **continued**

Element and purpose	Policy and opportunity	Operation and performance conditions
<p>Benefits</p> <p>To provide benefits that are valued by the individual.</p>	<p>Provide market competitive benefits.</p> <p>The Group may periodically review benefits available to employees. Executives will generally be eligible to receive those benefits on similar terms to other senior employees.</p> <p>Where the Committee considers it appropriate to do so, additional relocation expenses for a limited period and/or tax equalisation payments may be provided.</p>	<p>Executives may be entitled to a wide range of benefits, dependent on their circumstances including: accommodation allowance; car allowance or a company car; car insurance and other running costs and fuel for business use; death in service life assurance, permanent disability and critical illness insurance; medical insurance; travel; and any other Group-wide benefits including a B&M stores discount card with a discount level aligned with that available to other qualifying employees (currently 10%).</p> <p>Any benefits provided in the normal course of business (e.g. travel and hospitality) are authorised by the Committee on a standalone basis. If these are deemed to be taxable benefits, they will be disclosed as such in the single figure table and the benefits provided may include a payment in respect of the tax liability.</p>
<p>Pension</p> <p>To provide an appropriate level of contribution to retirement planning.</p>	<p>Pension contributions for existing and future Executive Directors are and will be aligned with the wider workforce contribution rate, which is currently 3% of salary.</p>	<p>Executives may take pension benefits as contributions to defined contribution personal pension plans, or elect to receive cash in lieu of all or part of that benefit (this is not taken into account as salary for calculating bonus, LTIP or other benefit awards).</p>
<p>Annual bonus</p> <p>To incentivise and reward individuals for the delivery of annual performance targets.</p>	<p>The maximum annual bonus opportunity is 250% of base salary for the CEO and 200% of base salary for other Executive Directors.</p> <p>For financial measures, up to 25% of the bonus will be earned for threshold performance increasing to up to 50% for on-target performance and 100% for maximum performance. For non-financial measures, the amount of bonus earned will be determined by the Committee between 0% and 100% by reference to its assessment of the extent to which the relevant metric or objective has been met.</p> <p>For Executive Directors who have not met the shareholding guidelines, 50% of the bonus is paid in shares and the balance of the bonus paid in cash. For Executive Directors who have met at least half of the shareholder guidelines, 25% of the bonus is paid in shares and the balance of the bonus paid in cash. For Executive Directors who have met the shareholding guidelines, the entire award is paid in cash. The bonus amount paid in shares is normally contingent on employment for a further three-years. Such deferred shares will be entitled to a further benefit calculated by reference to dividends paid during such period as the Committee determines, ending no later than the vesting date. This benefit may assume the reinvestment of dividends into B&M shares on such basis as the Committee determines.</p> <p>Clawback and malus provisions may apply to awards made under the annual bonus and are described below this table.</p>	<p>The performance measures are reviewed at least annually by the Committee in line with the Company's strategy.</p> <p>The performance measures applied may be financial (with at least a 75% weighting on such measures) and/or operational and corporate, divisional and/or individual.</p> <p>The Committee has the ability to make adjustments to performance targets during any performance period where it considers it would be appropriate to do so (for example to reflect any events arising which were unforeseen when the performance conditions were originally set by the Committee, or to reflect a change in strategy or a material acquisition or divestment).</p> <p>The Committee has discretion to adjust the formulaic outcomes of the annual bonus upwards or downwards (including to nil) to reflect any fact or circumstance which the Committee considers to be relevant. Any adjustments will be disclosed in the relevant Annual Report on Remuneration.</p>

Element and purpose	Policy and opportunity	Operation and performance conditions
<p>Long-term incentives</p> <p>To incentivise the delivery of strategic objectives over the longer term, the Group operates the LTIP.</p>	<p>Awards of shares can be made with a maximum face value on grant (as determined by the Committee) in respect of any year for the CEO of 250% of base salary and for other Executive Directors of 200% of base salary, save for exceptional circumstances such as recruitment where the grant may be in excess of this limit in order to grant buy-out awards on recruitment.</p> <p>Awards will be subject to a two-year holding period post the end of the performance period.</p> <p>Clawback and malus provisions may apply to awards made under the LTIP and are described below this table.</p> <p>Shares which vest under LTIP awards will be entitled to a further benefit calculated by reference to dividends from the grant to the end of the holding period. This benefit may assume the reinvestment of dividends into B&M shares on such basis as the Committee determines.</p>	<p>Awards may be made annually of nil cost options on (or equivalent forms of award) vesting subject to the satisfaction of performance conditions, ordinarily assessed over a period of three financial years.</p> <p>The Committee may set performance conditions based on financial and/or operational and corporate, divisional and/or individual criteria as it considers appropriate.</p> <p>The Committee has discretion to make adjustments to targets during any performance period in cases where it considers it would be appropriate to do so (for example to reflect any events arising which were unforeseen when the performance conditions were originally set by the Committee, such as a change in strategy or a material acquisition or divestment).</p> <p>The Committee has discretion to adjust the formulaic outcomes of the LTIP upwards or downwards (including to nil) to reflect any fact or circumstance which the Committee considers to be relevant. Any adjustments will be disclosed in the relevant Annual Report on Remuneration.</p> <p>No more than 25% of an award can be earned for threshold performance.</p>
<p>In-employment shareholding requirement</p> <p>To encourage share ownership and create alignment of interests of Executive Directors and shareholders.</p>	<p>Executive Directors who have not yet met the shareholding guidelines, are expected to retain at least 50% of all shares which vest under the deferred bonus and LTIP (or any other plans which may be adopted in the future) on a net of tax basis until they hold shares of a specified value.</p>	<p>The required level of shareholding is equal to the Executive Directors' normal annual LTIP award levels.</p> <p>Deferred shares from annual bonus awards and LTIP shares which are in a holding period count towards the required level of shareholding, in each case on a net of assumed tax basis.</p> <p>Executive Directors are expected to maintain their minimum shareholding levels once they have obtained those shareholding levels. The Committee will review shareholding guidelines during the period of the policy but without making guidelines any less onerous overall.</p> <p>The Committee retains discretion to disapply or vary this requirement in exceptional circumstances.</p>
<p>Post-employment shareholding requirement</p>	<p>Shares are subject to this requirement only if they are acquired from share awards (other than awards granted under all employee share plans) from FY21 onwards. For two years post-employment (or, if the Committee so determines, for two years after the Executive Director has stepped down from the Board) the Executive Director must retain such of their relevant shares as have a value equal to 100% of the in-employment shareholding requirement (or all of those shares if lower).</p> <p>Shares completing their performance period during this two-year period will remain subject to the two-year holding period.</p> <p>Shares purchased by the Executive Director (including those from all employee share plans), will not be included in this requirement.</p>	<p>It is possible for shares counting towards this requirement to not be released during the period in which the post-employment shareholding requirement applies, to support enforceability.</p> <p>The Committee retains discretion to disapply or vary this requirement in exceptional circumstances.</p>

Directors' remuneration report continued

Element and purpose	Policy and opportunity	Operation and performance conditions
<p>All-employee share plans</p> <p>To encourage share ownership by employees and participate in the long-term success of the Group, the Group operates an all-employee share incentive plan ("SIP") for B&M UK employees which was adopted prior to Admission.</p>	<p>Executive Directors can participate in the all-employee SIP on the same terms as other employees of B&M in the UK.</p>	<p>Under the rules of the SIP employees can purchase shares up to a maximum limit (currently £1,800) per annum from their pre-tax and pre-National Insurance salary through a UK resident SIP Trust.</p> <p>The rules also permit an award of free shares worth up to a maximum limit (currently £3,600) per year and for purchased shares to be matched on up to a 2:1 basis although these elements have not been operated to date.</p> <p>These limits can be changed in line with UK legislation governing these plans.</p>

Existing awards

The Company will honour any annual bonus or long-term incentive commitments already entered into with Executive Directors and/or any other pre-existing annual bonus and long-term incentive commitments on any person joining the Board.

Operation of variable pay Annual Incentive Plan

The Committee will set the performance targets annually under the AIP to take account of the Company's three-year management plan. The metrics adopted by the Committee and the weighting of them may vary in relation to the Company's strategy each year.

The performance conditions in the first year of the operation of the policy are as follows:

- 75% EBITDA, which is a primary measure of the Company's growth and indicator of potential returns for shareholders; and
- 25% linked to personal measures (which may be financial in nature), which incentivise management to achieve results aligned to the broader business strategy.

Long-Term Incentive Plan

The Committee sets the performance targets in relation to the LTIP to take account of the Company's strategic plan. In the first year of operation of the policy, the measures are as follows:

- 50% relative TSR, which measures the Company's ability to generate value in excess of that created by similar businesses; and
- 50% adjusted EPS, which measures the Company's ability to grow earnings which are an indicator of returns for shareholders.

Malus and clawback

The rules of the Company's share plans include the following malus and clawback provisions:

- the AIP rules include provision for clawback within a three-year period following payment;
- the deferred share plan rules include provision for malus prior to exercise and clawback within a three-year period following vesting; and

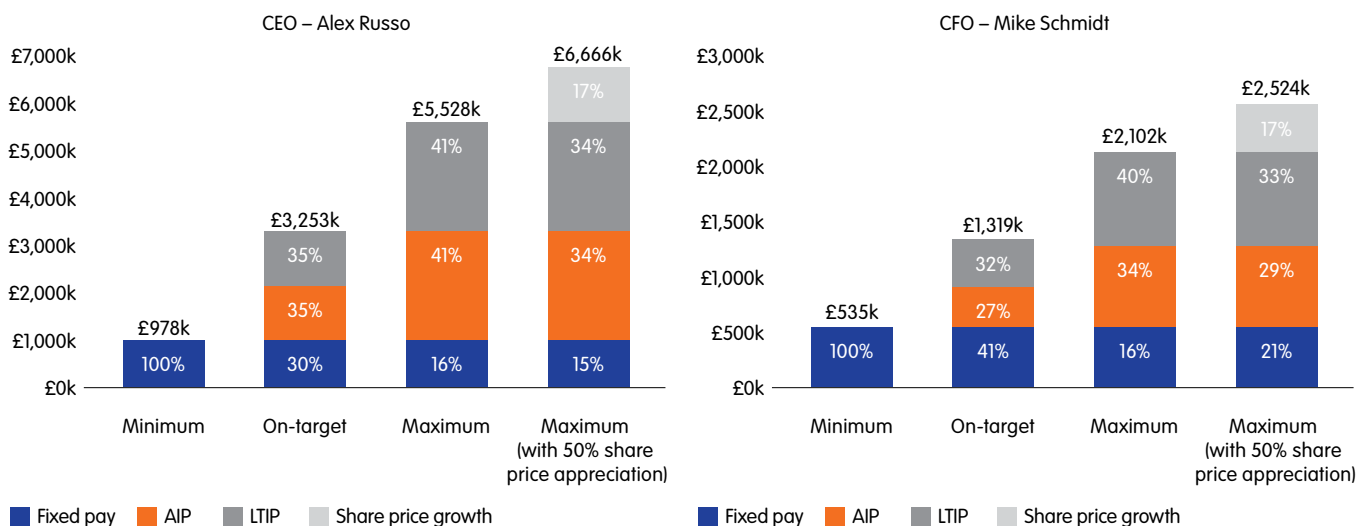
- the LTIP rules include provision for malus between grant and the expiration of the holding period and clawback within a three-year period following determination of the extent to which the performance conditions have been met.

The trigger events for malus and clawback are as follows:

- a material misstatement of financial results; or
- there are circumstances which would have warranted summary dismissal of the participant or there are circumstances of employee misbehaviour or material error; or
- there are circumstances having an impact on the reputation of the Company or the Group which justify the provisions being operated; or
- where the Committee discovers information from which it concludes that a bonus or award was paid or vested to a greater extent than it should have been.

Illustrations of potential remuneration

The graphs below show an indication of the potential total remuneration for the Executive Directors' under the policy for the 2024/25 financial year.



Assumptions

Scenario	Assumptions
Minimum	<ul style="list-style-type: none"> Fixed remuneration only, i.e. base salary, pension and benefits
On-target	<ul style="list-style-type: none"> Fixed remuneration On-target bonus, being 50% of maximum for 2024/25 (i.e. 125% of salary for CEO and 75% of salary for CFO)
Maximum	<ul style="list-style-type: none"> Fixed remuneration Maximum bonus for 2024/25 (i.e. 250% of salary for CEO and 150% of salary for CFO) Maximum LTIP (i.e. 250% of salary for CEO and 175% of salary for CFO)
Maximum + 50% share price growth	As per maximum scenario with 50% share price appreciation for the LTIP (equivalent to 1.5x the face value)

Recruitment and promotions

The remuneration package for a new Executive Director would typically be set in accordance with the terms of the Company's remuneration policy at the time of the appointment.

Additionally, on the appointment of any new Executive Director (whether by external recruitment or internal promotion) the following applies:

- if a new executive's salary is set on appointment below the appropriate market rates, increases above those granted generally to other employees may be awarded, subject to the individual's performance and development;
- the Company may compensate a new Executive Director for amounts foregone as a result of leaving their previous employment or engagement taking account of the amount forfeited, the extent of any performance conditions, the nature of the award and the time period to vesting, such awards would normally be granted in the form of shares rather than cash;
- the AIP would operate with maximum award equal to 250% of salary for the CEO and 200% of salary for other Executive Directors in accordance with its terms, pro-rated for the period of employment and, dependent on the appointment and timing, different performance targets might be set as the Committee considers appropriate;
- a long-term incentive award over shares of face value (as determined by the Committee) up to a maximum of 250% of salary for the CEO and 200% of salary for other Executive Directors in accordance with the policy table above;
- on appointment, the Committee may consider it necessary to make a one-off grant of additional shares under the LTIP, of up to 250% of salary for the CEO and 200% of salary for other Executive Directors, in order to secure an exceptional candidate and provide early alignment with the shareholders of the Company. For the avoidance of doubt, the Committee has no current intentions to use this provision and any award would be in addition to the normal maximum set out in the policy table;

- on any appointment, the Committee may agree that the Company will meet appropriate relocation expenses;
- other elements of remuneration may be included in the event of an interim appointment being made to fill an Executive Director role on a short-term basis or if exceptional circumstances require that the Chair or any other Non-Executive Director takes on an executive function on a short-term basis; and
- if an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or LTIP award for that year as there would not be sufficient time to assess performance, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis.

Service contracts and payments for loss of office

The service contracts for the CEO, Alex Russo and CFO, Mike Schmidt are terminable by either the Company or the relevant executive on 12 months' notice. The service contracts are effective from 26 September 2022 in relation to the CEO and 17 October 2022 in relation to the CFO. Both contracts are rolling contracts with no fixed termination date.

An Executive Director's contract can also be terminated without notice or payment of compensation except for pay accrued up to the termination date on the occurrence of certain events such as gross misconduct. Payment in lieu of notice equal to base salary only for the unexpired period of notice can be paid under the CEO's service contract. The payment in lieu of notice would be paid on termination.

Payment in lieu of notice equal to base salary, pension and benefits for the unexpired period of notice can be paid under the CFO's service contract. The payment in lieu of notice would be paid in monthly instalments, subject to mitigation in the event that the departing CFO becomes engaged in other employment.

In appropriate circumstances payments may also be made in respect of accrued holiday pay, and outplacement and legal fees, and the Committee may permit the continuation of benefits such as health insurance for a reasonable period following cessation of employment. Awards under the SIP will vest on cessation in accordance with the plan rules, which do not allow for discretionary treatment. The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

There are no enhanced provisions on a change of control under the Executive Directors' service contracts.

Any new contracts will be on similar terms to the CFO's contract.

The service contracts of the Executive Directors are available for inspection at the registered office of the Company.

Treatment of incentives on termination and change of control

The Committee's treatment of incentives on termination is set out in the following table. The Committee will seek to minimise the cost to the Company, and will have due regard for the circumstances when applying discretion in relation to termination payments.

Directors' remuneration report **continued**

Termination circumstances	Annual bonus treatment	Deferred bonus treatment	Unvested LTIP treatment
Good leavers Including such circumstances as death, retirement, ill-health, disability and any other reason determined by the Committee.	Subject to Committee discretion, a pro-rata bonus may be paid subject to full or part-year performance. Bonus will be paid at the normal payment date, unless in exceptional circumstances the Committee determines it should be paid on cessation.	For all leavers except those leaving due to resignation or dismissal for cause, awards will vest at the usual vesting date, unless the Committee applies discretion to permit the awards to vest on cessation.	Awards will vest at the usual vesting date, unless the Committee applies discretion to permit the awards to vest on cessation, for example in the case of death. Awards will be subject to performance and, unless the Committee determines otherwise, time pro-rating. The post-vesting holding period will normally apply, unless in exceptional circumstances, e.g. in the case of death.
All other leavers Including resignation or dismissal for cause.	No eligibility for bonus.	Awards will be forfeited.	Awards will be forfeited.
Change of control	Normally good leaver treatment applies. Performance can be tested sooner and payment made sooner.	Awards vest on a change of control.	Awards will vest to the extent determined by the Committee taking into account the extent to which performance conditions have been met (as determined by the Committee) and, unless the Committee determines otherwise, taking into account time pro-rating.

Awards which have vested before giving or receiving notice of termination of employment remain exercisable for a period of 12 months after leaving or (if later) the expiry of any holding period which the award was subject to.

Awards under the SIP will be treated on cessation of employment or on a change of control in accordance with the rules of the SIP, which apply to all participating employees.

Chair and Non-Executive Directors

The table below describes the elements of remuneration paid to the Chair and the Non-Executive Directors:

Element and purpose	Operation
Fees Paid to reflect the time commitment and level of responsibility of each of the roles.	The fee levels and structure of the Non-Executive Directors was set by the Board from Admission. The fees of the Non-Executive Directors are set by the Board (excluding the Non-Executive Directors). The Committee has responsibility for determining fees paid to the Chair of the Board. The fees are paid in cash. All fees are subject to the aggregate fee cap of £1,000,000 per annum, effective from 30 July 2018, for Directors in the Articles of Association of the Company. In addition, expenses may be reimbursed.

Letters of appointment

All the Non-Executive Directors have letters of appointment with the Company for three-years subject to three months' notice of termination by either side and at any time and subject to annual reappointment as a Director by the shareholders. Paula MacKenzie's, Oliver Tant's, Hounaida Lasry's and Nadia Shouraboura's letters of appointment are effective from 9 November 2021, 1 November 2022, 20 June 2023 and 5 March 2024 respectively, and the other Non-Executive Directors' letters of appointment are effective from 1 June 2021. The appointment letters provide that no other compensation is payable on termination.

Insurance

All of the members of the Board have the benefit of Directors' and Officers' liability insurance which gives them cover for legal action which may arise against them personally (which may include following their retirement from the Board where relevant) except in relation to any fraud or dishonesty.

Operation of share plans

All discretions available under any share plan operated by the Company will be available under this policy except where explicitly limited under this policy. This includes the ability to adjust awards in the event of a variation of share capital or a demerger, special dividend or other event which may affect the value of a

share and the ability to settle awards in part or in whole in cash (although the Committee has no intention to settle any Executive Director's award in cash and would only do so in exceptional circumstances, such as where there was a regulatory restriction on the delivery of shares, or to settle tax liabilities arising in relation to the award).

Consideration of employment conditions elsewhere in the Company when setting Directors' pay

The Committee does not consult directly with employees when reviewing Executive Directors' remuneration. However, in forming the Directors' Remuneration Policy, the Committee has taken account of:

- the pay and conditions of the broader workforce pay and conditions, including base salaries, the general increase in salaries for employees and the appropriateness and fairness of the policy in this context; and
- the remuneration arrangements for the rest of the senior management team over which the Committee has responsibility for, including salary, pensions, benefits and incentive arrangements.

Broader workforce

As part of the Committee's extended remit under the UK Corporate Governance Code, the Committee will continue to review the pay policies for the wider employee population to ensure that they are appropriate, reflect the Company's remuneration principles and support the strategic objectives of the business.

The remuneration policy for senior executives is more weighted toward variable pay than for other employees. However, there are a number of ways in which employees are rewarded in addition to base salary, pension and benefits:

- the Company operates a UK SIP for which participation is available to all UK employees, including Executive Directors, on consistent terms;
- in retail operations, annual cash bonuses are paid in the B&M UK business based on individual performance from deputy store managers and upwards;
- in our distribution operations, annual cash bonuses are paid in the B&M UK business based on individual performance from team and shift managers upwards; and
- in our central business support teams including central operations, buying, finance, IT, HR and payroll, annual cash bonuses are paid in the B&M UK business based on individual performance from manager level colleagues upwards.

The Committee reviewed the latest available gender pay gap data as well as the ratio of CEO to employee remuneration. It was satisfied that the structure and quantum of the Executive Directors' remuneration within this policy was appropriate, taking into account their contribution to the business and typical market practices within the retail sector. The Committee also undertook a remuneration benchmarking exercise examining pay in retail comparators as well as the broader market as part of the policy review process, and took this into account as an external measure of the competitiveness of the packages for the Executive Directors.

Senior management team

The base salaries of other members of the Executive Committee of the Group (as well as the Executive Directors) have also been reviewed with effect from 31 March 2024.

They also participate in the performance-based AIP. Around 100 colleagues including members of the Executive Committee of the Group and a group of managers and other senior staff have also participated in restricted stock awards on an annual basis since 2017, in the form of shares which vest after three-years without performance conditions.

Advice on Directors' Remuneration Policy

The Committee has taken advice from Deloitte, its independent remuneration consultants, on the benchmarking and structure of remuneration policy and packages for Executive Directors and other members of the senior management team. Deloitte is a member of the Remuneration Consultants Group and a signatory to its Code of Conduct. In addition, the Committee has satisfied itself that the advice it receives is objective and independent as Deloitte has confirmed there are no conflicts of interest.

Annual Report on Remuneration

Implementation of remuneration policy

The Committee has operated the remuneration policy in accordance with the Directors' Remuneration Policy which was approved by shareholders at the Company's AGM on 28 July 2021.

This section of the report sets out how the policy has been applied in the financial year 2023/24 and how the new policy proposed for shareholder approval at the 2024 AGM will be applied in the financial year 2024/25.

Single figure table of total remuneration of Executive Directors

The audited table below shows the aggregate remuneration of the Executive Directors of the Company during the financial year 2023/24.

Executive Directors	Year ¹	Salary £	Benefits ² £	Pension ³ £	Bonus ⁴ £	Long-term incentives ⁵ £	Other ⁶ £	Total £	Total fixed pay £	Total variable pay £
Simon Arora ⁷ (Executive Director)	2022/23	834,300	51,276	21,928	830,261	1,731,169	–	3,468,934	907,504	2,561,430
	2023/24	64,177	2,144	1,585	–	–	–	67,907	–	–
Alex Russo (CEO)	2022/23	650,000	24,288	17,207	668,178	–	250,000	1,609,673	791,495	818,178
	2023/24	832,000	43,743	21,695	1,643,200	659,207	–	3,199,845	897,438	2,302,407
Mike Schmidt (CFO)	2022/23	199,038	27,458	5,190	163,984	–	250,000	645,670	231,686	413,984
	2023/24	468,000	40,209	12,203	675,675	–	–	1,196,087	520,412	675,675

- The 2022/23 year is for the 52 weeks ended 25 March 2023 and the 2023/24 year is for the 53 weeks ended 30 March 2024.
- Benefits include company car/car allowance cash equivalent as a benefit in kind, fuel and running costs, critical illness insurance, healthcare insurance and life assurance. The amount for Mike Schmidt includes £22,619 in respect of the travel and overnight accommodation allowance which he was awarded when he started the role.
- Pensions include auto-enrolment pension employer contributions and a cash equivalent allowance to pension contribution entitlement less employer's NICs.
- 50% of the annual bonuses of the Executive Directors for 2023/24 being £821,600 for Alex Russo and £337,838 for Mike Schmidt, are payable in shares which are to be deferred for a period of three-years from the date of grant.
- For 2022/23 LTIP figures, the value has been trued up from the estimate provided in last year's report to reflect the value after three years from grant (at which point it is no longer subject to continued service) based on a share price of £5.546 on 30 July 2023 (three-month average share price to the year end of £4.670 used previously). For 2023/24 LTIP figures, the value is estimated based on a vesting of 68.16%, the three-month average share price to the year end of £5.328 and the accrued dividend shares to the year end, representing 123,725 shares in total. There has been no share price appreciation since grant on 3 August 2021. Mike Schmidt was not granted an LTIP award in August 2021.
- For 2022/23 Other figures, details are provided in last year's remuneration report.
- Simon Arora retired from his position as CEO on 26 September 2022, when former CFO, Alex Russo, took his position. Simon continued to serve the Board as an Executive Director until the end of his notice period on 21 April 2023. The figures for 2023/24 represent the period from 26 March to 21 April 2023, for which he was an Executive Director.

The remuneration of the Executive Directors is paid by B&M Retail Limited, other than their long-term incentives. The reported figures include all such amounts.

Base salaries

Alex Russo and Mike Schmidt received salaries of £832,000 and £468,000 respectively, effective from 26 March 2023.

Pension

The pension amounts paid in the year represent amounts contributed to pension plans and cash supplements, adjusted for the cost of employer's NICs to the extent that provision is made as a cash supplement.

The pension benefits of the Executive Directors for 2023/24 were paid as salary supplements and were 3% of base salary (less employer's NICs), which is in line with the pension provision for UK salaried employees of the Group.

AIP outcomes

Executive Directors' bonus payments for 2023/24 are in line with the policy and the terms of the AIP.

75% of the maximum AIP opportunity related to the achievement of financial targets for 2023/24. The targets were based on Group adjusted EBITDA performance as follows:

	Group adjusted EBITDA target*	% maximum overall bonus opportunity
Threshold	£518m	18.75%
Target	£576m	37.5%
Maximum	£605m	75.0%
Actual	£629m	75.0%

* There is a straight-line payout for achievement between threshold, target and maximum levels.

The remaining 25% of the AIP related to personal objectives. These objectives focused on a number of KPIs ranging from strategic, operational and investor relations matters. The Committee assessed each objective against those criteria as explained below.

Alex Russo

Objectives	Performance	Outcome
1. Team development (25%) – Motivated and performing executive team	Fully achieved – Onboarded new Company Secretary and IT Director to executive team. Retention agreement in place for Buying Director. Development plans in place for key individuals.	25%
2. New store openings (25%) – 20% is available for new store openings: 15% for on-target performance rising to 20% if UK/France combined 4 over budget providing financial performance of FY23 and FY24 openings in line with plan – 5% is available for small stores test and evaluate	Fully achieved – Target store openings of 30 B&M UK, 20 Heron Foods and 10 B&M France (60 in total) were exceeded with 47 B&M UK, 20 Heron Foods and 11 B&M France new stores opened (78 in total).	25%
3. Personal development (15%) – Agree response plan to 360 feedback – Staff engagement survey scores on five key measures average equal or higher than October 2022	Partially achieved. Response plan to 360 feedback agreed and implemented. B&M adopted a new employee survey methodology this year to enable more actionable feedback from employees. This has made comparison with previous surveys unreliable. While the absolute level of employee engagement remains high, a new more comprehensive approach to employee engagement has also been implemented.	10%
4. LFL sales (Group basis) vs budget (30%) – 50% of element for achieving budget – 100% of element for improvement of +2%	Fully achieved.	30%
5. ESG (5%) – Continue to implement strategy and deliver planned objectives	Fully achieved. ESG plan on track to deliver planned objectives.	5%
Total		95% out of 100% (23.75% out of 25%)

Directors' remuneration report continued

Mike Schmidt

Objectives	Performance	Outcome
1. Financial (40%) – B&M UK EBITDA margin great than or equal to 12.5% with appropriate cost disciplines – FY24 leverage less than or equal to 1.3x – Effective FY23 and FY24 year end statutory audit and Annual Report preparation	Fully achieved.	40%
2. Operational (35%) – Successful Finance IT implementation go live June 2023 – B&M UK stock loss less than or equal to 1.1%	Partially achieved – Although the CFO delivered a strong performance to implement the new Finance IT system, implementation continues beyond FY24 whilst new working practices are adopted and the new system and controls are embedded. In addition, the target relating to stock loss was not met. The Committee therefore determined 20% out of 35% for this element.	20%
3. Leadership team development (20%) – Effective working relationships with CEO direct reports, Board members, Group Financial Controller and IT Director – Develop influencing skills further, supported by CEO	Fully achieved.	20%
4. ESG (5%) – Effective plan implementation delivering planned objectives and Report 2024 publication	Fully achieved.	5%
		85% out of 100% (21.25% out of 25%)
Total		

The table below sets out the resulting bonuses earned, including the amounts deferred into shares for a three-year period:

Executive Director	Bonus maximum as % salary	Bonus earned as % maximum	Bonus earned £ ¹	Of which paid in cash £ (50%)	Of which deferred in shares £ (50%)
Alex Russo	200%	98.75%	£1,643,200	£821,600	£821,600
Mike Schmidt	150%	96.25%	£675,675	£337,838	£337,837

The Committee considered that overall performance had been strong during 2023/24 and that the AIP outcomes appropriately reflected individual and business outcomes. No discretion was used in assessing the outcomes as set out above.

Long-term incentive outcome

The LTIP award granted to Alex Russo on 3 August 2021 had a combination of adjusted EPS and relative TSR conditions with equal weighting. The performance period ended on 31 March 2024 and the outcomes are provided below.

Performance condition	Weighting	Performance for threshold vesting (25%)	Performance for maximum vesting	Actual performance	Vesting
Adjusted EPS	50%	34.3p	42.3p	36.8p	48.44%
Relative TSR vs FTSE 350 retailers ¹	50%	Median	Upper quartile	Just below upper quartile	87.88%
Total					68.16%

1. Comparator group consists of the constituents of the FTSE General Retailers Index and the FTSE Food and Drug Retailers Index with some limited exclusions due to business fit.

The EPS target ranges for the 2021 LTIP award were initially set at grant as 37p to 45p. These were set assuming a corporation tax rate of 19% which was subsequently increased to 25% during the performance period. In determining performance assessment for this award, the Committee made an adjustment to the EPS target ranges to ensure that performance is measured on a consistent LFL basis with the stretch envisioned and intended at the time of grant. The adjusted ranges against which EPS performance was measured is 34.3p to 42.3p as set out above. These targets are no easier and no harder than originally intended. Without this adjustment, the level of vesting of the EPS element would not be a fair reflection of management performance and the strong underlying earnings growth that has been delivered for shareholders.

Finally, the Committee has discretion to adjust the level of vesting of incentives if it determines this to be appropriate. After careful consideration of overall B&M performance, individual performance, the experience of employees and shareholders, it determined that the formulaic outcomes described above under both the AIP and LTIP were appropriate, and therefore did not exercise any discretion.

The resulting LTIP awards granted on 3 August 2021 are due to vest as follows:

Executive Director	Number of awards granted	Number of awards due to vest due to meeting performance condition	Dividend shares earned to year end	Total shares due to vest	Total value £ ¹
Alex Russo	148,437	101,175	22,550	123,725	659,207

1. Based on the average share price of £5.328 during the three-month period to 30 March 2024.

The awards are due to vest following the expiry of the holding period on 3 August 2026.

LTIP awards granted during the financial year

LTIP awards in the form of nil-cost options were granted to Alex Russo and Mike Schmidt on 1 August 2023 as follows:

Executive Director	Award size	Number of awards granted ¹	Face value of awards £
Alex Russo	200%	300,795	1,663,998
Mike Schmidt	175%	148,047	818,996

1. The number of awards granted was based on a share price of £5.532, being the share price prior to the date of grant.

Awards vest after five years from grant following the expiry of a two-year holding period. Dividends accrue in respect of the awards over the period from grant to vesting.

The performance conditions are measured over the three-year period to the end of 2025/26, and the targets were determined in the following way:

- The adjusted EPS targets were set by the Committee at the beginning of 2023/24, based on management's three-year plan. The LTIP targets were set taking into account the management plan and analysts' consensus forecasts at the time of setting the targets at the start of the year.
- The relative TSR condition follows a market-standard approach, with no vesting below median performance and with maximum vesting for upper quartile performance or above. This approach is consistent with the approach used for previous awards.

The resulting performance conditions and targets are as follows:

Performance condition	Weighting	Performance for threshold vesting (25%)	Performance for maximum vesting
Adjusted EPS	50%	37.9p	43.9p
Relative TSR vs FTSE 350 retailers ¹	50%	Median	Upper quartile

1. Consists of the constituents of the FTSE General Retailers Index and the FTSE Food and Drug Retailers Index with some limited exclusions due to business fit.

A one-month average applies prior to the beginning and at the end of the performance period for the TSR condition.

Straight-line vesting occurs between threshold and maximum levels of performance.

The Remuneration Committee will assess the value of the 2023 LTIP at vesting and will ensure that the final out-turns reflect all relevant factors, including consideration of any "windfall gains".

Deferred bonus awards granted during the financial year

A proportion of bonus earned by Executive Directors in respect of performance during 2022/23 was deferred into shares for a period of three-years on 13 June 2023 as follows:

Executive Director	Value of deferred bonus £	Number of awards granted ¹
Alex Russo	£334,086	62,446
Mike Schmidt	£81,989	15,325

1. The number of awards granted was based on a share price of £5.35, being the share price prior to the date of grant.

The awards are subject to continued service only.

Directors' remuneration report **continued**

Payments to past Directors

No payments for loss of office were made during 2023/24. As disclosed in last year's remuneration report, Simon Arora's share awards will continue to subsist under the agreed leaver treatment, with vesting at the usual time and subject to applicable performance pro-rating and time pro-rating.

Remuneration of the Chair and Non-Executive Directors

The fees of the Chair are set by the Remuneration Committee. The fees of each of the Non-Executive Directors are set by the Board and take account of Chairship of Board Committees and the time and responsibility of the roles of each of them. Non-Executive Directors are paid an annual fee only.

The fees paid for 2023/24 to the Chairman of the Board and each of the Non-Executive Directors were as follows:

Director	2023/24 Fee £	2022/23 Fee £
Peter Bamford	393,056	391,400
Tiffany Hall	103,538	82,915
Ron McMillan	79,641	101,970
Paula MacKenzie	67,486	64,890
Oliver Tant	80,373	26,979
Hounaïda Lasry (appointed 22 September 2023)	35,577	–
Carolyn Bradley (retired on 25 July 2023)	22,961	70,040

The annual rates of fees paid during the year with effect from 26 March 2023 were as follows:

Role	Fee £
Chair of the Board	407,056
Non-Executive Director base fee	67,486
Additional fee for chairing Audit & Risk Committee	18,746
Additional fee for chairing Remuneration Committee	18,746
Additional fee for Senior Independent Director	19,817
Additional fee for Director responsible for Workforce Engagement	5,356

Directors' shareholding and share interests

Under the remuneration policy which operated during the year, the shareholding guideline for Executive Directors is for a shareholding to be built up and maintained of 200% of base salary. Where an Executive Director does not meet the shareholding guideline, they are expected to retain 50% of all shares which vest under the LTIP (or any other share plans in the future) after allowing for tax.

The Committee reviews share ownership levels annually. Alex Russo joined the Board during the year 2020/21 and Mike Schmidt joined during the year 2022/23 and are therefore working towards their shareholding requirements.

The table below sets out the number of shares held or potentially held by Directors (including their connected persons or related parties where relevant) as at the financial year ended 2023/24 (or the date of their stepping down from the Board if earlier).

Director	Shares held beneficially ¹	Unvested options with performance conditions ²	Unvested options not subject to performance ³	Vested but unexercised awards
Peter Bamford	5,000	–	–	–
Simon Arora ⁴	69,880,828	1,122,302	392,116	–
Alex Russo	–	965,260	170,243	–
Mike Schmidt	23,202	385,744	52,939	–
Ron McMillan	37,037	–	–	–
Tiffany Hall	3,050	–	–	–
Carolyn Bradley ⁴	–	–	–	–
Paula MacKenzie	–	–	–	–
Oliver Tant	10,000	–	–	–
Hounaïda Lasry	–	–	–	–

- Includes any shares held by connected persons or related parties.
- LTIP awards in the form of nil cost options.
- Deferred bonus awards, LTIP awards no longer subject to performance and buy-out awards in the form of nil cost options.
- Figures shown for Simon Arora and Carolyn Bradley are shown to the date of their stepping down from the Board, being 21 April 2023 and 25 July 2023 respectively.

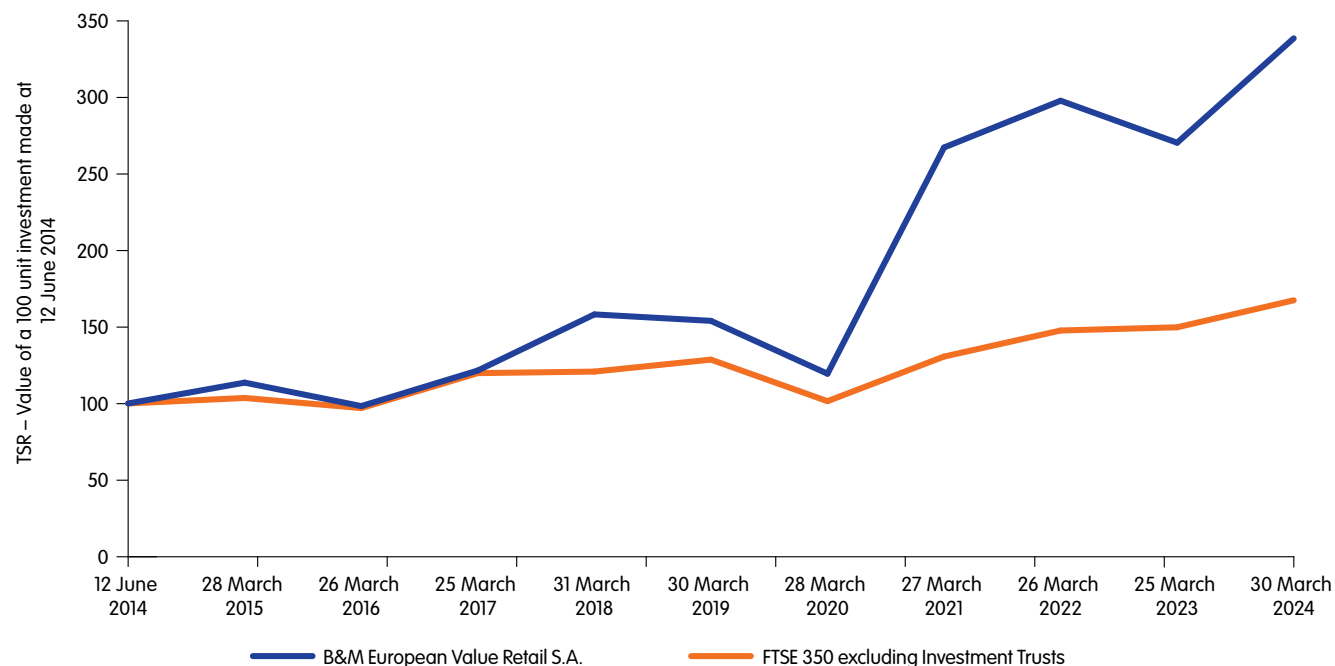
There have been no changes in the Directors' interests in shares in the Company between the end of the 2023/24 financial year and the date of this report.

Performance graph and pay table

The chart below illustrates the Company's TSR performance against the performance of the FTSE 350 Index (excluding Investment Trusts) of which the Company is a constituent, from 12 June 2014 (the date on which the Company's shares were first conditionally traded).

Total shareholder return (rebased)

Source: Datastream (Thomson Reuters)



Remuneration of the CEO

The table below shows the remuneration of the CEO for each of the last nine financial years.

	Total remuneration	Bonus as a % of max	LTIP as a % of max
2015/16 – Simon Arora	601,638	0%	N/A
2016/17 – Simon Arora	1,403,731	76.8%	N/A
2017/18 – Simon Arora	1,376,482	68.6%	N/A
2018/19 – Simon Arora	1,204,983	46.0%	N/A
2019/20 – Simon Arora	1,213,194	42.6%	N/A
2020/21 – Simon Arora	3,710,905	98.8%	89.5%
2021/22 – Simon Arora	4,368,809	95.6%	100%
2022/23 – Simon Arora (to 26 September 2022)	2,659,356	56.9%	100%
2022/23 – Alex Russo (from 26 September 2022)	875,677	56.9%	N/A
2023/24 – Alex Russo	3,199,845	98.8%	68.2%

Change in remuneration of the Directors

Luxembourg Law imposes an obligation relating to the reporting of changes in total remuneration of the Company's employees (but not its subsidiaries), the TSR and total remuneration of each of the individual Directors of the Company. As the law only refers to the Company's employees and not those in other companies in the Group, consequently the changes reported for employees are restricted to a nominal number of staff, being just two in 2023/24.

The relevant data, as determined under the provisions of the Luxembourg remuneration reporting law, are as follows:

	TSR performance				
	FY20	FY21	FY22	FY23	FY24
TSR (year-on-year)	-20.3%	123.7%	11.4%	-9.2%	22.0%
3-year TSR ranking ¹	9th out of 17	7th out of 15	2nd out of 14	2nd out of 15	7th out of 15

Directors' remuneration report continued

	Percentage change in total remuneration in the year stated compared with the prior financial year ²				
	FY20	FY21	FY22	FY23	FY24
Company only (excluding all of the other Group subsidiaries in the UK and France) on full-time equivalent basis (average)	-16.38%	-8.44%	2.73% ³	3.96%	6.16%
Executive Directors:					
Simon Arora	0.68%	198.62%	39.03%	-20.60%	-78.52%
Alex Russo	N/A	N/A	128.01%	30.06%	98.79%
Mike Schmidt	N/A	N/A	N/A	- ⁴	-22.81%
Non-Executive Directors:					
Peter Bamford	11.66%	-6.25%	26.19%	3.00%	0.42%
Ron McMillan	21.65%	6.48%	9.19%	3.00%	-21.90%
Tiffany Hall	5.17%	5.17%	8.53%	3.00%	24.87%
Paula MacKenzie	N/A	N/A	N/A	3.00%	4.00%
Oliver Tant (appointed 1 November 2022)	N/A	N/A	N/A	- ⁴	24.13%
Hounaida Lasry (appointed 22 September 2023)	N/A	N/A	N/A	N/A	-⁵

- The TSR figures are based on (i) a spot to spot absolute measurement for the Company over the financial year and (ii) a relative spot to spot measurement over three years compared with the current TSR comparator group (FTSE 350 retail sector and food retailers and wholesalers subsector as at the beginning of the financial year). For the 2022/23 figures the companies used are Currys, Dunelm, Frasers Group, Greggs, Howden Joinery, JD Sports Fashion, Kingfisher, Marks & Spencer, Next, Ocado, Pets At Home, Sainsbury J, Tesco and WH Smith.
- The pay of each Director has been calculated using the single figure totals. The average pay of staff is calculated on a full-time equivalent basis for each year (excluding overtime hours) and compares the average for each year with that for the prior year. Joining and departing employees and Directors have been grossed-up to a 12-month equivalent.
- The figure has been restated as part of this year's calculations of changes in total remuneration.
- Mike Schmidt and Oliver Tant were appointed to the Board during FY23.
- Hounaida Lasry was appointed to the Board during FY24.

Relative importance of the spend on pay

The table below shows the movement in spend on pay for all employees compared with distributions to shareholders for the financial years 25 March 2023 and 30 March 2024.

£'000	2022/23	2023/24	% change
Total pay for employees	629,969	713,584	13.3%
Distributions to shareholders ¹	365,605	347,877	-4.8%

- There have not been any buybacks of shares during either year.

CEO pay ratio

In line with new UK reporting requirements which the Company has adopted on a voluntary basis, set out below are ratios which compare the total remuneration of the CEO (as included in the single total figure of remuneration table) to the remuneration of the 25th, 50th and 75th percentile of the Group's UK employees. The disclosure will build up over time to cover a rolling ten-year period.

Year	Method	25th percentile pay ratio	50th percentile (median) pay ratio	75th percentile pay ratio
2019/20	Option A	72:1	72:1	69:1
2020/21	Option A	207:1	196:1	191:1
2021/22	Option A	270:1	270:1	257:1
2022/23	Option A	178:1	178:1	164:1
2023/24	Option A	147:1	147:1	136:1

We have used Option A as this is the statistically most accurate method and the preferred approach of most institutional shareholders.

The base salary and total remuneration received during the financial year by the indicative employees on a full-time equivalent basis used in the above analysis are set out below:

	25th percentile pay ratio	50th percentile (median) pay ratio	75th percentile pay ratio
Base salary	21,132	21,132	22,500
Total remuneration	21,766	21,766	23,444

The ratios disclosed above are affected by the following factors of our UK workforce. The vast majority of this population work in our retail stores and warehouses where, in line with the retail sector more generally, rates of pay are lower than those for management grades and those employees based at our head offices in more technical roles. The three employees used in the calculations are warehouse and retail sales colleagues and consequently the ratios for each are not significantly different. In addition, while warehouse and retail sales colleagues are eligible to participate in Group-wide share plans and annual opportunities to share in success and recognise outperformance, the CEO's higher bonus and LTIP opportunities are comparable with those which reflect the nature and complexity of his role as well as the remuneration levels in retail businesses of similar size. In this context, the Committee is satisfied that the ratios are appropriate and fair.

There has been a reduction in the ratios for 2023/24, which is driven primarily by the difference in the packages of Alex Russo and his predecessor Simon Arora. It is to be expected that the ratio will vary from year to year, primarily as the CEO's package consists of a much higher level of variable pay that is dependent on performance, whereas the warehouse and retail sales colleagues' remuneration is predominantly fixed in nature, which is normal practice for these roles.

Malus and clawback

The AIP and LTIP rules include provision for clawback (and malus during any holding period under the LTIP) within a three-year period following payment or vesting if the Committee concludes that there has been material misstatement of financial results, or there are circumstances which would have warranted summary dismissal of the participant, or there are circumstances having an impact on the reputation of the Company or the Group which justify clawback being operated, or where the Committee discovers information from which it concludes that a bonus or award was paid or vested to a greater extent than it should have been.

In addition, all variable pay plans include discretion to reduce the indicative formulaic out-turn in appropriate cases.

Service contracts

The service contract for the CEO, Alex Russo and CFO, Mike Schmidt is terminable by either the Company or the relevant executive on 12 months' notice. The service contracts are effective from 26 September 2022 in relation to the CEO and 17 October 2022 in relation to the CFO. Both contracts are rolling contracts with no fixed termination date.

All the Non-Executive Directors have letters of appointment with the Company for three-years subject to three months' notice of termination by either side and at any time and subject to annual reappointment as a Director by the shareholders. Paula MacKenzie's, Oliver Tant's, Hounaida Lasry's and Nadia Shouraboura's letters of appointment are effective from 9 November 2021, 1 November 2022, 20 June 2023 and 5 March 2024 respectively, and the other Non-Executive Directors' letters of appointment are effective from 1 June 2021. The appointment letters provide that no other compensation is payable on termination.

Fees for Chair and Non-Executive Directors in 2024/25

The rates of fees for the Chair and Non-Executive Directors were increased by 3% with effect from 31 March 2024 in line with the average all-employee increase.

Role	Fee from 26 March 2023 £	Fee from 31 March 2024 £
Chair of the Board	407,056	419,268
Non-Executive Director base fee	67,486	69,511
Additional fee for chairing Audit & Risk Committee	18,746	18,746
Additional fee for chairing Remuneration Committee	18,746	18,746
Additional fee for Senior Independent Director	19,817	19,817
Additional fee for Director responsible for Workforce Engagement	5,356	5,356

All fees are subject to the aggregate fee cap for Directors in the Articles of Association of the Company, which is currently at £1,000,000 per annum.

The Committee has responsibility for determining fees paid to the Chair of the Board.

The Chair and the Non-Executive Directors are entitled to reimbursement of all expenses reasonably incurred by them in the performance of their duties. The Chair and the Non-Executive Directors do not participate in any bonus or share plans of the Company.

Executive Directors remuneration for 2024/25

Base salary

As described in the Chair's statement, the base salaries for the Executive Directors were reviewed during the year. The resulting rates of salary are as follows:

Executive Director	Base salary from 26 March 2023 £	Base salary from 31 March 2024 £
Alex Russo	832,000	910,000
Mike Schmidt	468,000	482,040

Directors' remuneration report **continued**

Benefits and pension

There are no planned changes to the provision of benefits for 2024/25, other than the provision of a £30,000 per annum accommodation allowance to Alex Russo. This is in recognition of the need for Alex to maintain a base in London and a base in the north of England due to his focus on frequent store visits across the network.

Alex Russo and Mike Schmidt will receive pension provision equal to 3% of salary, less employer's NICs (to the extent that it is paid as a salary supplement).

Annual bonus

As set out in the summary of the Directors' Remuneration Policy and subject to shareholder approval at the 2024 AGM, the maximum bonus opportunity for Alex Russo will be 250% salary. The maximum bonus opportunity for Mike Schmidt will be 150% of base salary.

Under the awards for 2024/25, 75% of the maximum bonus opportunity is again based on the achievement of an adjusted EBITDA target and 25% on achievement of personal objectives. In relation to each award, one-half of any bonus achieved will be deferred into shares for three-years. The awards will also be subject to malus and clawback provisions.

The Committee does not disclose adjusted EBITDA or personal targets in advance as they are commercially sensitive. Suitable disclosure of the targets together with details of achievement against them will again be included in next year's Directors' remuneration report.

LTIP

The Committee proposes that LTIP awards will be made to Executive Directors during 2024/25, subject to stretching financial performance conditions over a three-year period, with vesting after the completion of a further two-year holding period.

As set out in the Directors' Remuneration Policy and subject to shareholder approval at the 2024 AGM, the 2024/25 award for Alex Russo will be 250% of salary while an award of 175% of salary will be granted to Mike Schmidt.

- We have set the adjusted post-IFRS 16 diluted EPS targets for 2026/27 taking into account management's three-year plan, macro-economic conditions and the impact of other relevant factors. Targets in previous years were pre-IFRS 16 so are not comparable. The targets are considered stretching in the context of the high current operating margins, increased financing costs and the Group's policy of returning cash to shareholders through ordinary and special dividends rather than share buybacks. In addition, the increase in the rate of store openings depresses EPS over the next 2 to 3 years due to increased depreciation and the accounting treatment of rents under IFRS 16.
- The relative TSR condition follows a market-standard approach, with no vesting below median performance and with maximum vesting for upper quartile performance or above. This approach is consistent with the approach used for previous awards.

The resulting performance conditions and the targets for the awards are as follows:

Performance condition	Weighting	Performance for threshold vesting (25%)	Performance for maximum vesting
Adjusted EPS ¹	50%	38.3p	47.4p
Relative TSR vs FTSE 350 retailers ²	50%	Median	Upper quartile

1. There is scaled vesting between threshold and maximum, with an intermediate point. There is straight-line vesting between these three points. The intermediate point is considered commercially sensitive at this time and will be disclosed at vesting in the relevant Directors' remuneration report.
2. Consists of selected constituents of the FTSE 350 General Retailers Index and the FTSE 350 Food and Drug Retailers Index.

Remuneration Committee composition and meetings in 2023/24

The members of the Committee during the year consisted solely of Independent Non-Executive Directors being Tiffany Hall (Committee Chair), Ron McMillan, Oliver Tant, Carolyn Bradley (until she stepped down from the Board in July 2023) and Hounaïda Lasry (from 22 September 2023). As announced on 5 June 2024, Hounaïda Lasry will succeed Tiffany Hall as Chair of the Remuneration Committee on conclusion of the AGM on 23 July 2024

The responsibilities of the Committee are set out in the Corporate Governance section of the Annual Report on page 58.

The Committee invites Peter Bamford as the Chairman of the Board and Alex Russo as the CEO, as and when the Committee considers it appropriate, to attend meetings and assist the Committee in its deliberations. No person is present during any deliberations relating to their own remuneration or is involved in determining their own remuneration.

Details of Committee meetings and attendances during the year were as follows:

Director	Role	Meetings attended
Tiffany Hall	Committee Chair	5 out of 5
Ron McMillan	Committee Member	5 out of 5
Carolyn Bradley	Committee Member	5 out of 5
Oliver Tant	Committee Member	4 out of 5
Hounaïda Lasry	Committee Member	3 out of 3

Activity (meeting unless noted otherwise)	Description
April 2023 (call)	<ul style="list-style-type: none"> Approve metrics and targets for AIP and LTIP for FY24
May 2023	<ul style="list-style-type: none"> Approve AIP and LTIP outcomes for FY23 Approval of Directors' remuneration report
July 2023	<ul style="list-style-type: none"> Approve retention arrangements for Bobby Arora
September 2023	<ul style="list-style-type: none"> Appoint Deloitte as advisors to the Committee Three-year remuneration policy review
November 2023	<ul style="list-style-type: none"> Three-year remuneration policy review
January 2024 (written resolution)	<ul style="list-style-type: none"> Review of shareholder feedback on policy review Update on wider workforce pay Review of annual bonus and LTIP metrics for FY24
March 2024	<ul style="list-style-type: none"> Finalise three-year remuneration policy proposal Review provisional AIP outcomes for FY24 Determine salary increases for FY25 for Executive Directors Review AIP and LTIP metrics for FY25 Review in-flight LTIP awards Review of Committee terms of reference

Shareholder voting

The resolution to approve the Directors' Remuneration Policy at the 2021 AGM and resolution to approve the Annual Report on Remuneration at the 2023 AGM were passed as follows:

Resolution	Votes for	% for	Votes against	% against	Total votes cast	% of shares on register	Votes withheld
To approve the Directors' Remuneration Policy (2021)	659,985,530	81.46	150,159,930	18.54	810,145,460	80.95	191,067
To approve the Annual Report on Remuneration (2023)	808,808,276	97.30	22,181,186	2.70	830,989,462	82.15	21,190,134

Advisors to the Committee

Following a review of its advisors and a competitive tender process, the Committee appointed Deloitte LLP ("Deloitte") as its new advisors on 22 September 2023. Prior to that, the advisors were PricewaterhouseCoopers LLP ("PwC"). Both Deloitte and PwC are members of the Remuneration Consultants Group and subscribe to its Code of Conduct which requires that its advice must be objective and impartial.

During the year, Deloitte's and PwC's total fees excluding VAT in respect of advice to the Remuneration Committee were £87,700 and £43,025 respectively. Fees are generally determined on a time and materials basis. For some items, fees were determined under a fixed fee agreement.

From time to time, the Group engages Deloitte and PwC for other advice and services not related to executive remuneration, including valuation and taxation. The Committee will continue to monitor such engagements with Deloitte in order to continue to be satisfied that they do not affect Deloitte's independence as an advisor to the Committee.

This report has been approved by the Board of Directors of the Company and signed on behalf of the Board by:

Tiffany Hall

Chair of the Remuneration Committee
4 June 2024

The Directors present their report (the "Management Report") under Luxembourg Law and DTR 4.1.5R, together with the consolidated annual accounts and financial statements of the Group and of the Company as at 30 and 31 March 2024 respectively for the accounting periods then ended.

As permitted under Luxembourg Law, the Directors have elected to prepare a single Management Report covering both the Company and the Group's financial year. The Strategic Report, Corporate Governance report and Directors' remuneration report on pages 1 to 57, 58 to 101 and 76 to 95 respectively form part of this report and are incorporated into this Directors' report by reference. Also, the following information, in particular within those reports can be found as follows:

- future developments in the business – page 14;
- workforce engagement – pages 33 and 34;
- Viability Statement – page 29;
- energy and carbon reporting – pages 31 to 32;
- Directors' service contracts and appointment letters – page 93;
- Directors' interests in the Company's shares – page 90;
- conflicts of interest – page 65; and
- stakeholders and Section 172 Statement – pages 54 to 57.

Company status

B&M European Value Retail S.A. (the "Company") is the parent company of the Group. It was incorporated on 19 May 2014 as a public limited liability company (société anonyme) under the laws of the Grand-Duchy of Luxembourg and has its registered office in the Grand-Duchy of Luxembourg. The Company's shares are listed on the premium listing segment of the London Stock Exchange.

Branches

The Group has no branches and had none during the reporting period.

Research and development

The Company has no research and development activities.

Principal activity

The principal activity of the Group is variety retailing in the UK and in France. The Company has a corporate office in Luxembourg.

Business review

This report together with the Strategic Report on pages 1 to 57, which is incorporated by reference in this report, sets out the review of the Group's business during the financial year ended 30 March 2024, including factors likely to affect the future development and

performance of the business and a description of the principal risks and uncertainties the Group faces.

Results and dividend

The Group's profit after tax for the financial year ended 30 March 2024 of £367m is reported in the consolidated statement of comprehensive income on page 105.

The Board is recommending a final dividend of 9.6p per ordinary share, which together with the interim dividend of 5.1p per ordinary share paid in December 2023 (but not including the special dividend of 20.0p per share paid in February 2024) is a total ordinary dividend for the year of 14.7p, at the upper end of the Company's dividend policy of paying 30% to 40% of net income on a normalised tax basis.

Post balance sheet events

There have been no post balance sheet events that either require adjustment to the financial statements or are important in the understanding of the Group's current position.

Corporate social responsibility

Our CSR activity is set out in the Corporate social responsibility report on pages 30 to 39 and in the standalone ESG report.

Employee engagement and involvement

The Group is committed to employee involvement, consultation and participation. At key points throughout the year, colleagues are kept informed about the performance and strategy of the Group through internal business update meetings, conference calls, company newsletters and CEO email bulletins. They include information on the financial and trading performance of the Group. Further details of workforce engagement, feedback and actions during the year are also set out on pages 33 to 35, which is incorporated in this report by reference.

B&M has a Share Incentive Plan which is open to all B&M UK employees after 12 months service. Certain employees in the Group are also eligible to participate in other share incentive schemes of the Company.

Equal opportunities

The Group is an equal opportunity employer. It is the Group's policy not to discriminate on the basis of gender, race, colour, religion, disability or sexual orientation, in its recruitment, training and promotion programmes.

Disabled persons

The Group seeks to ensure that disabled people, whether applying for a vacancy or already in employment, receive equal opportunities in respect of job vacancies which they are able to fulfil. They are not discriminated against on the grounds of their disability and are given full and fair consideration of applications, continuing training while employed and equal opportunity for career development and promotion. Where existing colleagues suffer a disability, it is our policy to retain them in the workforce where that is practicable.

Directors

The Directors' interests in shares and share awards made to Directors of the Company as at 31 March 2024 are shown on page 90.

Since the year end on 31 March 2024 and as at the date of this report, a new Non-Executive Director, Nadia Shouraboura, has been appointed by shareholders. Details on Directors' biographies can be found on pages 59 to 61.

In accordance with the Articles of Association of the Company (the "Articles"), all the Directors will retire at the AGM on 23 July 2024. All the retiring Directors are eligible for re-election as Directors.

Directors' indemnities

The Company's Articles permit to indemnify Directors in certain circumstances, as well as to provide insurance for their benefit. The Company has Directors' and Officers' insurance in place in respect of all the Directors. The insurance does not provide cover where a Director has acted fraudulently or dishonestly.

Political donations

The Company made no political donations during the financial year under review.

Financial instruments

Details of the Group's objectives and policies on financial risk management, and details of the financial instruments currently in use, are set out in note 1 to the consolidated financial statements on pages 109 to 119, which forms part of this report.

Share capital

The Company's share capital and changes made to it in the financial year ended 31 March 2024, are set out on page 98 below and under note 23 to the consolidated financial statements on page 143 which forms part of this report.

In common with other Luxembourg registered companies, the Articles allow the Board to increase the issued share capital of the Company within the limits of the authorised share capital (set under article 5.2 of the Articles), including by the issue of new shares and, under certain conditions, by limiting or cancelling pre-emption rights of existing shareholders.

Under Luxembourg Law such authority can only be granted for a period of up to five years. The authority for the Board to increase the issued share capital within the limits of the authorised share capital has been renewed for five years on 25 July 2023 and will expire on 25 July 2028. The conditions and limits under which this authority can be exercised are provided for under article 5.2 of the Articles.

The Directors intend to comply with the Pre-emption Group's Statement of Principles, in relation to any issue of shares of the Company to the extent practical as a Luxembourg registered company.

The Board intends to seek an authorisation of shareholders at the AGM on 23 July 2024 that the Company may purchase, acquire or receive its own shares. This resolution is requested at each AGM. No shares of the Company have been repurchased and no contract to repurchase shares has been entered into at any time since the incorporation of the Company.

Each ordinary share entitles the holder to vote at general meetings of the Company in person or by proxy. Unless otherwise provided by Luxembourg Law or the Articles, all decisions by an annual or ordinary shareholders' meeting are taken by a simple majority of votes cast regardless of the proportion of the issued share capital represented at the meeting. The notice of the AGM specifies deadlines for exercising voting rights and appointing a proxy to vote.

Holders of ordinary shares may receive dividends and on liquidation a share in the assets of the Company.

Subject to meeting certain thresholds, holders of ordinary shares may requisition a general meeting of the Company or the proposal of resolutions at general meetings. The rights (including full details relating to voting), obligations and any restrictions on transfers relating to the Company's ordinary shares, as well as the powers of the Directors, are set out in the Articles of Association.

The Company is not aware of any agreements between shareholders that restrict the transfer of shares or voting rights attached to the shares.

Amendment to the Articles of Association

The Articles of Association of the Company may only be amended at an extraordinary general meeting of shareholders where at least one half of the issued share capital is represented (or if that condition is not satisfied at a second meeting regardless of the proportion of the issued share capital represented at that second meeting) and when adopted by a resolution passed by at least two-thirds of the votes cast.

Change of control

The Company has a senior facilities agreement (the "SFA") in relation to a £225m term loan and a £225m revolving credit facility. The SFA provides that on a change of control of the Company, each lender has the right to require early repayment of their loans and to cancel all their commitments under the SFA on not less than ten business days' notice to the Company.

The Company issued £400m 3.625% senior secured notes due 2025 (part having been early redeemed, the outstanding principal amount is of £155,520,000), £250m 4% senior secured notes due 2028 and £250m 8.125% senior secured notes due 2030. On a change of control of the Company, each bondholder has the option to require the Company to repurchase all or part of the notes of such holder at a redemption purchase price expressed as a percentage of the principal amount as at redemption date, plus accrued interest up to the date of repurchase.

The Group's credit and loan facilities with its banks and fleet finance agreements for HGVs contain customary cancellation and repayment provisions upon a change of control.

Employee share incentive schemes also have customary change of control provisions triggering vesting and exercise on performance conditions being met or (in the discretion of the Company) being waived.

Annual General Meeting and Extraordinary General Meeting

Notices convening the Company's AGM to be held on 23 July 2024, will be issued to shareholders. In addition to the ordinary business of the AGM, the Directors are seeking certain other approvals and authorities, details of which are set out in the notice of the AGM.

An extraordinary general meeting ("EGM") will be held after the AGM, on 23 July 2024, to deliberate upon amendments being proposed to be made to the Articles of Association of the Company. Those amendments mainly consist in removing provisions which are no more relevant or applicable to the Company. Further details can be found under sections (h) and (i) of the Article 11 report on page 99 below.

Corporate governance

Compliance by the Company with the UK Corporate Governance Code and the requirements of Luxembourg Law are set out in the Principal risks and uncertainties on pages 24 to 28, the Corporate Governance report on pages 58 to 101 and the Directors' remuneration report on pages 76 to 95, each of which form part of this report.

Shareholders

The following shareholders have notified the Company of their interests of 5% or more in the Company's issued ordinary shares (including interests in shares held through financial instruments):

Shareholder	Number of ordinary shares	% issued share Capital
The Capital Group Companies Inc.	99,497,396	9.93
Fidelity Management Research	73,537,597	7.64
GIC Private Limited	51,167,466	5.10

Directors' report and business review **continued**

The Statement of Directors' responsibilities in relation to the consolidated annual accounts and financial statements of the Group and the standalone annual accounts and financial statements of the Company appears on page 101, which forms part of this report.

Independent auditor

KPMG Audit S.à r.l. is the independent auditor (*"réviseur d'entreprises agréé"*) of the Company. Their reappointment as the Company's auditor, together with the authority for the Directors to fix their remuneration, will be proposed at the AGM on 23 July 2024.

Information on forward-looking statements

The Annual Report and financial statements include forward-looking statements that reflect the Company's or, as appropriate, the Directors' current views with respect to, among other things, the intentions, beliefs and current expectations of the Company or the Directors concerning, amongst other things, the results of operations, the financial condition, prospects, growth, strategies and dividend policy of the Company and the industry in which it operates. Statements that include the words "expects", "intends", "plans", "believes", "projects", "forecasts", "predicts", "assumes", "anticipates", "will", "targets", "aims", "may", "should", "shall", "would", "could", "continue", "risk" and similar statements of a future or forward-looking nature can be used to identify forward-looking statements.

All forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Undue reliance should not be placed on such forward-looking statements because they involve known and unknown risks and uncertainties.

Independence Compliance Statement

Simon Arora, Bobby Arora, Robin Arora and SSA Investments S.à r.l. ("SSA Investments") (together the "Arora Family") entered into a relationship agreement with the Company (the "Relationship Agreement") at the time of and with effect from the admission of the Company to trading on the London Stock Exchange in June 2014 ("Admission"). The purpose of the Relationship Agreement was to regulate the ongoing relationships between the Company and the Arora Family and to ensure that the business operated independently of the Arora Family (and their associates) and that transactions and relationships between the Group and the Arora Family (and their associates) were at arm's length and on normal commercial terms. The Relationship Agreement applied for so long as the Arora Family together with their associates held 5% or more of the issued ordinary shares of the Company. The Arora Family (and their associates) shareholding fell below 5% of the

issued ordinary shares of the Company in December 2023, and therefore the Relationship Agreement has lapsed and ceased to have any effect from that date.

Under the UK Listing Rules, each of Simon Arora, Bobby Arora, Robin Arora and any other close family members and associates will be considered to be a related party for the purposes of the related party transaction rules in Chapter 11 of the Listing rules until 12 months after Simon, Bobby or any other member of the family, ceases to be a director or shadow director or ceases to exercise significant influence over B&M European Value Retail S.A. or any subsidiaries of the Group. Simon ceased to be a director of the Company in April 2023 and Robin Arora left the Company in March 2022. Bobby Arora continues to be an employee of the Group and a Director of several subsidiaries of the Group.

A summary of the corporate governance and Listing Rules processes and assessments undertaken by the Group and the Board together with reports of advisors and the opinion of the Sponsor, in relation to related party leases, is included on pages 65 and 66 of the Corporate Governance report.

In the financial year 2024 there had been one new store lease in the UK with Arora Family related parties as landlords of those stores, representing 2.13% of the total number of 47 gross B&M new store openings of the Group in the UK in that period.

The total number of leases of UK stores and rents of the Group with Arora Family related parties as at the end of the period under review were 63 store leases, representing 8.50% of a total number of 741 UK B&M stores of the Group with all landlords, and 10.12% of the overall rent roll of all UK B&M stores as at the year end. B&M entered into an agreement with Simon Arora and Robin Arora permitting them to purchase two company vehicles belonging to the Company's subsidiary, B&M Retail Limited. The agreement took effect upon Simon and Robin leaving their employment. The sum involved was independently valued at the proper market value of the cars given age and condition.

This transaction is to be regarded as immaterial both under the UK Listing rules (being far below 0.25% under the relevant class test prescribed by Chapter 11) and under the Luxembourg Law provisions on related party transactions. By reference to Luxembourg regulation on conflict of interests as provided for under article 441-7 of the Luxembourg Law of 10 August 1915 (reproduced in article 13.10 of the Articles), it also falls within the ordinary course of business exemption.

Details of other related party transactions entered with associated companies of the Group are set out in note 27 to the consolidated

financial statements on pages 147 to 150 which forms part of this report.

Those transactions relate to the following matters:

- i. product sourcing and supplies to the Group from Multi-Lines; and
- ii. wholesale supplies of products by the Group to Centz Retail Holdings Limited.

The Board confirms that during the financial year 2023/24:

- i. the Company has complied with the Independence Provisions included in the Relationship Agreement;
- ii. so far as the Company is aware, the Independence Provisions included in the Relationship Agreement have been complied with by the controlling shareholder and its associates;
- iii. so far as the Company is aware, the procurement obligations in the Relationship Agreement have been complied with by the Arora Family and its associates; and
- iv. that the Company has acted independently of the Arora Family and their associates.

The Board confirms that this statement is supported by each of the independent Directors of the Company and there have been no instances where any of them declined to support this statement.

Article 11 report

The following disclosures are made voluntarily on the basis of article 11 of the Luxembourg Law on Takeovers of 19 May 2006 as amended ("Luxembourg Takeovers Law") and form part of this Directors' report.

Following the UK's exit from the EU, the shares of the Company, being listed solely on the London Stock Exchange market, are no longer admitted to trading on an EU Member State regulated market and the Company is therefore outside of the scope of Luxembourg Takeovers Law.

The Board of Directors however deems it best practice for a Luxembourg incorporated company and in the best interest of shareholders to continue to provide those disclosures within the Directors' report.

Section (a) – Share capital structure

The Company has issued one class of shares which is admitted to trading on the London Stock Exchange. No other shares have been issued by the Company. Its issued share capital as at 31 March 2024 amounts to £100,279,089.60 represented by 1,002,790,896 shares with a nominal value of £0.10 each.

As at the date of this report, all shares are in dematerialised form.

In addition to the issued share capital, the Company has also an authorised but unissued share capital amounting to £296,943,132.60.

All shares issued by the Company entitle to equal rights as set out in the Articles.

Section (b) – Transfer restrictions

All the shares are freely transferable subject to the conditions set out in article 6.7 and 6.7.1.2 of the Articles.

Section (c) – Major shareholdings

Details of shareholders holding more than 5% of the issued share capital of the Company as notified to the Company in accordance with DTR 5.1 and in accordance with article 8.1 of the Articles which reproduces the relevant provisions of the Luxembourg Law on Transparency requirements for issuers of securities dated 11 January 2011 as amended ("Luxembourg Transparency Law") are set out on page 97.

Section (d) – Special control rights

All the issued and outstanding shares of the Company have equal voting rights and there are no special control rights attached to its shares.

Section (e) – Control system on employee share scheme

The Company is not aware of any matters regarding section (e) of article 11 of the Luxembourg Takeovers Law.

Section (f) – Voting rights

Each share issued and outstanding in the Company represents one vote. The Articles do not provide for any voting restrictions.

In accordance with the Articles of Association, shareholders may be represented at general meetings and proxies shall be received by the Company a certain time before the date of the relevant general meeting. The Board of Directors may determine such other conditions that must be fulfilled by shareholders attending in person or by proxy. Additional provisions may apply under Luxembourg Law. Thus, Luxembourg legislation requires shareholders to register their intention to participate in general meetings at least 14 days before the date of the meeting (the "Record Date"). In accordance with the same legislation and article 24.6.11 of the Articles, and except when voting rights are suspended, the right of a shareholder to participate in a general meeting and to exercise the voting rights attached to its shares and the number of voting rights it may exercise are determined by reference to the number of shares held by such shareholder as at midnight on the Record Date. As provided for under article 6.5.5 of the Articles, the voting rights attached to any

shares which had not been dematerialised by the Compulsory Dematerialisation Date (as defined thereunder) were to be automatically suspended. That deadline was on 8 March 2023 and as at the date of this report, 11,459 shares in aggregate had not been dematerialised by their respective owners and are now held in a securities account open in the name of the Company. The suspension of the voting rights attached to those shares will cease when the owner provides the details of a securities account in his or her name where the shares can be transferred and held in dematerialised form.

Besides, in accordance with article 8.1.5 of the Articles which adopts article 8 of the Luxembourg Transparency Law, as long as the notice of crossing a major shareholding in the Company has not been notified to the Company in the manner prescribed, the exercise of the voting rights relating to those shares which exceed the threshold that should have been notified is suspended. The suspension of the voting rights is lifted when the shareholder makes the notification provided for under article 8.1.1 of the Articles.

Section (g) – Shareholders' agreements with transfer restrictions

The Company has no information about any agreements between shareholders which may result in restrictions on the transfer of securities or voting rights.

Section (h) – Appointment of Board members, amendment of Articles of Association

The appointment and replacement of Board members and the amendment of the Articles are governed by Luxembourg Law, mainly the Law on commercial companies dated 10 August 1915 as amended ("Luxembourg Law of 10 August 1915"), and the Articles (article 10 and article 24.6.3 respectively).

The Articles are published under the Investors section on the Company's corporate website at www.bandmretail.com.

They may only be amended (i) by decision of an EGM of shareholders with at least half the issued share capital of the Company present or represented (and if that condition is not satisfied, a second EGM convened with the same agenda regardless of the proportion of the issued share capital represented) and (ii) when changes proposed are approved by a majority of two-thirds of the votes cast.

Section (i) – Powers of the Board of Directors

The Board of Directors is vested with the broadest powers to take any action necessary or useful to realise the purposes of the Company, with the exception of the powers reserved to the general meeting of shareholders by the Luxembourg Law of 10 August 1915 and by the Articles.

In common with the articles of association of other Luxembourg public limited liability companies, article 5.2 of the Articles gives authority to the Board of Directors to issue shares on a non-pre-emptive basis under certain conditions.

As at the date of this report, the Articles authorise the Board of Directors to disapply pre-emption rights:

- a. for the issue for cash of shares representing up to 5% of the issued share capital of the Company in any one year;
- b. for the issue for cash of shares representing up to a further 5% of the issued share capital to deal with financing (or refinancing provided that the authority given is to be used within six months as from the original transaction) an acquisition or other investment of a kind contemplated by the Statement of Principles on the disapplication of Pre-emption rights published by the Pre-emption Group of the FRC (the "Statement of Principles");
- c. to deal with treasury shares or fractional entitlements on otherwise pre-emptive issues of shares; and
- d. in connection with employee share option schemes.

The Board as a matter of policy and to the extent practicable for a Luxembourg company, intends to follow the guidelines provided for under the Statement of Principles. The Statement of Principles raised up to 10% the thresholds referred to under a and b above and the special authority to issue shares for cash on a non-pre-emptive basis for financing acquisitions or investments can now be used in connection with acquisitions and investments having taken place in the preceding 12 months. The Board proposes to amend article 5.2 of the Articles accordingly and the EGM to be held on 23 July 2024 will deliberate upon those changes.

The AGM of the shareholders of the Company held on 25 July 2023 authorised the Board to, in the name and on behalf of the Company, purchase, acquire or receive the Company's own shares representing up to 10% of its issued share capital from time to time, on such terms as the Board may decide in accordance with the law.

Subject to shareholder approval, this authorisation will be renewed at the AGM to be held on 23 July 2024. The renewal of this authorisation is and will be requested at each AGM.

No shares of the Company have been purchased by the Company and no share buyback contract has been entered into at any time since the incorporation of the Company and up to the date of this report.

Section (j) – Significant agreements or essential business contracts

The Board of Directors is not aware of any significant agreements to which the Company is a party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid other than:

- a. the Company has an SFA in relation to a £225m term loan agreement and a £225m revolving credit facility. The SFA provides that on a change of control of the Company, each lender has the right to require early repayment of their loans and to cancel all their commitments under the SFA on not less than ten business days' notice to the Company;
- b. in relation to the Senior Secured Notes issued by the Company, on a change of control of the Company, each bondholder has the option to require the Company to repurchase all or part of the notes held by such bondholder at the applicable redemption purchase price (set as a percentage of the then outstanding principal amount) plus interest accrued up to the date of the repurchase and additional amounts if any;
- c. the Group's credit and loan facilities with its banks and fleet finance agreements for HGVs which contain customary cancellation and repayment provisions upon a change of control; and
- d. employee share incentives schemes in relation to shares in the Company include customary change of control provisions triggering vesting and exercise on performance conditions being met or (in the discretion of the Company), being waived.

Section (k) – Agreements with Directors and employees

No agreements exist between the Company and its Directors or employees which provide for compensation if Directors or employees resign or are dismissed without valid reason, or if their employment ceases because of a takeover bid other than as disclosed in the Directors' remuneration report on pages 76 to 95.

Approved on behalf of the Board.

Alejandro Russo **Michael Schmidt**
Chief Executive Officer Chief Financial Officer
4 June 2024

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company annual accounts and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare, for each financial year, annual accounts and financial statements of the Company, on a standalone basis in accordance with Luxembourg legal and regulatory requirements regarding the preparation of annual accounts ("Lux GAAP") and consolidated annual accounts and financial statements at Group level in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law. Under the UK Disclosure Guidance and Transparency Rules, Group financial statements are also to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("IFRS as adopted by the EU").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for the relevant period. In preparing each of the Group and Company's annual accounts and financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present the financial statements and policies in a manner that provides relevant, reliable, comparable and understandable information;
- state whether they have been prepared in accordance with IFRS as adopted by the EU;
- assess the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operation, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with company law. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' report, Directors' remuneration report and Corporate Governance Statement that comply with the provisions of that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The financial statements are published on the Company's website.

Legislation in Luxembourg governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that, to the best of our knowledge:

- the consolidated annual accounts and financial statements of B&M European Value Retail S.A. (the "Company") presented in this Annual Report and established in conformity with IFRS as adopted by the EU give a true and fair view of the assets, liabilities, financial position, cash flows and profits of the Company and the undertakings included within the consolidation taken as a whole;
- the annual accounts of the Company presented in this Annual Report established in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts give a true and fair view of the assets, liabilities, financial position and profits of the Company; and

- the Strategic Report includes a fair review of the development and performance of the business and position of the Company and the undertakings included within the consolidation taken as a whole, together with a description of the principal risks and uncertainties it faces.

We consider this Annual Report (including the annual accounts and financial statements), taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Approved on behalf of the Board.

Alejandro Russo Chief Executive Officer
4 June 2024

Michael Schmidt Chief Financial Officer

Independent Auditor's Report

To the Shareholders of B&M European Value Retail S.A.

3, rue Gabriel Lippmann
L-5365 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of B&M European Value Retail S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 30 March 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the 53 weeks period then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 March 2024, and its consolidated financial performance and its consolidated cash flows for the 53 weeks period then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for foreign currency hedges

Why the matter was considered to be one of the most significant in our audit of the financial statements of the current period

The Group's hedging reserve amounts to £3 million and reported a net change of fair value of £14 million per the Consolidated statement of changes in shareholders' equity.

Per the Financial Instruments policy in note 1, the Group adopts hedge accounting for a high proportion of its foreign currency inventory purchases. The recognition of foreign exchange gains on foreign currency forward contracts, through either other comprehensive income or the income statement is determined by effectiveness testing.

In order to apply hedge accounting, it is necessary to demonstrate hedge effectiveness which requires, amongst other things, matching the hedging instrument to the hedged item and ensuring that the appropriate exchange rate is applied to each hedged item included in the inventory balance.

Given that the gross value of the hedges is significant, and that hedge accounting is an inherently complex area of accounting, particularly in times of volatile exchange rates, we have identified accounting for foreign currency hedges as a key audit matter.

How the matter was addressed in our audit

Our procedures over hedge accounting included, but were not limited to:

- Obtaining a detailed understanding and evaluating the design and implementation of key controls that the Group has surrounding hedge accounting by inquiries with the relevant process owners and performing a walkthrough of the process which includes observing the control and inspecting supporting evidence for the various controls.
- Reviewing the Group's hedging strategy.
- Involving our treasury specialists to assist us in our assessment as to whether hedge accounting can be applied.
- Inspecting management's hedge effectiveness testing.
- For a sample of foreign currency hedges:
 - Assessing the related hedge accounting documentation is appropriately prepared in accordance with IFRS 9.
 - Vouching the details of the forward contract to third party confirmation.
 - For forward contracts that have matured: recalculating the gain or loss realized on the forward contract.
 - For forward contracts that have not yet matured: comparing the year end derivative valuations to third party confirmations.

Reviewing management's calculations to adjust the valuation of inventories based on hedged effectiveness to assess whether the valuation has been appropriately adjusted.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Responsibilities of the réviseur d’entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report **continued**

Report on other legal and regulatory requirements

The consolidated management report on pages 96 to 100 is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 4 June 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

Fabien Hedouin
Partner

Consolidated Statement of Comprehensive Income

Period ended	Note	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Revenue	2	5,484	4,983
Cost of sales		(3,449)	(3,182)
Gross profit		2,035	1,801
Administrative expenses		(1,427)	(1,265)
Operating profit	5	608	536
Share of losses in associates	12	(1)	(1)
Profit on ordinary activities before net finance costs and tax		607	535
Finance costs on lease liabilities	6	(69)	(61)
Other finance costs	6	(50)	(40)
Finance income	6	10	2
Profit on ordinary activities before tax		498	436
Income tax expense	10	(131)	(88)
Profit for the period	2	367	348
Other comprehensive income for the period			
Items which may be reclassified to profit and loss:			
Exchange differences on retranslation of subsidiary and associate investments		(3)	5
Fair value movement as recorded in the hedging reserve		(22)	28
Tax effect of other comprehensive income	10	1	5
Total other comprehensive income		(24)	38
Total comprehensive income for the period		343	386
Earnings per share			
Basic earnings per share attributable to ordinary equity holders (pence)	11	36.6	34.8
Diluted earnings per share attributable to ordinary equity holders (pence)	11	36.5	34.7

All profit and other comprehensive income is attributable to the owners of the parent.

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at	Note	30 March 2024 £'m	Restated* 25 March 2023 £'m
Non-current assets			
Goodwill	13	921	921
Intangible assets	13	121	120
Property, plant and equipment	14	421	380
Right-of-use assets	15	1,101	1,056
Investments in associates	12	5	8
Other receivables	17	5	6
Other financial assets	20	1	–
Deferred tax asset	10	4	4
		2,579	2,495
Current assets			
Cash at bank and in hand	18	182	237
Inventories	16	776	764
Trade and other receivables	17	76	52
Income tax receivable		8	12
Other financial assets	20	4	1
		1,046	1,066
Total assets		3,625	3,561
Equity			
Share capital	23	(100)	(100)
Share premium		(2,481)	(2,478)
Retained earnings		(125)	(104)
Hedging reserve		10	3
Legal reserve		(10)	(10)
Merger reserve		1,979	1,979
Foreign exchange reserve		(7)	(10)
		(734)	(720)
Non-current liabilities			
Interest-bearing loans and borrowings	21	(881)	(873)
Lease liabilities	15	(1,187)	(1,124)
Deferred tax liabilities	10	(25)	(17)
Other financial liabilities	20	(0)	–
Provisions	22	(4)	(3)
		(2,097)	(2,017)
Current liabilities			
Interest bearing loans and borrowings	21	(29)	(81)
Trade and other payables	19	(572)	(541)
Lease liabilities	15	(170)	(177)
Other financial liabilities	20	(10)	(13)
Income tax payable		(7)	(6)
Provisions	22	(6)	(6)
		(794)	(824)
Total liabilities		(2,891)	(2,841)
Total equity and liabilities		(3,625)	(3,561)

* The statement of financial position has been restated in 2023 to reflect a change in the presentation of deferred tax, see note 1 for further details.

The accompanying accounting policies and notes form an integral part of these consolidated financial statements. This Consolidated statement of financial position was approved by the Board of Directors and authorised for issue on 4 June 2024 and signed on their behalf by:

Alejandro Russo
Chief Executive Officer

Consolidated Statement of Changes in Shareholders' Equity

	Share capital £'m	Share premium £'m	Retained earnings £'m	Hedging reserve £'m	Legal reserve £'m	Merger reserve £'m	Foreign exchange reserve £'m	Total equity £'m
Balance at 26 March 2022	100	2,476	121	13	10	(1,979)	5	746
Allocation to legal reserve	–	–	(0)	–	0	–	–	–
Ordinary dividends declared	–	–	(165)	–	–	–	–	(165)
Special dividends declared	–	–	(201)	–	–	–	–	(201)
Effect of share options	0	2	1	–	–	–	–	3
Total transactions with owners	0	2	(365)	–	–	–	–	(363)
Profit for the period	–	–	348	–	–	–	–	348
Other comprehensive income	–	–	–	33	–	–	5	38
Total comprehensive income for the period	–	–	348	33	–	–	5	386
Hedging gains & losses reclassified as inventory	–	–	–	(49)	–	–	–	(49)
Balance at 25 March 2023	100	2,478	104	(3)	10	(1,979)	10	720
Ordinary dividends declared	–	–	(147)	–	–	–	–	(147)
Special dividends declared	–	–	(201)	–	–	–	–	(201)
Effect of share options	0	3	1	–	–	–	–	4
Total transactions with owners	0	3	(347)	–	–	–	–	(344)
Profit for the period	–	–	367	–	–	–	–	367
Other comprehensive income	–	–	1	(22)	–	–	(3)	(24)
Total comprehensive income for the period	–	–	368	(22)	–	–	(3)	343
Hedging gains & losses reclassified as inventory	–	–	–	15	–	–	–	15
Hedging gains and losses reclassified as finance costs	–	–	–	0	–	–	–	0
Balance at 30 March 2024	100	2,481	125	(10)	10	(1,979)	7	734

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Period ended	Note	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Cash flows from operating activities			
Cash generated from operations	24	862	866
Income tax paid		(116)	(84)
Net cash flows from operating activities		746	782
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(123)	(93)
Purchase of intangible assets	13	(3)	(5)
Proceeds from sale of property, plant and equipment		2	9
Finance income received	6	5	2
Dividend income from associates	12	1	–
Net cash flows from investing activities		(118)	(87)
Cash flows from financing activities			
Receipt of Group revolving credit facilities	21	25	–
Repayment of old bank loan facilities	21	(300)	–
Receipt of new bank loan facilities	21	225	–
Repayment of corporate bonds	21	(239)	–
Receipt due to newly issued corporate bonds	21	250	–
Repayment of Heron facilities	21	–	(3)
Net receipt of French facilities	21	3	–
Repayment of the principal in relation to lease liabilities	15	(171)	(168)
Payment of interest in relation to right-of-use assets	15	(69)	(61)
Fees on refinancing	21	(15)	–
Other finance costs paid	6	(41)	(36)
Dividends paid to owners of the parent	30	(348)	(366)
Net cash flows from financing activities		(680)	(634)
Effects of exchange rate changes on cash and cash equivalents		(3)	3
Net (decrease)/increase in cash and cash equivalents		(55)	64
Cash and cash equivalents at the beginning of the period		237	173
Cash and cash equivalents at the end of the period		182	237
Cash and cash equivalents comprise:			
Cash at bank and in hand	18	182	237
		182	237

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 General information and basis of preparation

The consolidated financial statements have been prepared in accordance with EU IFRS.

The Group's trade is general retail, with continuing trading taking place in the UK and France. The Group has been listed on the London Stock Exchange since June 2014.

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The measurement basis and principal accounting policies of the Group are set out below and have been applied consistently throughout the consolidated financial statements.

The consolidated financial statements are presented in pounds sterling and all values are rounded to the nearest million (£'m), except when otherwise indicated.

The consolidated financial statements cover the 53-week period from 26 March 2023 to 30 March 2024 which is a different period to the parent company standalone accounts (from 1 April 2023 to 31 March 2024). This exception is permitted under article 1712-12 of the Luxembourg company law of 10 August 1915, as amended, because the Directors believe that;

- the consolidated financial statements are more informative when they cover the same period as used by the main operating entity, B&M Retail Ltd; and
- it would be unduly onerous to rephase the year end in that subsidiary to match that of the parent company.

The year end for B&M Retail Ltd, in any year, will not be more than six days prior to the parent company year end. The next accounting period for the Group will be a 52-week period, from 31 March 2024 to 29 March 2025.

B&M European Value Retail S.A. (the "Company") is at the head of the Group and there is no consolidation that takes place above the level of this company.

The principal accounting policies of the Group are set out below.

Restatement of the Consolidated statement of financial position

Following the amendments made to IAS 12 'Income Taxes' by the IASB in the paper 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12', the Group has restated its deferred tax balances which arise from the differences between our statutory reporting and local tax treatment of leases.

Under the amendments the Group is required to separately record deferred tax assets and deferred tax liabilities on each component of the overall balance sheet difference, where previously the Group had reported a net position. So, for any one lease there will be a separate deferred tax asset relating to the difference arising from the lease liability, and a separate deferred tax liability relating to the difference arising from the right-of-use asset.

This has resulted in a change in the presentation of the balances that comprise our deferred tax asset and liability in note 10, Tax, where we break out the prior year balance previously described as *Temporary differences relating to the tax accounting for leases* at an asset value of £24m, into two separate balances as follows;

	As restated £'m
Temporary differences relating to the tax accounting for leases (asset)	93
Temporary differences relating to the tax accounting for leases (liability)	(69)

In carrying out this review it was also noted that under IAS 12 the Group should net deferred tax assets and liabilities where we have a legally enforceable right to do so and where they relate to income taxes levied by the same tax authority. This has resulted in a restatement to our Consolidated statement of financial position as follows;

	As previously reported £'m	As restated £'m
Deferred tax asset	30	4
Deferred tax liability	(43)	(17)

As the restatement is a net-off of the deferred tax asset and deferred tax liability position, the net position remains unchanged. As such, there is no impact on the Consolidated statement of comprehensive income, Consolidated statement of changes in shareholders' equity or the Consolidated statement of cash flows.

Notes to the Consolidated Financial Statements **continued**

1 General information and basis of preparation **continued**

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings, together with the Group's share of the net assets and results of associated undertakings, for the period from 26 March 2023 to 30 March 2024. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting. The results of companies acquired are included in the Consolidated statement of comprehensive income from the acquisition date.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary, excluding the situations as outlined in the basis of preparation.

Going concern

As a value retailer, the Group is well placed to withstand volatility within the economic environment. The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group will trade within its current banking facilities.

In adopting the going concern basis for preparing the financial statements, the Directors have considered the business activities including the Group's principal risks and uncertainties. The Board also considered the Group's current cash position, the repayment profile of its obligations, its financial covenants and the resilience of its 12-month cash flow forecasts to a series of severe but plausible downside scenarios. Having considered these factors the Board is satisfied the Group has adequate resources to continue its successful growth (see also the going concern and viability statements in the 'Principal risks and uncertainties' section of this annual report).

There have been no significant post balance sheet changes to liquidity.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Revenue

Under IFRS 15 Revenue is recognised when all the following criteria are met;

- the parties to the contract have approved the contract;
- the Group can identify each parties rights regarding the goods to be transferred;
- the Group can identify the payment terms;
- the contract has commercial substance; and
- it is probable that the Group will collect the consideration we are entitled to in respect to the goods to be transferred.

In the vast majority of cases the Group's sales are made through stores and the control of goods is immediately transferred at the same time as the consideration is received via our tills. Therefore, revenue is recognised at this point.

The Group sells a small quantity of gift vouchers for use in the future and, as such, a small amount of deferred revenue is recognised. At the period end, the value held on the balance sheet was <£1m (2023: <£1m).

The Group operates a small wholesale function which recognises revenue when goods are delivered and an invoice is raised. The revenue is considered collectable as the Group's wholesale customers are usually related parties to the Group (such as our associates) or are subject to credit checks before trade takes place. See note 2 for the split of wholesale sales to store sales.

Revenue is the total amount receivable by the Group for goods supplied, in the ordinary course of business, excluding VAT and trade discounts, and after deducting returns and relevant vouchers and offers.

Administrative expenses

Administrative expenses include all running costs of the business, except those relating to inventory (which are expensed through cost of sales), tax, interest and other comprehensive income. Transport and warehouse costs are included in this caption.

Elements which are unusual and significant, such as material restructuring costs, may be separated as a line item.

Goodwill

Goodwill is initially measured at cost, being the excess of the fair value of consideration transferred over the fair value of the net identifiable assets acquired and liabilities assumed at the date of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the relevant cash-generating units (CGUs) that are expected to benefit from the combination.

The CGUs are individual stores and the groups of CGUs are the store portfolios in each operational segment.

Goodwill is tested for impairment at least once per year and specifically at any time where there is any indication that it may be impaired. Internally generated goodwill is not recognised as an asset.

Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Executive Directors of the Group. The Executive Directors are responsible for assessing the performance of the business for the purpose of making decisions about resources to be allocated.

Alternative performance measures

The Group reports a selection of alternative performance measures (APMs) as detailed below and in note 3, as the Directors believe that these measures provide additional information that is useful to the users of our accounts.

The APMs we report in these accounts are:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Adjusted EBITDA
- Adjusted operating profit
- Adjusted profit
- Adjusted earnings per share (EPS)
- Post-tax free cash flow

To aid comparability with the figures presented in previous periods, pre-IFRS 16 versions of these APMs have also been calculated, where appropriate.

Interest, tax, depreciation and amortisation are as defined statutorily whilst the items we adjust for are those we consider not to be reflective of the underlying performance of the business as detailed in note 3. These adjustments include the fair value and foreign exchange impact of derivatives yet to mature, that have not been designated as part of a hedge accounting relationship, foreign exchange on intercompany balances, which do not relate to underlying trading, and costs incurred in relation to significant projects, which are non-recurring and do not relate to underlying trading.

Underlying performance has been determined so as to align with how the Group financial performance is monitored on an ongoing basis by management. In particular, this reflects certain adjustments being made to consider an adjusted operating profit measure of performance.

Adjusted finance costs reflect the ongoing charges associated with our debt structure and exclude one-off effects of refinancing.

The Directors believe that our adjusted APMs provide users of the account with measures of performance which are appropriate to the retail industry and presented by peers and competitors. Adjusted values are considered to be appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with an additional metric to compare periods of account.

The APMs used are not measures of performance or liquidity under IFRS and should not be considered in isolation or as a substitute for measures of profit, or as an indicator of the Group's operating performance or cash flows from operating activities as determined in accordance with IFRS.

Brands

Brands acquired by the business are amortised if the corresponding agreement is specifically time limited, or if the fair valuation exercise (carried out for brands acquired via business combinations) identifies a fair lifespan for the brand. This amortisation is charged to administrative expenses.

Otherwise, brands are considered to have an indefinite life on the basis that they form part of the CGUs within the Group which will continue in operation indefinitely, with no foreseeable limit to the period over which they are expected to generate net cash inflows.

Where brands are considered to have an indefinite life they are reviewed at least annually for impairment or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is impaired accordingly with the impairment charged to administration expenses.

Notes to the Consolidated Financial Statements **continued**

1 General information and basis of preparation **continued**

Intangible assets

Intangible assets acquired separately, including computer software, are measured on initial recognition at cost comprising the purchase price and any directly attributable costs of preparing the asset for use.

Following initial recognition, assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when an asset is available for use and is calculated on a straight-line basis to allocate the cost of the asset over its estimated useful life as follows:

Computer software acquired – 3 or 4 years

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost comprises purchase price and directly attributable costs. Unless significant or incurred as part of a refit programme, subsequent expenditure will usually be treated as repairs or maintenance and expensed to the statement of comprehensive income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation

Freehold land is not depreciated. For all other property, plant and equipment, depreciation is calculated on a straight-line basis to allocate cost, less residual value of the assets, over their estimated useful lives as follows:

Leasehold buildings	–	Life of lease (max 50 years)
Freehold buildings	–	2% – 4% straight line
Plant, fixtures and equipment	–	10% – 33% straight line
Motor vehicles	–	12.5% – 33% straight line

Residual values and useful lives are reviewed annually and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal 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 statement of comprehensive income when the asset is derecognised.

Leases

The Group applies the leasing standard, IFRS 16, to all contracts identified as leases at their inception, unless they are considered a short-term lease (with a term less than a year) or where the asset is of a low underlying value (<£5k). Assets which may fall into these categorisations include printers, vending machines and security cameras, and the lease expense is within administrative expenses.

The Group has lease contracts in relation to property, equipment, fixtures & fittings and vehicles. A contract is classified as a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a lease contract is recognised, the business assesses the term for which we are reasonably certain to hold that lease, and the minimum lease payments over that term are discounted to give the initial lease liability. The initial right-of-use asset is then recognised at the same value, adjusted for incentives or payments made on the day that the lease was acquired. Any variable lease costs are expensed to administrative costs when incurred.

The date that the lease is brought into the accounts is the date from which the lease has been effectively agreed by both parties as evidenced by the Group's ability to use that property.

The right-of-use asset is subsequently depreciated on a straight-line basis over the term of that lease, or useful life (whichever is shorter) with the charge being made to administrative costs. The lease liability attracts interest which is charged to finance costs, and is measured at amortised cost using the effective interest method.

Right-of-use assets may be impaired if, for instance, a lease becomes onerous. Impairment costs are charged to administrative costs.

Lease modifications are recorded where there is a change in the expected cashflows associated with a lease, such as through a rent review. When a lease modification occurs the lease liability is recalculated and an equivalent adjustment is made to the right-of-use asset, unless that asset would be reduced below zero, in which case the excess is expensed in administrative costs. The recalculation is carried out with an unchanged discount unless the change has affected management's assessment of the term of the lease.

If there is a significant event, such as the lease reaching its expiry date, the likely exercise of a previously unrecognised break clause, or the signing of an extension lease, the lease term is re-assessed by management as to how long we can reasonably stay in that property, and a new lease agreement or modification (if the change is made before the expiry date) is recognised for the re-assessed term, with a recalculated discount rate.

Lease modifications are also recorded where there is a change in the expected cashflows associated with the lease, such as through a rent review. Unless the change affects the term, the discount rate is not recalculated. A lease modification results in a recalculation of the lease liability with a corresponding adjustment made to the right-of-use asset.

The discount rate used is individual to each lease. Where a lease contract includes an implicit interest rate, that rate is used. In the majority of leases this is not the case and the discount rate is taken to be the incremental borrowing rate as related to that specific asset. This is a calculation based upon the external market rate of borrowing for the Group, as well as several factors specific to the asset to be discounted.

The Group separates lease payments between lease and non-lease components (such as service charges on property) at the point at which the lease is recognised. Non-lease components are charged through administrative expenses.

Sale and leaseback transactions

The Group recognises a sale and leaseback transaction when the Group sells an asset that has been previously recognised in property, plant and equipment, and subsequently leases it back as part of the same or a linked transaction.

Management use the provisions of IFRS 15 to assess if a sale has taken place, and the provisions of IFRS 16 to recognise the resulting lease, with the liability and discount rate calculated in line with our lease policy and the asset subject to an adjustment based upon the net book value of the disposed asset, the opening lease liability, the consideration received and the fair value of the asset on the date it was sold.

Resulting gains or losses are recognised in administrative expenses.

Onerous leases

A lease is considered onerous when the economic benefits of occupying the leased properties are less than the obligations payable under the lease.

When a lease is classified as onerous, the right-of-use asset associated with the lease is impaired to £nil value and non-rental costs that are likely to accrue before the end of the contract are provided against.

Investments in associates

Associates are those entities over which the Group has significant influence, but which are neither subsidiaries nor interests in joint ventures. Investments in associates are recognised initially at cost and subsequently accounted for using the equity method. However, any goodwill or fair value adjustment attributable to the Group's share of associates is included in the amount recognised as investment in associates.

All subsequent changes to the share of interest in the equity of the associate are recognised in the Group's carrying amount of the investment, including a reduction in the carrying amount equal to any dividend received. Changes resulting from the profit or loss generated by the associate are reported in "share of profits/(losses) of associates" in the Consolidated statement of comprehensive income and therefore affect net results of the Group. These changes include subsequent depreciation, amortisation and impairment of the fair value adjustments of assets and liabilities.

Items that have been recognised directly in the associate's other comprehensive income are recognised in the consolidated other comprehensive income of the Group. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the consolidated financial statements of associates have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Impairment of non-financial assets

The Group 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 (for goodwill or indefinite life assets), the Group estimates the asset's recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's cash-generating units (CGUs) to which the individual assets are allocated. These budgets and forecast calculations are prepared in December and usually cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to the projected future cash flows after the fifth year. The Group's three-year plan is usually approved in March. If due to the passage of time there are significant differences in the key assumptions between the forecast and plan, or if management consider that the forecast has a more sensitive level of headroom, then the impairment test will be additionally sensitised to the plan assumptions.

Indications of impairment might include (for goodwill and the brand assets, for instance) a significant decrease in the like-for-like sales of established stores, sustained negative publicity or a drop off in visits to our website and social media accounts.

An asset's recoverable amount is the higher of an assets or CGUs fair value less costs to sell and its value in use. It 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. Where 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.

Notes to the Consolidated Financial Statements **continued**

1 General information and basis of preparation **continued**

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 or CGU.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and acquired brands with indefinite lives, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or CGUs 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 years. Such reversal is recognised in the statement of comprehensive income, except for impairment of goodwill which is not reversed.

Inventories

Inventories are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items, using the weighted average method.

Stock purchased in foreign currency is booked in at the hedge rate applicable to that stock (if effectively hedged) or the underlying foreign currency rate on the date that the item is brought into stock.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. Transport, warehouse and distribution costs are not included in inventory.

The Group receives supplier rebates which are included in the cost of inventory balance (and which therefore ultimately flow through to cost of sales). These rebates are recognised on an accruals basis according to actual sales levels achieved at the end of each period.

Share options

The Group operates several equity-settled share option schemes.

The schemes have been accounted for under the provisions of IFRS 2 and, accordingly, have been fair valued on their inception date using appropriate methodology (the Black Scholes and Monte Carlo models).

A cost is recorded through the statement of comprehensive income in respect of the number of options outstanding and the fair value of those options. A corresponding credit is made to the retained earnings reserve and the effect of this can be seen in the statement of changes in equity. See note 9 for more details.

Taxation

Current income tax

Current income tax assets and liabilities for the current period 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 Group operates and generates taxable income. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

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. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is highly probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 year 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.

Financial instruments

The Group uses derivative financial instruments such as forward currency contracts to reduce its foreign currency risk, commodity price risk and interest rate risk. Derivative financial instruments are recognised at fair value. The fair value is derived using an internal model and supported by valuations by third party financial institutions.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the statement of comprehensive income. Effectiveness of the derivatives subject to hedge accounting is assessed prospectively at inception of the derivative, and at each reporting period end date prior to maturity.

Where a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset, such as an item of inventory, the associated gains and losses are recognised in the initial cost of that asset.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is reclassified in the statement of other comprehensive income immediately.

Financial assets

Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income.

A financial asset is measured at amortised cost using the effective interest rate if it meets both of the following conditions: it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Under IFRS 9 trade receivables, without a significant financing component, are classified and held at amortised cost, being initially measured at the transaction price and subsequently measured at amortised cost less any impairment loss.

IFRS 9 includes an 'expected loss' model ('ECL') for recognising impairment of financial assets held at amortised cost. The Group has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group performs the calculation of expected credit losses separately for each customer group. The balances involved are immaterial for further disclosure.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise derivative financial instruments entered into by the Group that are designated as hedging instruments in hedge relationships as defined by IFRS 9. Financial assets at fair value through other comprehensive income are carried in the statement of financial position at fair value with changes in fair value recognised in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired and the entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full and either (a) the entity has transferred substantially all the risks and rewards of the asset, or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group assesses at each reporting date, on a forward-looking basis the ECLs associated with our financial assets carried at amortised cost.

Notes to the Consolidated Financial Statements **continued**

1 General information and basis of preparation **continued**

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or other financial liabilities. The entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial derivatives held for trading. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group. Gains or losses on liabilities held-for-trading are recognised in profit and loss.

Other financial liabilities

After initial recognition, interest-bearing loans and borrowings, trade and other payables and other liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

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 EIR. The EIR amortisation is included in finance costs.

Derecognition

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

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to mark-to-market valuations obtained from the relevant bank (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Refinancing

Where bank borrowings are refinanced, the Group assesses whether the transaction results in new facilities or a modification of the previous facilities.

Where the transaction results in a modification of the facilities, the Group assesses whether that modification is substantial by reference both to whether the present value of the cash flows of the new facilities is more than 10% different to the present value of the cash flows of the previous facilities and by reference to any qualitative differences between the old and new agreements.

Where a modification is substantial, the Group derecognises the original liability and recognises a new liability for the modified facilities with any transaction costs expensed to the income statement. Where the modification is non-substantial, the Group amends the carrying amount of the liability to reflect the updated cash flows and amends the EIR from the modification date.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand, less bank overdrafts to the extent the Group have the right to offset and settle these balances net.

The Group's cash and cash equivalents balance includes £54m (2023: £31m) of credit card receivables due to be received within three working days of the year-end date.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares;
- "Share premium" represents the excess of the consideration made for the shares, over and above the nominal valuation of those shares;
- "Retained earnings reserve" represents retained profits;
- "Hedging reserve" representing the fair value of the derivatives held by the Group at the period end that are accounted for under hedge accounting and that represent effective hedges;
- "Legal reserve" representing the statutory reserve required by Luxembourg law as an apportionment of profit within each Luxembourg company (up to 10% of the standalone share capital);
- "Merger reserve" representing the reserve created during the reorganisation of the Group in 2014; and
- "Foreign exchange reserve" represents the cumulative differences arising in retranslation of the subsidiaries and associate's results.

Foreign currency translation

These consolidated financial statements are presented in pounds sterling.

The following Group companies have a functional currency of pounds sterling:

- B&M European Value Retail S.A.
- B&M European Value Retail 1 S.à r.l. (Lux Holdco)
- B&M European Value Retail Holdco 1 Ltd (UK Holdco 1)
- B&M European Value Retail Holdco 2 Ltd (UK Holdco 2)
- B&M European Value Retail Holdco 3 Ltd (UK Holdco 3)
- B&M European Value Retail Holdco 4 Ltd (UK Holdco 4)
- EV Retail Ltd
- B&M Retail Ltd
- Opus Homewares Ltd
- Heron Food Group Ltd
- Heron Foods Ltd
- Cooltrader Ltd
- Heron Properties (Hull) Ltd
- Centz N.I. Limited

The following Group companies have a functional currency of the Euro:

- B&M European Value Retail 2 S.à r.l. (SBR Europe)
- B&M France SAS
- B&M European Value Retail Germany GmbH (Germany Holdco)

The Group companies whose functional currency is the Euro have been consolidated into the Group via retranslation of their results in line with IAS 21 'Effects of Changes in Foreign Exchange Rates'. The assets and liabilities are translated into pounds sterling at the period end exchange rate. The revenues and expenses are translated into pounds sterling at the average monthly exchange rate during the period. Any resulting foreign exchange difference is cumulatively recorded in the foreign exchange reserve with the annual effect being charged/credited to other comprehensive income.

Transactions entered into by the company in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Pension costs

The Group operates a defined contribution scheme and contributions are charged to profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when a present obligation (legal or constructive) exists as a result of a past event and where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are discounted where the time value of money is considered to be material.

The property provision also contains expected dilapidation costs, which covers expected dilapidation costs for any lease considered onerous, any related to stores recently closed, any stores which are planned or at risk of closure and those stores occupied but not under contract. At the period end, 109 stores were provided against (2023: 105).

We do not provide against stores which are under contract and not considered at risk of closure (comprising the majority of the estate) as management consider that such a provision would be minimal as a result of regular store maintenance and limited fixed fit out costs.

We also provide against the terminal dilapidation expense on our major distribution centres, which is built up over the term of the leases held over those distribution centres.

1 General information and basis of preparation **continued**

Climate change considerations

In preparing the financial statements, the Group has considered the impact of climate change, particularly in the context of the TCFD disclosures and the Group's ESG strategy included in the Annual Report.

The Group's existing fixed asset replacement programme is phased over several years and therefore any changes in the requirements associated with climate change would not have a material impact in any given year. The costs expected to be incurred in connection with the Group's commitments are included within the Group's budget used to support the going concern and viability assessments and the impairment reviews of non-current assets.

Given the identified risks are expected to be present in the medium to long-term, the impact of climate change on the going concern and viability of the Group over the next three years is not expected to be material and is therefore not currently classified as a key source of estimation of uncertainty.

Critical judgements and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial information was prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Critical judgements

Investments in associates

Multi-lines International Company Ltd (Multi-lines), which is 50% owned by the Group, has been judged by management to be an associate rather than a subsidiary or a joint venture.

Under IFRS 10 control is determined by:

- Power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of the investor's returns.

Although 50% owned, B&M Group does not have voting rights or substantive rights. Therefore, the level of power over the business is considered to be more in keeping with that of an associate than a joint-venture and, therefore, it has been treated as such within these consolidated financial statements.

Hedge accounting

The Group hedge accounts for stock purchases made in US Dollars.

There is significant management judgement involved in forecasting the level of dollar purchases to be made within the period that the forward hedge has been bought for.

Management takes a cautious view that no more than 80% of the operational hedging in place can be subject to hedge accounting, due to forecast uncertainties, and assesses every forward hedge taken out, on inception, if that figure should be reduced further by considering general purchasing trends, and discussion of specific purchasing decisions.

Estimation uncertainty

There are no areas of estimation uncertainty where management consider that there is a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Standards and interpretations not yet applied by the Group

The following amendments to accounting standards and interpretations, issued by the International Accounting Standards Board (IASB), have not yet been applied by the Group in the period. None of these are expected to have a significant impact on the Group's consolidated results or financial position:

IASB effective for annual periods beginning on or after 1 January 2024

Standard	Summary of changes	EU endorsement status
Amendments to IAS 1 Presentation of Financial Statements	The amendment requires an entity to have the right to defer settlement of the liability for at least 12 months after the reporting date in order to classify a liability as non-current. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.	Endorsed on 19 December 2023. Effective from 1 January 2024.
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	The amendment requires a seller-lessee to subsequently measure such leaseback liabilities in a way that does not recognise any amount of gain or loss that relates to the right-of-use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments do not depend on an index or rate.	Endorsed on 20 November 2023. Effective from 1 January 2024.

IASB effective for annual periods beginning on or after 1 January 2025

Standard	Summary of changes	EU endorsement status
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. It also requires the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.	Not yet endorsed.
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	The amendments introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.	Not yet endorsed.

IASB effective for annual periods beginning on or after 1 January 2027

Standard	Summary of changes	EU endorsement status
IFRS 18 Presentation and Disclosure in Financial Statements	The standard requires the presentation of two new defined subtotals in the income statement – operating profit and profit before financing and income taxes and defined categories (operating, investing and financing). The disclosure of APMs that are not subtotalled in the financial statements must be specified.	Not yet endorsed.

Notes to the Consolidated Financial Statements **continued**

2 Segmental information

IFRS 8 ("Operating Segments") requires the Group's segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker to assess performance and allocate resources across each reporting segment.

The chief operating decision maker has been identified as the Executive Directors who monitor the operating results of the retail segments for the purpose of making decisions about resource allocation and performance assessment.

For management purposes, the Group is organised into three operating segments, UK B&M, UK Heron and France B&M segments comprising the three separately operated business units within the Group.

Items that fall into the corporate category, which is not a separate segment but is presented to reconcile the balances to those presented in the main statements, include those related to the Luxembourg or associate entities, Group financing, corporate transactions, any tax adjustments and items we consider to be adjusting (see note 3).

The average Euro rate for translation purposes was €1.1587/£ during the year, with the period end rate being €1.1694/£ (2023: €1.1581/£ and €1.1360/£ respectively).

53 week period to 30 March 2024	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Revenue	4,410	560	514	–	5,484
EBITDA (note 3)	743	50	89	(17)	865
Depreciation and amortisation	(195)	(23)	(40)	–	(258)
Profit/(loss) before interest and tax	548	27	49	(17)	607
Net finance expense	(48)	(1)	(14)	(46)	(109)
Income tax (charge)/credit	(127)	(6)	(9)	11	(131)
Segment profit/(loss)	373	20	26	(52)	367
Total assets	2,905	284	413	23	3,625
Total liabilities	(1,491)	(119)	(307)	(974)	(2,891)
Capital expenditure*	(97)	(15)	(14)	–	(126)

52 week period to 25 March 2023 (restated†)	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Revenue	4,067	485	431	–	4,983
EBITDA (note 3)	680	41	76	(20)	777
Depreciation and amortisation	(182)	(22)	(38)	–	(242)
Profit/(loss) before interest and tax	498	19	38	(20)	535
Net finance expense	(45)	(3)	(11)	(40)	(99)
Income tax (charge)/credit	(87)	(3)	(6)	8	(88)
Segment profit/(loss)	366	13	21	(52)	348
Total assets	2,856	295	385	25	3,561
Total liabilities	(1,443)	(119)	(277)	(1,002)	(2,841)
Capital expenditure*	(77)	(11)	(10)	–	(98)

* Capital expenditure includes both tangible and intangible capital.

† Restated due to a change in the presentation of deferred tax. See note 1 for more details.

Adjusted operating profit by segment is equal to the profit before interest and tax figures given above.

Revenue is disaggregated geographically as follows:

Period to	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Revenue due from UK operations	4,970	4,552
Revenue due from French operations	514	431
Overall revenue	5,484	4,983

Non-current assets (excluding deferred tax and financial instruments) are disaggregated geographically as follows:

As at	30 March 2024 £'m	25 March 2023 £'m
UK operations	2,315	2,240
French operations	254	243
Luxembourg operations	5	8
Overall	2,574	2,491

The Group operates a small wholesale operation, with the relevant disaggregation of revenue as follows:

Period to	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Revenue due to sales made in stores	5,454	4,940
Revenue due to wholesale activities	30	37
Revenue due to online activities	–	6
Overall revenue	5,484	4,983

3 Reconciliation of non-IFRS measures from the statement of comprehensive income

The Group reports a selection of alternative performance measures as detailed below. The Directors believe that these measures provide additional information that is useful to the users of the accounts.

EBITDA, adjusted EBITDA, adjusted operating profit and adjusted profit are all non-IFRS measures and therefore a reconciliation from the statement of comprehensive income is set out below.

Period to	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Profit on ordinary activities before interest and tax	607	535
Add back depreciation and amortisation	258	242
EBITDA	865	777
Costs in relation to the acquisition of Wilko stores	9	–
Online project costs	–	2
Reverse the fair value and foreign exchange impact of derivatives yet to mature	(2)	17
Foreign exchange on intercompany balances	0	0
Adjusted EBITDA	872	796
Depreciation and amortisation	(258)	(242)
Adjusted operating profit	614	554
Interest costs related to lease liabilities (see note 6)	(69)	(61)
Net other finance costs (see note 6)	(44)	(38)
Adjusted profit before tax	501	455
Adjusted tax	(132)	(91)
Adjusted profit for the period	369	364

Notes to the Consolidated Financial Statements **continued**

3 Reconciliation of non-IFRS measures from the statement of comprehensive income **continued**

Adjusted EBITDA (pre-IFRS 16), adjusted operating profit (pre-IFRS 16) and adjusted profit (pre-IFRS 16) are also non-IFRS measures and are reconciled as follows:

Period to	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
EBITDA (above)	865	777
Remove effects of IFRS 16 on EBITDA	(243)	(223)
EBITDA (pre-IFRS 16)	622	554
Adjusting items (above)	7	19
Adjusted EBITDA (pre-IFRS 16)	629	573
Pre-IFRS 16 depreciation and amortisation	(82)	(76)
Adjusted operating profit (pre-IFRS 16)	547	497
Net other finance costs	(44)	(38)
Adjusted profit before tax (pre-IFRS 16)	503	459
Adjusted tax	(133)	(93)
Adjusted profit (pre-IFRS 16) for the period	370	366

The effects of IFRS 16 on EBITDA caption reflects the difference between IAS 17 and IFRS 16 accounting and largely consists of the additional rent expense the Group would have incurred under the IAS 17 standard.

Adjusting items are the fair value and foreign exchange impact of derivatives yet to mature, the foreign exchange impact of the retranslation of intercompany balances and significant project gains or losses which may be included if incurred, as they have been in the current year in relation to the acquisition of several Wilko store leases, and in the prior year in relation to our online trial (which had ceased by the prior year-end date).

Adjusted tax represents the tax charge per the statement of comprehensive income as adjusted only for the effects of the adjusting items detailed above.

The following table reconciles the statutory figures to the adjusted and adjusted (pre-IFRS 16) figures in the statutory profit and loss format on a line-by-line basis.

	Statutory figures £'m	Adjusting items £'m	Adjusted figures £'m	Impact of IFRS 16 £'m	Adjusted (pre-IFRS 16) £'m
53-week period to 30 March 2024					
Revenue	5,484	–	5,484	–	5,484
Cost of sales	(3,449)	–	(3,449)	–	(3,449)
Gross profit	2,035	–	2,035	–	2,035
Depreciation and amortisation	(258)	–	(258)	176	(82)
Other administrative expenses	(1,169)	7	(1,162)	(243)	(1,405)
Operating profit	608	7	615	(67)	548
Share of losses in associates	(1)	–	(1)	–	(1)
Profit before interest and tax	607	7	614	(67)	547
Finance costs relating to right-of-use assets	(69)	–	(69)	69	–
Other finance costs	(50)	1	(49)	–	(49)
Finance income	10	(5)	5	–	5
Profit before tax	498	3	501	2	503
Income tax expense	(131)	(1)	(132)	(1)	(133)
Profit for the period	367	2	369	1	370

	Statutory figures £'m	Adjusting items £'m	Adjusted figures £'m	Impact of IFRS 16 £'m	Adjusted (pre-IFRS 16) £'m
52-week period to 25 March 2023					
Revenue	4,983	–	4,983	–	4,983
Cost of sales	(3,182)	–	(3,182)	–	(3,182)
Gross profit	1,801	–	1,801	–	1,801
Depreciation and amortisation	(242)	–	(242)	166	(76)
Other administrative expenses	(1,023)	19	(1,004)	(223)	(1,227)
Operating profit	536	19	555	(57)	498
Share of profits in associates	(1)	–	(1)	–	(1)
Profit before interest and tax	535	19	554	(57)	497
Finance costs relating to right-of-use assets	(61)	–	(61)	61	–
Other finance costs	(40)	–	(40)	–	(40)
Finance income	2	–	2	–	2
Profit before tax	436	19	455	4	459
Income tax expense	(88)	(3)	(91)	(2)	(93)
Profit for the period	348	16	364	2	366

The tables below give the reconciliation between the operating profit and adjusted EBITDA (pre-IFRS 16) by segment:

	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
53-week period to 30 March 2024					
Profit/(loss) before interest and tax	548	27	49	(17)	607
Adjusting items (above)	–	–	–	7	7
Adjusted operating profit/(loss)	548	27	49	(10)	614
Depreciation and amortisation (pre-IFRS 16)	59	13	10	–	82
Impact of IFRS 16	(51)	(4)	(12)	–	(67)
Adjusted EBITDA	556	36	47	(10)	629

	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
52 week period to 25 March 2023					
Profit/(loss) before interest and tax	498	19	38	(20)	535
Adjusting items (above)	–	–	–	19	19
Adjusted operating profit/(loss)	498	19	38	(1)	554
Depreciation and amortisation (pre-IFRS 16)	52	12	12	–	76
Impact of IFRS 16	(48)	(1)	(8)	–	(57)
Adjusted EBITDA	502	30	42	(1)	573

The segmental split in EBITDA and adjusted EBITDA reconciles as follows:

	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
53-week period to 30 March 2024					
Profit/(loss) before interest and tax	548	27	49	(17)	607
Add back depreciation and amortisation	195	23	40	–	258
EBITDA	743	50	89	(17)	865
Adjusting items (above)	–	–	–	7	7
Adjusted EBITDA	743	50	89	(10)	872

Notes to the Consolidated Financial Statements **continued**

3 Reconciliation of non-IFRS measures from the statement of comprehensive income **continued**

52-week period to 25 March 2023	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Profit/(loss) before interest and tax	498	19	38	(20)	535
Add back depreciation and amortisation	182	22	38	–	242
EBITDA	680	41	76	(20)	777
Adjusting items (above)	–	–	–	19	19
Adjusted EBITDA	680	41	76	(1)	796

Adjusted EPS and diluted EPS measures are reconciled in note 11.

Post-tax free cash flow is reconciled to the Consolidated statement of cash flows as follows:

Period ended	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Cash flows from operating activities	862	866
Income tax paid	(116)	(84)
Purchase of property, plant and equipment	(123)	(93)
Purchase of intangible assets	(3)	(5)
Proceeds from sale of property, plant and equipment	2	9
Repayment of the principal in relation to lease liabilities	(171)	(168)
Payment of interest in relation to right-of-use assets	(69)	(61)
Post-tax free cash flow	382	464

Adjusted EBITDA and related measures are not measures of performance or liquidity under IFRS and should not be considered in isolation or as a substitute for measures of profit, or as an indicator of the Group's operating performance or cash flows from operating activities as determined in accordance with IFRS.

4 Reconciliation of the 52-week results from the 53-week adjusted results

Group management consider that presenting an adjusted 52-week result is helpful to the users of this annual report in order to directly compare like-for-like periods.

Therefore, we present a reconciliation to an adjusted 52-week statement of comprehensive income derived from the adjusted 53-week statement of comprehensive income by removing the final week of the financial year. The adjusting items are those detailed in note 3.

Adjusted	53 weeks ended 30 March 2024 £'m	Week 53 £'m	52 weeks ended 23 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Revenue	5,484	112	5,372	4,983
Cost of sales	(3,449)	(70)	(3,379)	(3,182)
Gross profit	2,035	42	1,993	1,801
Operating costs	(1,406)	(29)	(1,377)	(1,228)
Adjusted EBITDA (pre-IFRS 16)	629	13	616	573
Depreciation and amortisation (pre-IFRS 16)	(82)	(2)	(80)	(76)
Operating impact of IFRS 16	67	1	66	57
Adjusted operating profit	614	12	602	554
Adjusting items	(7)	(0)	(7)	(19)
Profit before interest and tax	607	12	595	535
Finance costs relating to right-of-use assets	(69)	(1)	(68)	(61)
Other net finance costs	(40)	(1)	(39)	(38)
Profit before tax	498	10	488	436

Notes to the Consolidated Financial Statements **continued**

6 Finance costs and finance income **continued**

Total net adjusted finance costs are therefore:

Period ended	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Total adjusted finance expense	(49)	(40)
Total adjusted finance income	5	2
Total net adjusted finance costs	(44)	(38)

7 Employee remuneration

Expense recognised for employee benefits is analysed below:

Period ended	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Wages and salaries	657	583
Social security costs	47	39
Share-based payment expense	3	3
Pensions – defined contribution plans	10	9
Total remuneration	717	634

There are £1m of defined contribution pension liabilities owed by the Group at the period end (2023: £1m).

B&M France operates a scheme where they must provide a certain amount per employee to pay upon their retirement date. The accrual on this scheme at the period end was £1m (2023: £1m).

The average monthly number of persons employed by the Group during the period was:

Period ended	53 weeks ended 30 March 2024	Restated* 52 weeks ended 25 March 2023
Sales staff	39,928	39,735
Administration	1,187	1,155
Total staff	41,115	40,890

* The staff figures presented in the prior year annual report have been restated following recalculation. Previously sales staff numbers were presented as 42,299 with 1,206 administration staff, giving 43,505 in total.

8 Key management remuneration

Key management personnel and Directors' remuneration includes the following:

Period ended	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Directors' remuneration:		
Short-term employee benefits	4	4
Benefits accrued under the share option scheme	1	1
Pension	0	0
Total	5	5
Key management expense (includes Directors' remuneration):		
Short-term employee benefits	14	9
Benefits accrued under the share option scheme	1	2
Pension	0	0
Total	15	11
Amounts in respect of the highest paid director emoluments:		
Short-term employee benefits	3	2
Benefits accrued under the share option scheme	0	1
Pension	0	0
Total	3	3

The emoluments disclosed above are of the Directors and key management personnel who have served as a Director within any of the continuing Group companies.

9 Share options

The Group operates three equity settled share option schemes which split down to various tranches. Details of these schemes follow.

1) Long-Term Incentive Plan (LTIP) awards

The LTIP was adopted by the Board on 29 May 2014. No grant under this scheme can be made more than 10 years after this date.

Eligibility

Employees and Executive Directors of the Group are eligible for the LTIP and the awards are made at the discretion of the remuneration committee.

Limits & pricing

A fixed number of options are offered to each participant, with the pricing set at £nil. The options offered to each individual cannot exceed a total value of 250% of the participants base salary where the value is measured as the market value of the shares on grant multiplied by the number of options awarded, with the whole scheme limited to 10% of the share capital in issue.

Dividend credits

All participants in any LTIP awards granted after 1 April 2018 are entitled to a dividend credit, where the notional dividend they would have received on the maximum number of shares available under their award is converted into new share options and added to the award based upon the share price on the date of the dividend. These additional awards have been reflected in the tables below.

Vesting & exercise

The share options are subject to a set of conditions measured over a three-year performance period as follows:

LTIP Executive ("A") awards

- 50% of the awards are subject to a TSR performance condition, where the Group's TSR over the performance period is compared with a comparator group. The awards vest on a sliding scale where the full 50% is awarded if the Group falls in the upper quartile, 12.5% vests if the Group falls exactly at the median, and 0% below that.
- 50% of the awards are subject to a diluted EPS performance target. The awards vest on a sliding scale based upon the EPS as follows:

Award	EPS as at	50% paid at	12.5% paid at
LTIP 2017A	March-20	24.0p	19.0p
LTIP 2018A	March-21	28.0p	23.0p
LTIP 2019A	March-22	33.0p	27.0p
LTIP 2020A	March-23	30.0p	25.0p
LTIP 2021A	March-24	45.0p	37.0p
LTIP 2022A	March-25	50.0p	42.0p
LTIP 2023A	March-26	43.9p	37.9p

Below the 12.5% boundary, no options vest diluted EPS is defined as adjusted (pre-IFRS 16) diluted EPS, see note 11.

- The performance period is the three years ending the period end specified in the EPS table above.
- Once the performance period concludes, the calculated number of share options remaining are then subject to a two-year holding period.
- The share options vest at the conclusion of the holding period.

LTIP Restricted ("B") awards

- Group EBITDA must be positive in each year of the LTIP.
- The awards also have an employee performance condition attached.

Vested awards can be exercised up to the tenth anniversary of grant.

Tranches

There have been several awards of the LTIP, with the details as follows.

Note that the LTIP Executive awards have been split into the element subject to the TSR (50%) and the element subject to the EPS (50%) since these were valued separately.

The TSR awards market condition has been included in the fair value calculation for those awards while all non-market conditions have not been included. Expected volatility has been calculated based upon the historic share price volatility of the Group and those of comparable companies.

Notes to the Consolidated Financial Statements *continued*

9 Share Options *continued*

The key information used in the valuation of these tranches is as follows:

Scheme	Date of grant	Original options granted	Fair value of each option	Risk free rate	Expected life (years)	Volatility
2017A-TSR	7 Aug 17	40,610	272p	0.52%	5	32%
2017A-EPS	7 Aug 17	40,610	351p	0.52%	5	32%
2018A-TSR	22 Aug 18	226,672.5	240p	0.97%	5	29%
2018A-EPS	22 Aug 18	226,672.5	409p	0.97%	5	29%
2019A-TSR	22 Aug 19	275,640.5	251p	0.37%	5	31%
2019A-EPS	22 Aug 19	275,640.5	361p	0.37%	5	31%
2020A-TSR	30 Jul 20	141,718	409p	-0.11%	5	48%
2020A-EPS	30 Jul 20	141,718	464p	-0.11%	5	48%
2021A-TSR	3 Aug 21	218,861	354p	0.23%	5	37%
2021A-EPS	3 Aug 21	218,861	560p	0.23%	5	37%
2022A-TSR	17 Nov 22	309,342	124p	3.16%	5	31%
2022A-EPS	17 Nov 22	309,342	386p	3.16%	5	31%
2023A-TSR	1 Aug 23	224,422	409p	4.75%	5	32%
2023A-EPS	1 Aug 23	224,422	548p	4.75%	5	32%
2018/B1	23 Jan 18	19,264	400p	0.25%	3	32%
2018/B2	20 Aug 18	236,697	406p	0.25%	3	30%
2019/B1	20 Aug 19	369,061	348p	0.47%	3	30%
2019/B2	18 Sep 19	2,678	373p	0.47%	3	30%
2020/B1	30 Jul 20	303,092	463p	-0.12%	3	39%
2021/B1	3 Aug 21	281,950	560p	0.12%	3	42%
2022/B1	3 Aug 22	396,877	437p	1.75%	3	32%
2022/B2	15 Dec 22	3,641	412p	1.75%	3	32%
2023/B1	1 Aug 23	414,833	548p	4.77%	3	31%

Scheme	Options at 25 Mar 23	Granted	Dividend credit	Forfeited	Exercised	Options at 30 Mar 24
2018A-TSR	230,321*	–	3,978	–	(234,299)	–
2018A-EPS	297,452*	–	5,138	–	(302,590)	–
2019A-TSR	293,188*	–	19,395	–	–	312,583*
2019A-EPS	293,188*	–	19,395	–	–	312,583*
2020A-TSR	185,124	–	12,245	–	–	197,369*
2020A-EPS	185,124	–	12,245	–	–	197,369*
2021A-TSR	251,037	–	11,899	(71,146)	–	191,790
2021A-EPS	251,037	–	11,899	(71,146)	–	191,790
2022A-TSR	327,851	–	21,686	–	–	349,537
2022A-EPS	327,851	–	21,686	–	–	349,537
2023A-TSR	–	224,422	10,782	–	–	235,204
2023A-EPS	–	224,422	10,782	–	–	235,204
2020/B1	302,339	–	4,789	(2,817)	(304,311)	–
2021/B1	257,138	–	15,921	(21,925)	–	251,134
2022/B1	408,264	–	24,705	(52,107)	–	380,862
2022/B2	3,809	–	252	–	–	4,061
2023/B1	–	414,833	18,058	(45,413)	–	387,478

Scheme	Options at 26 Mar 22	Granted	Dividend credit	Forfeited	Exercised	Options at 25 Mar 23
2017A-TSR	27,557*	–	–	–	(27,557)	–
2017A-EPS	18,071*	–	–	–	(18,071)	–
2018A-TSR	202,465*	–	19,613	8,243†	–	230,321*
2018A-EPS	280,368*	–	25,327	(8,243)†	–	297,452*
2019A-TSR	279,393.5	–	24,963	(11,168.5)	–	293,188*
2019A-EPS	279,393.5	–	24,963	(11,168.5)	–	293,188*
2020A-TSR	169,361	–	15,763	–	–	185,124
2020A-EPS	169,361	–	15,763	–	–	185,124
2021A-TSR	229,660.5	–	21,376.5	–	–	251,037
2021A-EPS	229,660.5	–	21,376.5	–	–	251,037
2022A-TSR	–	309,342	18,509	–	–	327,851
2022A-EPS	–	309,342	18,509	–	–	327,851
2017/B1	53,576	–	–	–	(53,576)	–
2017/B2	13,379	–	–	–	(13,379)	–
2018/B2	38,289	–	–	–	(38,289)	–
2019/B1	391,522	–	10,023	(1,937)	(399,608)	–
2019/B2	3,403	–	107	–	(3,510)	–
2020/B1	297,103	–	24,247	(19,011)	–	302,339
2021/B1	271,020	–	22,204	(36,086)	–	257,138
2022/B1	–	396,877	23,532	(12,145)	–	408,264
2022/B2	–	3,641	168	–	–	3,809

* These share options have vested and are in a two-year holding period.

† There was a rebalancing between the EPS and TSR awards after the final analysis of the performance conditions of this scheme. The overall shares options vesting on the scheme does not change, only the split between TSR and EPS.

2) Deferred Bonus Share Plan (DBSP) awards

The DBSP was adopted by the Board on 30 July 2018. No grant under this scheme can be made more than 10 years after this date.

The DBSP differs from the LTIP awards in that there are no vesting conditions.

The scheme has been set up in order to allocate a specified proportion of the Executive Director's annual bonus into £nil price share options which are then placed in holding for three years.

As there are no vesting conditions, these awards have been valued at the amount of the bonus to be converted into share options under the scheme.

There are annual awards of the scheme. The 2024 award will be made after this set of statutory accounts have been published and will therefore be reported in the next annual report.

Scheme	Options at 25 Mar 23	Granted	Dividend credit	Forfeited	Exercised	Options at 30 Mar 24
2020 Bonus allocation	59,673	–	1,031	–	(60,704)	–
2021 Bonus allocation	97,885	–	6,474	–	–	104,359
2022 Bonus allocation	304,382	–	20,135	–	–	324,517
2023 Bonus allocation	–	155,365	10,275	–	–	165,640

Scheme	Options at 26 Mar 22	Granted	Dividend credit	Forfeited	Exercised	Options at 25 Mar 23
2019 Bonus allocation	72,909	–	–	–	(72,909)	–
2020 Bonus allocation	54,591	–	5,082	–	–	59,673
2021 Bonus allocation	89,550	–	8,335	–	–	97,885
2022 Bonus allocation	–	278,466	25,916	–	–	304,382

The fair values of the presented schemes on inception were £0.8m (2023), £1.1m (2022), £0.5m (2021), £0.2m (2020) and £0.2m (2019).

Notes to the Consolidated Financial Statements *continued*

9 Share Options *continued*

3) Specific LTIP awards

The remuneration committee are able to award specific share schemes under the LTIP framework, where considered appropriate. There are two such schemes at the year end, both relating to the buy-out of executive share option schemes held prior to appointment with the business. Both schemes have no vesting conditions but are time limited with details given below.

Scheme	Options at 25 Mar 23	Granted	Dividend credit	Forfeited	Exercised	Options at 30 Mar 24
Buy-out Nov-23	34,330	–	927	–	(35,257)	–
Buy-out Nov-24	34,330	–	2,271	–	–	36,601

Scheme	Options at 26 Mar 22	Granted	Dividend credit	Forfeited	Exercised	Options at 25 Mar 23
Buy-out Nov-23	–	32,392	1,938	–	–	34,330
Buy-out Nov-24	–	32,392	1,938	–	–	34,330

The fair values of the presented schemes on inception were both £0.1m.

The summary period-end position is as follows:

Period ended	30 March 2024	25 March 2023
Share options outstanding at the start of the year	4,144,323	3,170,633
Share options granted during the year (including via dividend credit)	1,285,010	1,692,106
Share options forfeited or lapsed during the year	(264,554)	(91,517)
Share options exercised in the year	(937,161)	(626,899)
Share options outstanding at the end of the year	4,227,618	4,144,323
Of which;		
Share options that are not vested	2,576,597	2,499,574
Share options that are in holding	1,651,021	1,644,749
Share options that are vested and eligible for exercise	–	–

All exercised options are satisfied by the issue of new share capital. The weighted average share price on exercise was £5.52 (2023: £3.59). All outstanding options have a £nil (2023: £nil) exercise price and the weighted average remaining contractual life is 1.7 years (2023: 2.1 years).

In the year, £3m has been charged to the Consolidated statement of comprehensive income in respect to the share option schemes (2023: £3m). At the end of the year the outstanding share options had a carrying value of £7m (2023: £6m).

10 Taxation

The relationship between the expected tax expense based on the standard rate of corporation tax in the UK of 25% (2023: 19%) and the tax expense actually recognised in the Consolidated statement of comprehensive income can be reconciled as follows:

Period ended	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Current tax expense	122	84
Deferred tax charge	9	4
Total tax expense recorded in profit and loss	131	88
Current tax credit in other comprehensive income	(1)	–
Deferred tax credit in other comprehensive income	(0)	(5)
Total tax credit recorded in other comprehensive income	(1)	(5)
Result for the year before tax	498	436
Expected tax charge at the standard tax rate	124	83
Effect of:		
Expenses not deductible for tax purposes	6	3
Income not taxable	(1)	(2)
Lease accounting	(0)	(1)
Foreign operations taxed at local rates	1	2
Changes in the rate of corporation tax	0	1
Adjustment in respect of prior years	0	2
Hold over gains on fixed assets	(0)	0
Other	1	0
Actual tax expense	131	88

Deferred taxation

	30 March 2024 £'m	Restated* 25 March 2023 £'m
Statement of financial position		
Accelerated tax depreciation	(17)	(11)
Relating to intangible brand assets	(27)	(27)
Fair valuing of assets and liabilities (asset)	2	3
Fair valuing of assets and liabilities (liability)	(2)	(1)
Temporary differences relating to the tax accounting for leases (asset)	90	93
Temporary differences relating to the tax accounting for leases (liability)	(68)	(69)
Movement in provision	1	0
Relating to share options	4	3
Held over gains on fixed assets	(4)	(4)
Losses carried forward	–	–
Other temporary differences	0	0
Net deferred tax liability	(21)	(13)
Analysed as;		
Deferred tax asset	4	4
Deferred tax liability	(25)	(17)

* Restated to reflect a change in the presentation of deferred tax, see note 1 for further details.

	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Statement of comprehensive income		
Accelerated tax depreciation	(7)	(5)
Relating to intangible brand assets	(0)	1
Fair valuing of assets and liabilities	(2)	8
Temporary differences relating to the tax accounting for leases	(1)	(0)
Movement in provision	0	(0)
Relating to share options	1	(0)
Held over gains on fixed assets	–	(0)
Brought forward losses	–	(3)
Other temporary differences	(0)	(0)
Net deferred tax charge	(9)	1
Analysed as;		
Total deferred tax charge in profit or loss	(9)	(4)
Total deferred tax credit in other comprehensive income	0	5

At the period end, there are £2m of unrecognised deferred tax assets within the Group, in relation to a corporate interest restriction (2023: none).

The Group offsets tax assets and 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 tax authority.

The Group has performed an assessment of the potential exposure to Pillar Two income taxes under Luxembourg legislation. This assessment is based upon our recent and ongoing county-by-country reporting and the most recent financial statements for the constituents of the Group. Based on the assessment the Pillar Two effective tax rates in all of the jurisdictions in which the Group operates are above 15%. We will therefore apply the transitional safe harbour rules which will exempt the Group from applying the full Pillar Two rules.

11 Earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing the net profit or loss for the financial period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at each period end.

Diluted EPS amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during each year plus the weighted average number of ordinary shares that would be issued on conversion of any dilutive potential ordinary shares into ordinary shares.

Adjusted (and adjusted (pre-IFRS 16)) basic and diluted EPS are calculated in the same way as above, except using adjusted profit attributable to ordinary equity holders of the parent, as defined in note 3.

Notes to the Consolidated Financial Statements **continued**

11 Earnings per share **continued**

There are share option schemes in place (see note 9) which have a dilutive effect on both periods presented.

The following reflects the income and share data used in the EPS computations:

Period ended	30 March 2024 £'m	25 March 2023 £'m
Profit for the period attributable to owners of the parent	367	348
Adjusted profit for the period attributable to owners of the parent	369	364
Adjusted (pre-IFRS 16) profit for the period attributable to owners of the parent	370	366
	Thousands	Thousands
Weighted average number of ordinary shares for basic earnings per share	1,002,392	1,001,593
Dilutive effect of employee share options	2,282	1,730
Weighted average number of ordinary shares adjusted for the effect of dilution	1,004,674	1,003,323
	Pence	Pence
Basic earnings per share	36.6	34.8
Diluted earnings per share	36.5	34.7
Adjusted basic earnings per share	36.8	36.3
Adjusted diluted earnings per share	36.7	36.2
Adjusted (pre-IFRS 16) basic earnings per share	36.9	36.5
Adjusted (pre-IFRS 16) diluted earnings per share	36.8	36.5

12 Investments in associates

Period ended	30 March 2024 £'m	25 March 2023 £'m
Net book value		
Carrying value at the start of the period	8	8
Dividends received	(1)	–
Share of profits and losses in associates since the prior year valuation exercise	(1)	(1)
Effect of foreign exchange on translation	(1)	1
Carrying value at the end of the period	5	8

The Group has a 22.5% holding in Centz Retail Holdings Limited, (Centz), a company incorporated in Ireland. The principal activity of the company is retail sales and their registered address is 5 Old Dublin Road, Stillorgan, Co. Dublin.

The Group has a 50% interest in Multi-lines International Company Ltd, (Multi-lines), a company incorporated in Hong Kong. The principal activity of the company is the purchase and sale of goods and their registered address is 8/F, Hope Sea Industrial Centre, No. 26 Lam Hing Street, Kowloon Bay, Hong Kong.

None of the entities have discontinued operations or other comprehensive income, except that on consolidation both entities have a foreign exchange translation difference.

Period ended	30 March 2024 £'m	25 March 2023 £'m
Multi-lines		
Non-current assets	13	14
Current assets	76	69
Non-current liabilities	–	–
Current liabilities	(86)	(75)
Net assets	3	8
Revenue	242	252
Loss	(3)	(3)

Period ended	30 March 2024 £'m	25 March 2023 £'m
Centz		
Non-current assets	11	16
Current assets	27	24
Non-current liabilities	(11)	(10)
Current liabilities	(9)	(13)
Net assets	18	17
Revenue	64	71
Profit	2	3

The figures for both associates show 12 months to December 2023 (prior year: 12 months to December 2022), being the period used in the valuation of the associate.

13 Intangible assets

	Goodwill £'m	Software £'m	Brands £'m	Other £'m	Total £'m
Cost or valuation					
At 26 March 2022	920	14	116	1	1,051
Additions	–	3	2	–	5
Disposals	–	(7)	(4)	–	(11)
Effect of retranslation	1	0	0	0	1
At 25 March 2023	921	10	114	1	1,046
Additions	–	3	–	–	3
Disposals	–	(0)	–	–	(0)
Remeasure	–	–	0	–	0
Effect of retranslation	(0)	(0)	–	(0)	(0)
At 30 March 2024	921	13	114	1	1,049
Accumulated amortisation/impairment					
At 26 March 2022	–	10	1	–	11
Charge for the year	–	1	3	–	4
Disposals	–	(6)	(4)	–	(10)
Effect of retranslation	–	0	0	–	0
At 25 March 2023	–	5	0	–	5
Charge for the year	–	2	0	–	2
Disposals	–	(0)	–	–	(0)
Effect of retranslation	–	(0)	–	–	(0)
At 30 March 2024	–	7	0	–	7
Net book value at 30 March 2024	921	6	114	1	1,042
Net book value at 25 March 2023	921	5	114	1	1,041

At the period end, no software was being developed that is not yet in use (2023: same), and the Group was not committed to the purchase of any intangible assets (2023: same).

Impairment review of intangible assets held with indefinite life

The Group holds the following assets with indefinite life:

	30 March 2024 Goodwill £'m	30 March 2024 Brand £'m	25 March 2023 Goodwill £'m	25 March 2023 Brand £'m
UK B&M	807	99	807	99
UK Heron	88	14	88	14
France B&M	26	–	26	–

Not all items in the brand classification have an indefinite life as some are time limited. The brand intangible assets that have been identified as having an indefinite life are designated as such as management believe that these assets will hold their value for an indefinite period of time. Specifically, the B&M and Heron brands represent leading brands in their sectors with significant histories and growth prospects.

Notes to the Consolidated Financial Statements **continued**

13 Intangible assets **continued**

The B&M France goodwill is held in Euros, with an underlying balance of €30m (2023: €30m).

In each case the goodwill and brand assets have been allocated to one group of CGUs, being the store estate within the specific segment to which those assets relate.

The Group performs impairment tests at each period end. The impairment test involves assessing the net present value of the expected cash flows in relation to the stores within each CGU according to a number of assumptions to calculate the value-in-use for the group of CGUs.

The key assumptions in assessing the value-in-use as at 30 March 2024 were;

The Group's discount rate

This was calculated using an internal CAPM model which includes external estimates of the risk-free rate, cost of debt, equity beta and market risk premium. It is adjusted for which country the segment is in and how large the segment is. Discount rates have decreased during the year, largely due to a decrease in the equity risk premium.

The inflation rate for expenses

This is based upon the consumer price index for the relevant country, as well as official reports from the appropriate central bank.

Like-for-like sales growth

This is an estimate made by management which encompasses the historical sales trends of the entity and management's assessment of how each segment will perform in the context of the current economic environment.

Gross margin

The standing assumption made by management is that forecast gross margin will be similar to that experienced in the prior year, and the result is subsequently sensitised to the gross margin input to demonstrate the robustness of the projection against this assumption.

Terminal growth rate

An estimate made by management based upon the expected position of the business at the end of the five-year forecast period, in the context of the macro growth level of the economic environment in which that segment operates.

The assumptions were as follows:

As at	30 March 2024	25 March 2023
Discount rate (B&M UK)	10.2%	12.7%
Discount rate (Heron)	11.2%	14.7%
Discount rate (B&M France)	12.4%	14.7%
Inflation rate for costs (B&M UK and Heron)	3.0%/2.0%*	8.0%/1.0%*
Inflation rate for costs (B&M France)	3.0%/2.0%*	6.0%/4.0%/2.0%*
Like-for-like sales growth (B&M UK)	1.5%/2.0%*	2.0%
Like-for-like sales growth (Heron)	4.0%/2.0%*	5.0%/2.0%
Like-for-like sales growth (B&M France)	6.5%/2.0%*	7.0%/2.0%
Gross margin (all)	±0bps	±0bps
Terminal growth rate (B&M UK)	1.0%	0.5%
Terminal growth rate (Heron)	1.7%	1.0%
Terminal growth rate (B&M France)	1.4%	1.2%

* The first figure reflects the assumption in year one (and in the prior year, year two for French inflation), with the following figure representing the long-term rate.

These assumptions are reflected for five years in the CGU forecasts and beyond this a perpetuity calculation is performed using the assumptions made regarding terminal growth rates.

In each case, the results of the impairment tests on the continuing operations identified that the value-in-use was in excess of the carrying value of assets within each group of CGUs at the period-end dates. The headroom with the base case assumptions in B&M UK was £4,611m, Heron £256m and B&M France €637m (2023: £3,380m, £83m and €248m respectively).

No indicators of impairment were noted in the segments and the impairment tests were sensitised with reference to the key assumptions for reasonable possible scenarios.

These scenarios specifically included:

- A drop off in sales or gross margin, modelling flat long-term like-for-like sales and terminal growth rates.
- Sales prices failing to keep pace with inflation such that the local inflation rates increase 50bps without a corresponding increase in like-for-like sales.
- A deterioration of the credit environment, leading to a significantly increased cost of capital of 20%.

To further quantify the sensitivity, the below tables demonstrate the point at which each impairment test would first fail for changes in each of the key assumptions when applied to all years, except any specific year one or two assumptions noted above, whilst assuming each other key assumption is held level (e.g. for inflation sensitivity, the like-for-like was not adjusted):

	30 March 2024	25 March 2023
B&M UK		
Discount rate	32.5%	53.9%
Inflation rate for expenses	12.7%	12.8%
Like-for-like sales	(7.0)%	(5.4)%
Gross margin	(217)bps	(234)bps
Terminal growth rate	(46.1)%	Not sensitive
B&M France		
Discount rate	53.8%	72.0%
Inflation rate for expenses	12.6%	8.0%
Like-for-like sales	(6.9)%	(3.0)%
Gross margin	(261)bps	(152)bps
Terminal growth rate	(55.9)%	Not sensitive
Heron		
Discount rate	24.1%	22.4%
Inflation rate for expenses	7.1%	3.9%
Like-for-like sales	(2.6)%	(0.5)%
Gross margin	(100)bps	(56)bps
Terminal growth rate	(17.7)%	(17.6)%

14 Property, plant and equipment

	Land and buildings £'m	Motor vehicles £'m	Plant, fixtures and equipment £'m	Total £'m
Cost or valuation				
At 26 March 2022	110	25	506	641
Additions	7	6	80	93
Disposals	(18)	(5)	(47)	(70)
Effect of retranslation	–	0	3	3
At 25 March 2023	99	26	542	667
Additions	8	13	102	123
Disposals	(0)	(3)	(6)	(9)
Remeasure	(0)	0	0	0
Effect of retranslation	–	(0)	(1)	(1)
At 30 March 2024	107	36	637	780
Accumulated depreciation and impairment charges				
At 26 March 2022	28	13	237	278
Charge for the period	4	5	62	71
Disposals	(15)	(2)	(46)	(63)
Effect of retranslation	–	0	1	1
At 25 March 2023	17	16	254	287
Charge for the period	5	4	70	79
Disposals	(0)	(2)	(4)	(6)
Remeasure	–	0	0	0
Effect of retranslation	–	(0)	(1)	(1)
At 30 March 2024	22	18	319	359
Net book value at 30 March 2024	85	18	318	421
Net book value at 25 March 2023	82	10	288	380

Under the terms of the loan and notes facilities in place at 30 March 2024, fixed and floating charges were held over £85m of the net book value of land and buildings, £18m of the net book value of motor vehicles and £285m of the net book value of the plant, fixtures and equipment. (2023: £82m, £10m and £257m respectively).

At the period end, £4m of assets were under construction (2023: £3m).

Included within land and buildings is land with a cost of £6m (2023: £6m) which is not depreciated.

Notes to the Consolidated Financial Statements **continued**

14 Property, plant and equipment **continued**

Capital commitments

There were £11m of contractual capital commitments not provided within the Group financial statements as at 30 March 2024 (2023: £7m).

15 Right-of-use assets

	Land and buildings £'m	Motor vehicles £'m	Plant, fixtures and equipment £'m	Total £'m
Net book value				
As at 26 March 2022	1,053	8	5	1,066
Additions	130	2	3	135
Modifications	32	–	–	32
Disposals	(18)	(0)	(0)	(18)
Impairment	(2)	–	–	(2)
Depreciation	(160)	(4)	(3)	(167)
Foreign exchange	9	0	1	10
As at 25 March 2023	1,044	6	6	1,056
Additions	231	2	6	239
Modifications	28	–	–	28
Disposals	(35)	(0)	(0)	(35)
Impairment	(5)	–	–	(5)
Depreciation	(170)	(4)	(3)	(177)
Foreign exchange	(5)	(0)	(0)	(5)
As at 30 March 2024	1,088	4	9	1,101

The vast majority of the Group's leases are in relation to the property comprising the store and warehouse network for the business. The other leases recognised are trucks, trailers, company cars, manual handling equipment and various fixtures and fittings. The leases are separately negotiated and no sub-group is considered to be individually significant nor to contain individually significant terms.

The Group recognises a lease term appropriate to the business expectation of the term of use for the asset which usually assumes that all extension clauses are taken, and break clauses are not, unless the business considers there is a good reason to recognise otherwise.

At the period end, there was one property with a significant unrecognised extension clause for which the Group has full autonomy over exercising in 2040. On the date of recognition of the relevant right-of-use asset, in March 2020, the extension period liability had a net present value of £30m.

There are no material covenants imposed by our right-of-use leases.

In the year the Group expensed £4m (2023: £3m) in relation to low value leases and <£1m (2023: <£1m) in relation to short-term leases for which the Group applied the practical expedient under IFRS 16.

The Group expensed <£1m (2023: <£1m) in relation to variable lease payments. The agreements are ongoing and future payments are expected to be in line with those expensed recently.

The Group received £2m (2023: £2m) in relation to subletting right-of-use assets.

The impairments noted in the table above are recorded when the carrying value of a right-of-use asset exceeds the value in use of that asset. These arise when we exit a store before the related lease has come to an end, or as the outcome of our annual store impairment review. All impairments are in relation to store leases. No impairments have been reversed in the presented periods.

The segmental splits of the impairments were B&M UK £2m, Heron £2m, B&M France <£1m (2023: B&M UK <£1m, Heron £1m, B&M France <£1m).

The current and future cashflows for the right-of-use assets are:

	30 March 2024 £'m	25 March 2023 £'m
This year	237	229
Within 1 year	242	229
Between 1 and 2 years	235	217
Between 2 and 3 years	222	200
Between 3 and 4 years	205	184
Between 4 and 5 years	179	166
Between 5 and 10 years	506	486
More than 10 years	125	141
Total	1,714	1,623

The change in lease liability reconciles to the figures presented in the Consolidated statement of cashflows as follows:

	30 March 2024 £'m	25 March 2023 £'m
Lease liabilities brought forward	1,301	1,310
Cash		
Repayment of the principal in relation to right-of-use assets	(171)	(168)
Payment of interest in relation to right-of-use assets	(69)	(61)
Non-cash		
Interest charge	69	61
Effects on lease liability relating to lease additions, modifications and disposals	232	150
Effects of foreign exchange	(5)	9
Total cash movement in the year	(240)	(229)
Total non-cash movement in the year	296	220
Movement in the year	56	(9)
Lease liabilities carried forward	1,357	1,301
Of which current	170	177
Of which non-current	1,187	1,124

Discount rates

Where, as in most cases, a discount rate implicit to the lease is not available, discount rates are calculated for each lease with reference to the underlying cost of borrowing available to the business and several other factors specific to the asset.

We have calculated the weighted average discount rates and sensitivity to a 50bps change in the discount rate to the interest charge as follows:

	30 March 2024	25 March 2023
Weighted average discount rate		
Property	5.2%	4.7%
Equipment	7.3%	4.2%
All right-of-use assets	5.2%	4.7%
	£'m	£'m
Effect on finance costs with a change of 50bps to the discount rate		
Property	7	6
Equipment	0	0
All right-of-use assets	7	6

Sale and leaseback

During the year, the business has not undertaken any sale and leasebacks (2023: two).

The details of the prior period transactions were as follows:

	25 March 2023 £'m
Consideration received	4
Net book value of the assets disposed	(3)
Costs of sale when specifically recognised	(0)
Profit per pre-IFRS 16 accounting standards	1
Opening adjustment to the right-of-use asset	(0)
Profit recognised in the statement of comprehensive income	1
Initial right-of-use asset recognised	1
Initial lease liability recognised	(2)

The pre-IFRS 16 profit is higher because the provisions of IFRS 16 require that a portion of the profit relating to the sale and leaseback is instead recognised as a reduction in the opening right-of-use asset, and therefore the benefit is released over the term of the contract.

Notes to the Consolidated Financial Statements *continued*

16 Inventories

As at	30 March 2024 £'m	25 March 2023 £'m
Goods for resale	776	764

Included in the amount above was a net release of £3m related to inventory provisions (2023: £3m net release). In the period to 30 March 2024, £3,449m (2023: £3,182m) was recognised as an expense for inventories and £31m of supplier rebates were received (2023: £26m).

17 Trade and other receivables

	30 March 2024 £'m	25 March 2023 £'m
Non-current		
Other receivables	5	6
Total non-current receivables	5	6
Current		
Trade receivables	9	9
Deposits on account	3	2
Provision for impairment	(2)	(2)
Net trade receivables to non-related parties	10	9
Prepayments	32	26
Related party receivables	2	2
Other tax	10	5
Other receivables	22	10
Total current receivables	76	52

Trade receivables are stated initially at their fair value and then at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying amount is determined by the Directors to be a reasonable approximation of fair value.

There are no individually non-related significant balances held at the current period end. See note 27 in respect of balances held with related parties.

The following table sets out an analysis of provisions for impairment of trade receivables:

Period ended	30 March 2024 £'m	25 March 2023 £'m
Provision for impairment at the start of the period	(2)	(2)
Impairment during the period	(1)	(0)
Utilised/released during the period	1	0
Effect of foreign exchange	–	(0)
Balance at the period end	(2)	(2)

Trade receivables are non-interest-bearing and are generally on terms of 30 days or less.

The following table sets out a maturity analysis of trade receivables, including those which are current:

As at	30 March 2024 £'m	25 March 2023 £'m
Current	6	6
1-30 days past due	1	1
31-90 days past due	0	0
Over 90 days past due	2	2
Balance at the period end	9	9

18 Cash and cash equivalents

As at	30 March 2024 £'m	25 March 2023 £'m
Cash at bank and in hand	182	237
Cash and cash equivalents	182	237

The cash and cash equivalents balance includes £54m (2023: £31m) in respect of credit card receivables.

As at the period end the Group had available £220m of undrawn committed borrowing facilities (2023: £142m).

19 Trade and other payables

As at	30 March 2024 £'m	25 March 2023 £'m
Current		
Trade payables	380	371
Other tax and social security payments	37	80
Accruals and deferred income	101	63
Related party trade payables	33	11
Other payables	21	16
Total current payables	572	541

Trade payables are generally on 30-day terms and are not interest-bearing. The carrying value of trade payables approximates to their fair value. For further details on the related party trade payables, see note 27.

The Group had supply chain financing facilities in place during the year. The facilities are operated by major banking partners with high credit ratings and are limited to \$50m total exposure at any one time.

The exposure at the period end was \$19m (2023: \$nil), the average balance over the year was \$18m (2023: \$13m).

The purpose of the arrangement is to enable our participating suppliers, at their discretion, to draw down against their receivables from the Group prior to their usual due date.

From the Group's perspective, the invoices subject to these schemes are treated in the same way as those not subject to these schemes. That is that they are approved under our usual processes (and cannot be drawn down against until they have been approved) and paid on the usual due date, which is in line with the payment terms of our other international suppliers. We do not benefit from the margin charged by the banks for any early draw down, and the banks do not benefit from additional security when compared to the security originally enjoyed by the supplier. There is no impact on potential liquidity risk as the cash flow timings and amounts are unchanged for those invoices in the schemes against those not in these schemes.

There would be no impact on the Group if the facilities became unavailable and there are no fees or charges payable by the Group in regard to these arrangements.

As these invoices continue to be part of the normal operating cycle of the Group, the schemes do not change the recognition of the invoices subject to them, so they continue to be recognised as trade payables, with the associated cash flows presented within operating cash flows and without affecting the calculation of Group net debt.

Notes to the Consolidated Financial Statements **continued**

20 Other financial assets and liabilities

Other financial assets

As at	30 March 2024 £'m	25 March 2023 £'m
Current financial assets at fair value through profit and loss:		
Foreign exchange forward contracts	2	1
Current financial assets at fair value through other comprehensive income:		
Foreign exchange forward contracts	2	0
Total current other financial assets	4	1
Non-current financial assets at fair value through profit and loss:		
Foreign exchange forward contracts	0	–
Non-current financial assets at fair value through other comprehensive income:		
Foreign exchange forward contracts	1	–
Total non-current other financial assets	1	–
Total other financial assets	5	1

Financial assets through profit or loss reflect the fair value of those derivatives that are not designated as hedge relationships but are nevertheless intended to reduce the level of risk for expected sales and purchases.

Other financial liabilities

As at	30 March 2024 £'m	25 March 2023 £'m
Current financial liabilities at fair value through profit and loss:		
Foreign exchange forward contracts	4	8
Current financial liabilities at fair value through other comprehensive income:		
Foreign exchange forward contracts	6	5
Total current other financial liabilities	10	13
Non-current financial liabilities at fair value through profit and loss:		
Foreign exchange forward contracts	0	–
Total non-current other financial liabilities	0	–
Total other financial liabilities	10	13

The other financial liabilities through profit or loss reflect the fair value of those foreign exchange forward contracts that are not designated as hedge relationships but are nevertheless intended to reduce the level of risk for expected sales and purchases.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at the reporting dates, the Group held the following financial instruments carried at fair value on the balance sheet:

	Total £'m	Level 1 £'m	Level 2 £'m	Level 3 £'m
30 March 2024				
Foreign exchange contracts	(5)	–	(5)	–
25 March 2023				
Foreign exchange contracts	(12)	–	(12)	–

The financial instruments have been valued by the issuing bank, using a mark to market method. The bank has used various inputs to compute the valuations, which include inter alia the relevant maturity date and strike rates, the current exchange rate, fuel prices and relevant interbank floating interest rate levels.

21 Financial liabilities – borrowings

As at	30 March 2024 £'m	25 March 2023 £'m
Current		
Revolving facility bank loan	25	–
Term facility bank loan	–	78
B&M France loan facilities	4	3
Total	29	81
Non-current		
High yield bond notes	650	646
Term facility bank loan	221	219
B&M France loan facilities	10	8
Total	881	873

Bond refinancing

On 23 November 2023, the Group refinanced part of its existing £400m high yield bond notes (2020). £244m of bonds were redeemed at 98%, resulting in a gain of £5m recognised as a financial gain in the Consolidated statement of comprehensive income in the period. The remaining £156m of the high yield bond notes (2020) have a maturity date of July 2025.

On the same date, the Group issued £250m of high yield bond notes, maturing in November 2030 with an interest rate of 8.125%.

Transaction fees of £4m were capitalised and are included in the carrying value of these bonds. An interest rate swap derivative was taken at the start of the process to hedge exposure to movements in long-term SONIA rates. This hedge was considered to be fully effective and as such the fair value movements of £8m are included in other comprehensive income and the hedging reserve. The £8m value on the hedging reserve recycles through to the other finance costs caption on the Consolidated statement of comprehensive income on a straight line basis over the term of the bond.

The 2020 bonds which were redeemed carried £1m in fees incurred on inception, which were yet to be amortised. These have been released through other finance costs on the Consolidated statement of comprehensive income.

These transactions included the sale of bonds by related parties, see note 27 for more details.

Extension of senior loan facilities

In the prior period, the Group completed an extension of its term facility bank loan.

The previous £300m term facility was drawn down in July 2020 with £4m of fees capitalised into the balance at that time. The agreement included a revolving facility of £155m and was due to mature in April 2025.

This was extended with new facilities totalling £450m due to mature in March 2028. These comprise a term loan of £225m and a revolving facility of £225m and the agreement also includes the availability of two 1-year extension terms, subject to mutual consent with the banking syndicate. The cashflows associated with the net repayment of £75m took place in the current year.

An assessment was made by management with the conclusion that the transaction represents an extension and not a significant modification. As such, the remaining £2m of unamortised capitalised fees have remained on the balance sheet and will be amortised over the extended term. There were £3m of fees associated with the term facility extension which have also been capitalised into the loan balance.

In the current year, in March 2024, the Group and the banking syndicate confirmed the activation of the first of these 1-year extensions. As such, the facilities now have a maturity date of March 2029.

Other borrowings

The carrying values given above include fees incurred on refinancing which are to be amortised over the terms of those facilities. More details of these are given below.

The Group holds three tranches of high yield bonds which are each held at amortised cost.

The three tranches of bonds were issued in July 2020, November 2021 and November 2023, with £4m, £3m and £4m, respectively, of fees capitalised at inception. The July 2020 bonds were partly repaid in November 2023, resulting in a £1m release of the remaining amortised fees on that portion of the issue.

A number of these bonds have been sold or purchased by related parties, see note 27.

Notes to the Consolidated Financial Statements **continued**

21 Financial liabilities – borrowings **continued**

All other loans are carried at their gross cash amount. The maturities, which only relate to the position as at 30 March 2024, and gross cash amounts of these facilities are included in the table below.

	Interest rate %	Maturity	30 March 2024 £'m	25 March 2023 £'m
Revolving facility loan	1.75% + SONIA	Apr-24	25	–
Term facility bank loan A	2.00% + SONIA	Mar-29	225	300
High yield bond notes (2020)	3.625%	Jul-25	156	400
High yield bond notes (2021)	4.000%	Nov-28	250	250
High yield bond notes (2023)	8.125%	Nov-30	250	–
B&M France – BNP Paribas	0.75-3.97%	Sept-24 to Nov-28	5	3
B&M France – Caisse d'Épargne	0.75-2.60%	Aug-24 to Nov-29	1	2
B&M France – CIC	0.71-0.75%	Sept-24 to Jan-27	1	2
B&M France – Crédit Agricole	0.39-0.81%	Sept-25 to Jan-28	1	1
B&M France – Crédit Lyonnais	0.68-3.65%	Nov-24 to Mar-29	5	3
B&M France – Société Générale	N/A	N/A	–	0
Total			919	961

The term facility bank loans and the high yield bond notes have carrying values which include transaction fees allocated on inception.

All B&M France facilities have gross values in Euros, and the values above have been translated at the period-end rates of €1.1694/£ (2023: €1.1360/£).

The movement in the loan liabilities during the year breaks down as follows:

As at	30 March 2024 £'m	25 March 2023 £'m
Borrowings brought forward	954	956
Cash		
Receipt of Group revolving credit facilities	25	–
Repayment of old bank loan facilities	(300)	–
Receipt of new bank loan facilities	225	–
Repayment of corporate bonds	(239)	–
Receipt due to newly issued corporate bonds	250	–
Net repayment of Heron facilities	–	(3)
Net receipt of French facilities	3	0
Capitalised fees on refinancing	(7)	–
Non-cash		
Foreign exchange on loan balances	(0)	0
Gain on tender	(5)	–
Refinancing fees accrued	1	(1)
Release of remaining unamortised fees on previous facilities	1	–
Ongoing amortisation of finance fees	2	2
Finance fees on the loss on the derivative swap on refinancing	0	–
Total cash movement in the year	(43)	(3)
Total non-cash movement in the year	(1)	1
Movement in the year	(44)	(2)
Borrowings carried forward	910	954
Of which current	29	81
Of which non-current	881	873

22 Provisions

	Property provisions £'m	Other £'m	Total £'m
At 26 March 2022	11	4	15
Provided in the period	1	2	3
Utilised during the period	(1)	(2)	(3)
Released during the period	(6)	(0)	(6)
At 25 March 2023	5	4	9
Provided in the period	2	4	6
Utilised during the period	(1)	(3)	(4)
Released during the period	(0)	(1)	(1)
At 30 March 2024	6	4	10
Current liabilities 2024	2	4	6
Non-current liabilities 2024	4	–	4
Current liabilities 2023	2	4	6
Non-current liabilities 2023	3	–	3

The property provision relates to the expected future costs on specific leasehold properties. This is inclusive of onerous leases and dilapidations on these properties. The timing in relation to utilisation is dependent upon the individual lease terms.

The other provisions principally relate to disputes concerning insured liability claims. A prudent amount has been set aside for each claim as per legal advice received by the Group. These claims are individually non-significant and average £10k per claim (2023: £9k per claim).

23 Share capital

	Shares	£'m
Allotted, called up and fully paid		
<i>B&M European Value Retail S.A. ordinary shares of 10p each</i>		
As at 26 March 2022	1,001,226,836	100
Release of shares related to employee share options	626,899	0
As at 25 March 2023	1,001,853,735	100
Release of shares related to employee share options	937,161	0
As at 30 March 2024	1,002,790,896	100

Ordinary shares

Each ordinary share ranks pari passu with each other ordinary share and each share carries one vote. The Group parent is authorised to issue up to an additional 2,969,431,326 ordinary shares.

Notes to the Consolidated Financial Statements **continued**

24 Cash generated from operations

Period ended	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Profit before tax	498	436
Adjustments for:		
Net interest expense	109	99
Depreciation on property, plant and equipment	79	71
Depreciation on right-of-use assets	177	167
Impairment of right-of-use assets	5	2
Amortisation of intangible assets	2	4
Gain on sale and leaseback	–	(1)
Loss/(gain) on disposal of property, plant and equipment	1	(1)
Share option expense	3	3
Change in inventories	(14)	103
Change in trade and other receivables	(23)	1
Change in trade and other payables	29	(30)
Change in provisions	1	(6)
Share of losses from associates	1	1
(Profit)/loss resulting from fair value of financial derivatives	(6)	17
Cash generated from operations	862	866

25 Group information and ultimate parent undertaking

The financial results of the Group include the following entities.

Company name	Country	Date of incorporation	Percent held within the Group	Principal activity
B&M European Value Retail S.A.	Luxembourg	May 2014	Parent	Holding company
B&M European Value Retail 1 S.à r.l.	Luxembourg	November 2012	100%	Holding company
B&M European Value Retail Holdco 1 Ltd	UK	December 2012	100%	Holding company
B&M European Value Retail Holdco 2 Ltd	UK	December 2012	100%	Holding company
B&M European Value Retail Holdco 3 Ltd	UK	November 2012	100%	Holding company
B&M European Value Retail Holdco 4 Ltd	UK	November 2012	100%	Holding company
B&M European Value Retail 2 S.à r.l.	Luxembourg	September 2012	100%	Holding company
EV Retail Limited	UK	September 1996	100%	Holding company
B&M Retail Limited	UK	March 1978	100%	General retail
Opus Homewares Limited	UK	April 2003	100%	Property management
Heron Food Group Ltd	UK	August 2002	100%	Holding company
Heron Foods Ltd	UK	October 1978	100%	Convenience retail
Cooltrader Ltd	UK	September 2012	100%	Dormant
Heron Properties (Hull) Ltd	UK	February 2003	100%	Dormant
B&M European Value Retail Germany GmbH	Germany	November 2013	100%	Ex-holding company
B&M France SAS	France	November 1977	100%	General retail
Centz N.I. Limited	UK	January 2021	100%	Property management

During the prior year, on 17 January 2023, Retail Industry Apprenticeships Ltd was dissolved and ceased to be a member of the Group.

Registered offices

- The Luxembourg entities are all registered at 3 rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.
- Centz N.I. Limited are registered at Murray House, 4 Murray Street, Belfast, United Kingdom, BT1 6DN.
- The other UK entities are all registered at The Vault, Dakota Drive, Estuary Commerce Park, Speke, Liverpool, L24 8RJ.
- B&M European Value Retail Germany GmbH are registered at Am Hornberg 6, 29614, Soltau.
- B&M France are registered at 8 rue du Bois Joli, 63800 Cournon d'Auvergne.

Associates

The Group has a 50% interest in Multi-lines International Company Limited, a company incorporated in Hong Kong, and a 22.5% interest in Centz Retail Holdings Limited, a company incorporated in the Republic of Ireland. The share of profit or loss from the associates is included in the statement of comprehensive income, see note 12.

Ultimate parent undertaking

The Directors of the Group consider the parent and the ultimate controlling related party of this Group to be B&M European Value Retail S.A., registered in Luxembourg.

26 Financial risk management

The Group uses various financial instruments, including bank loans, related party loans, finance company loans, cash, equity investment, derivatives and various items, such as trade receivables and trade payables that arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, currency risk, cash flow interest rate risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. In order to manage the Group's exposure to those risks, in particular the Group's exposure to currency risk, the Group enters into forward foreign currency contracts. No transactions in derivatives are undertaken of a speculative nature.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and commodity price risk. Commodity price risk is not considered material to the business as the Group is able to pass on pricing changes to its customers.

The Group's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled 'interest rate risk' below.

Currency risk

The Group is exposed to translation and transaction foreign exchange risk arising from exchange rate fluctuations on its purchases from overseas suppliers.

In relation to translation risk, this is not considered material to the business as amounts owed in foreign currency are short term of up to 30 days and are of a relatively modest nature. Transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts.

The majority of the Group's sales are to customers in the UK and France and there is no material currency exposure in this respect. A proportion of the Group's purchases are priced in US Dollars and the Group generally uses forward currency contracts to minimise the risk associated with that exposure.

Approach to hedge accounting

As part of the Group's response to currency risk the currency forwards taken out are intended to prudently cover the majority of our stock purchases forecast for that period. However, the Group only hedge accounts for that part of the forward contract that we are reasonably certain will be spent in the forecast period, allowing for potential volatility. Therefore, management always consider the likely volatility for a period and assign a percentage to each tranche of forwards purchased, usually in the range 50-80%, and never more than 80%.

Effectiveness of the hedged forward is then assessed against the Group hedge ratio, which has been set by management at 80% as a reasonable guide to the certainty level we expect the hedged portions of our forwards to at least achieve. If they fail, or are expected to fail, to meet this ratio of effectiveness then they are treated as non-hedged items, and immediately expensed through administrative expenses in profit and loss.

Ineffectiveness can be caused by exceptional volatility in the market, by the timing of product availability, or the desire to manage short-term company cash flows, for instance, when a large amount of cash is required at relatively short notice.

Where a hedged derivative matures efficiently, the fair value is transferred to inventory and subsequently to cost of sales when that item is sold. If the Group did not hedge account, then the difference is that the gain or loss in other comprehensive income would be presented in profit or loss and the assets and liabilities presented under the classification fair value through other comprehensive income would be at fair value through profit or loss.

In the period, the Group has had \$605m of hedged derivatives mature (2023: \$634m). The difference to profit before tax if none of our forwards had been hedge accounted during the year would have been a loss of £3m (2023: £7m loss) and a pre-tax loss in other comprehensive income of £1m (2023: £28m loss).

The net effective hedging loss transferred to the cost of inventories in the year was £15m (2023: net gain of £49m). At the period end, the amount of outstanding US Dollar contracts covered by hedge accounting was \$693m (2023: \$641m), which mature over the next 19 months (2023: 15 months). The change in fair value of the hedging instruments used as the basis for recognising hedge ineffectiveness was £nil (2023: £2m), achieved effectiveness was 100% (2023: 97%).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in US Dollar period-end exchange rates with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income (net of tax) is largely due to changes in the fair value of our foreign exchange derivatives and revaluation of creditors and deposits held on account with our US Dollar suppliers.

As at	Change in USD rate	30 March 2024 £'m	25 March 2023 £'m
Effect on profit before tax	+2.5%	(7)	(11)
	-2.5%	8	12
Effect on other comprehensive income	+2.5%	(13)	(13)
	-2.5%	14	13

Notes to the Consolidated Financial Statements **continued**

26 Financial risk management **continued**

Profit before tax and other comprehensive income are not sensitive to the effects of a reasonably possible change in the Euro period-end exchange rates.

These calculations have been performed by taking the period end translation rate used in the accounts and applying the changes noted above. The balance sheet valuations are then directly calculated. The valuation of the foreign exchange derivatives were projected based upon the spot rate changing and all other variables being held equal.

Interest rate risk

Interest rate risk is the risk of variability of the Group cash flows due to changes in the interest rate. The Group is exposed to changes in interest rates as a portion of the Group's bank borrowings are subject to a floating rate based on SONIA.

The Group's interest rate risk arises mainly from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's exposure to interest rate fluctuations is not considered to be material, however the Group has used interest rate swaps to minimise the impact in the current year, in relation to the final pricing of our bond issue (see note 21).

If floating interest rates had been 50 basis points higher/lower throughout the year with all other variables held constant, the effect upon calculated pre-tax profit for the year would have been:

As at	Basis point increase/decrease	30 March 2024 £'m	25 March 2023 £'m
Effect on profit before tax	+50	(1)	(1)
	-50	1	1

This sensitivity has been calculated by changing the interest rate for each interest payment and accrual made by the Group over the period, by the amount specified in the table above, and then calculating the difference that would have been required.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group's principal financial assets are cash, derivatives and trade receivables. The credit risks associated with cash and derivatives are limited as the main counterparties are banks with high credit ratings (A long term and A-1 short term (Standard & Poor) or better, (2023: A, A-1 (or better) respectively). The principal credit risk arises therefore from the Group's trade receivables.

Credit risk is further limited by the fact that the vast majority of sales transactions are made through the store registers, direct from the customer at the point of purchase, leading to a low trade receivables balance.

In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history. Provisions against bad debts are made where appropriate.

Liquidity risk

Any impact on available cash and therefore the liquidity of the Group could have a material effect on the business as a result.

The Group's borrowings are subject to semi-annual banking covenants against which the Group has had significant headroom to date with no anticipated issues based upon forecasts made. Short-term flexibility is achieved via the Group's rolling credit facility. The following table shows the liquidity risk maturity of financial liabilities grouping based on their remaining period at the balance sheet date. The amounts disclosed are the contractual undiscounted cash flows:

	Within 1 year £'m	Between 1 and 2 years £'m	Between 2 and 5 years £'m	More than 5 years £'m	Total £'m
30 March 2024					
Interest-bearing loans	82	207	603	286	1,178
Lease liabilities	242	235	606	631	1,714
Trade payables	413	–	–	–	413
25 March 2023					
Interest-bearing loans	117	40	480	489	1,126
Lease liabilities	229	217	550	627	1,623
Trade payables	382	–	–	–	382

Fair value

The fair value of our corporate bonds, which are all financial liabilities held at amortised cost, has been determined by using the relevant quoted bid price for those bonds. These differ to the carrying values as shown below.

As at	Fair Value (Level 1)		Carrying Value	
	30 March 2024 £'m	25 March 2023 £'m	30 March 2024 £'m	25 March 2023 £'m
High yield bond notes (2020)	152	374	155	398
High yield bond notes (2021)	231	210	248	248
High yield bond notes (2023)	269	N/A	247	N/A

The fair value of the other financial assets and liabilities of the Group are not materially different from their carrying value. Refer to the table below. These all represent financial assets and liabilities measured at amortised cost except where stated as measured at fair value through profit and loss or fair value through other comprehensive income.

As at	30 March 2024 £'m	25 March 2023 £'m
Financial assets		
Fair value through profit and loss		
Forward foreign exchange contracts	2	1
Fair value through other comprehensive income		
Forward foreign exchange contracts	3	0
Loans and receivables		
Cash and cash equivalents	182	237
Trade receivables	12	11
Other receivables	22	10

As at	30 March 2024 £'m	25 March 2023 £'m
Financial liabilities		
Fair value through profit and loss		
Forward foreign exchange contracts	4	8
Fair value through other comprehensive income		
Forward foreign exchange contracts	6	5
Amortised cost		
Lease liabilities	1,357	1,301
Interest-bearing loans and borrowings (excluding corporate bonds)	260	308
Trade payables	413	382
Other payables	21	16

27 Related party transactions

The Group has transacted with the following related parties over the periods:

Multi-lines International Company Limited, a supplier, and Centz Retail Holdings Limited, a customer, are associates of the Group.

Ropley Properties Ltd, Triple Jersey Ltd, TJL UK Ltd, Rani Investments, Fulland Investments Limited, Golden Honest International Investments Limited, Hammond Investments Limited, Joint Sino Investments Limited and Ocean Sense Investments Limited, all landlords of properties occupied by the Group, and Rani 1 Holdings Limited, Rani 2 Holdings Limited and SSA Investments S.à.r.l. (SSA Investments), bondholders and beneficial owners of equipment hired to the Group, are directly or indirectly owned by the recently retired director Simon Arora, his family, or his family trusts (together, the 'Arora related parties').

In the current period, significant related party transactions occurred, with Simon Arora, SSA Investments, Rani 1 Investments and Rani 2 Investments each selling their full holdings of, respectively, £35m, £13m, £50m and £50m in the 2020 3.625% corporate bonds as part of the tender exercise that took place in November 2023.

There were significant related party transactions in the prior period, with SSA Investments purchasing a total of £43m of our 4.00% corporate bonds and £13m of our 3.625% corporate bonds in June 2022, and Simon Arora purchasing £35m of our 3.625% corporate bonds over December 2022 and January 2023.

Notes to the Consolidated Financial Statements *continued*

27 Related party transactions *continued*

Purchases have been made in prior periods and the overall position is summarised in the table below with all related party bondholders being Arora related parties.

	53 weeks ended 30 March 2024 £'m	52 weeks ended 25 March 2023 £'m
Simon Arora (3.625%, 2025 bonds)	–	35
SSA Investments (3.625%, 2025 bonds)	–	13
SSA Investments (4.000%, 2028 bonds)	99	99
Rani 1 Investments (3.625%, 2025 bonds)	–	50
Rani 2 Investments (3.625%, 2025 bonds)	–	50
Total	99	247

The expense incurred during the year, and the accrual at the end of the year are shown in the table below:

	Expense to 30 March 2024 £'m	Accrual on 30 March 2024 £'m	Expense to 25 March 2023 £'m	Accrual on 25 March 2023 £'m
Simon Arora	0.8	–	0.3	0.3
SSA Investments	4.3	1.5	4.0	1.6
Rani 1 Investments	1.2	–	1.8	0.4
Rani 2 Investments	1.2	–	1.8	0.4
Total	7.5	1.5	7.9	2.7

The following table sets out the total amount of trading transactions with related parties included in the statement of comprehensive income:

Period ended	30 March 2024 £'m	25 March 2023 £'m
Sales to associates of the Group		
Centz Retail Holdings Limited	27	34
Total sales to related parties	27	34

Period ended	30 March 2024 £'m	25 March 2023 £'m
Purchases from associates of the Group		
Multi-lines International Company Ltd	259.0	193.7
Purchases from parties related to key management personnel		
Folland Investments Limited	0.3	0.2
Golden Honest International Investments Limited	0.2	0.2
Hammond Investments Limited	0.3	0.2
Joint Sino Investments Limited	0.2	0.2
Ocean Sense Investments Limited	0.2	0.2
SSA Investments	0.0	0.1
Total purchases from related parties	260.2	194.8

The IFRS 16 lease figures in relation to these related parties, which are all related to key management personnel, are as follows:

	Depreciation charge £'m	Interest charge £'m	Total charge £'m	Right-of-use asset £'m	Lease liability £'m	Net liability £'m
Period ended 30 March 2024						
Rani Investments	0	0	0	0	(0)	(0)
Ropley Properties	2	1	3	7	(10)	(3)
TJL UK Limited	1	0	1	10	(12)	(2)
Triple Jersey Limited	9	3	12	53	(64)	(11)
Total	12	4	16	70	(86)	(16)
	Depreciation charge £'m	Interest charge £'m	Total charge £'m	Right-of-use asset £'m	Lease liability £'m	Net liability £'m
Period ended 25 March 2023						
Rani Investments	0	0	0	1	(1)	(0)
Ropley Properties	2	1	3	8	(11)	(3)
TJL UK Limited	1	0	1	10	(12)	(2)
Triple Jersey Limited	8	3	11	46	(57)	(11)
Total	11	4	15	65	(81)	(16)

There was one lease entered into by the Group during the current period with the Arora related parties (2023: nil). The total expense on this lease in the period was <£1m (2023: nil). There were no conditionally exchanged leases with Arora related parties in the current period with a long stop completion date (2023: <£1m, three leases).

The following tables set out the total amount of trading balances with related parties outstanding at the period end.

As at	30 March 2024 £'m	25 March 2023 £'m
Trade receivables from associates of the Group		
Centz Retail Holdings Ltd	2	2
Total related party trade receivables	2	2

As at	30 March 2024 £'m	25 March 2023 £'m
Trade payables to associates of the Group		
Multi-lines International Company Ltd	32	7
Trade payables to companies owned by key management personnel		
Rani Investments	0	0
Ropley Properties Ltd	0	1
TJL UK Limited	1	1
Triple Jersey Ltd	0	2
Total related party trade payables	33	11

Outstanding trade balances at the balance sheet dates are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party trade receivables or payables.

The balance with Multi-lines International Company Ltd includes \$18m (2023: \$nil) held within a supply chain facility. See note 19 for more details.

The business has not recorded any impairment of trade receivables relating to amounts owed by related parties as at 30 March 2024 (2023: no impairment). This assessment is undertaken each year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Consolidated Financial Statements **continued**

27 Related party transactions **continued**

The future lease commitments on the Arora related party properties are:

As at	30 March 2024 £'m	25 March 2023 £'m
Not later than one year	16	14
Later than one year and not later than two years	15	13
Later than two years and not later than five years	39	35
Later than five years	33	35
Total	103	97

See note 12 for further information on the Group's associates.

For further details on the transactions with key management personnel, see note 8 and the remuneration report.

28 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current or prior period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group uses the following definition of net debt:

External interest-bearing loans and borrowings less cash and short-term deposits.

The interest-bearing loans figure used is the gross amount of cash borrowed at that time, as opposed to the carrying value under the amortised cost method.

As at	30 March 2024 £'m	25 March 2023 £'m
Interest-bearing loans and borrowings (note 21)	919	961
Less: Cash and short-term deposits (note 18)	(182)	(237)
Net debt	737	724

29 Post balance sheet events

On 29 May 2024, shareholders appointed Nadia Shouraboura as a further Independent Non-Executive Director to the Board of Directors of the Company, with immediate effect and until the Annual General Meeting to be held on 23 July 2024. Nadia's CV is included in the annual management report for the financial year ended March 2024.

On 4 June 2024, the Group's Nomination Committee and Board of Directors agreed that Tiffany Hall be proposed as the successor to Peter Bamford in the role as Chair of the Board of Directors. As such, Peter Bamford does not intend to stand for re-election at the AGM in July 2024.

30 Dividends

An interim dividend of 5.1 pence per share (£51.1m) was declared in October 2023 and has been paid.

A special dividend of 20.0 pence per share (£200.6m), was declared in January 2024 and has been paid.

A final dividend of 9.6 pence per share (£96.3m), giving a full year dividend of 14.7 pence per share (£147.4m), is proposed.

Relating to the prior year;

An interim dividend of 5.0 pence per share (£50.1m) was declared in November 2022 and has been paid.

A special dividend of 20.0 pence per share (£200.4m), was declared in January 2023 and has been paid.

A final dividend of 9.6 pence per share (£96.2m), giving a full year dividend of 14.6 pence per share (£146.3m), was declared in July 2023 and has been paid.

31 Contingent liabilities and guarantees

As at 30 March 2024, B&M European Value Retail S.A., B&M European Value Retail 1 S.à r.l., B&M European Value Retail 2 S.à r.l., B&M European Value Retail Holdco 1 Ltd, B&M European Value Retail Holdco 2 Ltd, B&M European Value Retail Holdco 3 Ltd, B&M European Value Retail Holdco 4 Ltd, EV Retail Ltd, B&M Retail Ltd, Heron Food Group Ltd and Heron Foods Ltd are all guarantors to both the loan and notes agreements which are formally held within B&M European Value Retail S.A. The amounts outstanding as at the period end were £250m for the loans, with the balance held in B&M European Value Retail Holdco 4 Ltd, and £656m for the notes, with the balance held in B&M European Value Retail S.A.

As at 25 March 2023, B&M European Value Retail S.A., B&M European Value Retail 1 S.à r.l., B&M European Value Retail 2 S.à r.l., B&M European Value Retail Holdco 1 Ltd, B&M European Value Retail Holdco 2 Ltd, B&M European Value Retail Holdco 3 Ltd, B&M European Value Retail Holdco 4 Ltd, EV Retail Ltd, B&M Retail Ltd, Heron Food Group Ltd and Heron Foods Ltd are all guarantors to both the loan and notes agreements which are formally held within B&M European Value Retail S.A. The amounts outstanding as at the period end were £300m for the loans, with the balance held in B&M European Value Retail Holdco 4 Ltd, and £650m for the notes, with the balance held in B&M European Value Retail S.A.

32 Directors

The Directors that served during the period were:

P Bamford (Chairman)
 A Russo (CEO)
 M Schmidt (CFO)
 R McMillan
 T Hall
 P MacKenzie
 O Tant
 S Arora (retired 21 April 2023)
 H Lasry (appointed 22 September 2023)
 C Bradley (retired 25 July 2023)

On 23 January 2024, Peter Bamford announced he will be resigning as Chairman of the Group before the end of our next financial year, 29 March 2025.

On 22 March 2024, the Group announced the appointment of Nadia Shouraboura as a Non-Executive Director, with effect from 29 May 2024.

On 4 June 2024, the Group's Nomination Committee and Board of Directors agreed that Tiffany Hall be proposed as the successor to Peter Bamford in the role as Chair of the Board of Directors. As such, Peter Bamford does not intend to stand for re-election at the AGM in July 2024.

All Directors served for the whole period except were indicated above.

Company profit and loss account for the financial year ended 31 March 2024

	Notes	31 March 2024 £	31 March 2023 £
Raw materials, consumables and other external expenses:	8		
Other external expenses		(13,150,590)	(1,426,926)
Staff costs:	9		
Wages and salaries		(126,621)	(115,963)
Social security costs:			
Relating to pensions		(8,376)	(7,864)
Other social security costs		(5,945)	(5,666)
Other operating expenses	10	(1,317,719)	(838,903)
Income from participating interests:	11		
Derived from affiliated undertakings		350,000,000	360,000,000
Other interest receivable and similar income:	12		
Derived from affiliated undertakings		31,299,621	24,767,246
Other interest and similar income		5,172,068	488,309
Interest payable and similar expenses:	13		
Other interest and similar expenses		(28,703,653)	(25,097,950)
Profit or loss after taxation		343,158,785	357,762,282
Other taxes not included in the previous caption	14	(4,112)	(4,233)
Profit or loss for the financial year		343,154,673	357,758,049

The accompanying notes form part of these financial statements.

Company balance sheet as at 31 March 2024

	Notes	31 March 2024 £	31 March 2023 £
Fixed assets			
Financial assets:	3		
Shares in affiliated undertakings		2,624,999,999	2,624,999,999
Other loans		5,467	5,467
		2,625,005,467	2,625,005,467
Current assets			
Debtors:			
Amounts owed by affiliated undertakings becoming due and payable within one year	4	759,873,696	753,267,506
Other debtors becoming due and payable within one year	5	285,311	252,037
		760,159,007	753,519,542
Cash at bank and in hand		83,792	55,224
Total assets		3,385,248,266	3,378,580,233
Equity	6		
Subscribed capital		100,279,090	100,185,374
Share premium account		2,473,832,360	2,473,832,360
Reserves:			
Legal reserve		10,040,000	10,040,000
Profit or loss for the financial year		343,154,673	357,758,049
Profit or loss brought forward		34,636,044	23,613,103
Interim dividends		(251,698,717)	(250,463,434)
		2,710,243,450	2,714,965,452
Creditors	7		
Debenture loans:			
Non-convertible loans becoming due and payable within one year		11,840,299	6,520,833
Non-convertible loans becoming due and payable after more than one year		655,520,000	650,000,000
Trade creditors becoming due and payable within one year		133,000	606,215
Amounts owed to affiliated undertakings becoming due and payable within one year		7,366,872	6,448,923
Other creditors:			
Tax authorities		8,679	6,751
Other creditors becoming due and payable within one year		135,966	32,059
		675,004,816	663,614,781
Total equity and liabilities		3,385,248,266	3,378,580,233

The accompanying notes form part of these financial statements.

Notes to the annual accounts for the financial year ended 31 March 2024

1 General information

The financial statements have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

B&M European Value Retail S.A., hereinafter the "Company", was incorporated on 19 May 2014 as a "société anonyme" for an unlimited period. The Company is organised under the laws of the Grand-Duchy of Luxembourg, in particular the law of 10 August 1915 on commercial companies, as amended from time to time.

The Company's shares being listed on the premium listing segment of the London Stock Exchange.

The Company is registered with the Luxembourg Trade and Companies Register under number RCS Luxembourg B 187.275 and the registered address of the Company has been moved from 68-70 boulevard de la Pêtrusse, L-2320 Luxembourg to 3, rue Gabriel Lippmann, L-5365 Munsbach during the financial year under review.

The financial year of the Company starts on 1 April each year and ends on 31 March the following year. The Company prepares consolidated financial statements.

The Company's purpose is to acquire and hold interests, directly or indirectly, in any form whatsoever, in other Luxembourg or foreign entities, by way of, among others, subscription or acquisition of (i) any securities and rights through participation, contribution, underwriting, firm purchase or option, negotiation or in any other way, or of (ii) debt instruments in any form whatsoever, and to administrate, develop and manage such holding of interests.

The Company may in particular enter into transactions to borrow money in any form or to obtain any form of credit and raise funds through, including, but not limited to, the issue of shares, bonds, notes, promissory notes, certificates and other debt instruments or debt securities, convertible or not, or the use of financial derivatives. The Company may also enter into any guarantee, pledge or any other form of security agreement.

On 23 January 2024, B&M European Value Retail S.A. announced that Peter Bamford, Chairman of the Board of Directors, intends to retire during the current calendar year. An executive search firm has been appointed and the recruitment process for a new Chair is presently ongoing. A retirement date has not yet been set, and Peter Bamford continues to serve as Chairman of the Board.

2 Summary of significant accounting policies and valuation methods

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, as subsequently amended (the "Law"), determined and applied by the Board of Directors.

These accounts have been prepared on a going concern basis.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Significant accounting policies and valuation methods

The main accounting policies and valuation rules applied by the Company are the following.

Financial assets

Shares in affiliated undertaking are valued at purchase price including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them as at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Foreign currency translation

The Company maintains its accounting records in Great Britain Pound sterling (GBP) and the balance sheet, and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction (the "historical exchange rate").

Long-term non-monetary assets expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain converted using the historical exchange rate.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the relevant financial year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The realised and unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date at which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date at which they will arise.

Provision for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Other debtors", if applicable.

Creditors

Creditors are stated at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown in the profit and loss account when the debt is issued.

Dividends

Dividend receivables are recognised when the Company's right to receive the dividend has been established. This is considered to be on the date that the dividend is declared by the Board or approved by the general meeting of a subsidiary, or when the dividend is to be received.

Dividend payables are recognised when the Company's obligation to pay the dividend is established. This is considered to be on the date the dividend is approved by the Board for interim dividends and on the date the dividend is approved by the general meeting of the shareholders of the Company for final dividends.

Issuance costs

Bond issuance costs are expensed through the profit and loss account at the time that they are incurred and this is considered to be on the date on which the relevant issuance is legally completed.

Share and stock option plans

Share and stock options are recognised when the Company's obligation to pay such is established. This is considered to be for the share and stock options on the date that the increase of the share capital is approved by the share option committee.

3 Financial assets

The undertaking in which the Company holds interests is as follows:

Undertaking's name	Registered office	Percentage of holding	Net equity as at 31 March 2023 £	Net result for the financial year ended 31 March 2023 £	Net book value as at 31 March 2023 £
B&M EVR 1*	Luxembourg	100%	646,884,429	360,004,902	2,624,999,999

* B&M EVR 1 refers to B&M European Value Retail 1 S.à.r.l.

As at the balance sheet date, the Board of Directors assessed the valuation of the undertaking and concluded that no value adjustment was deemed necessary.

The annual accounts of B&M EVR 1 as at 31 March 2024 have yet to be closed by its managers but are not due to be audited.

On 25 October 2023 an interim dividend of GBP 50 million was declared and distributed by B&M EVR 1 to the Company.

On 3 January 2024 an interim dividend of GBP 200 million was declared and distributed by B&M EVR 1 to the Company.

On 19 March 2024 an interim dividend of GBP 100 million was declared and distributed by B&M EVR 1 to the Company.

Notes to the annual accounts *continued*

4 Amount owed by affiliated undertakings

	March 2024 £	March 2023 £
<i>Becoming due and payable within one year:</i>		
B&M European Value Retail Holdco 4 Ltd ("UK Holdco 4")	754,340,994	748,681,673
Accrued income in relation to intercompany UK audit fees	509,848	375,000
Accrued income in relation to intercompany loan agreements (interest receivable)	5,022,854	4,210,833
Total	759,873,696	753,267,506

The amounts owed by UK Holdco 4 are interest bearing (note 12) and payable on demand. Where interest is calculated, it has been done on an arm's length basis.

5 Other debtors

	March 2024 £	March 2023 £
<i>Becoming due and payable within one year:</i>		
Prepaid VAT	–	39,717
Prepaid income and net wealth taxes	1,027	1,952
Other advances	284,284	210,367
Total	285,311	252,037

6 Capital and reserves

Subscribed capital and share premium account

As at 31 March 2024, the issued share capital of the Company is set at GBP 100,279,089.60 divided into 1,002,790,896 ordinary shares with a nominal value of GBP 0.10 each and the unissued but authorised share capital is set at GBP 296,943,132.60 represented by 2,969,431,326 ordinary shares. The Company's share capital is represented by one class of (ordinary) shares, all in dematerialised form.

In December 2020, the shareholders of the Company approved the conversion of all the shares of the Company which were then in registered form into dematerialised form. The deadline for the compulsory dematerialisation of the shares was on 8 March 2023. Since that date all the shares are in dematerialised form and the shares which had not been converted by their owners are held in an account in the name of the Company in accordance with the provisions of the Luxembourg law on the dematerialisation of securities as reproduced under article 6.5.5 of the Articles. The voting rights attached to those shares are suspended and for the time of that suspension, the shares will not be taken into account to for quorum and majority at general meetings.

During the financial year, share options (reported as 'off balance sheet commitments' under the annual accounts of the previous financial year) have been exercised by employees and Directors of the Group; the Board of directors acting on the basis of article 5.2 of the Articles and within the frame of the authorised share capital clause, issued in aggregate, totalling 937,161 new ordinary shares with a nominal value of 10 pence per share. The Articles have been updated accordingly.

An extraordinary general meeting of the shareholders of the Company was held on 25 July 2023 to renew with immediate effect and for a period of five years, the power for the Board of Directors of the Company (the "Board of Directors" or the "Board") to increase the issued share capital of the Company within the limits of the authorised share capital and under the conditions set forth in article 5.2 of the Articles of Association of the Company (the "Articles").

Movements for the period on the reserves and profit/loss captions are as follows:

	Share premium and similar premiums £	Legal reserve £	Profit or loss brought forward £	Profit for the financial period £	Interim dividends £	Total £
As at the beginning of the financial year	2,473,832,360	10,040,000	23,613,103	357,758,049	(250,463,434)	2,614,780,079
Allocation of prior period's result	–	–	357,758,049	(357,758,049)	–	–
Capital increase from exercise of share option	–	–	(93,716)	–	–	(93,716)
Allocation of dividends	–	–	(250,463,434)	–	250,463,434	–
Final dividend (August 2023)	–	–	(96,177,959)	–	–	(96,177,959)
Interim dividend (December 2023)	–	–	–	–	(51,140,538)	(51,140,538)
Special dividend (February 2024)	–	–	–	–	(200,558,179)	(200,558,179)
Profit for the financial year	–	–	–	343,154,673	–	343,154,673
As at the end of the financial year	2,473,832,360	10,040,000	34,636,044	343,154,673	(251,698,717)	2,609,964,360

On 30 May 2023, the Board of Directors proposed the distribution of a final dividend of 9.6 pence per ordinary share, being a total aggregate distribution of GBP 96,177,958.56 (gross of WHT). The Annual General Meeting (AGM) of the shareholders held on 25 July 2023, approved that proposal and that final dividend was paid by the Company on 4 August 2023.

On 8 November 2023, the Board of Directors unanimously approved the distribution of an interim dividend of 5.1 pence per ordinary share, being a total aggregate distribution of GBP 51,140,537.59 (gross) paid by the Company on 15 December 2023.

On 8 January 2024, the Board of Directors unanimously approved the distribution of an interim dividend of 20 pence per ordinary share, being a total aggregate distribution of GBP 200,558,179.20 (gross) paid by the Company on 9 February 2024.

Legal reserve

In accordance with article 710-23 of the Luxembourg law on commercial companies dated 10 August 1915, as amended, the Company is required to allocate to a legal reserve, which is not available for distributions to shareholders, a minimum of 5% of its annual net profit. This allocation ceased to be mandatory when and for so long as this reserve equals 10% of the subscribed share capital.

Consequently, no allocation to the legal reserve will be proposed to the AGM approving those financial statements.

7 Creditors

Amounts due and payable for the accounts shown under “Debtenture loans” are as follows:

	Within one year £	After one year and within five years £	After more than five years £	March 2024 £	March 2023 £
Debtenture loans					
Non-convertible loans – Bonds interest	11,840,299	–	–	11,840,299	6,520,833
Non-convertible loans – Bonds principal	–	155,520,000	500,000,000	655,520,000	650,000,000
	11,840,299	155,520,000	500,000,000	667,360,299	656,520,833

The Company issued Senior Secured Notes (“Notes”) which are all listed for trading on the Euro MTF Market of the Luxembourg Stock Exchange. The Euro MTF Market of the Luxembourg Stock Exchange is not a regulated market pursuant to the provisions of Directive 2014/65 EU on financial instruments but falls within the scope of Market Abuse Regulation 596/2014 and Directive 2014/57 EU on criminal sanctions for market abuse.

On 13 July 2020, the Company issued GBP 400,000,000 3.625% Senior Secured Notes (the “2020 Notes”) which are due on 15 July 2025. Interest on the 2020 Notes is paid semi-annually in arrears on 15 January and 15 July each year, commencing on 15 January 2021.

On 13 November 2023, the Company tendered 2020 Notes up to a maximum acceptance amount and on 21 November 2023, the Company announced that an amount of GBP 244,480,000 had been validly tendered which left an existing amount of GBP 155,520,000 of the 2020 Notes.

On 24 November 2021, the Company issued GBP 250,000,000 4.000% Senior Secured Notes (the “2021 Notes”) which are due on 15 November 2028. Interest on the 2021 Notes is paid semi-annually in arrears on 15 May and 15 November of each year.

The Company may redeem the 2021 Notes in whole or in part at any time on or after 15 November 2024, in each case, at the redemption prices set out in the Offering Circular.

Prior to 15 November 2024, the Company is entitled to redeem, at its option, all or a portion of the 2021 Notes at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a “make-whole” premium, as described in this Offering Circular.

Prior to 15 November 2024, the Company may, at its option, and on one or more occasions, also redeem up to 40% of the original aggregate principal amount of the 2021 Notes with the net proceeds from certain equity offerings. Additionally, the Company may redeem the 2021 Notes in whole, but not in part, at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain events constituting a change of control, the Issuer may be required to repurchase all or any portion of the 2021 Notes at 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of such repurchase.

On 23 November 2023, the Company issued GBP 250,000,000 8.125% Senior Secured Notes (the “2023 Notes”) which are due on 15 November 2030. Interest on the 2023 Notes is paid semi-annually in arrears on 15 May and 15 November of each year.

The Company may redeem the 2023 Notes in whole or in part at any time on or after 15 November 2026, in each case, at the redemption prices set out in the Offering Circular.

Prior to 15 November 2026, the Issuer will be entitled to redeem, at its option, all or a portion of the 2023 Notes at a redemption price equal to 100% of the principal amount of the 2023 Notes, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a “make-whole” premium, as described in this Offering Circular.

Prior to 15 November 2026, the Issuer may, at its option, and on one or more occasions, also redeem up to 40% of the original aggregate principal amount of the 2023 Notes with the net proceeds from certain equity offerings. Additionally, the Issuer may redeem the 2023 Notes in whole, but not in part, at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain events constituting a change of control, the Issuer may be required to repurchase all or any portion of the 2023 Notes at 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of such repurchase.

Notes to the annual accounts **continued**

7 Creditors **continued**

The £250 million 2023 Notes as well as the £250 million 2021 Notes will rank *pari passu* in right of payment with the Company's obligations in respect of its subsidiary existing senior credit facilities and its existing £156 million 3.625% 2020 Notes.

All Notes are senior obligations of the Company, guaranteed on a senior basis by its various affiliated companies.

Other amounts due and payable for the accounts shown under "Creditors" are as follows:

	Within one year £	After one year and within five years £	After more than five years £	March 2024 £	March 2023 £
Trade creditors					
Suppliers	57,389	–	–	57,389	509,388
Suppliers – Invoices not yet received (Note 7.1)	75,612	–	–	75,612	96,827
	133,000	–	–	133,000	606,215
Amounts owed to affiliated undertakings B&M EVR 2* (Note 7.2)	7,366,872	–	–	7,366,872	6,448,923
Other creditors					
Tax authorities:					
Net wealth tax	4,112	–	–	4,112	4,233
Other taxes	4,567	–	–	4,567	2,517
	8,679	–	–	8,679	6,751
Dividends payable	–	–	–	–	–
Other creditors	135,966	–	–	135,966	32,059
Total	7,644,518	–	–	7,644,518	7,093,948

* B&M EVR 2 refers to B&M European Value Retail 2 S.à.r.l.

Note 7.1 The balance of suppliers' invoices not yet received relates mostly to audit fees.

Note 7.2 Dividend payments in GBP received by the Company on behalf of B&M EVR 2.

8 Other external expenses

	March 2024 £	March 2023 £
Advisory and consultancy fees	250,402	331,776
Fees relating to redemption and issue of bond debt	11,876,108	–
Stock exchange fees	226,062	188,643
Accounting and administrative fees	106,764	144,482
Marketing, communication and travel expenses	119,154	167,432
Government regulatory fees	117,244	132,899
Audit fees	91,667	94,518
Legal fees	18,399	–
Rentals	50,613	48,322
Board recruitment expenses	253,344	298,691
Repairs and maintenance	28,597	7,669
Others	12,237	12,494
Total	13,150,590	1,426,926

The audit fees shown above are parent-only fees. Audit fees paid to members of the KPMG network are disclosed in the consolidated financial statements.

On 23 November 2023, the Group refinanced part of its £400m high yield bond notes (2020). £244m of the bonds were redeemed at 98%, resulting in a £4.9m gain on tender of corporate bonds, see note 12. The remaining £156m of the high yield bond notes (2020) have a maturity date of July 2025.

On the same date, the Group issued £250m of high yield bond notes, maturing in November 2030 with an interest rate of 8.125%. Fees incurred totalled £11.9m, including an £8.4m loss related to an interest rate swap derivative. The total fees can be seen in the above breakdown 'fees relating to redemption and issue of bond debt'.

9 Staff costs

As at 31 March 2024, the Company employed one part-time employee and one full-time employee (2023: one part-time and one full-time).

10 Other operating expenses

	March 2024 £	March 2023 £
Director fees	793,348	677,118
Non-deductible VAT	469,346	161,785
Others	55,025	–
Total	1,317,719	838,903

11 Income from participating interests

	March 2024 £	March 2023 £
Derived from affiliated undertakings: Dividend income (Note 11.1)	350,000,000	360,000,000
Total	350,000,000	360,000,000

Note 11.1 Dividend income relates to dividends distributed by B&M EVR 1.

12 Other interest receivable and similar income

	March 2024 £	March 2023 £
Derived from affiliated undertakings (Note 12.1): Interest recharge	31,299,621	24,767,246
	31,299,621	24,767,246
Other interest and similar income: Gain on tender of corporate bonds	4,889,600	–
Realised foreign exchange gain	282,468	488,309
	5,172,068	488,309
Total	36,471,689	25,255,554

Note 12.1 The Company and its UK and Luxembourg affiliates are bound by the terms of a Management Services Agreement (“MSA”). Included in the provisions of this MSA is the right for the Company to charge or be charged with interest on any intercompany balances held with affiliates outside of Luxembourg (“interest recharge”). The basis for the interest recharge is the outstanding balance per management accounts at the start and end of each month, and the marginal external rate of borrowing available to the Group as reviewed by management on at least quarterly basis.

13 Interest payable and similar expenses

	March 2024 £	March 2023 £
Other interest and similar expenses: Interest expense on bonds payable	28,539,341	24,250,000
Realised foreign exchange loss	164,312	847,950
Total	28,703,653	25,097,950

14 Taxation

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

An assessment of the potential exposure to Pillar Two income taxes under Luxembourg law of 23 December 2023 has been performed based upon the most recent Company’s county-by-country reporting and the relevant financial statements of each of the constituents of the Group. The tax rates in all the jurisdictions in which the Group operates are above 15%.

15 Off balance sheet commitments and contingencies

As at the balance sheet date, the Company has financial commitments relating to i) share option plans and ii) pledge agreements. The nature and the commercial objective of the operations not disclosed on the balance sheet can be described as follows:

Acting on the basis of article 5.2 of the Articles, and in accordance with the terms of the various incentive schemes in place, including the Restricted Stock Awards Plan and Long-Term Incentive Plan (LTIP), the Board of Directors of the Company issued new shares to Directors and employees of the Group during the financial year ended 31 March 2024. The newly issued shares totalling 937,161 in aggregate with a nominal value of 10 pence per share, were paid out of carried forward earnings of the Company and the Articles of the Company were amended accordingly.

The Company also acts as a guarantor for the senior credit facilities of its affiliated companies.

15 Off balance sheet commitments and contingencies continued

Note 15.1 Share option plans

The Company operates the following open share option plans. The details of which are as follows:

1. The B&M European Value Retail S.A. Long-Term Incentive Plan 2018, LTIP 2018A
2. The B&M European Value Retail S.A. Long-Term Incentive Plan 2019, LTIP 2019A
3. The B&M European Value Retail S.A. Long-Term Incentive Plan 2020, split into two; (i) LTIP 2020A, (ii) LTIP 2020/B1
4. The B&M European Value Retail S.A. Long-Term Incentive Plan 2021, split into two; (i) LTIP 2021A, (ii) LTIP 2021/B1
5. The B&M European Value Retail S.A. Long-Term Incentive Plan 2022, split into three; (i) LTIP 2022A, (ii) LTIP 2022/B1 (iii) LTIP 2022/B2
6. The B&M European Value Retail S.A. Long-Term Incentive Plan 2023, split into two; (i) LTIP 2023A, (ii) LTIP 2023/B1
7. The B&M European Value Retail S.A. Deferred Benefit Share Plan 2020 (DBSP 2020)
8. The B&M European Value Retail S.A. Deferred Benefit Share Plan 2021 (DBSP 2021)
9. The B&M European Value Retail S.A. Deferred Benefit Share Plan 2022 (DBSP 2022)
10. The B&M European Value Retail S.A. Deferred Benefit Share Plan 2023 (DBSP 2023)
11. The B&M European Value Retail S.A. Buy-out awards 2022, split into two; (i) Buy-out Nov-23, (ii) Buy-out Nov-24

LTIP

These awards are ordinary shares subject to a mixture of market based and non-market-based performance conditions. They vest after a period of three years.

LTIP 2018A, LTIP 2019A, LTIP 2020A, LTIP 2021A, LTIP 2022A and LTIP 2023A have been separated into two tranches based upon the conditions required for vesting, as the two tranches were calculated to have separately identifiable and different fair values. The tranches are labelled "TSR" and "EPS" as the relevant key performance conditions are based upon total shareholder return and earnings per share. These LTIP schemes all have a holding period of two years after the shares have vested. The other LTIP schemes do not have this feature.

All schemes awarded have additional options granted to holders for each dividend paid by the Company whilst the options are held. These dividend grants are equivalent to the amount of new shares they could have bought with the dividend that would have been due to them had they held the actual shares.

The options were valued using a Monte Carlo method. All LTIP options have a nil exercise price.

Scheme/Tranche	Date of grant	Date of vesting	Fair value of option £	Number of options outstanding at 31 March 2023	Number of options granted/ (forfeited or lapsed) in the year	Number of options exercised in the year	Number of options outstanding at 31 March 2024
LTIP 2018A/EPS	22 Aug 2018	22 Aug 2021	4.09	297,452	5,138	(302,590)	–
LTIP 2018A/TSR	22 Aug 2018	22 Aug 2021	2.40	230,321	3,978	(234,299)	–
LTIP 2019A/EPS	22 Aug 2019	22 Aug 2022	3.61	293,188	19,395	–	312,583
LTIP 2019A/TSR	22 Aug 2019	22 Aug 2022	2.51	293,188	19,395	–	312,583
LTIP 2020A/EPS	30 Jul 2020	30 Jul 2023	4.64	185,124	12,245	–	197,369
LTIP 2020A/TSR	30 Jul 2020	30 Jul 2023	4.09	185,124	12,245	–	197,369
LTIP 2021A/EPS	3 Aug 2021	3 Aug 2024	5.60	251,037	(59,247)	–	191,790
LTIP 2021A/TSR	3 Aug 2021	3 Aug 2024	3.54	251,037	(59,247)	–	191,790
LTIP 2022A/EPS	17 Nov 2022	17 Nov 2025	3.86	327,851	21,686	–	349,537
LTIP 2022A/TSR	17 Nov 2022	17 Nov 2025	1.24	327,851	21,686	–	349,537
LTIP 2023A/EPS	1 Aug 2023	1 Aug 2026	5.48	–	235,204	–	235,204
LTIP 2023A/TSR	1 Aug 2023	1 Aug 2026	4.09	–	235,204	–	235,204
LTIP 2020/B1	30 Jul 2020	30 Jul 2023	4.63	302,339	1,972	(304,311)	–
LTIP 2021/B1	3 Aug 2021	3 Aug 2024	5.60	257,138	(6,004)	–	251,134
LTIP 2022/B1	3 Aug 2022	3 Aug 2025	4.37	408,264	(27,402)	–	380,862
LTIP 2022/B2	15 Dec 2022	15 Dec 2025	4.12	3,809	252	–	4,061
LTIP 2023/B1	1 Aug 2023	1 Aug 2026	5.48	–	387,478	–	387,478

LTIP 2019A and LTIP 2020A have vested and are in a two-year holding period.

None of the outstanding options are available for immediate exercise as at 31 March 2024.

Assumptions

The fair valuing exercise uses several assumptions, including those given in the table below.

Scheme/Tranche	Risk-free rate	Expected life (years)	Volatility	Dividend yield
LTIP 2018A/EPS	0.97%	5	29%	N/A
LTIP 2018A/TSR	0.97%	5	29%	N/A
LTIP 2019A/EPS	0.37%	5	31%	N/A
LTIP 2019A/TSR	0.37%	5	31%	N/A
LTIP 2020A/EPS	-0.11%	5	48%	N/A
LTIP 2020A/TSR	-0.11%	5	48%	N/A
LTIP 2021A/EPS	0.23%	5	37%	N/A
LTIP 2021A/TSR	0.23%	5	37%	N/A
LTIP 2022A/EPS	3.16%	5	31%	N/A
LTIP 2022A/TSR	3.16%	5	31%	N/A
LTIP 2023A/EPS	4.75%	5	32%	N/A
LTIP 2023A/TSR	4.75%	5	32%	N/A
LTIP 2020/B1	-0.12%	3	39%	N/A
LTIP 2021/B1	0.12%	3	42%	N/A
LTIP 2022/B1	1.75%	3	32%	N/A
LTIP 2022/B2	1.75%	3	32%	N/A
LTIP 2023/B1	4.77%	3	31%	N/A

DBSP

The Deferred Benefit Share Plan (DBSP) is a holding scheme where a portion of the Executive Directors annual bonus is deferred into a share option holding scheme where the options are held for three years before they can be exercised.

As such these are valued at the portion of the bonus which has been deferred. This scheme also attracts the additional dividend related grants as detailed above for the post 2018 LTIP schemes.

All DBSP options have a nil exercise price.

Scheme/Tranche	Date of grant	Date of vesting	Fair value of option £	Number of options outstanding at 31 March 2023	Number of options granted / (forfeited or lapsed) in the year	Number of options exercised in the year	Number of options outstanding at 31 March 2024
DBSP 2020	17 Jun 2020	17 Jun 2023	N/A	59,673	1,031	(60,704)	–
DBSP 2021	4 Jul 2021	4 Jul 2024	N/A	97,885	6,474	–	104,359
DBSP 2022	8 Jun 2022	8 Jun 2025	N/A	304,382	20,135	–	324,517
DBSP 2023	13 Jun 2023	13 Jun 2026	N/A	–	165,640	–	165,640

Buy-out awards

The buy-out awards relate to schemes awarded to Executive Directors relating to the buy-out of share schemes which previously were held with their prior employer. Two such schemes were awarded in November 2022, both time limited; Buy-out Nov-23 vested and was fully exercised in November 2023 and Buy-out Nov-24 is due to vest in November 2024.

These schemes are valued at an amount agreed by the remuneration committee upon their award and all buy-out Awards have a £nil exercise price.

Scheme/Tranche	Date of grant	Date of vesting	Fair value of option £	Number of options outstanding at 31 March 2023	Number of options granted / (forfeited or lapsed) in the year	Number of options exercised in the year	Number of options outstanding at 31 March 2024
Buy-out Nov-23	16 Nov 2022	16 Nov 2023	N/A	34,330	927	(35,257)	–
Buy-out Nov-24	16 Nov 2022	16 Nov 2024	N/A	34,330	2,271	–	36,601

In accordance with Luxembourg GAAP, as long as the option holders have not exercised their rights, the related amounts are reported as off-balance sheet commitments.

Note 15.2 Pledge agreements

Pursuant to a share pledge agreement dated (and effective as of) 14 July 2020, all shares and related assets owned from time to time in B&M EVR 1 by the Company and, in particular, the 198,916,673 shares owned as of 31 March 2024 and any shares acquired by the Company in the future and related assets, are pledged in favour of Deutsche Bank AG, London Branch, as security agent, acting for itself and as security agent for and on behalf of the Secured Parties, in relation of the issuance of the Bonds (note 7).

Notes to the annual accounts **continued**

16 Directors emoluments

Director fees payable to the Independent Non-Executive Directors of the Company are paid in GBP and subject to withholding tax in Luxembourg at the rate of 20%.

The contractual emoluments paid to the Non-Executive Directors of the Company are as follows:

	March 2024 £	March 2023 £
Director fees paid to the Non-Executive Directors of the Group	782,632	747,042
	782,632	747,042

There were and there are no obligations arising or entered into in respect of retirement pensions for former members of those bodies.

There were no advances or loans granted during this financial year to the members of those bodies.

There are no guarantees or direct substitutes granted or given to the members of those bodies.

Executive Directors are remunerated through other Group companies.

17 Subsequent events

On 29 May 2024, shareholders appointed Nadia Shouraboura as a further Independent Non-Executive Director to the Board of Directors of the Company, with immediate effect and until the Annual General Meeting to be held on 23 July 2024. Nadia's CV is included in the annual management report for the financial year ended March 2024.

On 4 June 2024, the Group's Nomination Committee and Board of Directors agreed that Tiffany Hall be proposed as the successor to Peter Bamford in the role as Chair of the Board of Directors. As such, Peter Bamford does not intend to stand for re-election at the AGM in July 2024.

No other matters or circumstances of importance other than those already described in the present notes to the accounts have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations of the Company, the results of those operations or the affairs of the Company.

The financial statements were approved by the Board of Directors and authorised for issue on 4 June 2024 and signed on its behalf by:

Alejandro Russo
Chief Executive Officer

Michael Stefan Schmidt
Chief Financial Officer

Notes

Notes

Corporate Directory

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Listing

The ordinary shares of B&M European Value Retail S.A. are listed with a premium listing on the London Stock Exchange.

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