31 May 2023

B&M European Value Retail S.A.

FY23 Preliminary Results Announcement

Strong growth and disciplined delivery in FY23, excellent profitable momentum into FY24

B&M European Value Retail S.A. ("the Group"), the UK's leading variety goods value retailer, today announces its Preliminary Results for the 52 weeks to 25 March 2023 ("FY23").

HIGHLIGHTS

- Group revenues of £4,983m were 30.7% ahead of pre-pandemic FY20 levels on a constant currency[1] basis

- Group adjusted EBITDA[4] (pre-IFRS 16) of £573m normalising from COVID boosted FY22 of £619m; in line with guidance and significantly ahead of pre-pandemic FY20 levels of £342m

- Group adjusted EBITDA[4] (pre-IFRS 16) margin of 11.5% has stepped up compared to the 9.0% achieved in FY20. Group adjusted EBITDA[4] (post-IFRS 16) was £796m (FY22: £828m)

- Group cash generated from operations was £866m (FY22: £598m), year-on-year ("YoY") growth of 44.8% reflecting planned stock reductions of £99m YoY and inventory discipline

- Group statutory profit before tax of £436m (FY22: £525m) with statutory diluted earnings per share 34.7p (FY22: 42.1p)

- B&M UK LFL customer transaction numbers increased every month since June - demonstrating underlying growth and widening of appeal

- B&M UK fascia[2] revenue increased by 4.0% YoY, driven by one-year like-for-like[3] ("LFL") revenue increase of 0.7% and the increase in space through new store openings. Q4 LFL run rate of 3.2%, exiting the year with momentum

- B&M UK fascia adjusted EBITDA[4] % (pre-IFRS 16) normalised to 12.4% (FY22: 14.4%), with a full year trading trading gross margin[8] % reduction of 148 bps. Trading gross margins significantly improved into the second half versus the first, with a 92 bps reduction versus last year

- 707 B&M stores in the UK with 21 gross new store openings offset by 15 closures and relocations. Total average selling area increased by 3.6% with relocated stores providing typically 3x greater sales square footage helping drive total sales growth from relocations

- Sales in France increased by 22.1% YoY with adjusted EBITDA[4] (pre-IFRS 16) of £41m (FY22: £32m), representing a margin of 9.6% (FY22: 9.2%) further evidences the continued strategic and operational progress as product ranging is evolved

- Sales in Heron Foods increased by 18.1% YoY with adjusted EBITDA[4] (pre-IFRS 16) of £30m (FY22: £23m), representing a margin of 6.1% (FY22: 5.5%) which underlines the attraction of our convenience discount offering to customers

- In the first 9 weeks of FY24, B&M UK LFL sales have run at 8.3%, France and Heron continue their trading momentum and we expect full year Group adjusted EBITDA[4] (pre-IFRS 16) to be higher than FY23

- Year-end net debt[5] of £724m, with net debt[5] to adjusted EBITDA[4] leverage ratio (pre-IFRS 16) of 1.3x (FY22: 1.3x)

- Recommended final dividend[6] of 9.6p per share (FY22: 11.5p), bringing the full year ordinary dividend to 14.6p per share (FY22: 16.5p) in addition to the 20.0p special dividend[6] paid in January 2023 (FY22: 25.0p)

Alejandro Russo, Chief Executive, said,

"FY23 has been another year of strong underlying progress for B&M and the long-term future looks very positive. It has also been a year of planned management transition. Simon Arora has stepped down after 19 years of leading this business and we thank him and wish him well for the future.

B&M has many years of profitable growth ahead, to be delivered through our four channels of growth (existing B&M UK stores, new B&M UK stores, France and Heron) and in delivering this growth, B&M will generate cash and compound earnings growth for our shareholders. We are actively responding to the short-term pressure on consumers from the cost-of-living crisis, with a relentless focus on price and value. A strengthened management team and the hard work of our 39,000 employees executing our unchanged strategy will help us deliver in the current financial year. We expect to grow sales and profits in FY24, despite economic uncertainty."

Financial Results

	FY23	FY22	Change
Total Group revenues	£4,983m	£4,673m	6.6%
Group adjusted EBITDA[4] (pre-IFRS 16)	£573m	£619m	(7.4)%
Group adjusted EBITDA[4] (pre-IFRS 16) margin %	11.5%	13.2%	(174) bps
Group cash generated from operations	£866m	£598m	44.8%
Group adjusted profit before tax[4]	£459m	£524m	(12.6)%
Group statutory profit before tax	£436m	£525m	(17.0)%
Adjusted diluted EPS[4]	36.5p	41.6p	(12.3)%
Statutory diluted EPS	34.7p	42.1p	(17.6)%
Ordinary dividends[6]	14.6p	16.5p	(11.5)%

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. References in this announcement to the B&M UK business includes 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 includes both the Heron Foods fascia and B&M Express fascia convenience stores in the UK. When reporting adjusted EBITDA, B&M UK also includes the corporate segment as referred to in Note 2 of the financial statements, an adjusted loss of £1m (FY22: profit of £1m).

3. One-year like-for-like revenues relate to the B&M UK estate only (excluding wholesale revenues) and 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 FY22. This 14-month approach has been adopted as it excludes the two-month halo period which new stores experience following opening. Three-year like-for-like revenues also relate to the B&M UK estate only, and includes each store's revenue for that part of the current period that falls at least 38 months after it opened compared with its revenue for the corresponding part of FY20.

4. The Directors believe that our adjusted figures – as described in Note 1 of the financial statements - provide users of the accounts 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. See Note 3 of the financial statements for further details. Adjusted figures exclude the impact of IFRS 16.

5. Net debt comprises interest bearing loans and borrowings, and cash and cash equivalents. Net debt was £724m at the year end, reflecting £961m as the value of gross debt netted against £237m of cash. See Notes 17, 20 and 27 of the financial statements for more details.

6. Dividends are stated as gross amounts before deduction of Luxembourg withholding tax, which is currently 15%.

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. 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 declined 177 bps from 37.4% to 35.7%, 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.

9. UK market share is calculated based on the reported revenues of B&M UK and Heron Foods, compared to NIQ Scantrack, Total Store, Total Coverage inc. Discounters, 52 weeks ending 31.12.22.

10. NIQ Homescan, year to March 2023.

Results Presentation

An in-person presentation for analysts in relation to these FY23 Preliminary Results will be held today at 09:30 am (UK) at Bank of America Merrill Lynch, 2 King Edward St, London EC1A 1HQ. Attendance is by invitation only.

A simultaneous live audio webcast and presentation will be available via the B&M corporate website at www.bandmretail.com/investors/presentations/year/2023

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This announcement contains statements which are or may be deemed to be 'forward-looking statements'. Forward-looking statements involve risks and uncertainties because they relate to events and depend on events or circumstances that may or may not occur in the future. All forward-looking statements in this announcement reflect the Company's present view with respect to future events as at the date of this announcement. Forward-looking statements are not guarantees of future performance and actual results in future periods may and often do differ materially from those expressed in forward-looking statements. Except where required by law or the Listing Rules of the UK Listing Authority, the Company undertakes *no obligation to release publicly the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect any events or circumstances arising after the date of this announcement.*

B&M European Value Retail S.A. is a variety retailer with 707 stores in the UK operating under the "B&M" brand, 319 stores under the "Heron Foods" and "B&M Express" brands, and 114 stores in France also operating under the "B&M" brand as at 25 March 2023. It was admitted to the FTSE 100 index on 21 September 2020.

The B&M Group was founded in 1978 and listed on the London Stock Exchange in June 2014. For more information please visit www.bmstores.co.uk

Chief Executive's Review

The last 12 months have been a year of major transition for B&M.

FY23 has been a good and significant year in the evolution of B&M. There have been planned management changes, there have been major economic headwinds and there has been material cost pressures to deal with. But B&M UK has weathered the difficult environment well and has delivered another excellent year of financial performance with an adjusted EBITDA margin[4] of 12.4%. We have delivered strong sales growth and market share gains, an EBITDA margin substantially ahead of pre-pandemic levels, and strong cash generation helped by a clean inventory position. This reduction in inventories helped facilitate an extra £200m (20.0p per share) being returned to shareholders through a special dividend in January this year, on top of an interim dividend of 5.0p and a final ordinary dividend of 9.6p. This is a very pleasing reward for our shareholders and reflects growth of the business, good cost control and strong cash management.

A relentless focus on helping our customers navigate the cost-of-living crisis has been key to our success. Delivering strong results has been made possible through the hard work of our employees, and through a laser like focus on price and value for money. In contrast to some other businesses, we look to keep prices as low as we can, while delivering profitable growth and cash for our shareholders. At the same time, we continue to expand our store estate, upgrade the existing estate and to make improvements in our offer, whether through price investment or through improving store standards. Profitable growth is at the core of our strategic objectives, and to do that we need to put consumer needs at the centre of what we do.

The underlying strategy remains unchanged with the focus on simplicity and low costs across our four channels of growth, which are improved sales in existing stores, the expansion of our store estate in the UK, expansion in France and continued growth in Heron, our UK convenience store operation. I will return to these four channels later.

The long-term outlook for B&M remains very positive, with many years of profitable growth ahead. In the UK, B&M has a small market share[9] and even less in France. Market share in both countries can be substantially higher and as we execute our strategy, we will deliver compounding earnings growth and cash returns for shareholders.

Competitive Position

To deliver on our long-term aims, we must remain highly competitive in a rapidly developing retail market. We must remain relevant through price, edited range and location, and these requirements drive our strategy. We continue to be relentlessly focused on price and compared to last year, our price advantage over the mainstream supermarkets is as strong as it was through consistency of everyday low prices ("EDLP").

Many consumer trends favour B&M, including trading down, as does the changing structure of grocery retailing. Currently, many consumers are switching to the two German Limited Assortment Discounters ("LADs") which remain heavily focused on own label. Our branded offer is highly complementary to them. Independent research shows that most LADs shoppers also shop elsewhere[10], and where we are co-located, our stores tend to trade exceptionally well. This is as true in France as it is in the UK.

In non-grocery our aggressive focus on price is also working, with General Merchandise performing very well. Price comparisons are inevitably harder in this area due to a lack of brands, differences in products and our constantly evolving product mix but our price positioning remains market leading. While improving our price position, over the last several years we have also improved our product quality. Hence our value for money credentials are substantially improved, as evidenced by the increased number of monthly transactions and by our retaining many of the customers who tried us for the first time during lockdowns.

Strategic progress review

The macroeconomic outlook remains uncertain, with the consumer challenged by high inflation, rising interest rates and by declining real incomes. Despite a tough backdrop, we remain focused on delivering through our existing four channels of growth in FY24.

1: Existing B&M UK stores: A core driver of growth

In FY23 there was a sharp focus on delivering growth through our existing stores. This led to major improvements in store standards and increased product availability, which in turn led to improvements in like-for-like[3] ("LFL") sales. In the second half, driven by improvements in store standards, B&M UK delivered 5.1% LFL sales growth. This shows the power of improving the offer in existing stores, while the benefits of operational gearing are evidenced in cash and profits.

Our stores have the capacity to keep growing their sales for many years ahead. Due to operational gearing and no extra capital, such growth should be highly profitable, should deliver incremental returns on investment and should allow further reinvestment back into lower prices to drive further profitable growth.

2: New B&M UK stores: Square footage growth outpaces our growth in net new stores

Total average net sales area (including garden centres) increased by 3.6% in the last financial year. This is greater than the increase in net new stores (6 stores or a 0.9% increase) and is driven by three factors: 1) new stores tend to be bigger than existing store average, 2) new stores are more likely to have a small garden centre than existing stores and 3) replacement stores are usually much larger than the stores they replace.

Previously we have made it clear that the 950 target for store numbers is conservative but even so, it represents c.35% more stores than today, and with newer stores being on average bigger than existing stores and having higher total sales, the sales growth should be even greater than this 35%.

The sales contribution from our gross new store openings continues to be very healthy in 2023 and reinforces the strategy of replacing older, smaller stores at the end of their leases with new stores where there is a catchment opportunity to do so.

We will accelerate our new store openings back towards 40 stores per annum, with c.30 expected in FY24, but focus will always remain on new stores generating a leading return on investment. We will not compromise on our investment targets, and we will not open unprofitable stores just to meet a store opening target. Sustainable profitable growth is at the core of our business.

3: France will provide growth for many years to come

France has undergone a major transformation, with recent results highlighting the long-term potential. All stores have been branded B&M, clothing (which was a major part of the offer when the business was acquired) has been removed and the FMCG range is building. The business was loss making just two years ago but in FY23, France delivered 22.1% sales growth and an adjusted EBITDA[4] (pre-IFRS 16) margin of 9.6%. As the business continues to evolve and benefit from the B&M supply chain and infrastructure, there remains the prospect of further growth in EBITDA margin.

New store growth will also deliver economies of scale and operational gearing benefits. In FY23 we opened 7 new stores in France. In FY24 we plan to open another 10 new stores, with a potential for an acceleration in openings in future years. With just 114 stores currently, in a country with a similar population to the UK, France can sustain a strong opening programme for the long term.

4: Heron Foods offers growth and offers other benefits to the core business

Heron Foods has had an outstanding year, delivering substantial sales growth and a leading EBITDA margin in its area. It currently operates 319 stores, but as a low-priced convenience store operator there remains the scope to open many more. The scale of the opportunity may be judged by the fact that the market leader in the UK operates over 2,000 convenience stores.

Heron Foods has undergone a strategic repositioning over the last 18 months. The number of freezer units in each store has been reduced – but not the Frozen range. Instead, products have been merchandised more intensively freeing up extra space in store. This extra space has allowed the chilled and ambient ranges to be extended and this has driven a step change in sales densities.

As well as being a strong business in its own right, Heron brings other benefits to the Group. It enhances our buying economies, provides other economies of scale and is an invaluable source of learning and knowledge, as is our French operation.

Management Changes

As stated earlier, this year has seen some major planned changes in the management team. After 19 highly successful years, Simon Arora stepped down as CEO and has now exited the business. We thank Simon for his outstanding contributions to B&M and to the UK economy.

After two years as Chief Financial Officer, I am delighted to have taken the role of Chief Executive Officer. I have strengthened the management team with a number of key appointments, including:

- Mike Schmidt as CFO, with 22 years experience, following 9 years at DFS
- Jon Parry as Supply Chain Director with 26 years experience, following 12 years at Asda
- Philippe Brasleret as Retail Stores Director in France with 18 years experience, following 9 years at Aldi France
- James Kew as Head of Retail Operations for B&M UK with 16 years experience, following 5 years as Head of Productivity and Change at B&M UK

These represent a planned strengthening of our management team and we will strengthen our team further with new appointments in the coming months.

Current trading and outlook

Our business has now normalised to a new, sustainable and higher level of underlying sales and margin compared to the pre-pandemic year of FY20. We remain highly cash generative and in the absence of acquisition opportunities for batches of stores, we will look to return excess cash to shareholders at the appropriate time in line with our capital allocation framework.

Against the ongoing cost-of-living crisis, we will help our customers by remaining highly price competitive and growing our business, through existing and new stores in the UK and France. As well as expecting further LFL growth in existing stores, during FY24 we plan to open c.30 new B&M stores in the UK, c.10 in France and c.20 Heron Foods stores.

The business will maintain a high degree of discipline on EDLP pricing, limited range assortment and a low-cost operating model.

In the first 9 weeks of FY24, B&M UK LFL sales have run at 8.3%, France and Heron continue their trading momentum and we expect full year Group adjusted EBITDA[4] (pre-IFRS 16) to be higher than FY23.

Alejandro Russo
Chief Executive Officer
30 May 2023

Financial Review

Accounting period

The current accounting period represents the 52 weeks trading to 25 March 2023 ("FY23") and the comparative period represents the 52 weeks to 26 March 2022 ("FY22"). The upcoming accounting period represents 53 weeks trading to 30 March 2024 ("FY24").

The Group financial statements have been prepared in accordance with IFRS and are reported as such. Underlying figures presented before the impact of IFRS 16 continue to be reported where they are relevant to understanding the performance of the Group and to aid comparability with previous years.

Financial performance

Group

This is the first year since the outbreak of COVID-19 where trading patterns have normalised. We believe FY23 can be viewed as the Group's new underlying revenue and profit base level from which we grow from – with Group adjusted EBITDA[4] (pre-IFRS 16) of £573m. We now have the proven evidence there has been a step change in performance of the Group since the pandemic, where Group adjusted EBITDA[4] (pre-IFRS 16) in FY20 was £342m. Trading was exceptional during each of FY21 and FY22, particularly during the periods where non-essential retail was closed, including some of the first quarter of FY22. Our performance relative to pre-pandemic levels evidences that we are retaining the new customers won during the pandemic years. Importantly though, the robust profit margins and cash conversion characteristics of the business remain unchanged.

Total Group revenue in FY23 was £4,983m (FY22: £4,673m), representing a year-on-year increase of 6.6%. On a constant currency basis[1], revenues increased by 6.5%. This has been driven by positive like-for-like[3] ("LFL") in all businesses, which includes inflation and mix effects, and by strong trading from new stores.

Group adjusted EBITDA[4] (pre-IFRS 16) decreased to £573m (FY22: £619m) as we completed a full year of undisturbed post-pandemic trading. The continued Group revenue growth in the year was moderated by the reduction in the trading gross margin in B&M UK as described below, that led to a £49m or 2.7% growth in gross margin. Operating costs also increased by £94m or 8.3%, reflecting the cost of serving our increased revenues, opening new stores and also cost inflation, including the effects of the 6.6% increase to the UK national living wage. On a statutory basis, profit before tax declined to £436m from £525m, again reflecting the normalisation of trading to a post-pandemic period.

Group adjusted EBITDA[4] (pre-IFRS 16) margin is now 11.5%, which is 253 bps higher than pre-pandemic levels (FY20: 9.0%). This reflects the structural change in our margin which the business has undergone in the last three years, with an evolution of our product range, greater economies of scale, the benefits of operational gearing from higher sales densities and other operational learnings.

On a post-IFRS 16 basis, Group adjusted EBITDA[4] was £796m (FY22: £828m) which represented an adjusted EBITDA[4] margin of 16.0% (FY22: 17.7%).

An adjusted EBITDA[4] is reported to allow investors to better understand the underlying performance of the business. The adjusting items are detailed in note 3 of the financial statements and totalled £19m this year (FY22: £(12)m).

We closed the year with an unchanged leverage with a pre-IFRS 16 net debt[5] to adjusted EBITDA[4] leverage ratio of 1.3x (FY22: 1.3x), following the payment of £347m of ordinary and special dividends in the year. This reflects the Group continuing its strong track record for operating cash generation and capital expenditure efficiency. Significantly, operational efficiency in our stores and logistics and our discipline in implementing markdowns in garden categories contributed to a £99m stock reduction, that underpinned the total cash generated from operations across the year of £866m (FY22: £598m).

B&M UK

In the UK, total B&M fascia[2] revenue increased by 4.0% to £4,067m (FY22: £3,909m), with one-year LFL revenue increasing by 0.7%. There was a strong run rate in the second half of the year with LFL sales growth of 5.1%, compared to a first half LFL of (3.9)% and the business has likewise entered the current year with strong momentum. Our LFL customer transaction numbers increased every month since June.

On a three-year basis, total revenue is 29.5% higher than in FY20, with LFL revenue[3] 13.3% higher. This reflects the underlying growth of the business during the pandemic and during lockdowns and is indicative that many customers won during lockdown have become regular customers.

At category level, we believe the one-year LFL performance has now broadly normalised against the peak of the pandemic. Demand for essential food and FMCG items has remained high, with many customers seeking out leading branded goods at the lowest possible price during this cost-of-living crisis. General Merchandise demand has also been resilient and performing in line with our plans, with seasonal categories such as Halloween, Christmas, Easter and most recently the Coronation all having a strong sell-through.

B&M's trading gross margin[8] reduced by 148 bps across the full financial year, driven by the reintroduction of usual markdown activity including the previously disclosed markdowns in the gardening category in H1. Consistent with this, a marked improvement in the year-on-year trend was seen in H2 relative to H1 (H2 trading gross margin down 92 bps versus FY22), due to strong sell through with only planned markdown activity in general merchandise categories, coupled with a significant reduction in freight rates.

There were 21 gross new openings of which 5 were replacements for smaller legacy stores and a further two relocations of FY23 closures will occur early in FY24. The replacement stores typically have 3x the total sales space of the stores they replaced and deliver a higher store contribution than the stores they replaced.

New stores, including replacements, are cash generative in year one and typically deliver a higher store contribution than the Group's average.

In addition to revenue generated in-store, wholesale revenue decreased to £37m (FY22: £45m). Most of this represents sales made to the associate Centz Retail Holdings Limited, a chain of 54 variety goods stores in the Republic of Ireland.

Operating costs, excluding depreciation and amortisation, increased by 5.7% to £950m (FY22: £899m) which represented 23.4% of revenues (FY22: 23.0%). This was primarily because of an increase in store costs driven by a strategic decision to focus on store standards to drive LFL sales, partially offset against foreign exchange gains made due to our strong hedging position against the underlying spot rate.

Adjusted EBITDA[4] (pre-IFRS 16) for the B&M UK business decreased by (10.9)% to £502m (FY22: £564m) and the adjusted EBITDA[4] margin decreased by (207) bps to 12.4% (FY22: 14.4%). However, both remain significantly above historical levels. Statutory operating profit for the year was £479m (FY22: £569m).

France

In France, revenues increased by 22.1% to £431m (FY22: £353m), reflecting strong LFL performance and new store openings delivering well. There were 7 new stores opened in FY23 increasing the average sales area of the total store estate by 4.7% to 3.1m sq. ft. (FY22: 3.0m sq. ft.).

Adjusted EBITDA[4] (pre-IFRS 16) increased by £9m to £41m (FY22: £32m), with an adjusted EBITDA[4] margin of 9.6% (FY22: 9.2%). The French business continues to build a sustainable underlying profit base and is primed to carry on delivering against the strategic and financial objectives set. Statutory operating profit for the year was £19m (FY22: £11m).

Gross margin remained broadly stable with far less emphasis placed on textiles and further steps taken towards aligning its product mix to that seen in B&M UK.

Operational consistency remained throughout the year. Operating costs as a percentage of sales improved by 1.2% to 34.9% (FY22: 36.1%).

Heron Foods

In the discount convenience chain, Heron Foods, revenues increased by 18.1% to £485m (FY22: £411m), reflecting a successful year and continued growth.

There were 14 gross new stores openings and 6 closures in FY23, with 3 of those closures being relocations. As with the B&M business, the store estate is carefully monitored and if an opportunity arises to open a new higher quality store in a new or existing area, the business will look to capitalise. Total average sales area of the store estate increased by 5.0% to 970k sq. ft. (FY22: 920k sq. ft.).

Heron Foods adjusted EBITDA[4] (pre-IFRS 16) increased to £30m (FY22: £23m), with an adjusted EBITDA[4] margin of 6.1% of sales (FY22: 5.5%), representing a successful result for the year. Statutory operating profit for the year was £38m (FY22: £30m).

Gross margin in Heron Foods remained resilient against FY22 with a strong performance across all categories – Chilled, Ambient and Frozen - with the latter being a growth driver later in the financial year as our customers look to avoid food wastage during the cost-of-living crisis.

Operating costs remained well-controlled, remaining broadly flat as a percentage of revenues.

Depreciation and amortisation

Depreciation and amortisation expenses, excluding the impact of IFRS 16, grew by 16.3% to £76m (FY22: £66m), representing only 1.5% of sales (FY22: 1.4%). The increase was largely due to continued investment in new stores across all fascias, with the Group growing the store numbers by 1.9% in the year.

The additional depreciation and amortisation charge relating to lease liabilities under IFRS 16 was £166m (FY22: £161m).

Finance expense

Net finance charges for the year, excluding IFRS 16, were £38m (FY22: £29m). This included bank and high yield bond interest of £38m (FY22: £27m) and amortised fees of £2m (FY22: £2m).

The interest charge relating to lease liabilities under IFRS 16 was £61m (FY22: £59m).

Profit before tax

Statutory profit before tax was £436m (FY22: £525m). An adjusted profit before tax[4] is also reported to allow investors to better understand the operating performance of the business (see note 3 of the financial statements). Adjusted profit before tax[4] (pre-IFRS 16) for the year decreased to £459m (FY22: £524m).

The impact of IFRS 16 on the Group financial statements was to decrease statutory profit before tax by £4m.

Taxation

The tax charge in FY23 was £88m (FY22: £103m), representing an effective tax rate of 20.1%. We expect the tax rate going forward to reflect the blended rate of taxes in the countries in which we operate. This is currently 19% in the UK and 25% in France, although the UK Corporation Tax rate has now increased to 25% from FY24 onwards.

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 £527m in FY23, including £210m 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 £317m 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 £348m (FY22: £422m) and the statutory diluted earnings per share was 34.7p (FY22: 42.1p).

Adjusted profit after tax[4], which we consider to be a better measure of performance for the reasons outlined above, was £366m (FY22: £417m), and the adjusted fully diluted earnings per share[4] was 36.5p (FY22: 41.6p).

Investing activities

Group net capital expenditure[7] totalled £89m this year (FY22: £85m). Investment included £33m spent on 42 gross new stores across the Group's fascias (FY22: £34m on 54 stores) and £16m on infrastructure projects to support the continued growth of the business (FY22: £9m). There was also investment of £40m on maintenance works to ensure that our existing store estate and warehouses are appropriately maintained (FY22: £42m). There was also a net expenditure of £(1)m relating to a small number of freehold acquisitions and disposals (FY22: net expenditure of £1m).

Net debt and cash flow

The Group continues to be highly cash generative, with cash generated from operations of £866m (FY22: £598m), helped by the planned stock reduction of £99m.

The strong performance and cash generation have enabled the Group to pay dividends totalling £347m[6] in FY23. This includes a £200m[6] special dividend paid in February 2023.

Net debt[5] (on a pre-IFRS 16 basis), decreased to £724m (FY22: £790m). The net debt[5] to adjusted EBITDA[4] leverage ratio was 1.3x (FY22: 1.3x), the fourth year that we maintained it below 1.5x and comfortably within our published 2.25x leverage ceiling.

In March 2023, we entered into a new five-year senior facilities agreement, with two one-year extension options for a £225m senior term loan facility and a £225m senior revolving credit facility with a banking syndicate made up of seven banks. This facility gives us significant additional maturity, can be upscaled by up to £350m if required to support future growth, and provides a streamlined bank group that we look forward to working with in the future.

The Board adopted a long-term capital allocation policy in 2016 to provide a framework to help investors understand how the Group will continue to balance the funding requirements of a growth business like B&M with the desire to return surplus capital to shareholders. The Board will continue to evaluate opportunities to invest and support the growth of the business along with the scope for any incremental return of capital to shareholders in the context of that framework.

Dividends

During the year, the Company declared and paid an interim ordinary dividend of 5.0p[6] per share in addition to a special dividend of 20.0p[6] per share. Subject to approval by shareholders at the AGM on 25 July 2023, a final ordinary dividend of 9.6p[6] per share is to be paid on 4 August 2023 to shareholders on the register of the Company at the close of business on 30 June 2023. The ex-dividend date will be 29 June 2023.

The Group has a dividend policy which targets an ordinary dividend pay-out ratio of between 30 to 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.

The Group is strongly cash generative and its policy is to allocate cash surpluses in the following order of priority:

1. the rollout of new stores with a strong payback profile;
2. ordinary dividend to shareholders;
3. mergers & acquisition opportunities; and
4. returns of surplus cash to shareholders.

The above list is a summary of the main items but is not exhaustive as other factors may arise from time to time which require investment to support the long-term growth objectives of the Group.

The parent company of the Group is an investment holding company which does not carry on retail commercial trading operations. Its distributable reserves are derived from intra-group dividends originating from its subsidiaries. The parent company is a Luxembourg registered company, and as such, the Board is permitted to have recourse to the company's share premium account as a distributable reserve. It remains the Group's policy for dividend purposes to have recourse to distributable profits from within the Group, and accordingly, ahead of interim dividends, and also ahead of the year-end in relation to final dividends. The Board reviews the levels of dividend cover in the parent company to maintain sufficient levels of distributable profits in the parent company for each of those dividends. There are over £500m of distributable reserves in the principal trading subsidiary of the Group, B&M Retail Limited, and there are no dividend blocks between it and the Company.

Notwithstanding the current macroeconomic uncertainties, the Group has continued to be highly cash generative and is in a strong position to maintain its ordinary dividend policy. The principal risks of the Group are set out in its Annual Report, in particular those relating to supply chain, competition, economic environment, warehouse infrastructure and international expansion. These are relevant to the ability of the Group to maintain its ordinary dividend policy in the future. The Group however maintains strategies to mitigate those risks and the Board believes the Group has a robust and resilient business model through the combination of having a value-led product assortment which to a large extent comprises essential goods and also competes across a very broad section of the retail markets in our chosen locations.

Mike Schmidt
Chief Financial Officer
30 May 2023

Consolidated Statement of Comprehensive Income

Period ended	Note	**52 weeks ended 25 March 2023 £'m**	52 weeks ended 26 March 2022 £'m
Revenue	2	**4,983**	4,673
Cost of sales		**(3,182)**	(2,921)
Gross profit		**1,801**	1,752
Administrative expenses		**(1,265)**	(1,142)
Operating profit	4	**536**	610
Share of (losses)/profits in associates	11	**(1)**	3
Profit on ordinary activities before net finance costs and tax		**535**	613
Finance costs on lease liabilities	5	**(61)**	(59)
Other finance costs	5	**(40)**	(29)
Finance income	5	**2**	0
Profit on ordinary activities before tax		**436**	525
Income tax expense	9	**(88)**	(103)
Profit for the period	2	**348**	422
Other comprehensive income for the period			
Items which may be reclassified to profit and loss:			
Exchange differences on retranslation of subsidiary and associate investments		**5**	(2)
Fair value movement as recorded in the hedging reserve		**28**	20
Tax effect of other comprehensive income	9	**5**	(4)
Total other comprehensive income		**38**	14
Total comprehensive income for the period		**386**	436
Earnings per share			
Basic earnings per share attributable to ordinary equity holders (pence)	10	**34.8**	42.2
Diluted earnings per share attributable to ordinary equity holders (pence)	10	**34.7**	42.1

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	**25 March 2023 £'m**	26 March 2022 £'m
Assets			
Non-current			
Goodwill	12	**921**	920
Intangible assets	12	**120**	120
Property, plant and equipment	13	**380**	363
Right of use assets	14	**1,056**	1,066
Investments in associates	11	**8**	8
Other receivables	16	**6**	7
Deferred tax asset	9	**30**	31
		2,521	2,515
Current assets			
Cash at bank and in hand	17	**237**	173
Inventories	15	**764**	863
Trade and other receivables	16	**52**	53
Income tax receivable		**12**	9
Other financial assets	19	**1**	25
		1,066	1,123
Total assets		**3,587**	3,638
Equity			
Share capital	22	**(100)**	(100)
Share premium		**(2,478)**	(2,476)
Retained earnings		**(104)**	(121)
Hedging reserve		**3**	(13)
Legal reserve		**(10)**	(10)
Merger reserve		**1,979**	1,979
Foreign exchange reserve		**(10)**	(5)
		(720)	(746)
Non-current liabilities			
Interest bearing loans and borrowings	20	**(873)**	(950)
Lease liabilities	14	**(1,124)**	(1,140)
Deferred tax liabilities	9	**(43)**	(43)
Provisions	21	**(3)**	(4)
		(2,043)	(2,137)
Current liabilities			
Interest bearing loans and borrowings	20	**(81)**	(6)
Trade and other payables	18	**(541)**	(564)
Lease liabilities	14	**(177)**	(170)
Other financial liabilities	19	**(13)**	(0)
Income tax payable		**(6)**	(4)
Provisions	21	**(6)**	(11)
		(824)	(755)
Total liabilities		**(2,867)**	(2,892)
Total equity and liabilities		**(3,587)**	(3,638)

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 30 May 2023 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 27 March 2021	100	2,475	128	(8)	10	(1,979)	7	733
Ordinary dividends declared	-	-	(180)	-	-	-	-	(180)
Special dividends declared	-	-	(250)	-	-	-	-	(250)
Effect of share options	0	1	1	-	-	-	-	2
Total transactions with owners	0	1	(429)	-	-	-	-	(428)
Profit for the period	-	-	422	-	-	-	-	422
Other comprehensive income	-	-	-	16	-	-	(2)	14
Total comprehensive income for the period	-	-	422	16	-	-	(2)	436
Hedging gains & losses reclassified as inventory	-	-	-	5	-	-	-	5
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**

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Period ended	Note	**52 weeks ended 25 March 2023 £'m**	52 weeks ended 26 March 2022 £'m
Cash flows from operating activities			
Cash generated from operations	23	**866**	598
Income tax paid		**(84)**	(107)
Net cash flows from operating activities		**782**	491
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(93)**	(96)
Purchase of intangible assets	12	**(5)**	(4)
Proceeds from sale of property, plant and equipment		**9**	15
Finance income received		**2**	0
Net cash flows from investing activities		**(87)**	(85)
Cash flows from financing activities			
Receipt of newly issued corporate bonds	20	**-**	250
Repayment of Heron facilities	20	**(3)**	(4)
Repayment of government backed loan in France	20	**-**	(22)
Net receipt of other French facilities	20	**0**	1
Repayment of the principal in relation to lease liabilities	14	**(168)**	(159)
Payment of interest in relation to lease liabilities	14	**(61)**	(59)
Fees on refinancing	20	**-**	(3)
Other finance costs paid	5	**(36)**	(24)
Dividends paid to owners of the parent	29	**(366)**	(430)
Net cash flows from financing activities		**(634)**	(450)
Effects of exchange rate changes on cash and cash equivalents		**3**	(1)
Net increase/(decrease) in cash and cash equivalents		**64**	(45)
Cash and cash equivalents at the beginning of the period		**173**	218
Cash and cash equivalents at the end of the period		**237**	173
Cash and cash equivalents comprise:			
Cash at bank and in hand	17	**237**	173
		237	173

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 52 week period from 27 March 2022 to 25 March 2023 which is a different period to the parent company standalone accounts (from 1 April 2022 to 31 March 2023). 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 53 week period, from 26 March 2023 to 30 March 2024.

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.

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 27 March 2022 to 25 March 2023. 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.

After making enquiries, including preparing cash flow forecasts for at least 12 months from the date of approval of these financial statements, the Directors are confident that the Group has adequate resources to continue its successful growth.

This assessment considered various levels of trading including a severe but plausible downside like for like scenario and the Group also has recourse to several mitigations to improve liquidity. In March 2023, the Group committed to fully re-financing its existing term loan and RCF facilities, totalling £455m, for a new £225m term loan and a £225m RCF maturing in March 2028, with two one-year extension options. On 3 April 2023, the Group completed the funds flow in relation to this extension of its term facility bank loan. The Group has also maintained its £400m bond maturing in July 2025 and its £250m bond maturing in November 2028.

There have been no post balance sheet changes to liquidity and the current inflationary pressures do not have a material impact on this assessment as the Group is well placed to absorb or pass on these costs given our position as a low-cost retailer.

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.

Note also that viability and going concern statements have been made in the 'Principal risks and uncertainties' section of this annual report.

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;
- 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 (2022: <£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 (CGU's) that are expected to benefit from the combination. The cash-generating units are individual stores and the groups of cash-generating units 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 (APM's) 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 alternative performance measures we report in these accounts are:

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Adjusted EBITDA

- Adjusted Profit
- Adjusted Earnings per share (EPS)

Both IFRS 16 and pre-IFRS 16 versions of these alternative performance measures have been calculated and presented in order to aide comparability with the figures presented in previous years.

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 impact of derivatives yet to mature, that have not been designated as part of a hedge accounting relationship, and 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 EBITDA (pre-IFRS 16) 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, and specifically, EBITDA provides users of the account with a measure of performance which is 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 alternative performance measures 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 cash generating units 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.

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 certain to 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 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 (CGU's) 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 asset's or CGU's 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.

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 asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior 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 8 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 though 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.

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 effective interest rate 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.

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
- Retail Industry Apprenticeships Ltd – (Dissolved on 17 January 2023)
- 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, 105 stores were provided against (2022: 99).

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 (DC's), which is built up over the term of the leases held over those DC's.

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 judgments

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 judgment 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 2023

Standard	Summary of changes	EU Endorsement status
Amendments to IAS 8 Accounting Estimates	Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, make a distinction between how an entity should present and disclose different types of accounting changes in its financial statements. Changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively.	Endorsed on 2 March 2022. Effective from 1 January 2023.
Amendments to IAS 1 and IFRS Practice Statement 2	The amendment requires an entity to disclose its material accounting policy information instead of its significant accounting policies. A policy can be material by nature even if the related amounts are immaterial.	Endorsed on 2 March 2022. Effective from 1 January 2023.

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.	Not yet endorsed
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.	Not yet endorsed

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, comprising the three separately operated businesses within the Group; UK B&M, UK Heron and France B&M.

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 €1.1581 /£ during the year, with the period end rate being €1.1360 /£ (2022: €1.1756/£ and €1.2009/£ respectively).

52 week period to 25 March 2023	**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**
EBITDA (pre-IFRS 16) (note 3)	**503**	**30**	**41**	**(20)**	**554**
Depreciation and amortisation	**(182)**	**(22)**	**(38)**	**-**	**(242)**
Net finance expense	**(45)**	**(3)**	**(11)**	**(40)**	**(99)**
Income tax (charge)/credit	**(87)**	**(3)**	**(6)**	**8**	**(88)**
Segment profit/(loss)	**366**	**13**	**20**	**(51)**	**348**
Total assets	**2,856**	**295**	**385**	**51**	**3,587**
Total liabilities	**(1,443)**	**(119)**	**(277)**	**(1,028)**	**(2,867)**
Capital expenditure*	**(77)**	**(11)**	**(10)**	**-**	**(98)**

52 week period to 26 March 2022	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Revenue	3,909	411	353	-	4,673
EBITDA (note 3)	729	34	64	13	840
EBITDA (pre-IFRS 16) (note 3)	563	23	32	13	631
Depreciation and amortisation	(170)	(23)	(34)	-	(227)
Net finance expense	(48)	(2)	(11)	(27)	(88)
Income tax charge	(96)	(1)	(5)	(1)	(103)
Segment profit/(loss)	415	8	14	(15)	422
Total assets	2,952	281	331	74	3,638
Total liabilities	(1,513)	(117)	(251)	(1,011)	(2,892)
Capital expenditure*	(80)	(9)	(11)	-	(100)

*Capital expenditure includes both tangible and intangible capital.

Revenue is disaggregated geographically as follows:

Period to	**52 weeks ended 25 March 2023 £'m**	52 weeks ended 26 March 2022 £'m
Revenue due from UK operations	**4,552**	4,320
Revenue due from French operations	**431**	353
Overall revenue	**4,983**	4,673

Non-current assets (excluding deferred tax and financial instruments) are disaggregated geographically as follows:

As at	**25 March 2023 £'m**	26 March 2022 £'m
UK operations	**2,240**	2,252
French operations	**243**	224
Luxembourg operations	**8**	8
Overall	**2,491**	2,484

The Group operates a small wholesale operation, with the relevant disaggregation of revenue as follows:

Period to	**52 weeks ended 25 March 2023 £'m**	52 weeks ended 26 March 2022 £'m
Revenue due to sales made in stores	**4,940**	4,628
Revenue due to wholesale activities	**37**	45
Revenue due to online activities	**6**	-
Overall revenue	**4,983**	4,673

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 and adjusted profit are all non-IFRS measures and therefore a reconciliation from the statement of comprehensive income is set out below.

Period to	**52 weeks ended 25 March 2023 £'m**	52 weeks ended 26 March 2022 £'m
Profit on ordinary activities before interest and tax	**535**	613
Add back depreciation and amortisation	**242**	227
EBITDA	**777**	840
Reverse the fair value impact of derivatives yet to mature	**17**	(13)
Online project costs	**2**	-
Foreign exchange on intercompany balances	**0**	1
Adjusted EBITDA	**796**	828
Depreciation and amortisation	**(242)**	(227)
Interest costs related to lease liabilities (see note 5)	**(61)**	(59)
Net other finance costs (see note 5)	**(38)**	(29)
Adjusted profit before tax	**455**	513

Adjusted tax	**(91)**	(101)
Adjusted profit for the period	**364**	412

Adjusted EBITDA (pre-IFRS 16) and adjusted profit (pre-IFRS 16) are also non-IFRS measures and are reconciled as follows:

Period to	**52 weeks ended 25 March 2023 £'m**	52 weeks ended 26 March 2022 £'m
EBITDA (above)	**777**	840
Remove effects of IFRS 16 on EBITDA	**(223)**	(209)
EBITDA (pre-IFRS 16)	**554**	631
Adjusting items (above)	**19**	(12)
Adjusted EBITDA (pre-IFRS 16)	**573**	619
Pre-IFRS 16 depreciation and amortisation	**(76)**	(66)
Net other finance costs	**(38)**	(29)
Adjusted profit before tax (pre-IFRS 16)	**459**	524
Adjusted tax	**(93)**	(107)
Adjusted profit (pre-IFRS 16) for the period	**366**	417

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 effects of derivatives, one-off refinancing fees, foreign exchange on the translation of intercompany balances and the effects of revaluing or unwinding balances related to the acquisition of subsidiaries.

Significant project costs or gains or losses arising from unusual circumstances or transactions may also be included if incurred, as they have been in the current year, recognising the loss incurred from the online trading trial, which had ceased by the year end date.

The following table reconciles the statutory figures to the adjusted and adjusted (pre-IFRS 16) figures in the statutory P&L format on a line-by-line basis.

52 week period to 25 March 2023	**Statutory figures £'m**	Adjusting items £'m	**Adjusted figures £'m**	Impact of IFRS 16 £'m	**Adjusted (pre-IFRS 16) £'m**
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 losses 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**

52 week period to 26 March 2022	Statutory figures £'m	Adjusting items £'m	Adjusted figures £'m	Impact of IFRS 16 £'m	Adjusted (pre-IFRS 16) £'m
Revenue	4,673	-	4,673	-	4,673
Cost of sales	(2,921)	-	(2,921)	-	(2,921)
Gross profit	1,752	-	1,752	-	1,752
Depreciation and amortisation	(227)	-	(227)	161	(66)
Other administrative expenses	(915)	(12)	(927)	(209)	(1,136)
Operating profit	610	(12)	598	(48)	550
Share of profits in associates	3	-	3	-	3
Profit before interest and tax	613	(12)	601	(48)	553
Finance costs relating to right-of-use assets	(59)	-	(59)	59	-
Other finance costs	(29)	-	(29)	-	(29)
Finance income	0	-	0	-	0
Profit before tax	525	(12)	513	11	524
Income tax expense	(103)	2	(101)	(6)	(107)
Profit for the period	422	(10)	412	5	417

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 segmental split in EBITDA and Adjusted EBITDA reconciles as follows:

52 week period to 25 March 2023	**UK B&M £'m**	**UK Heron £'m**	**France B&M £'m**	**Corporate £'m**	**Total £'m**
Profit 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 detailed above	**-**	**-**	**-**	**19**	**19**
Adjusted EBITDA	**680**	**41**	**76**	**(1)**	**796**

52 week period to 26 March 2022	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Profit before interest and tax	559	11	30	13	613
Add back depreciation and amortisation	170	23	34	-	227
EBITDA	729	34	64	13	840
Adjusting items detailed above	-	-	-	(12)	(12)
Adjusted EBITDA	729	34	64	1	828

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 Operating profit

The following items have been charged in arriving at operating profit:

Period ended	**52 weeks ended 25 March 2023 £'m**	**52 weeks ended 26 March 2022 £'m**
Auditor's remuneration	**1**	1
Payments to auditors in respect of non-audit services:		
Other assurance services	**0**	0

Cost of inventories recognised as an expense (included in cost of sales)	**3,182**	2,921
Depreciation of owned property, plant and equipment	**71**	62
Amortisation (included within administration costs)	**4**	2
Depreciation of right-of-use assets	**167**	163
Impairment of right-of-use assets	**2**	2
Operating lease rentals	**5**	2
(Profit)/loss on sale of property, plant and equipment	**(1)**	1
Gain on sale and leasebacks	**(1)**	(1)
Gain on foreign exchange	**(10)**	(9)

5 Finance costs and finance income

Finance costs include all interest related income and expenses. The following amounts have been included in the continuing profit line for each reporting period presented:

Period ended	**52 weeks to 25 March 2023 £'m**	52 weeks to 26 March 2022 £'m
Interest on debt and borrowings	**(38)**	(27)
Ongoing amortisation of finance fees	**(2)**	(2)
Total other finance expense	**(40)**	(29)
Finance costs on lease liabilities	**(61)**	(59)
Total finance expense	**(101)**	(88)

The finance expense reconciles to the statement of cash flows as follows:

Period ended	**52 weeks to 25 March 2023 £'m**	52 weeks to 26 March 2022 £'m
Cash		
Finance costs paid in relation to debt and borrowings	**36**	24
Finance costs paid in relation to lease liabilities	**61**	59
Fees paid in relation to refinancing	**-**	3
Finance costs paid	**97**	86
Non-cash		
Movement of accruals in relation to debt and borrowings	**2**	3
Capitalisation of paid fees in relation to new facilities	**-**	(3)
Ongoing amortisation of finance fees	**2**	2
Total finance expense	**101**	88

There are no adjusting items relating to finance expenses.

Period ended	**52 weeks to 25 March 2023 £'m**	52 weeks to 26 March 2022 £'m
Interest income on loans and bank accounts	**2**	0
Total finance income	**2**	0

There are no adjusting items relating to finance income.

Total net other finance costs are therefore:

Period ended	**52 weeks to 25 March 2023 £'m**	52 weeks to 26 March 2022 £'m
Total other finance expense	**(40)**	(29)
Total other finance income	**2**	0
Total net other finance costs	**(38)**	(29)

6 Employee remuneration

Expense recognised for employee benefits is analysed below:

Period ended	**52 weeks to 25 March 2023 £'m**	52 weeks to 26 March 2022 £'m
Wages and salaries	**583**	530
Social security costs	**39**	32
Share based payment expense	**3**	2
Pensions – defined contribution plans	**9**	8
Total remuneration	**634**	572

There are £1m of defined contribution pension liabilities owed by the Group at the period end (2022: £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 (2022: £2m).

The average monthly number of persons employed by the Group during the period was:

Period ended	**52 weeks to 25 March 2023**	52 weeks to 26 March 2022
Sales staff	**42,299**	39,804
Administration	**1,206**	1,070
Total staff	**43,505**	40,874

7 Key management remuneration

Key management personnel and Directors' remuneration includes the following:

Period ended	**52 weeks to 25 March 2023 £'m**	52 weeks to 26 March 2022 £'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	**9**	9
Benefits accrued under the share option scheme	**2**	1
Pension	**0**	0
Total	**11**	10
Amounts in respect of the highest paid director emoluments:		
Short term employee benefits	**2**	2
Benefits accrued under the share option scheme	**1**	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.

8 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 100% (200% under exceptional circumstances) 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 earnings per share as follows:

Award	EPS as at	50% paid at	12.5% paid at
LTIP 2016A	March-19	22.5p	17.5p
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

Below the 12.5% boundary, no options vest. Diluted EPS is considered to be on frozen GAAP and so does not include the effects of IFRS 16.

- 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, 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.

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
2016A-TSR	18 Aug 16	122,385.5	164p	0.09%	5	26%
2016A-EPS	18 Aug 16	122,385.5	254p	0.09%	5	26%
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%
2017/B1	7 Aug 17	287,963	361p	0.25%	3	32%
2017/B2	14 Aug 17	101,654	360p	0.25%	3	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%

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**

Scheme	Options at 27 Mar 21	Granted	Dividend credit	Forfeited	Exercised	Options at 26 Mar 22
2016A-TSR	122,385.5*	-	-	-	(122,385.5)	-
2016A-EPS	70,982.5*	-	-	-	(70,982.5)	-
2017A-TSR	27,557*	-	-	-	-	27,557*
2017A-EPS	18,071*	-	-	-	-	18,071*
2018A-TSR	262,012	-	14,692	(74,239)	-	202,465*
2018A-EPS	262,012	-	18,356	-	-	280,368*
2019A-TSR	259,633	-	19,760.5	-	-	279,393.5
2019A-EPS	259,633	-	19,760.5	-	-	279,393.5
2020A-TSR	157,438.5	-	11,922.5	-	-	169,361
2020A-EPS	157,438.5	-	11,922.5	-	-	169,361
2021A-TSR	-	218,861	10,799.5	-	-	229,660.5
2021A-EPS	-	218,861	10,799.5	-	-	229,660.5
2017/B1	73,667	-	-	-	(20,091)	53,576
2017/B2	13,379	-	-	-	-	13,379
2018/B2	234,759	-	4,876	(7,657)	(193,689)	38,289
2019/B1	395,455	-	27,849	(31,782)	-	391,522
2019/B2	3,163	-	240	-	-	3,403
2020/B1	300,724	-	22,073	(25,694)	-	297,103
2021/B1	-	281,950	13,600	(24,530)	-	271,020

*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 Deferred Bonus Share Plan 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 2023 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 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**

Scheme	Options at 27 Mar 21	Granted	Dividend credit	Forfeited	Exercised	Options at 26 Mar 22
2019 Bonus allocation	67,920	-	4,989	-	-	72,909
2020 Bonus allocation	50,748	-	3,843	-	-	54,591
2021 Bonus allocation	-	85,340	4,210	-	-	89,550

The fair values of the presented schemes are £1.1m (2022), £0.5m (2021), £0.2m (2020) and £0.2m (2019).

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 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 are both £0.1m.

The summary period end position is as follows:

Period ended	**25 March 2023**	26 March 2022
Share options outstanding at the start of the year	**3,170,633**	2,736,978
Share options granted during the year (including via dividend credit)	**1,692,106**	1,004,705
Share options forfeited or lapsed during the year	**(91,517)**	(163,902)
Share options exercised in the year	**(626,899)**	(407,148)
Share options outstanding at the end of the year	**4,144,323**	3,170,633
Of which;		
Share options that are not vested	**2,499,574**	2,319,878
Share options that are in holding	**1,644,749**	745,511
Share options that are vested and eligible for exercise	**-**	105,244

All exercised options are satisfied by the issue of new share capital. The weighted average share price on exercise was £3.59 (2022: £5.64). All outstanding options have a £nil (2022: £nil) exercise price and the weighted average remaining contractual life is 2.1 years (2022: 2.0 years).

In the year, £3m has been charged to the consolidated statement of comprehensive income in respect to the share option schemes (2022: £2m). At the end of the year the outstanding share options had a carrying value of £6m (2022: £5m).

9 Taxation

The relationship between the expected tax expense based on the standard rate of corporation tax in the UK of 19% (2022: 19%) and the tax expense actually recognised in the statement of comprehensive income can be reconciled as follows:

Period ended	**52 weeks to 25 March 2023 £'m**	52 weeks to 26 March 2022 £'m
Current tax expense	**84**	90
Deferred tax charge	**4**	13
Total tax expense recorded in profit and loss	**88**	103
Deferred tax (credit)/charge in other comprehensive income	**(5)**	4
Total tax charge recorded in other comprehensive income	**(5)**	4
Result for the year before tax	**436**	**525**
Expected tax charge at the standard tax rate	**83**	100
Effect of:		
Expenses not deductible for tax purposes	**3**	4
Income not taxable	**(2)**	(4)
Lease accounting	**(1)**	(0)
Foreign operations taxed at local rates	**2**	2
Changes in the rate of corporation tax	**1**	2
Adjustment in respect of prior years	**2**	(2)
Hold over gains on fixed assets	**0**	1
Other	**0**	(0)
Actual tax expense	**88**	103

The caption 'Changes in the rate of corporation tax' includes the differences arising due to the change in the future corporation tax rate to 25% from April 2023.

Deferred taxation

Statement of financial position	**25 March 2023 £'m**	26 March 2022 £'m
Accelerated tax depreciation	**(11)**	(6)
Relating to intangible brand assets	**(27)**	(28)
Fair valuing of assets and liabilities (asset)	**3**	0
Fair valuing of assets and liabilities (liability)	**(1)**	(6)
Temporary differences relating to the tax accounting for leases	**24**	24
Movement in provision	**0**	1
Relating to share options	**3**	3
Held over gains on fixed assets	**(4)**	(3)

Losses carried forward	**-**	3
Other temporary differences	**0**	0
Net deferred tax liability	**(13)**	(12)
Analysed as;		
Deferred tax asset	**30**	31
Deferred tax liability	**(43)**	(43)

Statement of comprehensive income	**52 weeks to 25 March 2023 £'m**	52 weeks to 26 March 2022 £'m
Accelerated tax depreciation	**(5)**	(4)
Relating to intangible brand assets	**1**	(6)
Fair valuing of assets and liabilities	**8**	(7)
Temporary differences relating to the tax accounting for leases	**(0)**	5
Movement in provision	**(0)**	(1)
Relating to share options	**(0)**	1
Held over gains on fixed assets	**(0)**	(2)
Brought forward losses	**(3)**	(3)
Other temporary differences	**(0)**	0
Net deferred tax charge	**1**	(17)
Analysed as;		
Total deferred tax charge in profit or loss	**(4)**	(13)
Total deferred tax credit/(charge) in other comprehensive income	**5**	(4)

There were no unrecognised deferred tax assets within the Group at the period end (2022: same).

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.

10 Earnings per share

Basic earnings per share 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 earnings per share 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 earnings per share 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.

There are share option schemes in place (see note 8) which have a dilutive effect on both periods presented. The following reflects the income and share data used in the earnings per share computations:

Period ended	**25 March 2023 £'m**	26 March 2022 £'m

Profit for the period attributable to owners of the parent	**348**	422
Adjusted profit for the period attributable to owners of the parent	**364**	412
Adjusted (pre-IFRS 16) profit for the period attributable to owners of the parent	**366**	417

	Thousands	Thousands
Weighted average number of ordinary shares for basic earnings per share	**1,001,593**	1,001,061
Dilutive effect of employee share options	**1,730**	1,893
Weighted average number of ordinary shares adjusted for the effect of dilution	**1,003,323**	1,002,954

	Pence	Pence
Basic earnings per share	**34.8**	42.2
Diluted earnings per share	**34.7**	42.1
Adjusted basic earnings per share	**36.3**	41.2
Adjusted diluted earnings per share	**36.2**	41.1
Adjusted (pre-IFRS 16) basic earnings per share	**36.5**	41.6
Adjusted (pre-IFRS 16) diluted earnings per share	**36.5**	41.6

11 Investments in associates

Period ended	**25 March 2023 £'m**	26 March 2022 £'m
Net book value		
Carrying value at the start of the period	**8**	4
Share of (losses)/profits in associates since the prior year valuation exercise	**(1)**	3
Effect of foreign exchange on translation	**1**	1
Carrying value at the end of the period	**8**	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	**25 March 2023 £'m**	26 March 2022 £'m
Multi-lines		
Non-current assets	**14**	15
Current assets	**69**	94
Non-current liabilities	**-**	-
Current liabilities	**(75)**	(99)
Net assets	**8**	10
Revenue	**252**	324
(Loss)/profit	**(3)**	3

Period ended	**25 March 2023 £'m**	26 March 2022 £'m
Centz		
Non-current assets	**16**	16
Current assets	**24**	20
Non-current liabilities	**(10)**	(8)
Current liabilities	**(13)**	(15)
Net assets	**17**	13
Revenue	**71**	78
Profit	**3**	5

The figures for both associates show 12 months to December 2022 (prior year: 12 months to December 2021), being the period used in the valuation of the associate.

12 Intangible assets

	Goodwill £'m	**Software £'m**	**Brands £'m**	**Other £'m**	**Total £'m**
Cost or valuation					
At 27 March 2021	921	11	115	1	1,048
Additions	-	3	1	-	4
Disposals	-	-	-	-	-
Effect of retranslation	(1)	(0)	(0)	(0)	(1)
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**
Accumulated amortisation / impairment					
At 27 March 2021	-	8	1	-	9
Charge for the year	-	2	0	-	2
Disposals	-	-	-	-	-
Effect of retranslation	-	(0)	(0)	-	(0)
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**
Net book value at 25 March 2023	**921**	**5**	**114**	**1**	**1,041**
Net book value at 26 March 2022	920	4	115	1	1,040

At the period end, no software was being developed that is not yet in use (2022: same), and the Group was not committed to the purchase of any intangible assets (2022: committed to £2m of trademarks).

Impairment review of intangible assets held with indefinite life

The Group holds the following assets with indefinite life:

Segment	**25 March 2023 Goodwill £'m**	**25 March 2023 Brand £'m**	26 March 2022 Goodwill £'m	26 March 2022 Brand £'m

UK B&M	**807**	**99**	807	98
UK Heron	**88**	**14**	88	14
France B&M	**26**	**-**	25	-

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.

The B&M France goodwill is held in Euros, with an underlying balance of €30m (2022: €30m).

In each case the goodwill and brand assets have been allocated to one group of CGU's, 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 (NPV) 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 (VIU) for the group of CGU's.

The key assumptions in assessing the value in use as at 25 March 2023 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, how large the segment is and includes an alpha rate estimate made by management. Discount rates have increased during the year, largely due to an increase in the risk-free rate.

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	**25 March 2023**	26 March 2022
Discount rate (B&M)	**12.7%**	10.8%
Discount rate (Heron)	**14.7%**	13.7%

Discount rate (B&M France)	**14.7%**	12.9%
Inflation rate for costs (B&M & Heron)	**8.0%/1.0%***	3.5%
Inflation rate for costs (B&M France)	**6.0%/4.0%/2.0%***	1.5%
Like for like sales growth (B&M)	**2.0%**	3.5%
Like for like sales growth (Heron)	**5.0%/2.0%***	4.0%
Like for like sales growth (B&M France)	**7.0%/2.0%***	4.5%
Gross margin (all)	**±0bps**	N/A
Terminal growth rate (B&M)	**0.5%**	0.5%
Terminal growth rate (Heron)	**1.0%**	1.2%
Terminal growth rate (B&M France)	**1.2%**	1.2%

* The first figure reflects the assumptions in year one (and year two for French inflation) which are higher due to the current economic environment.

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 VIU was in excess of the carrying value of assets within each group of CGU's at the period end dates. The headroom with the base case assumptions in B&M was £3,380m, Heron £83m and B&M France €248m (2022: £4,833m, £43m and €349m 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 LFL was not adjusted):

	25 March 2023	26 March 2022
B&M		
Discount rate	**53.9%**	61.7%
Inflation rate for expenses	**12.8%**	14.1%
Like for like sales	**(5.4)%**	(7.3)%
Gross margin	**(234)bps**	N/A
Terminal growth rate	**Not sensitive**	Not sensitive
B&M France		
Discount rate	**72.0%**	55.1%
Inflation rate for expenses	**8.0%**	6.9%
Like for like sales	**(3.0)%**	(0.5)%
Gross margin	**(152)bps**	N/A
Terminal growth rate	**Not sensitive**	Not sensitive
Heron		
Discount rate	**22.4%**	17.1%
Inflation rate for expenses	**3.9%**	4.7%
Like for like sales	**(0.5)%**	3.0%
Gross margin	**(56)bps**	N/A
Terminal growth rate	**(17.6)%**	(5.0)%

In the prior year, Heron's result demonstrated a lower level of headroom when compared to the other two segments, but the Directors considered that the assumptions made were reasonably prudent and that it was unlikely that a situation will arise where an impairment would be required in that segment. This has been borne out by the actual results outstripping the projection which has resulted in a higher level of headroom for this year's test.

13 Property, plant and equipment

	Land and buildings £'m	**Motor vehicles £'m**	**Plant, fixtures and equipment £'m**	**Total £'m**
Cost or valuation				
At 27 March 2021	100	20	436	556
Additions	18	2	76	96
Disposals	(8)	3	(5)	(10)
Effect of retranslation	-	(0)	(1)	(1)
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**
Accumulated depreciation and impairment charges				
At 27 March 2021	23	9	188	220
Charge for the period	5	3	54	62
Disposals	(0)	1	(4)	(3)
Effect of retranslation	-	-	(1)	(1)
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**
Net book value at 25 March 2023	**82**	**10**	**288**	**380**
Net book value at 26 March 2022	82	12	269	363

Under the terms of the loan and notes facilities in place at 25 March 2023, fixed and floating charges were held over £82m of the net book value of land and buildings, £10m of the net book value of motor vehicles and £257m of the net book value of the plant, fixtures and equipment. (2022: £82m, £12m and £242m respectively).

At the period end £3m of assets were under construction (2022: <£1m).

Included within land and buildings is land with a cost of £6m (2022: £6m) which is not depreciated.

Capital commitments

There were £7m of contractual capital commitments not provided within the Group financial statements as at 25 March 2023 (2022: £5m).

14 Right-of-use assets

	Land and buildings £'m	Motor vehicles £'m	Plant, fixtures and equipment £'m	Total £'m
Net book value				
As at 27 March 2021	1,050	15	6	1,071
Additions	160	0	2	162
Modifications	23	-	-	23
Disposals	(18)	(1)	(0)	(19)
Impairment	(2)	-	-	(2)
Depreciation	(154)	(6)	(3)	(163)
Foreign exchange	(6)	-	-	(6)
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**

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 £3m (2022: £2m) in relation to low value leases and <£1m (2022: <£1m) in relation to short term leases for which the Group applied the practical expedient under IFRS 16.

The Group expensed <£1m (2022: <£1m) in relation to variable lease payments. The agreements are on-going and future payments are expected to be in-line with those expensed recently.

The Group received £2m (2022: £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 <£1m, Heron £1m, B&M France <£1m (2022: B&M <£1m, Heron £1m, B&M France <£1m).

The current and future cashflows for the right-of-use assets are:

	25 March 2023 £'m	26 March 2022 £'m
This year	**229**	218
Within 1 year	**229**	219
Between 1 and 2 years	**217**	210
Between 2 and 3 years	**200**	194
Between 3 and 4 years	**184**	177
Between 4 and 5 years	**166**	160
Between 5 and 10 years	**486**	478
More than 10 years	**141**	167
Total	**1,623**	1,605

The change in lease liability reconciles to the figures presented in the consolidated statement of cashflows as follows:

	25 March 2023 £'m	26 March 2022 £'m
Lease liabilities brought forward	**1,310**	1,302
Cash		
Repayment of the principal in relation to right-of-use assets	**(168)**	(159)
Payment of interest in relation to right-of-use assets	**(61)**	(59)
Non-cash		
Interest charge	**61**	59
Effects on lease liability relating to lease additions, modifications and disposals	**150**	172
Effects of foreign exchange	**9**	(5)
Total cash movement in the year	**(229)**	(218)
Total non-cash movement in the year	**220**	226
Movement in the year	**(9)**	8
Lease liabilities carried forward	**1,301**	1,310
Of which current	**177**	170
Of which non-current	**1,124**	1,140

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:

	25 March 2023	26 March 2022
Weighted average discount rate		
Property	**4.7%**	4.5%
Equipment	**4.2%**	3.2%
All right-of-use assets	**4.7%**	4.5%
Effect on finance costs with a change of 50bps to the discount rate	**£'m**	£'m
Property	**6**	7
Equipment	**0**	0
All right-of-use assets	**6**	7

Sale and Leaseback

During the year the business has undertaken two sale and leasebacks (2022: two).

The details of the transactions were as follows:

	25 March 2023 £'m	26 March 2022 £'m
Consideration received	**4**	14
Net book value of the assets disposed	**(3)**	(7)
Costs of sale when specifically recognised	**(0)**	-
Profit per pre-IFRS 16 accounting standards	**1**	7
Opening adjustment to the right-of-use asset	**(0)**	(6)
Profit recognised in the statement of comprehensive income	**1**	1
Initial right-of-use asset recognised	**1**	6
Initial lease liability recognised	**(2)**	(11)

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.

15 Inventories

As at	**25 March 2023 £'m**	26 March 2022 £'m
Goods for resale	**764**	863

Included in the amount above was a net release of £3m related to inventory provisions (2022: £14m net release). In the period to 25 March 2023, £3,182m (2022: £2,921m) was recognised as an expense for inventories and £26m of supplier rebates were received (2022: £21m).

16 Trade and other receivables

	25 March 2023 £'m	26 March 2022 £'m
Non-current		
Other receivables	**6**	7
Total non-current receivables	**6**	7
Current		
Trade receivables	**9**	6
Deposits on account	**2**	13
Provision for impairment	**(2)**	(2)
Net trade receivables to non-related parties	**9**	17
Prepayments	**26**	20
Related party receivables	**2**	3
Other tax	**5**	3
Other receivables	**10**	10
Total current receivables	**52**	53

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 26 in respect of balances held with related parties.

The following table sets out an analysis of provisions for impairment of trade and other receivables:

Period ended	**25 March 2023 £'m**	26 March 2022 £'m
Provision for impairment at the start of the period	**(2)**	(0)
Impairment during the period	**(0)**	(2)
Utilised/released during the period	**0**	0
Effect of foreign exchange	**(0)**	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	**26 March 2023 £'m**	26 March 2022 £'m
Current	**6**	2
1-30 days past due	**1**	1
31-90 days past due	**0**	2
Over 90 days past due	**2**	1
Balance at the period end	**9**	6

17 Cash and cash equivalents

As at	**25 March 2023 £'m**	26 March 2022 £'m
Cash at bank and in hand	**237**	173
Cash and cash equivalents	**237**	173

As at the period end the Group had available £142m of undrawn committed borrowing facilities (2022: £142m).

18 Trade and other payables

As at	**25 March 2023 £'m**	26 March 2022 £'m
Current		
Trade payables	**371**	388
Other tax and social security payments	**80**	62
Accruals and deferred income	**63**	75
Related party trade payables	**11**	27
Other payables	**16**	12
Total current payables	**541**	564

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 26.

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 $nil (2022: $21m), the average balance over the year was $13m (2022: $19m).

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.

19 Other financial assets and liabilities

Other financial assets

As at	**25 March 2023 £'m**	26 March 2022 £'m
Current financial assets at fair value through profit and loss:		
Foreign exchange forward contracts	**1**	9
Current financial assets at fair value through other comprehensive income:		
Foreign exchange forward contracts	**0**	16
Total current other financial assets	**1**	25
Total other financial assets	**1**	25

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	**25 March 2023 £'m**	26 March 2022 £'m
Current financial liabilities at fair value through profit and loss:		
Foreign exchange forward contracts	**8**	0

Current financial liabilities at fair value through other comprehensive income:		
Foreign exchange forward contracts	**5**	-
Total current other financial liabilities	**13**	0
Total other financial liabilities	**13**	0

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
25 March 2023				
Foreign exchange contracts	**(12)**	**-**	**(12)**	**-**
26 March 2022				
Foreign exchange contracts	25	-	25	-

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.

20 Financial liabilities – borrowings

As at	**25 March 2023 £'m**	26 March 2022 £'m
Current		
Term facility bank loan	**78**	-
B&M France loan facilities	**3**	3
Heron loan facilities	**-**	3
Total	**81**	6
Non-current		
High yield bond notes	**646**	646
Term facility bank loan	**219**	297
B&M France loan facilities	**8**	7
Total	**873**	950

Extension of senior loan facilities

On 3 April 2023, the Group completed an extension of its term facility bank loan. The transaction was committed on 21 March 2023 and therefore took place from an accounting perspective before the year end date.

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 has been extended with new facilities totalling £450m due to mature in April 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.

An assessment has been made by management with the conclusion that the transaction represents an extension and not a significant modification.

This is as the terms are substantially the same under the new agreement with the only differences that Heron is now included as a Guarantor and that the information requirements, covenant calculations and leverage boundaries have been updated to reflect the implementation of IFRS 16 such that the new levels are materially equivalent to the pre-IFRS 16 levels previously used. The discounted committed cash payments due under the new agreement are also not materially different to those prior to the extension.

As such, the remaining £2m of unamortised capitalised fees have remained on the balance sheet and will be amortised over the extended term. There are £4m of fees associated with the extension which have also been capitalised into the loan balance. None of these fees were paid prior to the year-end date, whilst a portion of these fees are payable to the banking partners on the funds flow date.

As the extension was committed pre-year end the pre-existing £300m term loan has been split into a £225m non-current liability and a £75m current liability for disclosure. This is since the £225m is to be rolled into the newly extended term facility directly whilst the £75m is repayable. The funds flow completed successfully on April 3, shortly after the year end date.

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 two tranches of high yield bonds which are each held at amortised cost.

The two tranches of bonds were issued in July 2020 and November 2021, respectively, with £4m and £3m of fees capitalised at inception. A number of these bonds have been purchased by related parties, see note 26.

All other loans are carried at their gross cash amount. The maturities, which only relate to the position as at 25 March 2023, and gross cash amounts of these facilities are included in the table below.

	Interest rate	**Maturity**	**25 March 2023**	26 March 2022
	%		**£'m**	£'m
Revolving facility loan	1.75% + SONIA	N/A	**-**	-
Term facility bank loan A	2.00% + SONIA	Apr-23	**75**	-
Term facility bank loan A	2.00% + SONIA	Apr-28	**225**	300
High yield bond notes (2020)	3.625%	Jul-25	**400**	400
High yield bond notes (2021)	4.00%	Nov-28	**250**	250
Heron loan facilities – Melton	N/A	N/A	**-**	3
B&M France – BNP Paribas	0.75-3.50%	Jul-23 to Feb-28	**3**	1
B&M France – Caisse d'Épargne	0.75-2.60%	Aug-23 to Nov-29	**2**	1
B&M France – CIC	0.71-0.75%	Sept-24 to Jan-27	**2**	3
B&M France – Crédit Agricole	0.39-0.81%	Aug-23 to Jan-28	**1**	1
B&M France - Crédit Lyonnais	0.68-0.74%	Nov-24 to Mar-27	**3**	4
B&M France - Société Générale	0.63%	Jun-23	**0**	0
Total			**961**	963

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 €1.1360/£ (2022: €1.2009/£).

The movement in the loan liabilities during the year breaks down as follows:

As at	**25 March 2023 £'m**	26 March 2022 £'m
Borrowings brought forward	**956**	730
Cash		
Issue of new corporate bonds	**-**	250
Repayment of B&M France loan guaranteed by the French government	**-**	(22)
Repayment of Heron loan facilities	**(3)**	(4)
Receipt of other B&M France loan facilities	**0**	1
Capitalised fees on refinancing	**-**	(3)
Non-cash		
Foreign exchange on loan balances	**0**	2
Refinancing fees accrued	**(1)**	-
Ongoing amortisation of fees capitalised on refinancing	**2**	2
Total cash movement in the year	**(3)**	222
Total non-cash movement in the year	**1**	4
Movement in the year	**(2)**	226
Borrowings carried forward	**954**	956
Of which current	**81**	6
Of which non-current	**873**	950

21 Provisions

	Property provisions £'m	**Other £'m**	**Total £'m**
At 27 March 2021	9	4	13
Provided in the period	5	2	7
Utilised during the period	(1)	(2)	(3)
Released during the period	(2)	(0)	(2)
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**
Current liabilities 2023	**2**	**4**	**6**
Non-current liabilities 2023	**3**	**0**	**3**
Current liabilities 2022	7	4	11
Non-current liabilities 2022	4	-	4

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 £9k per claim (£9k in 2022).

22 Share capital

Allotted, called up and fully paid	**Shares**	£'m
B&M European Value Retail S.A. ordinary shares of 10p each		
As at 27 March 2021	1,000,819,688	100
Release of shares related to employee share options	407,148	0
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**

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 2,970,368,487 ordinary shares.

23 Cash generated from operations

Period ended	**52 weeks ended 25 March 2023 £'m**	52 weeks ended 26 March 2022 £'m
Profit before tax	**436**	525
Adjustments for:		
Net interest expense	**99**	88
Depreciation on property, plant and equipment	**71**	62
Depreciation on right of use assets	**167**	163
Impairment of right of use assets	**2**	2
Amortisation of intangible assets	**4**	2
Gain on sale and leaseback	**(1)**	(1)
(Gain)/loss on disposal of property, plant and equipment	**(1)**	1
Share option expense	**3**	2
Change in inventories	**103**	(260)
Change in trade and other receivables	**1**	(12)
Change in trade and other payables	**(30)**	40
Change in provisions	**(6)**	2
Share of loss/(profit) from associates	**1**	(3)
Loss/(profit) resulting from fair value of financial derivatives	**17**	(13)
Cash generated from operations	**866**	598

24 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 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 68-70 boulevard de la Pétrusse, L-2320 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/loss from the associates is included in the statement of comprehensive income, see note 11.

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.

25 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.

All of the Group's sales are to customers in the UK and France and there is no 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 $634m of hedged derivatives mature (2022: $516m). The difference to profit before tax if none of our forwards had been hedge accounted during the year would have been a loss of £7m (2022: £30m gain) and a pre-tax loss in other comprehensive income of £28m (2022: £20m loss).

The net effective hedging gain transferred to the cost of inventories in the year was £49m (2022: net loss of £5m). At the period end, the amount of outstanding US Dollar contracts covered by hedge accounting was $641m (2022: $487m), which mature over the next 15 months (2022: 9 months). The change in fair value of the hedging instruments used as the basis for recognising hedge ineffectiveness was £2m (2022: £nil), achieved effectiveness was 97% (2022: 100%).

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**	**25 March 2023 £'m**	26 March 2022 £'m
Effect on profit before tax	**+2.5%**	**(11)**	(4)
	-2.5%	**12**	5
Effect on other comprehensive income	**+2.5%**	**(13)**	(9)
	-2.5%	**13**	10

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 (previously LIBOR until December 2021).

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 in the past used interest rate swaps to minimise the impact.

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**	**25 March 2023 £'m**	26 March 2022 £'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, (2022: 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	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	**Total**
	£'m	**£'m**	**£'m**	**£'m**	**£'m**
25 March 2023					
Interest bearing loans	**117**	**40**	**480**	**489**	**1,126**
Lease liabilities	**229**	**217**	**550**	**627**	**1,623**
Trade payables	**382**	**-**	**-**	**-**	**382**
26 March 2022					
Interest bearing loans	48	44	794	290	1,176
Lease liabilities	219	210	531	645	1,605
Trade payables	415	-	-	-	415

Fair value
The fair value of the 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 the profit and loss or fair value through other comprehensive income.

As at	25 March 2023	26 March 2022
Financial assets	**£'m**	£'m
Fair value through profit and loss		
Forward foreign exchange contracts	**1**	9
Fair value through other comprehensive income		
Forward foreign exchange contracts	**0**	16
Loans and receivables		
Cash and cash equivalents	**237**	173
Trade receivables	**11**	20
Other receivables	**10**	10

As at	25 March 2023	26 March 2022
Financial liabilities	**£'m**	£'m
Fair value through profit and loss		
Forward foreign exchange contracts	**8**	0
Fair value through other comprehensive income		
Forward foreign exchange contracts	**5**	-
Amortised cost		
Lease liabilities	**1,301**	1,310
Interest-bearing loans and borrowings	**954**	956
Trade payables	**382**	415
Other payables	**16**	12

26 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, 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, bondholders and beneficial owners of equipment hired to the Group, are directly or indirectly owned by director Simon Arora, his family, or his family trusts (together, the Arora related parties). Simon Arora is also directly a bondholder of the business.

There were significant related party transactions in the 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. The overall related bond position is summarised in the table below with all related party bondholders being Arora related parties.

	52 weeks ended 25 March 2023 £'m	52 weeks ended 26 March 2022 £'m
Simon Arora (3.625%, 2025 bonds)	**35**	-
SSA Investments (3.625%, 2025 bonds)	**13**	-
SSA Investments (4.000%, 2028 bonds)	**99**	56
Rani 1 Investments (3.625%, 2025 bonds)	**50**	50
Rani 2 Investments (3.625%, 2025 bonds)	**50**	50
Total	**247**	156

The expense incurred during the year, and the accrual at the end of the year are shown in the table below:

	Expense to 25 March 2023 £'m	Accrual on 25 March 2023 £'m	Expense to 26 March 2022 £'m	Accrual on 26 March 2022 £'m
Simon Arora	**0.3**	**0.3**	-	-
SSA Investments	**4.0**	**1.6**	1.5	0.8
Rani 1 Investments	**1.8**	**0.4**	1.8	0.4
Rani 2 Investments	**1.8**	**0.4**	1.8	0.4
Total	**7.9**	**2.7**	5.1	1.6

The following table sets out the total amount of trading transactions with related parties included in the statement of comprehensive income:

Period ended	25 March 2023 £'m	26 March 2022 £'m
Sales to associates of the Group		
Centz Retail Holdings Limited	**34**	44
Total sales to related parties	**34**	44

Period ended	25 March 2023 £'m	26 March 2022 £'m
Purchases from associates of the Group		
Multi-lines International Company Ltd	**193.7**	279.4
Purchases from parties related to key management personnel		
Fulland Investments Limited	**0.2**	0.2
Golden Honest International Investments Limited	**0.2**	0.2
Hammond Investments Limited	**0.2**	0.2
Joint Sino Investments Limited	**0.2**	0.2
Ocean Sense Investments Limited	**0.2**	0.2
SSA Investments	**0.1**	0.0
Total purchases from related parties	**194.8**	280.4

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 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)**

	Depreciation charge £'m	Interest charge £'m	Total charge £'m	Right-of-use asset £'m	Lease liability £'m	Net liability £'m
Period ended 26 March 2022						
Rani Investments	0	0	0	1	(1)	(0)
Ropley Properties	1	1	2	8	(11)	(3)
TJL UK Limited	1	1	2	11	(13)	(2)
Triple Jersey Limited	9	3	12	54	(67)	(13)
Total	11	5	16	74	(92)	(18)

There were no new leases entered into by the Group during the current period with the Arora related parties (2022: one new). The total expense on this lease in the prior period was <£1m. There were 3 conditionally exchanged leases with Arora related parties in the current period with a long stop completion date (2022: none).

The following tables set out the total amount of trading balances with related parties outstanding at the period end.

As at	**25 March 2023 £'m**	26 March 2022 £'m
Trade receivables from associates of the Group		
Centz Retail Holdings Ltd	**2**	3
Total related party trade receivables	**2**	3

As at	**25 March 2023 £'m**	26 March 2022 £'m
Trade payables to associates of the Group		
Multi-lines International Company Ltd	**7**	25
Trade payables to companies owned by key management personnel		
Rani Investments	**0**	-
Ropley Properties Ltd	**1**	0
TJL UK Limited	**1**	-
Triple Jersey Ltd	**2**	2
Total related party trade payables	**11**	27

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 $nil (2022: $21m) held within a supply chain facility. See note 18 for more details.

The business has not recorded any impairment of trade receivables relating to amounts owed by related parties as at 25 March 2023 (2022: 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.

The future lease commitments on the Arora related party properties are:

As at	**25 March 2023 £'m**	26 March 2022 £'m
Not later than one year	**14**	15
Later than one year and not later than two years	**13**	14
Later than two years and not later than five years	**35**	36
Later than five years	**35**	47
Total	**97**	112

See note 11 for further information on the Group's associates.

For further details on the transactions with key management personnel, see note 7 and the remuneration report.

27 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	**25 March 2023 £'m**	26 March 2022 £'m
Interest bearing loans and borrowings (note 20)	**961**	963
Less: Cash and short-term deposits (note 17)	**(237)**	(173)
Net debt	**724**	790

28 Post balance sheet events

On 3 April 2023, the Group completed the funds flow with respect to the extension of their bank facilities for a further five years. See note 20 for further details.

29 Dividends

A Special dividend of 20.0 pence per share (£200.4m), was declared in January 2023 and has been paid.

An interim dividend of 5.0 pence per share (£50.1m) was declared in November 2022 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), is proposed.

Relating to the prior year;

A Special dividend of 25.0 pence per share (£250.3m), was declared in December 2021 and has been paid.

An interim dividend of 5.0 pence per share (£50.1m) was declared in November 2021 and has been paid.

A final dividend of 11.5 pence per share (£115.1m), giving a full year dividend of 16.5 pence per share (£165.2m), was declared in July 2022 and has been paid in the current year.

30 Contingent liabilities and guarantees

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 SA. 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.

As at 26 March 2022, 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 and B&M Retail Ltd were all guarantors to both the loan and notes agreements which are formally held within B&M European Value Retail SA. 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.

As at 26 March 2022, Heron Food Group Limited and Heron Foods Ltd were guarantors to the loans which were formally held within Heron Foods Ltd. These loans were repaid during the year, with no amounts outstanding as at 25 March 2023 (2022: £3m), with the balance held in Heron Foods Ltd.

31 Directors

The directors that served during the period were:

Peter Bamford (Chairman)
A Russo (CEO, from 26 September 2022, previously CFO)
S Arora (CEO to 26 September 2022)
M Schmidt (CFO, appointed 1 November 2022)
R McMillan
T Hall
C Bradley
P MacKenzie
O Tant (Appointed 1 November 2022)

Simon Arora has retired from the Group on 21 April 2023.

All directors served for the whole period except were indicated above.