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A day in the life of Tesco

Tesco PLC

Annual Report

and Accounts

1989

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TESCO

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Tesco Cares

During recent years Tesco marketing and research-based strategy has concentrated above all on high quality products, service and value for its customers. Tesco continues to care about the future – today.

Tesco, working with its suppliers, is setting new standards for the retail food industry in terms of design and facilities in the stores, the standards of branded and own label products, cleanliness and hygiene.

Tesco cares about people and is committed to developing their skills and careers, while rewarding them fairly, with equal opportunities for all.

Tesco is committed to the health and well-being of the community and the protection of the quality of our environment.

Tesco shareholders will benefit from the growth in profitability which will accrue from its commitment to its customers and new stores.

Tesco cares – about customers and employees, shareholders and suppliers, and the quality of life, and continues to earn its place as one of the most successful and respected companies in the United Kingdom.



Directors and Advisers



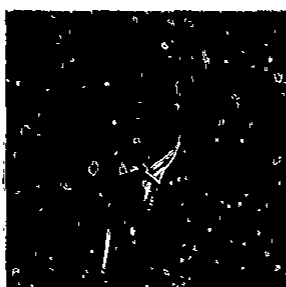
Sir Ian MacLaurin†§
Chairman



Victor Benjamin†§
Deputy Chairman



David Malpas
Managing Director



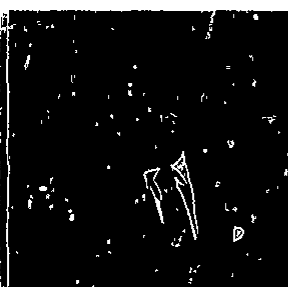
Michael Darnell
Distribution Director



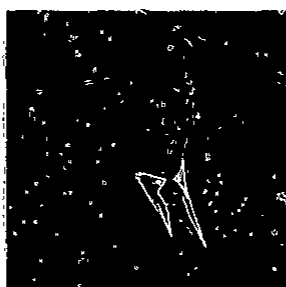
John Gildersleeve
Personnel, Buying and Marketing Director



Francis Krejsa
Property and Estates Director



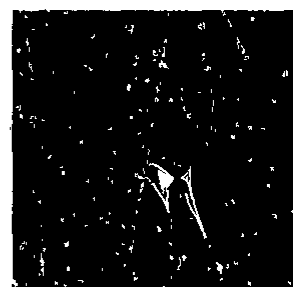
Sir Leslie Porter*†
President



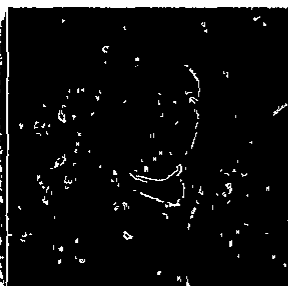
David Reid†
Finance Director



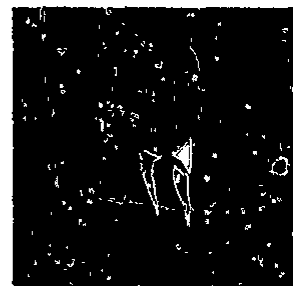
Dennis Tuffin
Retail Director



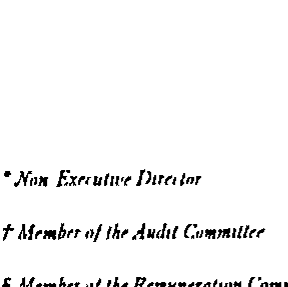
John Padovan*†§



Detta O'Cathain onr*§



John Gardiner*



Michael Boxall
Secretary

Registered Office

Tesco House, Delamare Road, Cheshunt, Hertfordshire EN8 9SL
Telephone 0992 32222

Principal Bankers

Midland Bank plc
Barclays Bank PLC
Kleinwort Benson Limited

Auditors

Price Waterhouse, Southwark Towers, 32 London Bridge Street,
London SE1 9SY

Solicitors

Berwin Leighton, Adelaide House,
London Bridge, London EC4R 9HA

Stockbrokers

UBS Phillips & Drew Securities Limited
100 Liverpool Street, London EC2M 2RH

Registrars

Lloyds Bank Plc, Registrar's Department, Goring by Sea, Worthing,
West Sussex BN12 6DA. Telephone 0903 502541

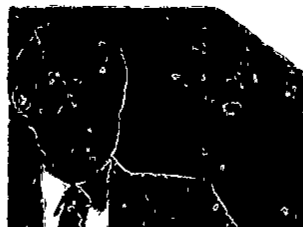
* Non Executive Director

† Member of the Audit Committee

§ Member of the Remuneration Committee

Financial Highlights

	1989	1988	
	£m	Restated £m	% Increase
Turnover including value added tax	5,003.4	4,365.7	14.6
Turnover excluding value added tax	4,717.7	4,119.1	14.5
Operating profit	276.5	214.4	29.0
Operating margin percentage	5.9%	5.2%	
Profit before taxation and profit sharing	289.6	236.3	
Net margin percentage	6.1%	5.7%	
Employee profit sharing	13.6	10.7	
Profit before taxation	276.0	225.6	22.3
Taxation	89.7	75.1	
Dividends	53.8	42.1	
	pence	pence	
Earnings per share	12.35	10.69	15.5
Fully diluted earnings per share (excluding property profits)	11.32	9.66	17.2
Dividends per share	3.50	2.85	22.8



■■■■

'A Commitment to Quality'

by

Sir Ian MacLaurin

Chairman

■■■■

Our company has never been stronger

Our profit performance reflects the excellent contribution of our management and staff. Our company has never been stronger. Our sales have now passed £5 billion with a further increase in our market share and we see many opportunities for profitable growth in the future. Current expansion plans are extremely vigorous, concentrating primarily on the development of superstores in this country. Our new stores are widely acknowledged to be outstanding. We plan to open twenty-two this year, and including two extensions, this will total 791,500 sq ft, and at least this level will be opened in the following year. Our commitment to high quality products and customer service remains fundamental to our trading philosophy.

Strong sales and profits growth in large modern stores

Results and Dividends

Profit before tax increased from £225.6m to £276.0m, an increase of 22%. Operating profits increased by 29% with operating margins increasing from 5.2% to 5.9%. The main features were the performance of our large, modern or 'conforming' stores and the strong sales and profits growth in the stores acquired with Hillards. Our employees' profit sharing reached a record level of £13.6m providing eligible staff with the equivalent of 6% of pay. Our proposed dividend to shareholders reflects both our current performance and our view of future profitability; the Board recommends that the dividends for the year be raised 23% to 3.50p per share.

Setting the highest standards

Social Responsibility

Tesco believes it has a duty both to serve its community and to set the highest standards in its business. Food hygiene and safety will always be of high importance to us and the consumer. Recent media reports have aroused concern and confusion about certain products. Our food technologists work closely with our suppliers to ensure the quality and safety of our products in every possible way. Our customers need to be reassured on these issues. And so we have taken the initiative by forming, with five other leading retailers, the Food Safety Advisory Centre, which consumers can telephone for objective information on these matters.



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The natural environment is of great concern to us all. Tesco has taken the initiative in this area within our industry by launching, under the banner 'Tesco Cares', a three-part programme of customer information, ecologically-sound products and practical help. In the months and years ahead, we will continue to look at our business through a 'green filter', always evaluating what we can do to improve the quality of our environment.

Technology

Investment in new technology is producing significant progress and productivity in many areas of our business, particularly distribution and checkout scanning.

In distribution, all stores will be supplied with fresh foods from our composite warehouses. These enable us to control and improve the speed and temperature at which food is distributed from producer to consumer. In checkout scanning our new systems make the checkout quicker for the customer, offer itemised bills, and produce major benefits for the company in labour productivity and stock replenishment.

Current Trading and Prospects

Turnover in the first few weeks of the current year continues to be very satisfactory and in line with our expectations. Our recent store openings are performing well and we are continuing to see excellent growth from the stores opened in the last few years. This gives us confidence for our future development programme which is stronger than ever.

People

Lastly and most importantly, I would like to take this opportunity to thank my fellow Directors and all our employees for their great support and hard work this past year. Our business is a people business, both customers and employees. Our success with customers is a direct measure of the skills and efforts of our staff. We regard our staff as our most important asset and therefore we continue to invest, as our highest priority, in their training, their career development, their rewards and welfare.

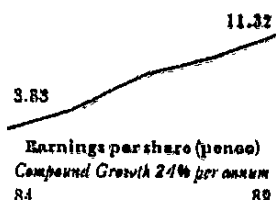
I was particularly pleased, therefore, to announce the appointment on the 12th April of Michael Wemms, aged 49, as Personnel Director on the main board, thus emphasising the importance of this function in our business. Mr Wemms was responsible previously for one of our six regions of stores as a director of Tesco Stores Limited.

Ian MacLaurin

*Productivity gains from
technology*

*Our development programme
is stronger than ever*

*Our staff are our highest
priority*



'Quality of Earnings'

by

David Reid

Finance Director

*Five year compound growth
in pre-tax profits of 32%*

The trading transformation of Tesco is fully reflected in the financial achievements over the last five years, with compound growth rates of 13% in sales, 32% in pre-tax profits, 24% in fully diluted earnings per share and 21% in dividends per share, together with an increase in net margin percentage from 2.8% to 6.1%. This performance has meant that the corporate return on capital employed has increased from 19.0% to 25.3% and the return on shareholders' funds from 21.8% to 28.1%.

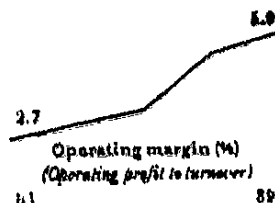
*Operating profits up this
year by 29%*

The performance this year has again been strong with operating profits up 29%, pre-tax profits up 22%, fully diluted earnings per share up 17% and dividends up 23%. Sales increased by 15% of which 5% was generated from existing shares and 10% from net new selling area. A key factor this year has been the performance of our large, modern or 'conforming' stores. These stores are showing sales growth of 10% on a like-for-like basis, which illustrates the success of the format and the Tesco brand. We are also very pleased with the sales and profits of the Hillards stores, acquired in 1987, which contributed, at the operating profit level, just under £25m for this year, thereby exceeding our original expectations.

*New stores are exceeding our
financial criteria*

The quality of our new stores is reflected in their financial performance and we are seeing excellent sales growth from the stores opened in the previous years. New stores generally now come into profit in their first year of trading, and on maturity are currently exceeding our operational and financial criteria in terms of both sales and return on capital. The ability of our new stores to deliver substantially higher net margins than the corporate average, together with the fact that 19% of our selling space has been opened in the last three years and is still maturing, gives us confidence in the future.

The performance of our new stores encouraged us to increase our development programme from 300,000 sq ft



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*Strong trading cash flow
reduces borrowings by £51m*

in 1985 to 560,000 sq ft for 1988/89. The capital expenditure for the year was £485m, including investment in new stores of £320m, of which £210m relates to stores opening in future years. The capital expenditure was funded by trading cash flows, improvements in working capital, and proceeds of property disposals. As a result our net borrowings at year end, including the £115m 4% convertible bonds, were £216m. This represented a reduction of £51m from the previous year end position and a modest gearing level of 21% of shareholders' funds.

There were two major funding exercises during the course of the year. In November we raised £97m by way of the issue of £100m 10.5% bonds 2015. In January we raised £74m through the disposal of three shopping centres at Beaumont Leys in Leicester, York and Surrey Quays to Shopping Centres Limited, our joint venture property company with Slough Estates plc.

*Substantial profitable
opportunity for superstores*

With regard to future development programmes, contrary to the general market fears of saturation, all our detailed research has led the Board to conclude that there is substantial profitable opportunity for new superstores and so our development programme is being increased to 790,000 sq ft in 1989/90, and we envisage at least this level in 1990/91.

*Retain our gearing within
prudent limits*

These substantial development programmes will involve us in higher capital expenditures and a cash outflow position requiring further funding programmes. Given, that our investment in superstores is underpinned by property values which are currently showing very strong growth, that our interest cover is strong, and that we are in a cash generating business, we have the confidence to allow our relatively modest gearing of 21% to increase from its current level. We expect that the improving institutional interest in the market for sale and leasebacks of superstores will assist the funding of our development programme and retain our gearing within prudent limits.

In addition to new stores we are investing substantially in our infrastructure and technology, in terms of composite distribution, branch computing and electronic point of sale.

We believe that these investments in new stores, distribution and technology over the next few years will further consolidate the financial position of the company.

A 24 hour

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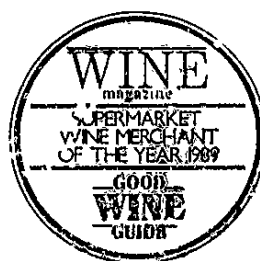
Distribution Our supply



chain will become one of the most advanced in the ind-



Products We won prizes for our wine.



- and introduced almost 1,000 ne

Store development



Sixteen new superstores were



opened across the UK



Technology is giving Tesco



an outstanding competitive edge,

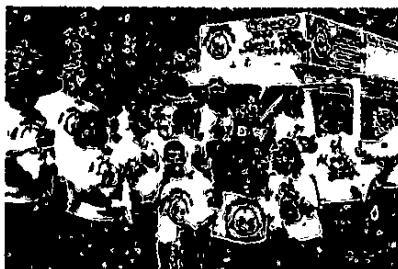


Nutrition and Environment 'Tesco Cares'

about the natural



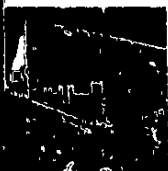
Staff and the Community



Tesco management and staff raised £2 million

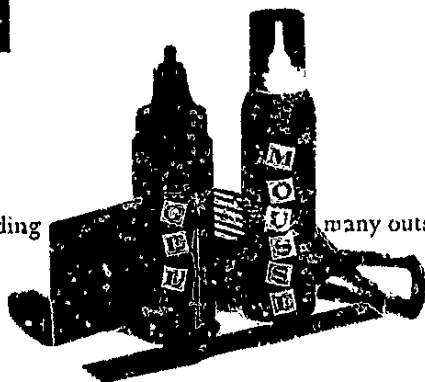
business

1 PM 2 3 4 5 6 7 8 9 10



industry, with seven new composite distribution depots and a new fleet of lorries.

products, including



many outstanding own label goods.



a total of 557,500 square feet of new Tesco sales area.

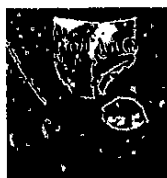


with a computer network linking stores, warehouses, and



company headquarters.

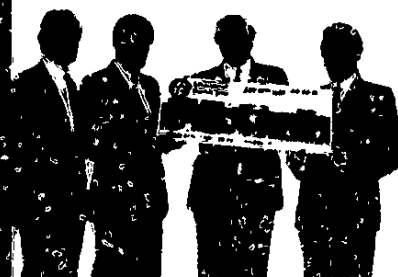
environment with



new products,



recycling labels, and lead-free petrol.



for the Great Ormond Street Hospital Wishing Well Appeal.





4am

Distribution

by
Michael Darnell
Distribution Director

The Tesco Composite Distribution Centre, backed by sophisticated warehouse control and replenishment systems, will distribute frozen foods, chilled foods and ambient temperature grocery products through seven new large regional warehouses of over 250,000 sq ft each. Seven centres, each serving about 50 stores, will replace 26 existing locations. Each store will now receive the full range of these goods from one vehicle instead of five different deliveries.

The implications for product distribution are far reaching. The programme will allow us to control products which are temperature-sensitive, working to the highest hygiene and safety standards. After the start-up costs the benefits will be substantial; improved sales of fresher foods, lower wastage thanks to daily deliveries, and significant improvements in productivity and profitability due to the cost effectiveness of these large scale depots.

Our network of eight regional warehouses distributing grocery products, wines and spirits and non-foods continues to show real productivity gains, thereby repaying the significant investment in recent years.

"Our Composite Distribution programme will complement the existing network and will make the Tesco distribution system one of the most advanced in the UK."

It's dawn - and the diesel engines spring to life outside the loading bay at Welham Green.



8am

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Products

by

John Gildersleeve

Buying and Marketing Director

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This year Tesco purchased from more than 2,000 suppliers, and almost 1,000 new food products were launched into our stores. The new product launch process is highly disciplined and involves products having to pass exacting tests, conducted in our consumer kitchens located at major stores. Moreover, comprehensive scientific analysis is conducted in our product testing laboratories before any product is allowed onto our shelves. Tesco products have to match or exceed the leading product in the sector on a wide range of performance parameters.

Our wide range of own label products are now acknowledged to be of the highest quality. For example, Tesco was voted Supermarket Wine Merchant of the Year by *Wine Magazine*; a reflection of the skill and investment that has been put into our wine range over recent years.

In addition to quality, our customers require – and receive – good value. During 1988 we experimented with major price promotions advertised on television. One of these, for sirloin steak, resulted in the sale of nearly one and a half million steaks in one week. Our marketing skills were well evidenced recently in our taking the initiative to promote the benefits of unleaded petrol through sponsoring the public campaign CLEAR and through our 'Tesco Cares for Kids' campaign.

"These examples show how Tesco cares for its customers by offering them high quality and recognisably good value."

On the production line of a supplier's factory one of our Product Quality Technologists Judith Busby begins her day with a stern glance at Tesco Black Forest Gateaux. She looks for hygiene and safety in the manufacturing process and tastes for wholesomeness and quality against our stringent specifications.



10am

Store Development

by

Francis Krejsa

Property and Estates Director

Last year, we opened 16 new stores throughout the United Kingdom covering towns as far apart as Newcastle-upon-Tyne, Dover and Carmarthen. We have also continued our relationship with Marks & Spencer, jointly developing prime sites at a number of locations in the UK. The first, at Brookfield Centre, Cheshunt, is already one of the leading stores in the country and the second will open in Summer 1990 at Camberley, Surrey.

The success of our recent development programme owes much to the excellence of our site research techniques where computer models and databases, built up over the last five years, enable us to forecast store turn-overs for any location in the UK. This helps to ensure that all our future sites are quality locations. In the coming year we will be opening twenty-two new stores and two extensions ranging from Aberdeen to Poole and Hereford. We also have a strong 'land bank' for development through to 1991.

We believe that Tesco is a leader in store design and retail engineering and our latest stores, with the 'shop within a shop' concept, now receive visitors from all over the world. Costs are also important and we have carried out detailed reviews of our building and store fixtures to ensure cost efficiency and operational productivity.

"Safeguarding the environment is an important aspect of development. Successful growth means not only developing stores of a high architectural and aesthetic standard, but also working in harmony with local authorities and preserving the heritage of our towns and countryside."

The Surrey Quays shopping development in London Docklands comprises 280,000 sq ft of selling space, including an anchor Tesco superstore of 50,000 sq ft.



2pm

Technology

by

David Malpas

Managing Director

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The Dallas technology, which has been specially adapted for installation into the seven composite depots opening this year, will make our distribution system one of the most advanced in the UK industry. The volumes and speed with which goods will be moved will enable us to reduce distribution costs while providing an improved service to stores and customers.

Productivity in our stores continues to be enhanced as our branch computing programme, now in 159 stores, provides increasingly accurate forecasts of orders for fresh foods. It also provides labour schedules enabling our store managers to control the 700 or so staff who work in today's superstore.

Last year, our scanning system Checkout Plus was installed in 35 stores, with a further 79 planned for this year. Substantial productivity benefits from this system are being achieved at checkouts, and on labour requirements for shelf filling and production scheduling.

We are also researching technologies of the future to generate further productivity gains which will be required to offset the effects of the increasing demographic pressure on labour availability in this country.

"Recent achievements of Tesco in applying sophisticated information technology have had a major impact in overall productivity and profitability. We will continue to be committed to investing in research and technology to maintain our competitive edge."

As this pallet goes aloft in the Tesco grocery warehouse, there is an unseen observer. It is the central computer, located miles away at our Cheshunt headquarters, which can register all goods movements. This is just one of the many ways in which Tesco is harnessing technology to capture further productivity benefits.



6pm

Nutrition and Environment

by
Sir Ian MacLaurin
Chairman

|||||

This family, like millions of other British people, know that Tesco is a pioneer when it comes to healthy eating and ecologically sound products. In 1985, nutrition details were listed on all Tesco own-label foods, the removal of artificial additives was undertaken, and a range of leaflets on good nutrition was published for free distribution in every Tesco store.

In 1988, while the Government was establishing environmental issues as a national priority, Tesco had already embarked on a major 'greening' effort. Under the heading 'Tesco Cares', this involved new information, improved products and practical help. An informative leaflet was published and new attractive labels appeared on products giving details about recycling and other environmental concerns. Every new Tesco superstore is designed to incorporate recycling points in the car park; there are now 62 bottle banks in operation, with many more on their way. By Budget Day we became the first national petrol retailer to offer unleaded petrol at all our 92 filling stations. All own-label aerosol sprays are completely free of CFC solvents. And we use recycled paper in leaflets.

In the future, our customers will be concerned, not only with the quality of products, but about the way they have been made and the impact on the environment of the manufacturing process. We are consistently applying the 'green filter' to our own operations, recycling cardboard and plastic packaging; reducing our dependence on fossil-fuels and recycling the heat from refrigeration plants. Conservation of the land and resurrection of derelict inner-city sites are principles which we follow in our expansion programme.

"So when we say 'Tesco Cares', it is far more than a slogan. We have a real impact on our society and the world around us."

Because they care about their children's future, Matthew and Emma Parsons select organically-grown produce at the Colney Hatch superstore in North London. And they know that Tesco cares too, in many different ways, from safe packaging to lead-free petrol.



3am

M1125

Staff and the Community

by

Dennis Tuffin

Retail Director

M1111

Tesco cares about people; staff and customers. Training and service are given the highest priority. Our 'Customer First' campaign, launched last year, has been very successful. Independent research has shown that customers do recognise the higher standards of service in our stores. Our management training centre at Ponsbourne Park in Hertfordshire is fully operational and supplements the training carried out in stores and distribution centres. Last year, Tesco trained 12,000 people on Checkout Plus, advanced training courses were attended by 1,500 store managers and departmental heads and FGD diplomas were awarded to 54 of our management trainees. These are examples of the scale of our training effort. Tesco is also committed to the welfare of its staff and substantial improvements have been made in all areas, including participation in the Company's success through the Profit Sharing Scheme, which this year will be distributed to 30,000 staff.

Tesco is countering the forecast increased pressures on labour availability in the country by investing substantially in remuneration, welfare and training packages. We are also adopting a flexible approach by giving staff the option of extending their retirement dates, improving recruitment policies, work schedules and training packages to attract women with commitments in the home, women returning to work and also to other people who may welcome the opportunity to return to work.

Tesco, management and staff alike, cares about its community. Together we raised £2 million for the Great Ormond Street Hospital - its third largest donation of the year. The Tesco Charity Trust sponsored £70,000 of local events, including the Scarborough Cricket Festival and the Wavendon Allmusic Awards. And the Tesco TEAM awards continued to encourage local authorities to make outstanding achievements in energy conservation.

"We believe that in a people-intensive business our commitment to the training and welfare of our staff is paramount."

While the rest of London sleeps, the bakers (Master baker - Stephen White) in Tesco New Malden superstore are busy producing a varied range of wholesome loaves and pastries for the community. Such dedication and skills are found throughout the workforce, all across the nation, 24 hours a day.

AYR
 GLASGOW
 GREENOCK
 IRVING
 KILMARNOCK
 MURKALDY
 PERTH
 RENFREW
 SALT COATS
 STIRLING
 WESTERHALES

ABERDARE
 ABERCAVENNY
 BARRY
 BLACKWOOD
 BRIDGEND
 CAERNARFON
 CAERNPHILLY
 CARDIFF
 CARMARTHEN
 EBBW VALE
 HAVERRFORDWEST
 LLANELLI
 MERTHYR TYDFIL
 NEATH
 NEWPORT
 PONTYPOOL
 PONTYPRIDD
 PORT TALBOT
 RHYL
 SHOTTON
 SWANSEA
 TALBOT GREEN
 TREDEGAR
 WREXHAM

[illegible]

374 Stores

CANNOCK
CARLISLE
CARLTON
CASTLE BROMWICH
CAULFORD
CHATHAM
CHELMSFORD
CHILTERNHAM
CHISHAM
CHICHESTER
CHICHESTER
CHICHESTER
CLACTON-ON-SEA
CLECKHEATON
CLEVELEYS
CLITHEROE
COBHAM
COLCHESTER
COSHAM
COVENTRY
CRAWLEY
CROSSGATES
DEAL
DEVIZES
DIDSBURY
DONGASTON
DORCHESTER
DOVER
DUDLEY
DUNSTABLE
EAST GRINSTEAD
EAST MOSLEY
EAST RETFORD
EASTBOURNE
EASTLEIGH
EDGWARE
EGHAM
ELEPHANT & CASTLE
ELY
EPWING
EVESHAM
EXETER
FALMOUTH
FAVERSHAM
FELIXSTOWE
FELTHAM
FERNDOWN
FINCHLEY
FLITWICK
FOLKESTONE
FORMBY
FRIERN BARNET
GARFORTH
GATESHEAD
GATWICK
GLOSOP
GOLDING ST.
GOODMAYES
GRAVESEND
GRAYS
GREAT YARMOUTH
GREENFORD
GRIMSBY
GUILDFORD
HACKNEY
HADDLEIGH
HALIFAX
HANLEY
HARLOW
HAROLD HILL
HARROW
HASTINGS
HATFIELD
HAYWARD
HEMEL HEMPSTEAD
HENDON
HIREFORD
HEATFORD
HESWALL
HIGH WYCOMBE
HORNCHURCH
HORSHAM
HORNWICH
HOUNSLOW

HOVE
HUCKNALL
HUDDERSFIELD
HULL
HUNTINGDON
HYDE
ILKLEY
IPSWICH
IRLAW
IVYBRIDGE
KIDLINGTON
KING'S LYNN
KNOWLE
KNUTSFORD
LARKFIELD
LEAMINGTON SPA
LEFES
LEICESTER
LEWISHAM
LEYTON
LICHFIELD
LINCOLN
LIVERPOOL
LOUGHBOROUGH
LOWER EDMONTON
LOWESTOFT
LUTON
LYMINGTON
MAGGLESFIELD
MAIDENHEAD
MAIDSTONE
MALDON
MANSFIELD
MARGATE
MKT HARBOROUGH
MELTON MOWBRAY
MEXBOROUGH
MICKLEOVER
MIDDLETON
MITCHAM
MORECAMBE
MOSELEY
NEASDEN
NESTON
NEW ADDINGTON
NEW MALDEN
NEWBURY
NEWCASTLE
UPON TYNE
NEWMARKET
NEWPORT
NEWTON ABBOT
NORTHAMPTON
NORTHENDEN
NORTHFIELD
NORWICH
NOTTING HILL
NOTTINGHAM
OADBY
OLDHAM
ORMSKIRK
OXFORD
PADDINGTON
PAIGINTON
PALMERS GREEN
PENZANCE
PETERBOROUGH
PLYMOUTH
PONDERS END
PONTEFRAC
POOLE
PORTSLADE
PORTSMOUTH
POTTERS BAR
QUEDGFLEY
RAINHAM
RAMSGATE
RAYLEIGH
READING
REDDITCH
REDRUTH
RICKMANSWORTH
ROCHDALE
ROTFORD

ROTHERHAM
ROTHERHITHE
RUGBY
RUNCORN
RYDE
SALFORD
SALISBURY
SCARBOROUGH
SCARBURICK
SCUNTHORPE
SELBY
SEVENOAKS
SHIRNESS
SHEFFIELD
SHRIFWESBURY
SIDGUP
SKIPTON
SLOUGH
SMETHWICK
SOLIHULL
SOUTH TOTTENHAM
SOUTHAMPTON
SOUTHSSEA
SPALDING
ST ALBANS
ST AUSTELL
STAFFORD
STAMPFORD
STEVENAGE
STOCKPORT
STOCKTON-ON-TEES
STOKE-ON-TRENT
STOURPORT
STRATFORD-UPON-AVON
STREET
STRETTFORD
STROOD
STROUD GREEN
SUNDERLAND
SUTTON
SWINDON
TEDDINGTON
TETTESBURY
THORNTON HEATH
TIVERTON
TROWBRIDGE
TRURO
TUNBRIDGE WELLS
UPTON PARK
UTTOXETER
UXBRIDGE
VICTORIA
WAKEFIELD
WALKER
WALLASEY
WALSALL
WANDSWORTH
WARE
WATERLOOVILLE
WATFORD
WELLING
WELLINGBOROUGH
WEST BROMWICH
WEST DUNNINGTON
WEST MALLING
WESTON SUPER MARE
WEYMOUTH
WHITCHURCH
WHITETABLE
WHITTON
WIMBLEDON
WINTON
WISBECH
WITHAM
WOKINGHAM
WOLVERHAMPTON
WORCESTER
WORKINGTON
WORKSOP
YATE
YEovil
YIEWSLEY
YORK

Stores opened in 1988/89

New Stores

Barnsley
Bedford
Bognor Regis
Bracknell
Carmarthen
Clitheroe
Dover
Hertford
Maidstone
Newcastle-upon-Tyne
Newmarket
Sidcup
Solihull
Stevenage
Surrey Quays, Rotherhithe
York

Total sales area gain (16 stores)

Average size of stores opened

Stores to be opened in 1989/90

New Stores

Aberdeen
Altrincham
Amersham
Bexhill
Bridlington
Chesterfield
Dunstable
East Didsbury, Manchester
Gallows Corner, Romford
Hereford
Lichfield
Liverpool
Llanelli
Milton, Cambridge
Mold
Newbury
Northwich
Poole
Salisbury
Southport
Stroud
Wellingborough

Total (22 stores)

Extensions

Hastings
Norwich

Total sales area gain

Ave. age size of stores to be opened

New
Sales Area
(square feet)

44,000
39,000
36,500
26,000
31,500
16,000
39,000
20,500
18,500
38,500
23,500
37,500
41,000
39,500
50,000
56,500
557,500

35,000

New
Sales Area
(square feet)

40,000
38,500
40,000
27,000
20,000
40,000
39,500
20,000
48,500
26,500
25,000
27,500
39,000
28,000
20,000
39,000
30,000
41,000
40,000
30,000
41,000
741,500

24,000
26,000
50,000

791,500

33,500

Towns with superstores (in excess of 25,000 square feet sales area) are indicated in **RED**

Directors' Report

The directors present their Annual Report on the affairs of the group together with the accounts and auditors' report for the 52 weeks ended 25th February 1989.

Results and Dividends

Group turnover including VAT increased by £637.7m to £5,003.4m, representing a gain of 15%.

Group profit before tax and profit sharing for the year was £289.6m compared with £236.3m for the previous year, an increase of £53.3m. This represented a net margin of 6.1% compared with 5.7%.

The amount allocated to the employee profit sharing scheme this year was £13.6m compared with £10.7m for last year.

After provision for tax of £89.7m and dividends, paid and proposed, of £53.8m, profit retained for the financial year amounted to £132.5m.

An interim dividend of 1.175p (gross equivalent 1.567p) per ordinary share has been paid on account of the 52 week period ended 25th February 1989 and the directors recommend the payment of a final dividend of 2.325p (gross equivalent 3.1p) per ordinary share to be paid on 3rd July 1989, making a total for the year of 3.50p (gross equivalent 4.667p) per ordinary share.

Principal Activity and Business Review

The principal activity of the company and its subsidiaries during the year was food retailing within the United Kingdom. For a detailed business review, please refer to pages 6 to 23.

Joint Venture

On 20th January 1989 the company completed the formation of a joint venture with Slough Estates plc resulting in each company holding 50% of the voting share capital of Shopping Centres Limited, a property investment company which owns three shopping centres in each of which Tesco Stores Limited is the anchor tenant.

Capital Expenditure

Capital expenditure amounted to £485m compared with £407m during the previous year.

A summary of the changes in fixed assets and information relating to market value is shown in Note 8 to the Accounts. A professional valuation of the majority of the group's properties was carried out as at 27th February 1988 which showed a surplus of £219m on the basis disclosed in paragraph (c) of the Note.

Share Capital

The company allotted ordinary shares in lieu of the final dividend in respect of the 52 weeks ended 27th February 1988 and the interim dividend in respect of the 52 weeks ended 25th February 1989, resulting in the issue of 1,363,414 ordinary shares.

On 10th May 1988, the company allotted 7,098,476 ordinary shares to the employees of the profit sharing scheme. Further shares were allotted and options granted under the company's share option schemes for employees.

Details of all share capital movements and options can be found in Notes 16 and 17 to the Accounts.

Funding

In November 1988, the company raised approximately £97m, after expenses, by the issue of £100m 10½% bonds 2015. These bonds are listed on The International Stock Exchange.

In August 1988, £10.0m of the 9% convertible unsecured loan stock 2002/2007 was converted into ordinary shares. In October 1988, the company exercised its right to convert compulsorily the remaining £6.4m of the stock into ordinary shares, save for £14,923 of the stock which was redeemed at par.

Details on the above can be found in Note 13 to the Accounts.

Substantial Shareholdings

The directors are not aware of any person being interested in 5% or more of the share capital of the company.

Directors and their Interests

The names of the directors and their interests are shown below. Sir Ian MacLaurin, Mr M Darnell and Miss D O'Cathain retire from the Board by rotation in accordance with the company's Articles of Association and, being eligible, offer themselves for re-election.

Mr J M Wemms was appointed a director on 12th April 1989 and in accordance with the company's Articles of Association retires and, being eligible, offers himself for re-election.

The service contracts of Sir Ian MacLaurin and Mr M Darnell are for terms of five years currently running from 1st January 1989. Miss D O'Cathain and Mr J M Wemms do not have service contracts of more than one year's duration.

Mr V W Benjamin was appointed to the Board on 2nd August 1982. He acts as an executive on a part-time basis. He is a partner in Berwin Leighton, the company's solicitors, and deputy chairman of Lex Service PLC.

Non-executive Directors

Miss D O'Cathain was appointed to the Board on 18th December 1985. She is a non-executive director of Midland Bank plc and Sears plc.

Mr J M F Padovan was appointed to the Board on 2nd August 1982. He is a director of Barclays de Zoete Wedd Holdings Limited and subsidiary companies.

Sir Leslie Porter was appointed to the Board on 31st December 1959. He was chairman of the company from 1973 to 1985 and is deputy chairman of Unicorn Heritage PLC and a director of a number of other companies.

Mr J A Gardiner was appointed to the Board on 8th March 1988. He is chairman and chief executive of The Laird Group plc.

Directors' Interests

The disclosable interests of the directors and their families at the year-ends were as follows:-

	Ordinary Shares		Convertible Unsecured Loan Stock	
	1989	1988	1989	1988
<i>Beneficial</i>				
Sir Ian MacLaurin	139,634	136,863	-	750
Mr V W Benjamin	75,000	75,000	-	-
Mr A D Malpas	53,476	53,015	-	-
Mr M Darnell	45,269	44,375	-	-
Mr J A Gardiner	6,700	-	-	-
Mr J Gildersleeve	26,553	27,000	-	-
Mr F R N Krejsa	65,346	65,346	-	-
Miss D O'Cathain	3,075	3,005	-	-
Mr J M F Padovan	3,600	3,600	-	-
Sir Leslie Porter	8,613,890	8,542,453	-	91,014
Mr D E Reid	23,500	-	-	-
Mr D C Tuffin	45,014	44,502	-	-
<i>Non-Beneficial</i>				
Sir Ian MacLaurin	90,000	90,000	-	5,000
Sir Leslie Porter	10,381,940	10,174,341	-	85,820

Details of all directors' share options are given in Note 17 to the Accounts.

Between 25th February 1989 and 12th April 1989 there have been no changes in the interests of the directors in the share capital of the company. None of the directors had any material interest, at any time during the year, in any contract of significance with the company or any of its subsidiaries.

The company operates a performance related incentive scheme for the full-time executive directors other than those retiring in the near future. The amount of bonus is dependent on performance over a three-year period. A provisional amount of £1.2m (1988 - £0.8m) based on the current year's performance has been accrued in these accounts.

Employment of Disabled People

The group's policy in relation to the employment of disabled persons has developed over several years and remains unchanged. Full and fair consideration is given to the employment of applicants who are disabled persons, taking account of their aptitudes and abilities. Employees becoming disabled persons are retained in employment where practicable and fair regard is given to their training needs, career development and promotion potential.

Employee Involvement

The group's employment policy encourages the provision of employment opportunities for women, racial minorities, disabled persons and disadvantaged groups.

We believe in close consultation with employees on matters of concern to them. Employees are encouraged to become aware of, and involve themselves in, the performance of the group.

Communication with employees individually is achieved through the in-house newspaper, information bulletins and other such publications. Consultative meetings are attended by senior trading managers with senior management on a weekly basis and other meetings of retail staff are held at regular intervals. These meetings not only allow information to be passed to employees and their representatives on matters affecting the business, but also provide a forum for employees to communicate with management.

There are several ways in which employees are encouraged to become involved in the group's financial performance. The principal schemes are ones in which shares in the company are appropriated to employees and in which they are invited to apply for options to acquire shares in the company.

Charitable and Political Contributions

Charitable contributions totalled £372,000 (1988 - £344,000). No political contributions were made.

Number of Shareholders

The number of shareholders in the company at 25th February 1989 was 78,998 (1988 - 61,775).

Close Company Status

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

Price Waterhouse have expressed their willingness to continue in office. In accordance with section 384 of the Companies Act 1985 a resolution proposing the re-appointment of Price Waterhouse as auditors of the company will be put to the Annual General Meeting.

Annual General Meeting

A separate Circular accompanying the Annual Report and Accounts explains the special business to be considered at the Annual General Meeting.

By Order of the Board

Michael J Boxall

Secretary

12th April 1989

Accounting Policies

Basis of Accounts

The accounts are prepared under the historical cost convention and are in accordance with the Companies Act 1985.

Basis of Consolidation

The consolidated profit and loss account and balance sheet consist of the accounts of the parent company and its subsidiaries, all of which are made up to 25th February 1989.

Any excess or deficiency of purchase consideration in relation to the fair value of attributable net assets of subsidiaries at the date of acquisition is adjusted on reserves.

The group's share of associates' profits/losses is included in the consolidated profit and loss account and added to the cost of investments in the balance sheet.

Stocks

Stocks are valued on the basis of first in first out at the lower of cost and net realisable value. Stocks in stores are calculated at retail prices and reduced by appropriate margins to the lower of cost and net realisable value.

Money Market Investments

Money market investments are stated at market value. All income from these investments is included in the profit and loss account as interest receivable and similar income.

Fixed Assets and Depreciation

Fixed assets include amounts in respect of interest paid, net of taxation, on funds specifically related to the financing of assets in the course of construction.

Depreciation is provided on an equal annual instalment basis over the anticipated useful working lives of the assets, after they have been brought into use, at the following rates:-

Plant, equipment, fixtures and fittings and motor vehicles - at rates varying from 7% to 30%.

Leasehold properties with less than 125 years unexpired are amortised by equal annual instalments over the unexpired period of the lease.

No depreciation is provided on United Kingdom freehold buildings or leasehold buildings held on leases in excess of 125 years, for the following reasons:-

- The group follows a programme of regular refurbishment and maintenance of its properties, which includes the reinstatement of the fabric of buildings, where necessary, in order to maintain them to a high standard.
- The properties were revalued by Healey & Baker as at February 1988 at open market value for existing use and the valuation showed a considerable surplus over book value which has not been incorporated in the accounts (see Note 8 to the Accounts).

Accordingly, in the opinion of the directors, the total realisable value of the land and buildings is considerably higher than the book value and the total residual value of buildings will be at least equal to their book value.

Leasing

Plant, equipment and fixtures and fittings which are the subject of finance leases are dealt with in the accounts as tangible assets and equivalent liabilities at what would otherwise have been the cost of outright purchase.

Rentals are apportioned between reductions of the respective liabilities and finance charges, the latter being calculated by reference to the rates of interest implicit in the leases. The finance charges are dealt with under interest payable in the profit and loss account.

Leased assets are depreciated in accordance with the depreciation accounting policy over the anticipated useful working lives of the assets which generally correspond to the primary rental periods.

The costs of operating leases of land and buildings and other assets are expensed as incurred.

Interest Payable

Interest payable is calculated on an accruals basis. Interest payable on the 4% convertible bonds 2002 is based on the effective annual rate of interest throughout the life of the bonds.

Deferred Taxation and Advance Corporation Tax

Deferred taxation is provided on accelerated capital allowances and other timing differences, only to the extent that it is probable that a liability will crystallise.

Provision for deferred taxation is made at the rate of corporation tax anticipated for the year in which the timing difference is expected to reverse.

Surplus advance corporation tax on dividends paid and proposed, which is expected to be recoverable, is included within debtors.

Consolidated Profit and Loss Account

		1989	1988
		£m	Restated £m
52 weeks ended 25th February 1989	Note		
Sales to customers at net selling prices		5,003.4	4,363.7
Value added tax		285.7	246.6
Turnover excluding value added tax		4,717.7	4,119.1
Cost of sales		4,340.6	3,816.1
Gross profit		377.1	303.0
Administration expenses		100.6	88.6
Operating profit	1	276.5	214.4
Interest receivable less payable	3	2.4	15.3
		278.9	229.7
Net surplus on sale of properties	1	10.7	6.6
Profit on ordinary activities before taxation and profit sharing		289.6	236.3
Employee profit sharing	4	13.6	10.7
Profit on ordinary activities before taxation		276.0	225.6
Tax on profit on ordinary activities	5	89.7	75.1
Profit for the financial year		186.3	150.5
Dividends	6	53.8	42.1
Profit retained		132.5	108.4
Earnings per share		pence	pence
Excluding net surplus on sale of properties	7	11.64	10.22
Including net surplus on sale of properties	7	12.35	10.69
Fully diluted earnings per share			
Excluding net surplus on sale of properties	7	11.32	9.66
Including net surplus on sale of properties	7	11.97	10.07
Dividends per share		3.50	2.85

Accounting policies and notes forming part of these accounts are on page 27 and pages 31 to 42.

Balance Sheets

25th February 1989	Note	Consolidated		Tesco PLC	
		1989	1988 Restated	1989	1988 Restated
		£m	£m	£m	£m
Fixed Assets					
Tangible assets	8	1,716.3	1,415.7	-	-
Investments	9	0.1	-	14.1	23.8
		1,716.4	1,415.7	14.1	23.8
Current Assets					
Stocks (goods for resale)		192.2	179.0	-	-
Debtors	10	39.3	48.8	1,035.9	949.2
Money Market investments and deposits	11	7.0	8.0	2.3	6.8
Cash at bank and in hand		78.5	27.3	17.8	-
		317.0	263.1	1,056.0	956.0
Creditors					
Amounts falling due within one year	12	625.2	508.7	70.8	116.1
Net current assets/(liabilities)		(308.2)	(245.6)	985.2	839.9
Total assets less current liabilities		1,408.2	1,170.1	999.3	868.7
Creditors					
Amounts falling due after more than one year	13	365.3	294.1	303.8	235.1
Provisions for liabilities and charges	14	11.6	8.6	(5.0)	(2.0)
		1,031.3	867.4	700.5	630.6
Shareholders' funds					
Called up share capital	16	76.8	74.0	76.8	74.0
Reserves	18	954.5	793.4	623.7	556.6
		1,031.3	867.4	700.5	630.6

Sir Ian MacLaurin

D E Reid

Directors

Accounts approved by the Board 12th April 1989

[Handwritten signatures]



Accounting policies and notes forming part of these accounts are on page 27 and pages 31 to 42.

Consolidated Statement of Source and Application of Funds

	1989	1988
52 weeks ended 25th February 1989	£m	Restated £m
Funds generated from trading:		
Profit before interest and taxation	273.6	210.3
Depreciation	69.2	61.1
Miscellaneous items	(13.4)	(12.5)
	329.4	258.9
Changes in working capital:		
Stocks - (increase)/reduction	(13.2)	3.5
Debtors - reduction/(increase)	12.3	(25.9)
Trade creditors - increase	45.8	30.9
Other creditors - increase	71.6	29.9
	116.5	38.4
Changes in fixed assets:		
Purchases of tangible assets	(485.1)	(495.4)
Sales of tangible assets	115.3	18.5
	(369.8)	(476.9)
Funds flow from operations	76.1	(179.6)
Interest (net)	2.4	15.3
Tax paid	(15.8)	(69.6)
Dividends paid	(43.8)	(34.4)
Funds flow after financing costs and tax	18.9	(268.3)
Shares issued including conversion of loan stock	32.4	265.6
Acquisition of businesses	-	(196.3)
Net inflow/(outflow) of funds	51.3	(199.0)
Net borrowings:		
Net borrowings at beginning of year	(267.7)	(68.7)
Net inflow/(outflow) of funds	51.3	(199.0)
Net borrowings at end of year	(216.4)	(267.7)

The movement in net borrowings in the year represents the difference between the amounts shown in the opening and closing balance sheets.

Net borrowings comprise loans, overdrafts and finance lease commitments, less cash, deposits and investments.

Accounting policies and notes forming part of these accounts are on page 27 and pages 31 to 42.

Notes to the Accounts

Note 1

Profit on ordinary activities

	1989 £m	1988 £m
Operating profit is stated after charging the following:		
Depreciation and amortisation	69.2	61.1
Operating lease costs	25.8	22.8
Auditors' remuneration	0.2	0.2
Staff costs (Note 2a)	458.6	391.9

Cost of sales includes warehouse and transportation costs and all store operating costs.

Net surplus on sale of properties includes the realised element of development profits of £6.3m (1988-nil).

Note 2

Staff Costs

a) Employment costs during the year

	1989 £m	1988 £m
Wages and salaries	412.6	354.7
Social Security costs	27.5	23.5
Other pension costs (Note 19)	18.5	13.7
	458.6	391.9

Included within staff costs is an accrual of £1.2m (1988 - £0.8m) for the directors' performance-related incentive scheme, as referred to in the Directors' Report. This amount is not included in the directors' emoluments analysed below since the compensation is dependent upon the cumulative performance over a three year period and any entitlement to compensation will not vest until the 1990/91 financial year.

b) Number of persons employed

The average number of UK employees per week during the year was 75,658 (1988 - 71,262) - full-time equivalent 52,742 (1988 - 50,192).

c) Directors' emoluments

Aggregate emoluments of the directors of the parent company were £1,637,764 (1988 - £1,481,847) including £60,720 (1988 - £45,674) in respect of services as directors.

The emoluments of the Chairman, who was the highest-paid director, amounted to £257,018 (1988 - £196,951), excluding pension contributions.

Note 2 - continued

Staff Costs

c) Directors' emoluments

Other directors' aggregate emoluments and remuneration of other employees earning in excess of £30,000, excluding pension contributions, fall within the following scales:

	Number of directors		Number of other employees	
	1989	1988	1989	1988
From £10,001 to £15,000	1	-		
From £15,001 to £20,000	2	2		
From £20,001 to £25,000	1	-		
From £25,001 to £30,000	-	1		
From £30,001 to £35,000	-	-	84	51
From £35,001 to £40,000	-	-	45	20
From £40,001 to £45,000	-	-	28	9
From £45,001 to £50,000	-	-	12	12
From £50,001 to £55,000	-	-	3	4
From £55,001 to £60,000	-	-	9	4
From £60,001 to £65,000	-	-	8	2
From £65,001 to £70,000	-	-	2	-
From £70,001 to £75,000	-	1	5	-
From £75,001 to £80,000	-	-	2	-
From £85,001 to £90,000	1	1	-	-
From £90,001 to £95,000	-	3	-	-
From £95,001 to £100,000	-	1	-	-
From £100,001 to £105,000	-	1	-	-
From £105,001 to £110,000	1	-	-	-
From £120,001 to £125,000	2	-	-	-
From £140,001 to £145,000	2	1	-	-
From £200,001 to £205,000	1	-	-	-

Note 3

Interest

a) Interest receivable less payable

	1989	1988
	£m	Restated £m
Interest receivable and similar income on Money Market investments and deposits	41.1	36.1
Deduct interest payable on:		
Short-term bank loans and overdrafts repayable within 5 years	(48.3)	(28.0)
Finance charges payable on finance leases	(1.4)	(1.7)
9% Convertible unsecured loan stock 2002/2007	(0.4)	(2.1)
4% Unsecured deep discount loan stock 2006 (a)	(6.2)	(6.1)
4% Convertible bonds 2002	(10.4)	(9.3)
10½% Bonds 2015	(2.7)	-
Interest capitalised	30.7	26.4
	(38.7)	(20.8)
	2.4	15.3

a) Interest payable on the 4% unsecured deep discount loan stock 2006 includes £1.2m (1988 - £1.2m) of discount amortisation.

Note 3 continued

Interest

b) Change of
accounting policy

The directors have decided that, on the grounds of prudence and in order to adopt current best accounting practice, the true effective rate of interest throughout the life of the 4% convertible bonds 2002 should be charged against profit, irrespective of whether supplemental interest (more fully explained in Note 13 (c)) will actually be paid. Accordingly interest payable includes a provision of £5.8m of such supplemental interest and the results for last year have been restated to include £5.0m (previously disclosed as a contingent liability) as a prior year charge. The retained profits brought forward for the current year have been similarly reduced, net of taxation of £1.7m. Fully diluted earnings per share are not affected by this change of accounting policy.

Note 4

Employee
Profit Sharing

This represents the amount allocated to the trustees of the profit sharing scheme and is based on the profit on ordinary activities before net surplus on sale of properties and taxation. The amount allocated ranges from nil, if the base profit is below 2.5% of sales, excluding VAT, to a maximum 5% of the base profit, if it exceeds 6% of sales, excluding VAT.

Note 5

Taxation

	1989	1988
	£m	Restated £m
United Kingdom taxation		
Corporation tax at 35.0% (1988 - 35.0%)	86.7	78.0
Deferred taxation (a)	3.0	(1.2)
Prior year adjustments	-	(2.0)
	89.7	74.8
Overseas taxation		
Corporate taxes	-	0.3
	89.7	75.1

Where possible taxation on capital gains has been or will be deferred by rollover relief under the provisions of the taxes acts (Note 14).

- a) The prior year figure has been restated to include £1.7m arising from the change in accounting policy relating to supplemental interest on the 4% convertible bonds 2002 (Note 3).

Note 6

Dividends

	1989	1988
	£m	£m
Declared interim - 1.175p per share (1988 - 1.00p)	18.0	14.7
Proposed final - 2.325p per share (1988 - 1.85p)	35.8	27.4
	53.8	42.1

Note 7

**Earnings Per Share
and Fully Diluted
Earnings Per Share**

- a) The calculation of the earnings per ordinary share, including and excluding net surplus on sale of properties, is based on the profit on ordinary activities after taxation divided by the weighted average number of ordinary shares in issue during the year of 1,508,558,946 (1988 - 1,407,700,469).
- b) The calculation of fully diluted earnings per share, including and excluding net surplus on sale of properties, is based on the profit on ordinary activities after taxation and after adding:
- i) the savings of interest net of corporation tax on the 9% convertible unsecured loan stock and 4% convertible bonds assuming that they were converted in full into ordinary shares on the first day of the financial year.
 - ii) the interest income net of corporation tax which would have arisen had all the various ordinary share options granted under the company's various schemes been exercised on the first day of the financial year, or at the date granted if later, and the proceeds invested in 2½% Consolidated Stock on that day.

The amount so derived has been divided by the number of ordinary shares in issue at the beginning of the year together with the weighted average number of ordinary shares assumed to have been issued as indicated above.

Note 8

Tangible Assets

	Freeholds	Land and Buildings		Plant, Equipment, Fixtures & Fittings & Vehicles	Assets in Course of Con- struction	Total
	£m	50 years or more £m	Less than 50 years £m	£m	£m	£m
<i>Cost</i>						
As at 28th February 1988	597.3	276.2	20.6	530.3	249.7	1,674.1
Additions at cost (a)	4.2	1.9	0.1	66.4	412.5	485.1
Transfers	204.6	45.4	3.8	52.1	(305.9)	-
	806.1	323.5	24.5	648.8	356.3	2,159.2
Deduct disposals	40.4	49.4	12.0	30.5	2.0	134.3
As at 25th February 1989	765.7	274.1	12.5	618.3	354.3	2,024.9
<i>Depreciation</i>						
As at 28th February 1988	-	10.9	6.4	241.1	-	258.4
Charge for period	-	2.0	0.6	66.6	-	69.2
	-	12.9	7.0	307.7	-	327.6
Deduct disposals	-	0.8	0.1	18.1	-	19.0
As at 25th February 1989	-	12.1	6.9	289.6	-	308.6
Net book value at 25th February 1989 (b)	765.7	262.0	5.6	328.7	354.3	1,716.3
Net book value at 27th February 1988	597.3	265.3	14.2	289.2	249.7	1,415.7

Note 6 continued

Tangible Assets

Notes

a) Includes £20.0m (1988 - £17.0m) in respect of interest capitalised net of tax relief of £10.7m (1988 - £9.4m). Accumulated interest capitalised net of tax relief, included in the total cost above, amounts to £56.3m (1988 - £36.3m).

b) Includes plant, equipment, fixtures and fittings subject to finance leases:

	Cost £m	Depreciation £m	Net Book Value £m
As at 28th February 1988	47.6	26.9	20.7
Movement in the period	(0.6)	4.3	(4.9)
As at 25th February 1989	47.0	31.2	15.8

c) Market value of land and buildings held as tangible assets: freehold and leasehold land and buildings (inclusive of landlords' fixtures and fittings) of the group, situated in the UK, excluding all properties which became operational in the preceding two years or were in the course of construction at 27th February 1988, were valued by Healey & Baker, international surveyors and valuers, as at that date. The properties were valued on the basis of open market value for existing use which takes in the RICS definition of open market value, ignoring any value attributable to a special purchaser with the assumption that the properties continue as owner-occupied in their existing use thus ignoring any alternative use of the properties, any hope value, any goodwill and any increase in value due to financial transactions such as sale and leaseback. This valuation totalled £845m and resulted in an excess over book value of these lands and buildings at 27th February 1988 of £219m before taxation thereon.

Note 9

Investments

	Consolidated		Tesco PLC	
	1989 £m	1988 £m	1989 £m	1988 £m
Subsidiaries - shares at cost, less amounts written off (a)	-	-	14.0	23.8
Associates (b)	0.1	-	0.1	-

a) The company's principal subsidiaries are:

Tesco Stores Limited
Tesco Holdings Limited
Tesco Insurance Limited

These subsidiaries operate and are incorporated in the United Kingdom, with the exception of Tesco Insurance Limited which operates and is incorporated in Guernsey. The above subsidiaries' shares are owned by Tesco PLC, with the exception of Tesco Stores Limited which is wholly owned by Tesco Holdings Limited.

b) The group has one associated company, Shopping Centres Limited, whose main activity is property investment in which the group participates on a 50:50 basis. This company operates and is incorporated in the United Kingdom.

An amount of £6.3m representing the unrealised 50% element of the profit on the sale of three of the group's properties to Shopping Centres Limited has been offset above against the cost of the investment.

There is no recourse to group companies in respect of the borrowings of the associated company apart from £1.0m which has been guaranteed by Tesco PLC (Note 21).

Note 10**Debtors**

	Consolidated		Tesco PLC	
	1989	1988	1989	1988
	£m	£m	£m	£m
Amounts owed by group companies	-	-	1,035.2	948.3
Prepayments and accrued income	4.0	7.7	0.4	0.6
Advance corporation tax recoverable	11.9	9.1	-	-
Other debtors	23.4	32.0	0.3	0.3
	<u>39.3</u>	<u>48.8</u>	<u>1,035.9</u>	<u>949.2</u>

£12.1m (1988 - £9.3m) of the debtors fall due after one year.

Note 11**Money Market
Investments and
Deposits**

	Consolidated		Tesco PLC	
	1989	1988	1989	1988
	£m	£m	£m	£m
Money Market deposits	4.7	1.2	-	-
Bonds and certificates of deposit (original cost £2.3m)	2.3	6.8	2.3	6.8
	<u>7.0</u>	<u>8.0</u>	<u>2.3</u>	<u>6.8</u>

Note 12**Creditors****Amounts Falling Due
Within One Year**

	Consolidated		Tesco PLC	
	1989	1988	1989	1988
	£m	£m	£m	£m
Bank loans and overdrafts (a)	2.1	58.5	2.1	64.5
Trade creditors	332.2	286.4	-	-
Amounts owed to group companies	-	-	11.1	11.1
Corporate taxation	74.3	20.6	12.0	9.2
Other taxation and social security	30.3	24.0	0.7	0.7
Other creditors	117.1	60.8	7.8	1.9
Accrued charges	33.4	31.0	1.3	1.3
Proposed final dividend	35.8	27.4	35.8	27.4
	<u>625.2</u>	<u>508.7</u>	<u>70.8</u>	<u>116.1</u>

a) Bank borrowings in a subsidiary company of £349.6m (1988 - £226.9m) have been offset against deposit balances with the same bank under a legal right of set-off.

Note 13**Creditors**

Amounts Falling Due
After More Than One
Year

	Consolidated		Tesco PLC	
	1989	1988 Restated	1989	1988 Restated
	£m	£m	£m	£m
9% Convertible unsecured loan stock 2002/2007 (a)	-	16.4	-	16.4
4% Unsecured deep discount loan stock 2006 (b)	64.2	63.0	64.2	63.0
4% Convertible bonds 2002 (c)	115.0	115.0	115.0	115.0
Commercial paper (d)	14.2	17.9	14.2	17.9
Bank loans (e)	-	17.8	-	17.8
Finance leases (Note 15)	-	6.8	-	-
10½% Bonds 2015 (f)	99.6	-	99.6	-
	293.0	236.9	293.0	230.1
Corporate taxation	61.5	52.2	-	-
Other creditors	10.8	5.0	10.8	5.0
	365.3	294.1	303.8	235.1

- a) The company exercised its right compulsorily to convert the 9% convertible unsecured loan stock into fully paid ordinary shares during the year.
- b) The 4% unsecured deep discount loan stock is redeemable at a par value of £125m in 2006.
- c) The 4% convertible bonds are convertible at the holder's option into fully paid ordinary shares of 5p each at a current conversion price of 174p per ordinary share. Alternatively, the bondholder has the option of redeeming such bonds at a redemption price, including supplemental interest, equal to 127.625% of the principal amount thereof in 1992. The bonds may be redeemed at the option of the company at a premium reducing annually until 20th February 1993 and thereafter at par provided that the market price of ordinary shares is at least 226p per share. The supplemental interest on these bonds totalling £10.8m (1988 - £5.0m) is shown as other creditors.
- d) Commercial paper is sterling short term borrowing raised in the commercial paper markets in the UK. These borrowings are classified as medium to long-term liabilities as it is the intention to renew the borrowings as they fall due by the issue of further commercial papers, or to re-finance by a committed stand-by multi-option facility with a group of underwriting banks. The rollover of this facility is guaranteed through a five-year obligation undertaken by these banks.
- e) Bank loans represent amounts repayable within one year drawn via a variety of instruments but which are backed by the multi-option facility referred to in (d) above, and have therefore been included on the basis of the maturity of the stand-by facility.
- f) The 10½% bonds are redeemable at a par value of £100m in 2015.

Note 14

**Provisions for
Liabilities and
Charges**

Deferred taxation

	Amount Provided		Potential amount for deferred tax on all timing differences	
	1989	1988 Restated	1989	1988 Restated
	£m	£m	£m	£m
Excess of capital allowances over depreciation	13.6	10.6	48.5	43.4
Capital gains deferred by rollover relief (a)	-	-	9.1	24.8
Other	(2.0)	(2.0)	1.1	0.8
	11.6	8.6	58.7	68.5

Deferred taxation balances in Tesco PLC relate to short-term timing differences.

a) The potential amount for deferred tax in 1989 has been adjusted to reflect the rebasing of capital gains introduced by the Finance Act 1988.

Note 15

Leasing

Commitments

a) Finance Leases

The future minimum finance lease payments to which the group was committed at 25th February 1989 and which have been guaranteed by Tesco PLC are:

	£m	
Year to 24th February 1990	7.5	
Deduct finance charges allocated to future periods	0.7	
	6.8	
	1989	1988
	£m	£m
Net amounts payable are:		
Within one year, included in other creditors	6.8	7.6
Between one and five years	-	6.8
	6.8	14.4

b) Operating Leases

Group commitments during the year to 24th February 1990 in terms of lease agreements in respect of land and buildings expiring are as follows:

	1989	1988
	£m	£m
Within one year	-	0.1
Between one and five years	0.8	0.7
Beyond five years	24.2	20.7
	25.0	21.5

Note 16**Called up
Share Capital**

Authorised: £104,000,000 (1988 - £104,000,000)

Issued:

	Ordinary shares of 5p each	
	Number	£m
Issued at 28th February 1988	1,479,546,865	74.0
Conversion of 9% loan stock	39,879,534	2.0
Profit sharing scheme allotment	7,098,476	0.4
Payment of dividends by shares in lieu of cash	1,363,414	-
Share options exercised(a)	8,506,876	0.4
Issued at 25th February 1989	1,536,395,165	76.8

- a) Between 25th February and 12th April 1989, options on 3,000 ordinary shares, 51,007 ordinary shares and 260,250 ordinary shares have been exercised under the terms of the Executive Share Option Scheme (1973), the Savings-Related Share Option Scheme (1981) and the Executive Share Option Scheme (1984) respectively.

As at 25th February 1989 the directors were authorised to purchase up to a maximum in aggregate of 74,169,254 ordinary shares.

Note 17**Share Options**

a) Company schemes

The company has three share option schemes:

- i) The Executive Share Option Scheme (1973), which has been terminated in respect of further options as it was for a fixed period of ten years, permitted the grant of options in respect of ordinary shares exercisable within the period between three and seven years from the date of grant at a subscription price equal to the middle market quotation of an ordinary share immediately prior to the date of grant.
- ii) The Savings-Related Share Option Scheme (1981) permits the grant to employees of options in respect of ordinary shares linked to a building society save-as-you-earn contract for a term of five years with contributions from employees of an amount between £10 and £100 per month. Options are capable of being exercised at the end of the five-year period at a subscription price not less than 90% of the middle market quotation of an ordinary share immediately prior to the date of grant. It is proposed to update the scheme at the Annual General Meeting to take account of changes proposed in the Finance Bill 1989.
- iii) The Executive Share Option Scheme (1984) permits the grant of options in respect of ordinary shares to selected executives. Options are generally exercisable between three and ten years from the date of grant at a subscription price determined by the Board but not less than the middle market quotation within the period of 30 days prior to the date of grant.

Note 17 continued

Share Options

The company has granted outstanding options in connection with the three schemes as follows:

Executive Share Option Scheme (1973)

Date of grant	Number of executives	Shares under option 25.02.89	Subscription price p
21.01.83	45	191,500	38.6

Executive Share Option Scheme (1984)

Date of grant	Number of executives	Shares under option 25.02.89	Subscription price p
17.12.84	377	4,788,400	70.3
02.08.85	78	744,500	81.6
16.12.85	50	408,750	98.3
21.07.86	124	4,758,900	126.6
01.12.86	11	649,863	133.0
06.07.87	732	7,345,290	183.3
03.06.88	46	1,504,671	148.0
31.10.88	1	44,776	134.0

Savings-Related Share Option Scheme (1981)

Date of grant	Number of executives and employees	Shares under option 25.02.89	Subscription price p
10.08.83	6	26,676	38.0
08.08.84	552	2,064,840	47.6
19.12.84	1,836	5,042,865	66.5
07.08.85	1,223	2,613,681	74.0
23.07.86	2,671	3,996,351	114.0
08.07.87	6,266	6,891,207	165.0
01.06.88	3,403	4,496,112	134.0

The subscription price and numbers of shares have been adjusted as a result of the rights issues in 1982 and 1985, and the capitalisation issue in 1987 as appropriate.

(b) Directors' share options

Share Options granted to directors in the financial year

	Executive Share Option Scheme 1984 Number of Shares		Savings-Related Share Option Scheme 1981 Number of Shares
	June	October	
Sir Ian MacLaurin	148,876	-	-
V W Benjamin	54,139	-	-
A D Malpas	162,318	-	-
M Darnell	27,126	44,776	-
J Gildersleeve	121,734	-	-
D E Reid	143,372	-	-
D C Tuffin	89,291	-	-
Sir Leslie Porter	-	-	2,686

The subscription prices were 148p, 134p and 134p and the options lapse in June 1998, October 1998 and September 1993 respectively.

*Note 17 continued***Share Options**

*Share Options exercised by
directors in the financial year*

Executive Share Option Scheme
1984
Number of Shares
240,000

D E Reid

The subscription prices were 81.6p on 180,000 shares and 98.3p on 60,000 shares.

*Share options
held by directors
and not exercised at
25th February 1989*

	Executive Share Option Schemes				Savings-Related Share Option Scheme	
	1978		1984		1981	
	Number of Shares	Subscription price per Share	Number of Shares	Subscription price per Share	Number of Shares	Subscription price per Share
Sir Ian MacLaurin	30,000	38.6p	516,232	126.6p-183.3p	8,805	66.5p-114p
Mr V W Benjamin	-	-	132,138	126.6p-183.3p	11,127	66.5p
Mr A D Malpas	-	-	393,729	126.6p-183.3p	8,805	66.5p-114p
Mr M Darnell	-	-	185,688	126.6p-183.3p	8,805	66.5p-114p
Mr J Gildersleeve	-	-	265,734	126.6p-183.3p	8,805	66.5p-114p
Mr F R N Krejsa	-	-	352,650	70.3p-126.6p	13,323	47.6p-66.5p
Sir Leslie Porter	-	-	-	-	8,248	66.5p-134p
Mr D E Reid	-	-	238,862	126.6p-183.3p	4,484	165p
Mr D C Tuffin	-	-	210,923	126.6p-183.3p	8,805	66.5p-114p

Between 25th February 1989 and 12th April 1989 there have been no changes in the number of share options held by the directors.

*Note 18***Reserves**

		Consolidated		Tesco PLC	
		1989	1988 Restated	1989	1988 Restated
		£m	£m	£m	£m
a) Share premium account	At 28th February 1988	156.9	180.2	156.9	180.2
	Premium on issue of shares less costs	4.9	6.7	4.9	6.7
	Capitalisation issue	-	(46.7)	-	(46.7)
	Hillards acquisition	-	(6.9)	-	(6.9)
	Conversion of 9% loan stock	14.4	23.6	14.4	23.6
	Profit sharing scheme	10.3	2.6	10.3	2.6
	Scrip dividend election	1.6	0.5	1.6	0.5
	4% Convertible bonds expenses	-	(3.1)	-	(3.1)
	10½% bonds expenses	(2.6)	-	(2.6)	-
	At 25th February 1989	185.5	156.9	185.5	156.9
b) Profit and loss account	At 28th February 1988	596.9	488.7	399.7	359.8
	Movement due to currency translation differences	-	(0.2)	-	-
	Profit retained (restated)	132.5	108.4	38.5	39.9
	At 25th February 1989	729.4	596.9	438.2	399.7

*Note 18 continued***Reserves**

		Consolidated		Tesco PLC	
		1989	1988 Restated	1989	1988 Restated
		£m	£m	£m	£m
c) Merger reserve	At 28th February 1988	39.6	-	-	-
	Arising on Hillards acquisition	-	39.6	-	-
	At 25th February 1989	39.6	39.6	-	-
		954.5	793.4	623.7	556.6

In accordance with section 228 of the Companies Act 1985 a profit and loss account for Tesco PLC, whose result for the year is shown above, has not been presented in these accounts.

*Note 19***Pension
Commitments**

The group operates a defined benefit scheme for full-time employees, the assets of which are held in separate trustee-administered funds.

The pension cost relating to the scheme is assessed in accordance with the advice of an independent qualified actuary using the attained age method. The latest actuarial assessment of this scheme was at 6th April 1987. The assumptions which have the most significant effects on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 9% per annum, that salary increases would average 7% per annum and that pensions would increase at the rate of 4% per annum.

At the date of the latest actuarial valuation, the market value of the scheme's assets was £181m and the actuarial value of these assets represented 100% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The total pension cost to the group was £16.9m (1988 - £13.7m).

The group also operates a defined contribution pension scheme for part-time employees which was introduced on 6th April 1988. The assets of the scheme are held separately from those of the group, being invested with an insurance company. The pension cost represents contributions payable by the group to the insurance company and amounted to £1.6m (1988 - £Nil). There were no material amounts outstanding to the insurance company at the year-end.

*Note 20***Capital
Commitments**

At 25th February 1989

- There were commitments for capital expenditure of approximately £364m (1988 - £306m).
- Capital expenditure authorised by the Board, but not contracted for, amounted to £781m (1988 - £643m).

*Note 21***Contingent
Liabilities**

Certain bank loans and overdraft facilities of subsidiary and associated companies have been guaranteed by Tesco PLC. At 25th February 1989, the amounts outstanding on these facilities were £1.1m (1988 - £0.2m).

Auditors' Report

Auditors' report to the members of Tesco PLC

We have audited the financial statements on pages 27 to 42 in accordance with approved Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group at 25th February 1989 and of the profit and source and application of funds of the group for the 52 weeks then ended and comply with the Companies Act 1985.

Price Waterhouse



Chartered Accountants

London

12th April 1989

Shareholder Profile

Shareholder profile
as at 25th February, 1989

Type of shareholder	Number of shareholders	Percentage of number of shareholders	Number of ordinary shares	Percentage of ordinary shares
Individuals – Male	32,423	41.0	97,677,494	6.4
– Female	29,523	37.4	97,886,181	6.4
– Joint Accounts	5,501	7.0	38,246,203	2.5
Banks and nominee companies(a)	1,386	11.2	878,828,225	57.2
Other corporate bodies	2,389	3.0	130,468,117	8.5
Insurance companies	147	0.2	197,448,084	12.8
Pension funds	129	0.2	95,840,861	6.2
	<u>78,998</u>	<u>100.0</u>	<u>1,536,395,165</u>	<u>100.0</u>

a) These companies largely represent the holdings of institutions rather than those of individuals.

Ten Year Record

Year ended February

Results £m

Turnover excluding VAT

Operating profit

Operating margin²

Interest receivable less payable

Profit before property profits, employee profit sharing and taxation

Property profits

Profit before employee profit sharing and taxation

Net margin²

Employee profit sharing

Profit before taxation

Taxation

Profit after taxation

Earnings per share³

Fully diluted earnings per share (excluding property profits)³

Dividends per share⁴

Productivity £

Turnover per employee⁵

Profit per employee⁵

Wages per employee⁵

Weekly sales per sq ft⁶

Retail Statistics

Market share in food and drink shops⁷

Number of stores

Total sales area - '000 sq ft

Sales area opened in year - '000 sq ft

Average store size (sales area) - sq ft

Average sales area of stores opened in the year - sq ft

Full-time equivalent employees⁸

Notes

¹ 53 week period.

² Based upon turnover exclusive of value added tax.

³ Adjusted in respect of 1985 rights issue and 1987 capitalisation issue.

⁴ Adjusted in respect of 1987 capitalisation issue.

⁵ Based on full-time equivalent number of employees, turnover exclusive of value added tax and operating profit.

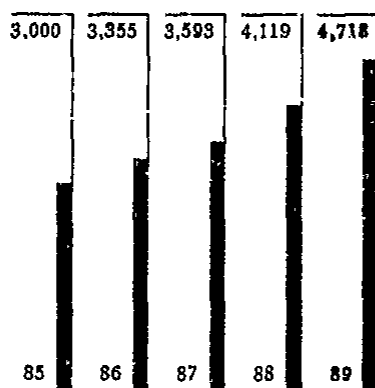
⁶ Based on weighted average sales area and turnover inclusive of value added tax.

⁷ Based on Department of Trade and Industry data.

⁸ Based on average number of full-time equivalent employees in the United Kingdom.

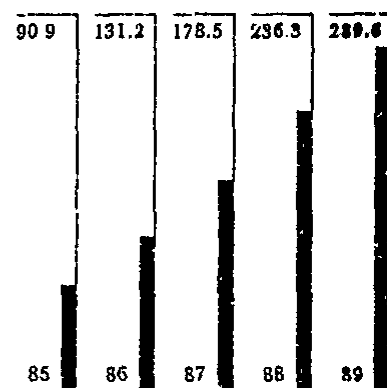
1980	1981 ¹	1982	1983	1984	1985	1986	1987 ¹	1988 Restated	1989
1,530.6	1,820.7	1,994.4	2,276.6	2,594.5	3,000.4	3,355.3	3,593.0	4,119.1	4,717.7
39.7	51.3	51.5	60.6	68.9	81.7	104.1	147.7	214.4	276.5
2.6%	2.8%	2.6%	2.7%	2.7%	2.7%	3.1%	4.1%	5.2%	5.9%
(3.2)	(15.7)	(8.8)	(7.1)	(1.5)	(0.4)	18.8	21.4	15.3	2.4
36.5	35.6	42.7	53.5	67.4	81.3	122.9	169.1	229.7	278.9
0.4	0.1	2.0	7.7	5.6	9.6	8.3	9.4	6.6	10.7
36.9	55.6	66.7	61.2	73.0	90.9	131.2	178.5	236.3	289.6
2.4%	3.1%	3.3%	2.7%	2.8%	3.0%	3.9%	5.0%	5.7%	6.1%
-	-	-	-	-	-	-	2.6	10.7	13.6
36.9	55.6	66.7	61.2	73.0	90.9	131.2	175.9	225.6	276.0
(1.4)	(5.5)	(12.0)	(11.5)	(25.1)	(31.2)	(47.4)	(56.9)	(75.1)	(89.7)
35.5	50.1	54.7	49.7	47.9	59.7	83.8	119.0	150.5	186.3
3.51p	4.93p	5.40p	4.88p	4.67p	5.79p	7.03p	9.51p	10.69p	12.35p
-	-	-	3.96p	3.83p	4.54p	5.84p	8.05p	9.66p	11.32p
0.82p	0.85p	1.00p	1.17p	1.37p	1.62p	1.93p	2.43p	2.85p	3.50p
38,398	46,913	49,341	56,384	64,279	71,404	77,227	79,386	82,067	89,449
996	1,322	1,274	1,501	1,707	1,944	2,396	3,263	4,272	5,243
3,478	4,401	4,731	5,227	5,800	6,304	6,907	7,355	7,809	8,695
5.10	5.57	5.75	6.32	7.10	8.26	9.14	10.23	11.00	11.51
N/A	N/A	N/A	5.9%	6.2%	6.6%	6.7%	7.1%	7.6%	8.2%
552	554	544	489	461	441	395	337	379	374
6,210	6,840	7,203	7,425	7,362	7,415	7,502	6,997	8,220	8,542
524	747	532	584	241	352	568	432	655	557
11,200	12,300	13,200	15,200	16,000	16,800	19,000	20,800	21,700	22,800
16,500	32,500	31,000	33,400	25,300	36,800	37,100	34,900	34,300	34,800
39,862	38,809	40,421	40,377	40,363	42,020	43,447	45,260	50,192	52,742

'Five years in the life of Tesco'



Turnover net of VAT (£m)

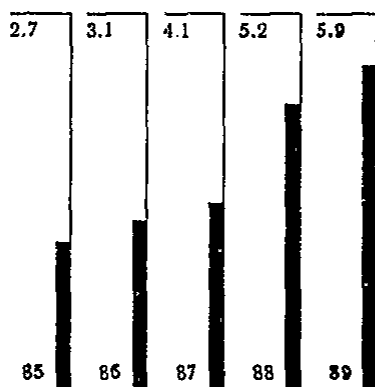
Compound Growth 13% per annum



Profit before taxation (£m)

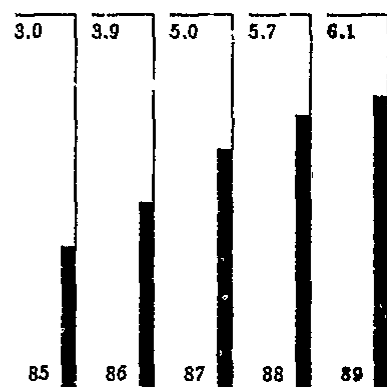
(Profit on ordinary activities before taxation and profit sharing)

Compound Growth 32% per annum



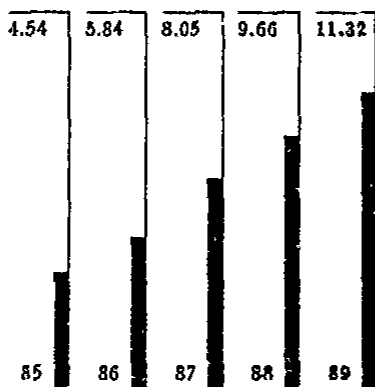
Operating margin (%)

(Operating profit to turnover)



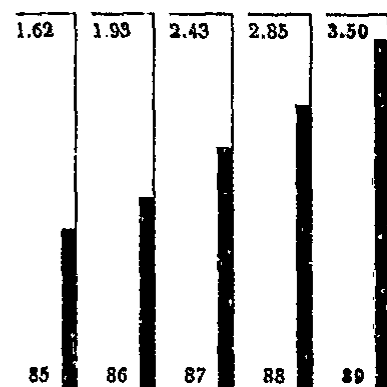
Net margin (%)

(Profit before taxation and profit sharing to turnover)



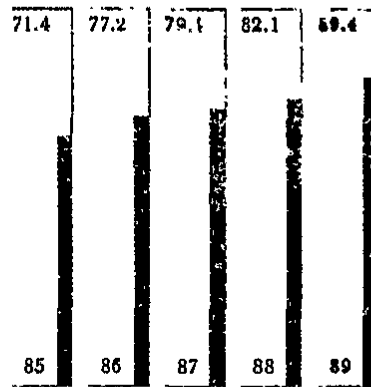
Fully diluted earnings per share (pence)

Compound Growth 21% per annum

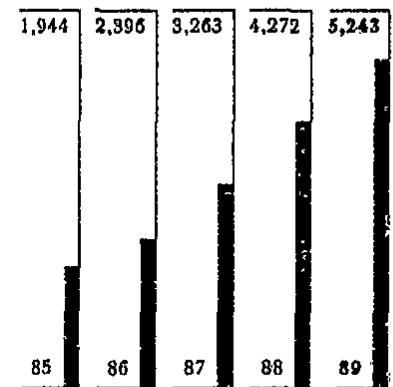


Dividend per share (pence)

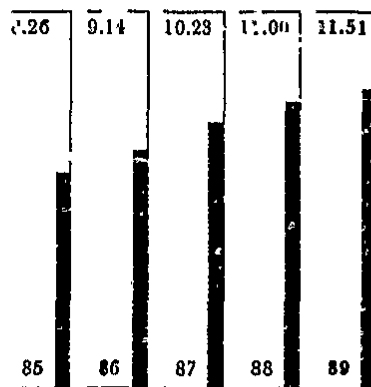
Compound Growth 21% per annum



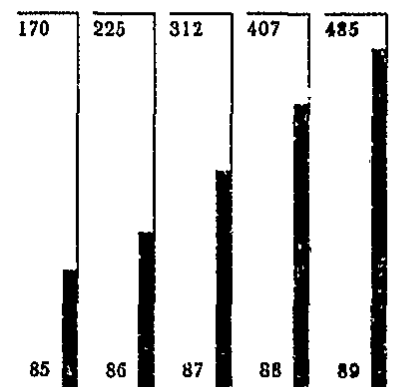
Turnover per employee (£000)
(full-time equivalent)
Compound Growth 7% per annum



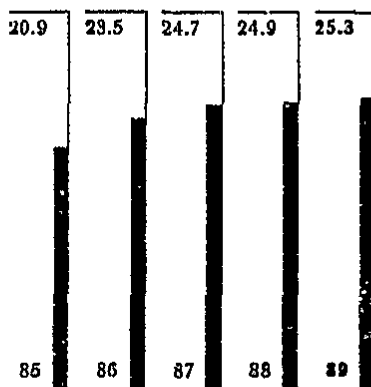
Profit per employee (£)
(Based on operating profit and full-time equivalent employees)
Compound Growth 25% per annum



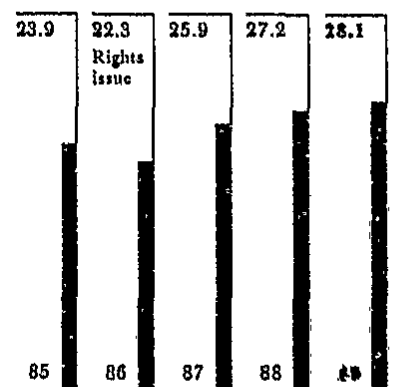
Turnover per square foot (£)
(Weekly turnover including VAT)
Compound Growth 10% per annum



Capital expenditure (£m)



Return on capital employed (%)
(Profit before interest payable on
average capital employed)



Return on shareholders' funds (%)
(Profit on ordinary activities before taxation
and profit sharing to shareholders' funds)

Notice of Meeting

Notice is hereby given that the forty-first Annual General Meeting of Tesco PLC will be held at the Merchant Taylors' Hall, 30 Threadneedle Street, London EC2 on Friday 26th May 1989 at 2.30 pm for the following purposes:

1. To receive and adopt the directors' report and accounts for the 52 weeks ended 25th February 1989 (Resolution 1).
2. To declare a final dividend on the ordinary share capital of the company (Resolution 2).
3. To re-elect the following directors: Sir Ian MacLaurin (Resolution 3), Mr M Darnell (Resolution 4), Miss D O'Cathain (Resolution 5), Mr J M Wemms (Resolution 6).
4. To re-appoint Price Waterhouse as auditors to hold office until the conclusion of the next Annual General Meeting (Resolution 7).
5. To authorise the directors to fix the remuneration of the auditors (Resolution 8).
6. To transact any other ordinary business of the meeting.
7. To consider and if thought fit to pass the resolutions set out in the enclosed notice of special business.

By Order of the Board
Michael J Boxall
Secretary

Tesco House, Delamare Road, Cheshunt,
Hertfordshire, EN8 9SL
Dated 26th April 1989

Notes

1. Any member of the company who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. Such proxy need not be a member of the company. To be effective, proxy forms must be received at the office of the Registrars of the company not less than 48 hours before the time fixed for the meeting.
2. There will be available for inspection at the registered office of the company, Tesco House, Delamare Road, Cheshunt, Hertfordshire, during usual business hours (Saturdays excepted) from 26th April 1989, until the date of the Annual General Meeting, all contracts of service of the directors with the company or any of its subsidiaries. The contracts of service will also be available for inspection during the Annual General Meeting and for at least 15 minutes before it begins.

Financial Diary

Year end

Last Saturday in February

Half-year's results announced

Late September

Year's results announced

Early April

Annual Report and Accounts despatched

Late April

Annual General Meeting held

Late May

Dividend

Interim announced late September and paid in late November

Final announced early April and paid in early July

Interest

Deep Discount Loan Stock paid 31st January and 31st July

Convertible Bonds paid 20th February

Bonds paid 22nd November

FORM ML8

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BULK LIST OF SHAREHOLDERS OR MEMBERS

A bulk list (over 10 pages) for the company named below has been lodged but does not appear on this Annual Return microfiche.

If you wish to search the list, please enquire at the Search Control Counter.

Company Number 445790

Company Name TESCO PLC

Made-up-date 9-6-89