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TESCO

Tesco Stores (Holdings) Limited

Annual Report and Accounts for the year ended February 23 1974

Certified to be a true copy.

L. P. [Signature] Director

R. [Signature] Secretary

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Directors Sir John Edward Cohen *Founder & Life President*
 Leslie Porter *Chairman*
 Laurence Brian Leigh *Managing Director*
 Ian Charter MacLaurin *Managing Director*
 David Behar, F.S.V.A.
 Robin Nigel Behar
 Stanley Berwin
 Mrs. Daisy Deborah Hart, O.B.E.
 Hyman Kreitman
 Ralph Temple, F.C.A.
 George Robert Wood

Secretary and Registered Office Ralph Temple, F.C.A.
 Tesco House, PO Box 18,
 Delamare Road, Cheshunt,
 Hertfordshire EN8 9SL

Auditors Hogg Bullimore Gundry & Co.
Chartered Accountants
 City Gate House, Finsbury Square,
 London EC2A 1QP

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

Registrars Kleinwort Benson Limited
 The Lawn, Speen,
 Newbury, Berkshire

Bankers Midland Bank Limited
 Barclays Bank Limited

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Salient points

	Year to Feb 1974	Year to Feb 1973	Year to Feb 1972
	£000's	£000's	£000's
Sales	(3) 433,767	359,013	299,701
Trading Profits	27,621	25,516	20,857
Net Profit before tax	24,538	21,727	16,542
Net Profit after tax	11,730	12,720	9,807
(1) Earnings per Ordinary Share after tax	3.78p	4.10p	3.16p
(1) Dividends per Ordinary Share			
Interim	0.68p	0.65p	0.65p
Final	0.97p	0.92p	0.84p
Total for Year	1.65p	1.57p	1.49p

Notes

- (1) Comparative figures adjusted for capitalisation issues.
 (2) Gross equivalent including imputed tax credit where applicable, shown to two decimal places.
 (3) Sales inclusive of Value Added Tax.

Chart of Sales Area Growth

	Number of Stores				
	Up to 2,000 sq. ft.	2,000 -5,000 sq. ft.	5,000 -10,000 sq. ft.	10,000 -20,000 sq. ft.	Over 20,000 sq. ft.
1966	270	131	63	31	0
1972	274	245	180	75	17
1974	222	250	179	96	26

Notice of Meeting

Notice is hereby given that the Twenty Sixth Annual General Meeting of Tesco Stores (Holdings) Limited will be held at Tesco House, Delamare Road, Cheshunt, Hertfordshire EN8 9SL on Friday 26th July 1974 at 3.30 p.m. for the following purposes viz:-

- 1 To receive and, if approved, adopt the Directors' Report and Accounts for the 52 weeks ended the 23rd February, 1974. (Resolution 1)
- 2 To declare a Final Dividend on the Ordinary Shares subject to a scrip dividend election. (Resolution 2)
- 3 To re-elect the following Directors:-
Mr. L. Porter (Resolution 3)
Mr. G. R. Wood (Resolution 4)
Mr. S. Berwin (Resolution 5)
Mr. R. Temple (Resolution 6)
- 4 To transact any other ordinary business of the Company.
- 5 As special business to pass the following resolutions of which Resolution (1) will be proposed as an ordinary resolution and Resolution (2) as a special resolution:-
 - (1) That the participation by the Company to the extent of a 30% interest in a consortium formed for the purposes of carrying out a development project in France and in which Mr. David Behar's family interests hold a 37½% share be hereby approved and ratified.
 - (2) That
 - (i) in accordance with the recommendation of the Directors an amount equal to that part of the Final Dividend declared in respect of the 52 weeks ended 23rd February, 1974 which would apart from this resolution be paid on 30th August, 1974 to those holders of fully paid shares of 5p each who shall be entitled and shall have elected to receive shares pursuant to the circular letter from the Company, dated 2nd July, 1974 be applied in paying up in full new shares of 5p each in the capital of the Company by way of capitalisation of part of the amount standing to the credit of the share premium account of the Company;
 - (ii) the shares of 5p each to be paid up pursuant to sub-paragraph (i) of this resolution be allotted, credited as fully paid up, to and amongst such holders aforesaid of fully paid shares registered as such at the close of business on 5th July, 1974 on the basis set out in the circular letter and in respect of which the said election shall have been made on terms that such new shares shall rank for all dividends (except the final dividend for the year ended 23rd February, 1974) as if the same had been issued and fully paid as from and including 24th February, 1974, but so that fractions of new shares shall be disregarded;
 - (iii) in so far as articles 117 to 130 inclusive of the articles of association of the Company may be relevant to this resolution the provisions thereof shall be deemed to be waived by each and every member of the Company.

By Order of the Board
R. TEMPLE
Secretary.

Tesco House, PO Box 18, Delamare Road,
Cheshunt, Herts.

Dated this 2nd day of July, 1974.

Notes

Any member of the Company who is entitled to attend and vote at the above 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 Cards must be received by the Company not less than 48 hours before the time fixed for the Meeting. In accordance with the listing agree-

ment made with The Stock Exchange there will be available for inspection at the Registered Office of the Company, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, during usual business hours (Saturdays excepted) from the 2nd day of July, 1974, until the date of the Annual General Meeting all contracts of service of the Directors with the Company or any of its

subsidiaries (other than contracts expiring or determinable by the Company without payment of compensation within one year). The contracts of service will also be available for inspection during the Annual General Meeting and for at least 15 minutes before it begins.



Sir John E. Cohen,
Founder and Life President.



Mr. Leslie Porter, on the forecourt of Tesco House.

Chairman's Statement

I am pleased to present to you our Annual Report and Accounts which again shows new record profits achieved by your Company for the year ended 23rd February 1974.

Trading Results

The Group trading profit for the 52 weeks ended 23rd February, 1974 amounts to £27,621,000 (excluding Square Meals, £28,843,000) compared with £25,516,000 for the 52 weeks ended 24th February, 1973. Nett profit of £24,538,000 (excluding Square Meals, £25,859,000) subject only to taxation shows an increase of £2,811,000 (12.94%) (excluding Square Meals, £4,132,000—19.02%) over the previous year. After charging £12,808,000 for taxation there remains a profit of £11,730,000 compared with £12,720,000 for 1972/73.

Dividends

Due to the Government's continued limitation on dividends the increase is restricted to 5% over the previous year.

In accordance with these limitations an interim dividend of 0.4791p

per share (with imputed tax credit equivalent to a gross dividend of 0.6844p per share) was paid in February 1974. The Board now recommends a final dividend of 0.6466p per share (with imputed tax credit equivalent to a gross dividend of 0.9650p per share) in respect of the 52 week period ended 23rd February 1974, subject to a scrip dividend election.

It is your directors' intention to give shareholders an opportunity of receiving a scrip dividend by way of fully paid ordinary shares in lieu of a final cash dividend. A separate circular letter explaining the procedure and enabling shareholders to choose which dividend they require accompanies this annual report.

Company Personnel

These results have been achieved in a year that has been exceptionally full of incident. I wish to thank all our Directors and Executives for their fine work and effort on our behalf.

For example, the transfer of staff their equipment and records, from their formerly scattered locations into our new Head Office was achieved without any interruptions

of our business. This was due to the unstinting work of a committee of Directors and Executives especially set up to co-ordinate the operation.

Similarly, the transfer of our Home 'n' Wear operation to Milton Keynes, again with minimum inconvenience to any of the stores, is due to the devotion and total commitment of all the personnel involved in the move.

The magnitude of these operations can only be properly appreciated by those closely associated with them.

In other areas of our business the story is the same. In an era of full employment we have, in common with others, frequently been severely understaffed and this has thrown extra burdens on to executives in maintaining the efficient functioning of our operations. For many, due to circumstances beyond their control, travelling to and from their places of work and on Company business was for some time a miserable experience. Working with severely reduced power and coping with many other difficulties created by the exceptional conditions called for an exceptional response, which was shown at all levels.

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Directorate

Mr. Kreitman stepped down from his position as Chairman in September last year to be able to devote more time to his family and to private interests. I am pleased to inform you that he remains a Director so that his considerable experience continues to be available to us. One can understand his wish after 28 years in the most senior executive posts in the Company, to enjoy some of the benefits of private life which most are able to enjoy as a matter of course, but which are denied to a great degree to those at the top carrying the complexity of burdens of modern business.

I was honoured to be invited by the Board to take up the Chairmanship of the Company in his stead. It is a formidable task, but I am confident that I can bring to it the same degree of vision and drive as my predecessors.

It is pleasing to tell you that our Founder and Life President, Sir

John Cohen, still comes to the office every day and gives us his wise counsel.

The appointment of two Managing Directors took place during the year:- Mr. Laurence Leigh (39), Mr. Ian MacLaurin (37). Both have been with the Company for fifteen years holding a number of important executive positions on the way, finally achieving this most senior position at such a young age. I find it extremely exhilarating to work with them and to watch the way in which they run their day to day business in complete harmony.

Other Holdings Board appointments during the year include Mr. Ralph Temple, FCA (40), our Company Secretary who is responsible for administration and local finance. Mr. Stanley Berwin (48) who is a Director of N. M. Rothschild & Sons Limited was appointed a non executive Director.

Whilst dealing with directorate I am delighted to congratulate Mrs. D. D. Hart (Miss Daisy Hyams) on



Mr. Laurence Leigh



Mr. Ian MacLaurin

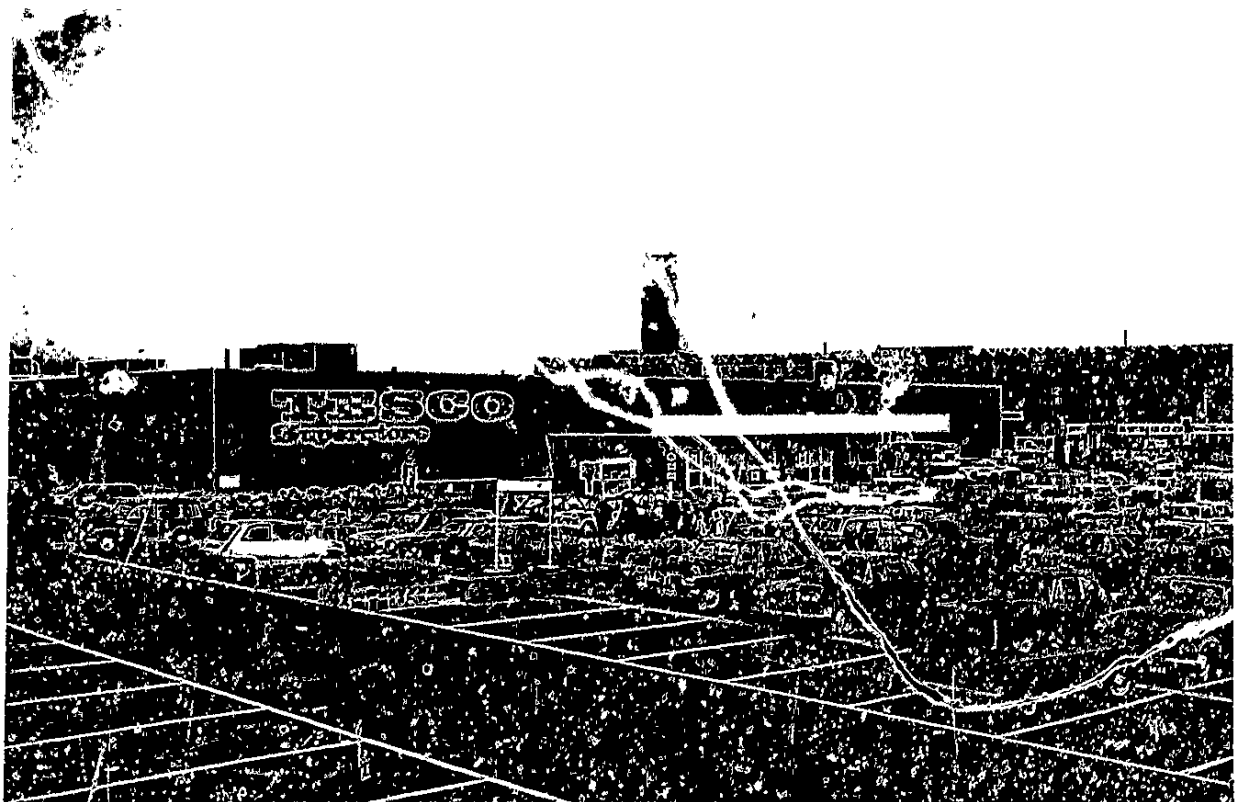


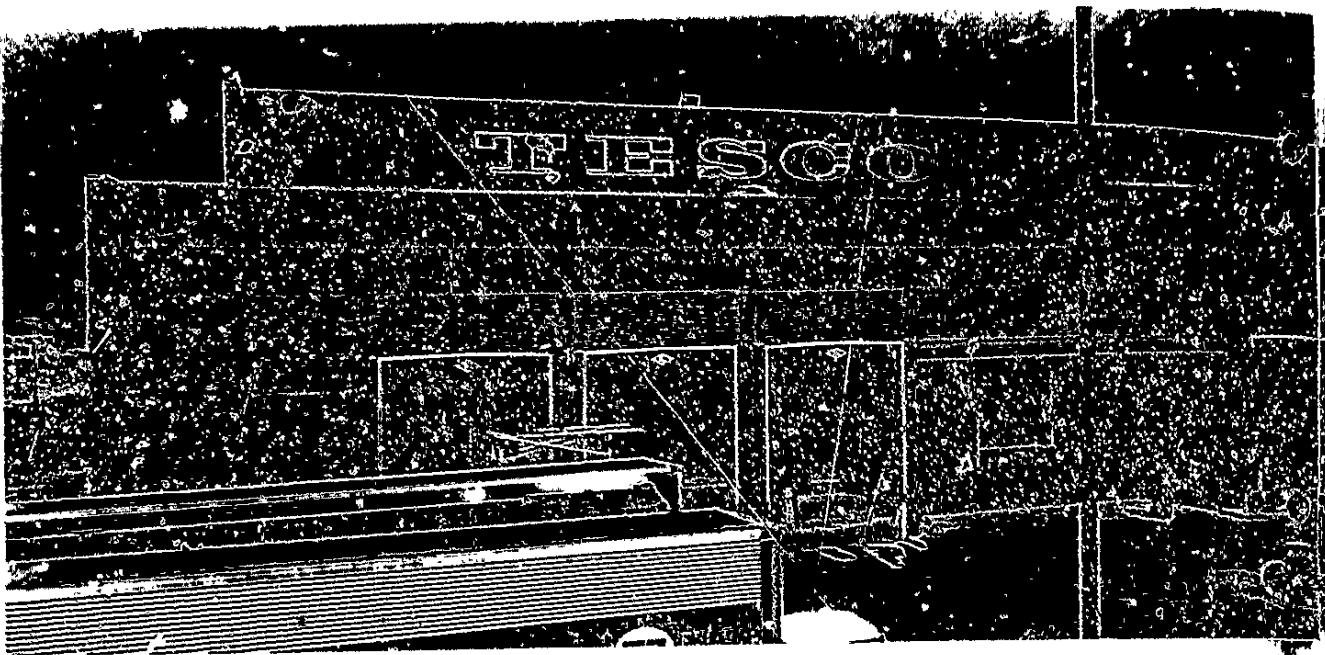
Mr. Stanley Berwin



Mr. Ralph Temple

Our new superstore at Rochdale showing adjacent car parks and patrol/service station.





the OBE awarded to her Mrs Hart is a member of the Merit Board and the Government-appointed Consumer Safeguards Group. She has most efficiently and faithfully served your Company for over 40 years. We are very proud of her and pleased that her achievements have been so notably recognised.

Mr Robin Behar has decided to reside permanently abroad, and is therefore not seeking re-election. I would like to take this opportunity of thanking him for his past services and wish him every success in the future.

General Trade

During the year we were subject to controls under the Government's Counter Inflation programme. Up to 30th April 1973, we were subject to cash margin control. We were subsequently restricted on gross and nett margin reference levels under Phases II and III for the rest of the year. There were two major wage awards made in the period which added considerably to our costs. Additional wage costs have arisen due to the legislation aimed at achieving equal pay for women and the majority of our staff are female.

All costs whether of a capital or revenue nature have increased substantially during the year in consequence of the ever spiralling rate of inflation currently experienced by this country.

I should mention that our stocks have risen as we had to ensure adequate holdings. Prices were rising so quickly that in order to retain our competitive position we purchased forward. Furthermore, where our buyers knew that certain items would be in short supply we also purchased ahead. The situation has now become more stable and our stocks are being reduced.

New Activities

Investment in France

Since the year end we have taken an interest in a consortium including McAlpine, Kennet Investments Ltd and family interests of Mr David Behar, a member of your Board. The consortium interests are as follows: Tesco 30%, Mr David Behar's Family Associates 37.5%, McAlpine 25%, Kennet Investments Ltd 7.5%.

The consortium is in the course of acquiring for approximately £12 million some 600 Hectares (1500 acres) comprising the major part of a site in France for which planning permission for an important development is being sought.

It is intended that Sir Robert McAlpine & Son should supervise the building of the scheme, whilst your Company will be responsible for the design and letting of the shop development, with first option to take any unit for our own use.

Mr. Behar had an interest in the company which sold the land to the consortium but had disposed of this to a third party prior to the consortium's purchase. His family interests will continue to have a 37.5% participation in the consortium and it is appropriate that the Company should ratify the transaction in general meeting in view of the involvement of a member of the Board.

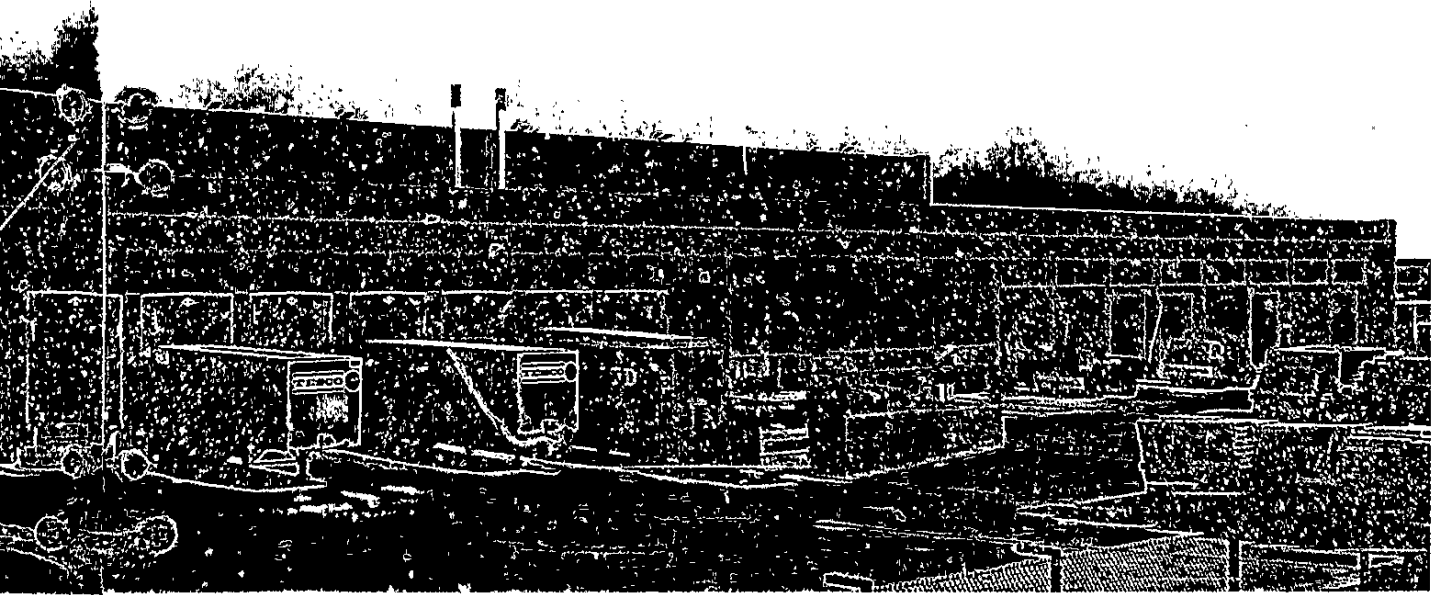
I believe the transaction to be in the long term interests of your Company in furtherance of our objective of developing interests outside the U.K. and I invite you to indicate your approval by voting in favour of Resolution 5(1). Mr. Behar and his family will abstain from voting on this Resolution.

Moneymarkets

An important innovation this spring was the establishment of in-store customer banking facilities — known as Moneymarkets — at our Catford, Lincoln, Rochdale and Stevenage stores.

This is a pilot scheme organised with Forward Trust Ltd., a wholly-owned subsidiary of the Midland Bank. Early indications are that it is proving to be a very convenient and welcome customer service; one that, subject to the outcome of the experiment, we shall introduce into other stores where the need is seen and the space is available.

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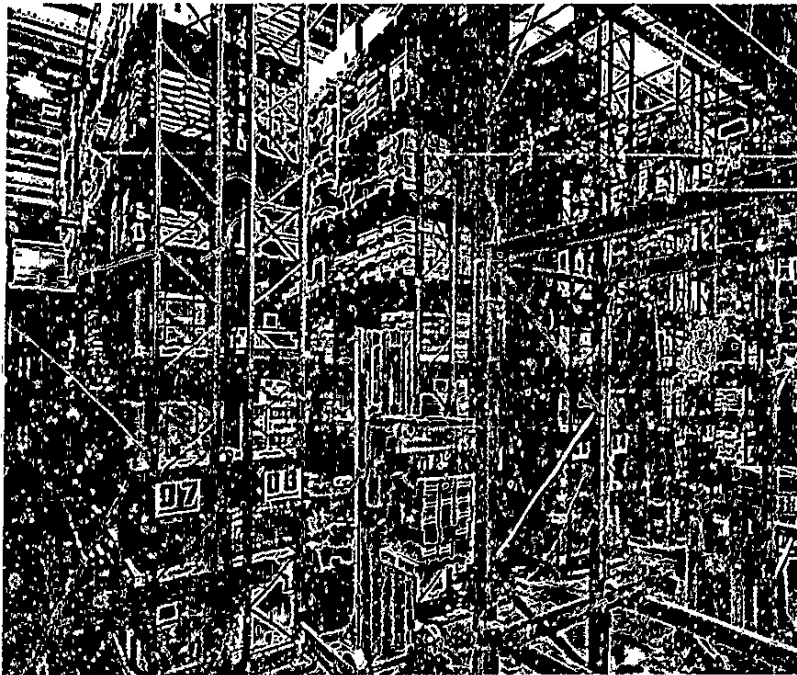


Square Meals Frozen Foods Limited

In August 1973 94% of the Share Capital of Square Meals Frozen Foods Limited, a company engaged in the bulk distribution of frozen foods and freezers was acquired from Brooke Bond Liebig Limited. The acquisition cost was £533,000 and there were accumulated losses on development of £1,360,000.

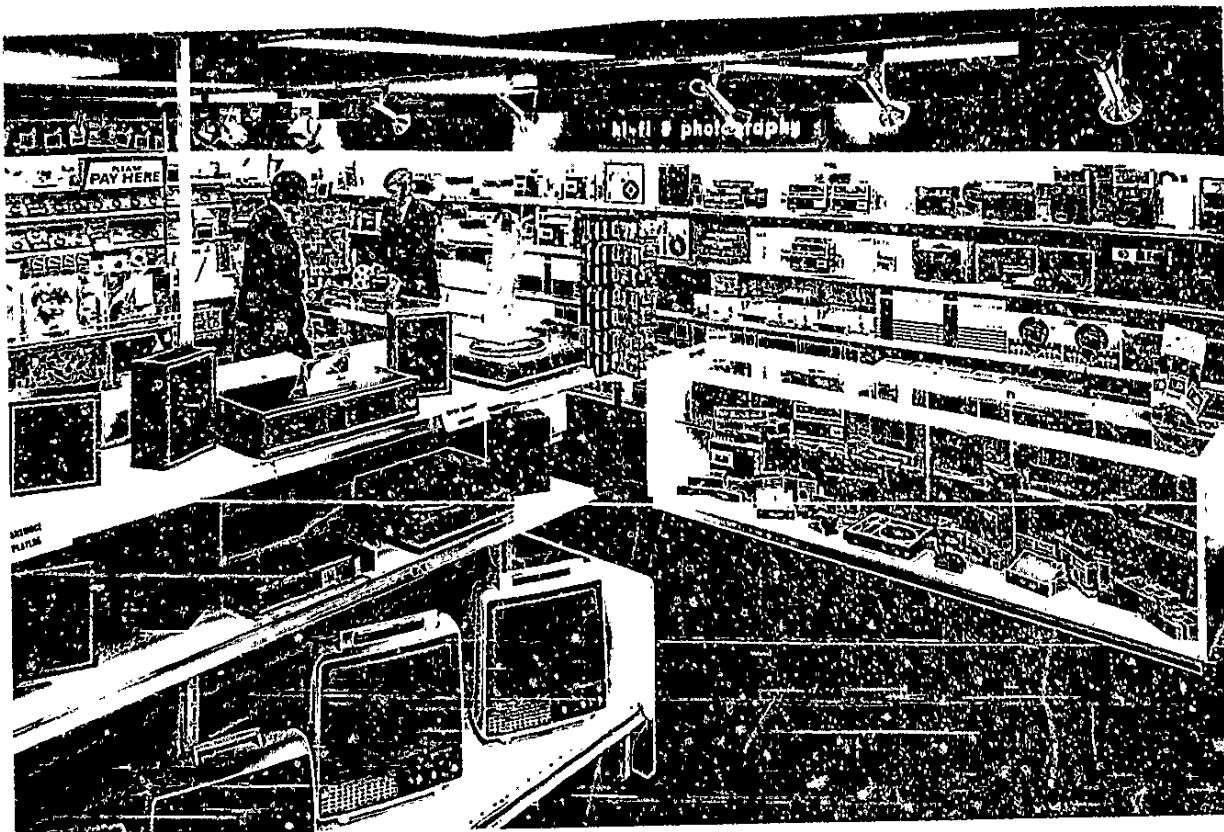
After the purchase we were advised that conflicts that existed between Square Meals and local planning authorities could adversely affect the Group's long term planning of Superstores. It subsequently emerged that losses which the Company was making at the time of acquisition could not be arrested due to the planning difficulties and during the year under review these amounted to

£1,321,000 before tax relief. These problems determined your Company to discontinue the trading concept of Square Meals in its original form and to use the considerable experience acquired to expand into the sale of home freezers and frozen foods through the Group's existing outlets and to open stores exclusive to this type of trading.



Above: New Home 'n' Wear distribution depot at Milton Keynes showing the unloading banks.

Left: Bulk storage racking 38 ft. high provides more than 20,000 pallet positions serviced by high-bay turret trucks running on rails in 5 ft. aisles.



The additional costs which are expected to arise from the closure of the business are estimated to be approximately £1,000,000 and this amount has been set aside in the accounts for the year ended 23rd February, 1974.

In consequence of the closure of the original business, representations were made to Brooke Bond Liebig Limited which resulted in their repaying to us the total sum paid for the acquisition. In addition, we are changing the main depot in this Company into a large frozen meat plant which will not only supply our freezer shops, but also many of our Supermarkets.

Progress Report

Supermarkets Division

This, the most important division of your Company, has the finest group of young executives in control of day-to-day operations.

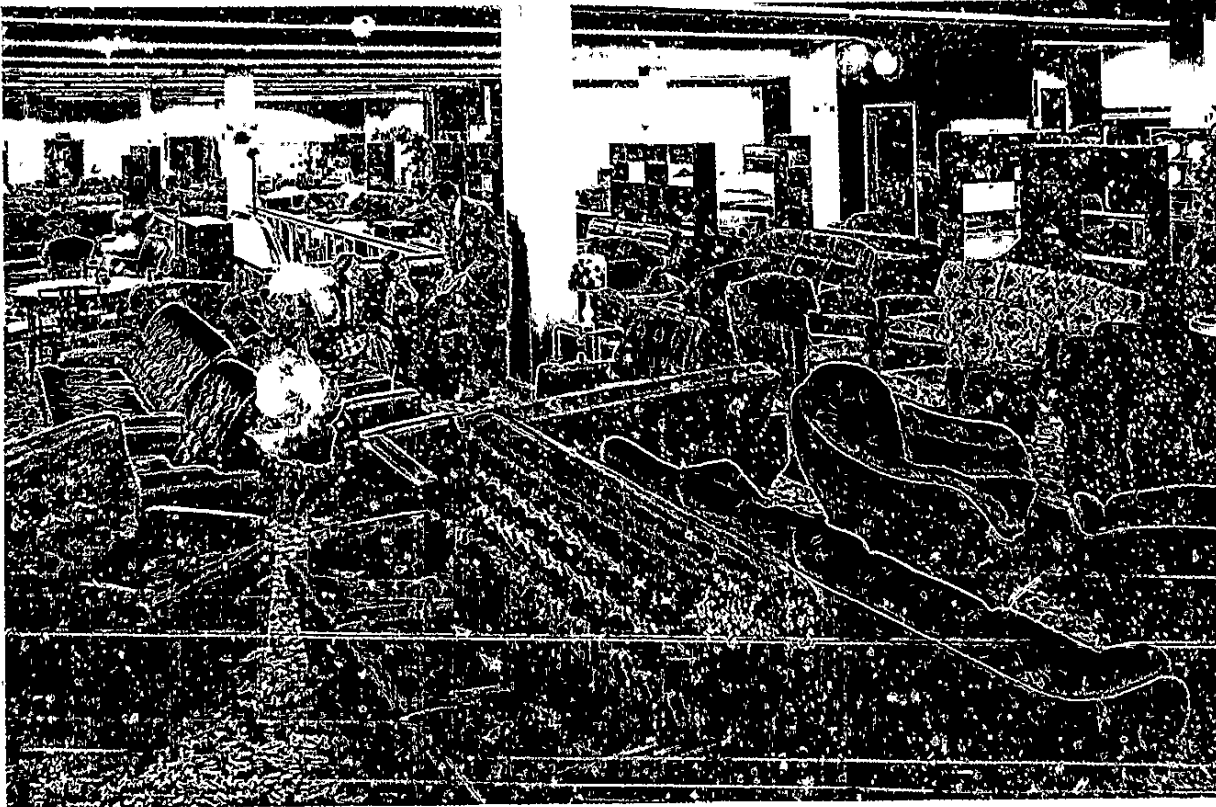
Despite continuing difficulties in the planning and building sectors, we were able to nearly double last year's achievement by the addition of 456,000 sq. ft. of new sales area. This

Above: A section in the Group's largest separate Home 'n' Wear store at Birmingham featuring television sets, audio and both still and movie photographic equipment

Below: Part of the ladies' fashion section in the same store.



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comprised nineteen Supermarkets, three Home 'n' Wear stores, two furniture units, and extensions to a number of existing stores. Four of the new stores have more than 30,000 sq. ft. of sales area; one of them — at Rochdale — having additionally a garage and petrol forecourt of some 14,000 sq. ft. Five others are in excess of 20,000 sq. ft. selling area and eight more are over 10,000 sq. ft. The programme included our third store in Scotland, at Kirkcaldy.

In all these stores we have been able to expand customers' depth of choice, and have extended the ranges of products to include, bulk home freezer packs and loose frozen foods. On the Home 'n' Wear section, including such items as cine and still photographic equipment, television sets, and audio equipment. Three of the stores — at Catford, Brighton and Stevenage — also have in-store bakeries installed and operated by our Cadena division, bringing the total of in-store bakeries to six. All new stores opened in the year have Wines and Spirits Departments and additional licences granted on existing stores brought our total number of off-licences to 360.

One of the new Home 'n' Wear stores, in Birmingham, is by far the most significant, since with some 42,000 sq. ft. of sales area, it illustrates the scale of the Home 'n' Wear operation we should like to be able to offer customers in other areas. As well as the regular ranges and the lines mentioned above, the Birmingham Home 'n' Wear store also offers ladies' fashionwear (as distinct from 'everyday' clothing), a full range of furniture and carpeting, and many other items which lack of space alone precludes us from selling in all our stores.

Food Stores Division

In pursuance of long established policy, twenty-four smaller units were closed during the year, usually as a result of our having opened a larger store in the vicinity.

I would not, however, want it to be thought that we are contracting our Food Stores operation. We see the future of these smaller units as fulfilling the role of the 'neighbourhood store', and are transferring to this Division some of the smaller supermarkets, with a re-modelled profes-

A view of part of the extensive furniture floor in the Birmingham Home 'n' Wear store, indicating the extent of the ranges and styles that are offered to our customers where the necessary space for a full scale Home 'n' Wear operation is available.

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sional management structure geared to this newly developing situation.

Fresh Foods Division

This division continued to extend its control over the production and quality of meat, bacon, cheese and produce.

At the present time negotiations are in hand for a very large depot in the North of England to operate a second factory equipped with the most modern machinery for processing and packaging a wide variety of fresh foods.

The fresh meat sold in our supermarkets continues to be of the highest quality; at no time is quality sacrificed for price. Direct association with abattoirs throughout the country ensures continuity of supplies. A new central meat processing plant will soon be operating in the South, enabling the Company to extend its activities into the frozen meat business.

Growing produce to specification has been our policy for many years which is reflected in the ever increas-

ing sales. The enormous quantities of produce required by the company entails programming years ahead. For example Kent apple growers farming a very large acreage in close association with the Fresh Foods Division were alive to the future needs of the Company. In keeping with our demands, unwanted varieties have been regrafted with varieties required by us.

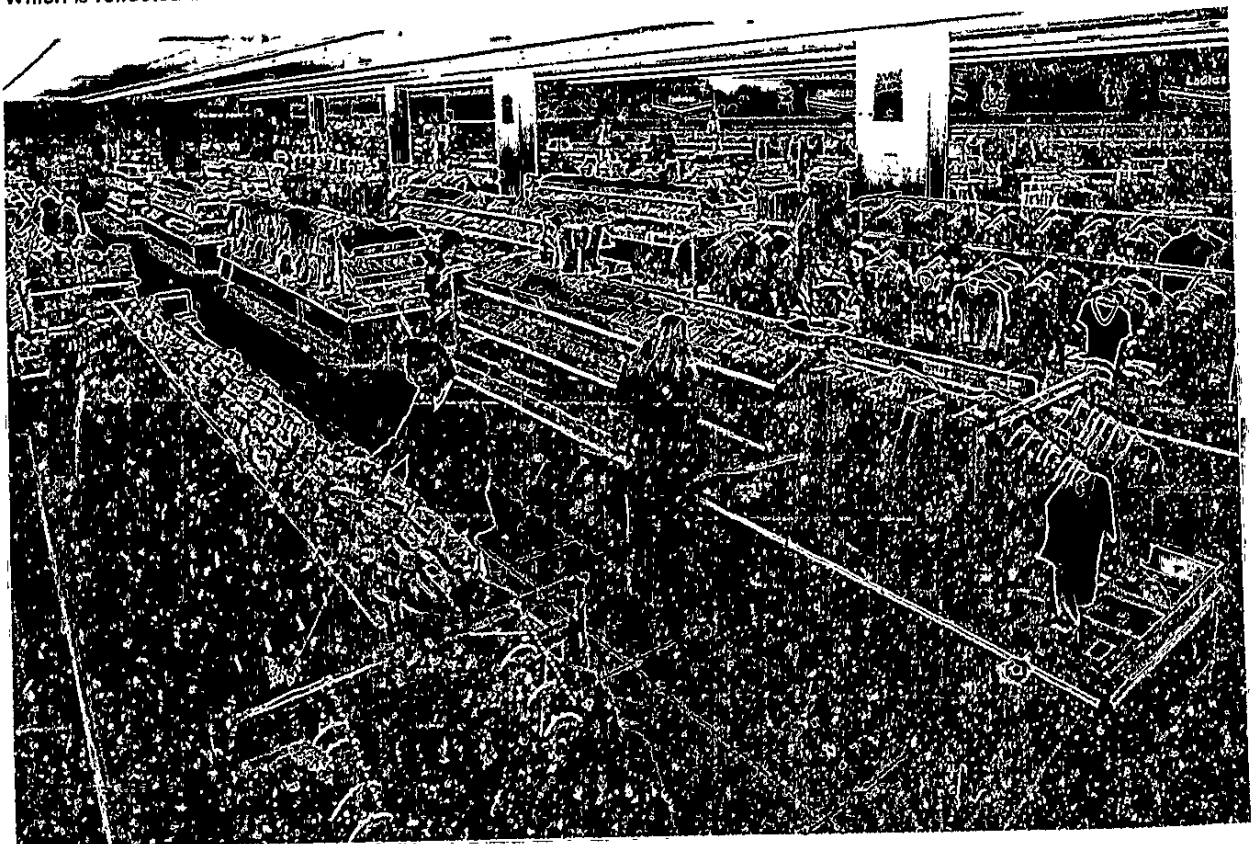
Cadena Division

As well as the three new branches with in-store bakeries to which I have already referred, two others with similar facilities have subsequently been opened in the current financial year - at Ayr and Eastleigh. Two more will be opened later this year at Weston Favell and Horwich. The Weston Favell unit will also have a restaurant.

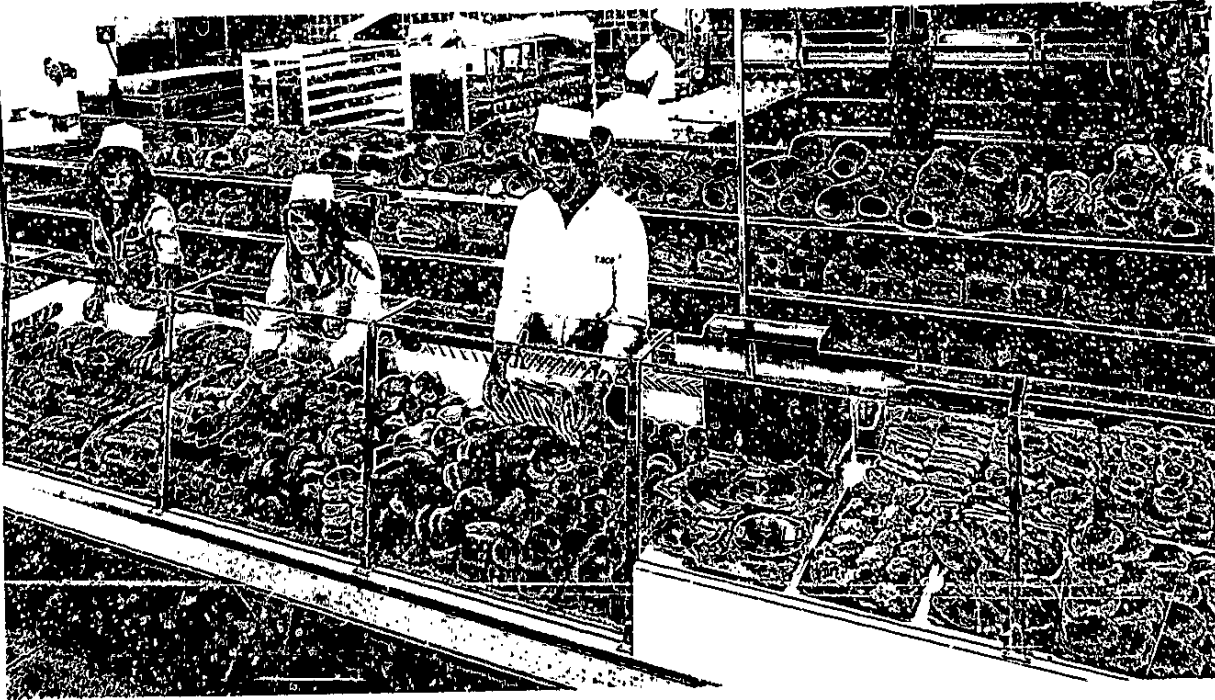
Our plans for 1975 include five more bakeries within stores and two stores incorporating restaurants. These installations will be the responsibility of the Cadena Division who are now working very closely with our Superstore team.

This picture and those on the following two pages illustrate the spaciousness of our new store at Stevenage, and some of the extra customer services we are able to provide in this store and others of similar size.

Below: A general view of the Home 'n' Wear department.



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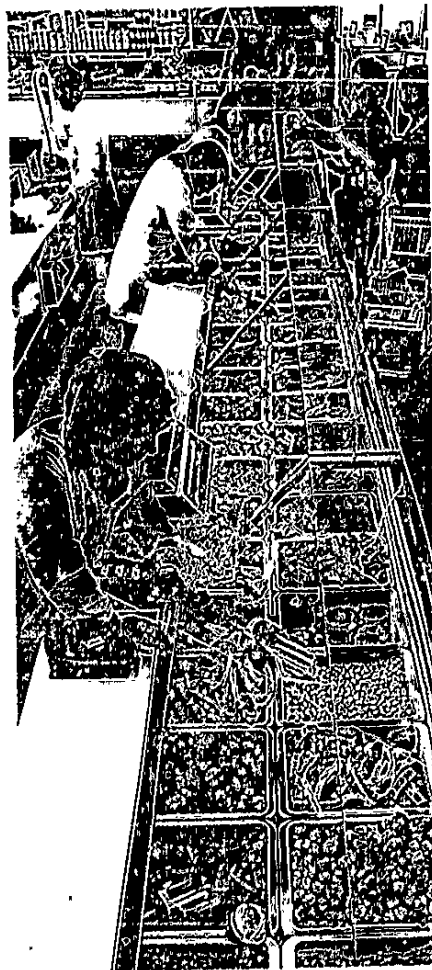
Grocery Buying Division

Tesco own-label products sold in the grocery departments continue to expand with considerable consumer acceptance.

We are careful to keep the ratio between own-label and national brands in balance, so as to maintain our reputation for offering a very wide choice to the public.

Our Food Halls now offer some 600 different items under the Tesco label, representing approximately 20% of our grocery business. Our own Technical Services Department has recently been established to ensure that the consumer is protected by the stringent control of quality. It also has responsibilities for giving our suppliers who produce our own brand commodities strict specifications. The Department is based at Head Office and is staffed by fully qualified personnel who have at their disposal the necessary scientific and domestic equipment appropriate to their task.

In a year which saw the national consumption of alcoholic beverages reach a new record level, I am happy to report that your Company's sales in this field exceeded the national percentage increase and greater "in-roads" into the wine market were made through the De Georges range of wines.



Customers' view of the in-store bakery at Stevenage, where the bakers and pastrycooks (background) work in full view of the buying public. Counter service is provided and all morning goods are produced fresh daily

Personal service is also provided at the loose frozen foods counter. This highly economical method of buying frozen foods complements the store's pre-packaged frozen foods cabinets, which remain self-service. Thus, our customers are offered an unrivalled depth of choice in this fast-growing area of food retailing.

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These wines again received national acclamation and recognition, with De Georges Champagne receiving particularly high praise.

The advent of Great Britain joining the E.E.C. has changed the wine laws in this country, but visits to France and Germany by senior executives have ensured that there will be continuity of quality products at competitive prices.

The importance of the sales of wines and spirits is further reflected by the conversion from the small trading wine shop "in-store" to larger and more comprehensive self-service units which enables a greater selection to be offered to our customers.

Home 'n' Wear Buying Division

We are now in full occupation of our new Home 'n' Wear distribution depot at Milton Keynes from which the first deliveries were made in April. This custom-built complex, of 5,000,000 cu. ft. is built on a 13 acre site with room to expand to take care of future growth. It is conveniently located geographically with good trunk road and motorway access, and gives us the capability of receiving

goods directly from the dockside without the need of intermediate storage in outside warehouses.

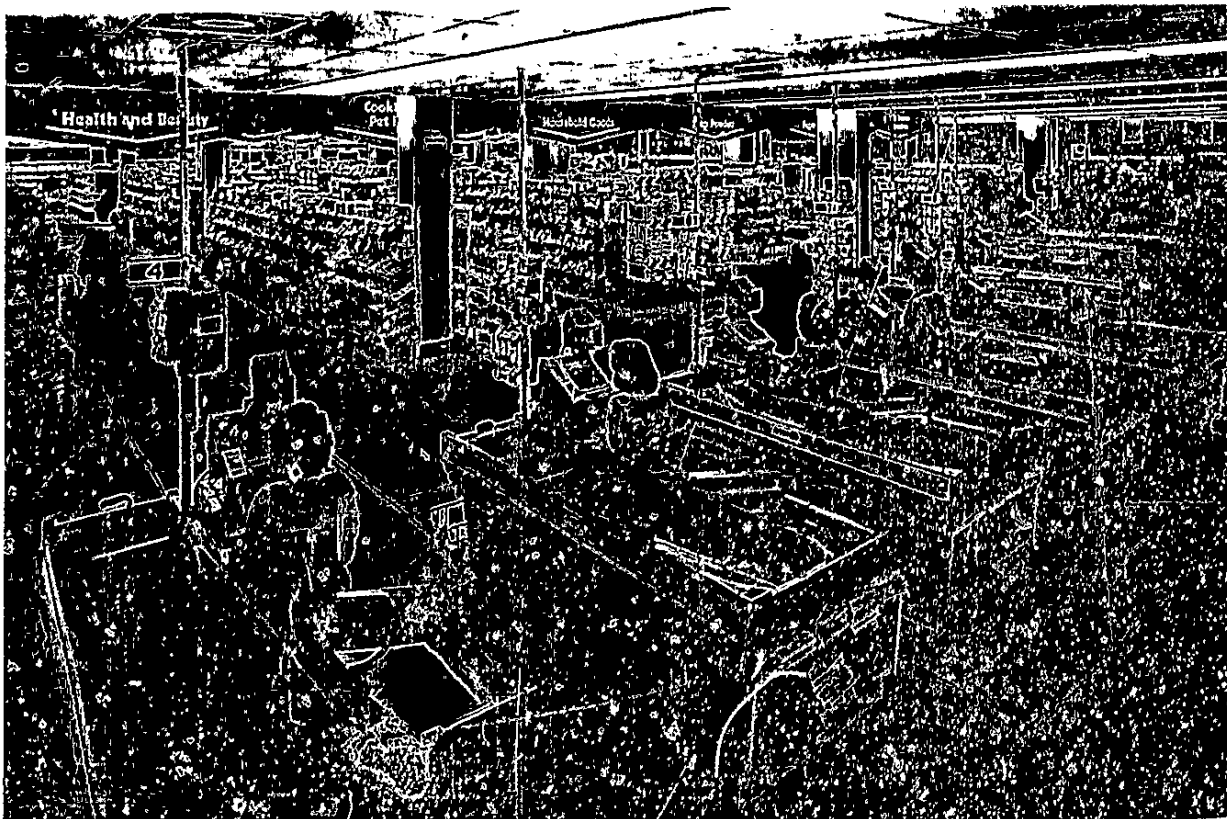
In association with our depot at Sandbach, we are now able to improve stock availability over the country coupled with a more efficient delivery service.

Head Office (Management Services)

The full advantage to the Company of the new Head Office block has been confirmed during our first year of occupation. Improved working facilities and internal communications have assisted work flow. The buying of Groceries, Home 'n' Wear and Wines and Spirits have been centralised. Administration problems have been considerably simplified in the bringing together of formerly geographically separated operations. There have been other beneficial side effects, for example in the recruitment and retention of staff.

The computer complex is able not only to handle all the company requires of it, but to contribute towards its cost by having some surplus capacity which is sold to other computer users. We are con-

A view of the Food Hall at our new Stevenage superstore, prior to opening.



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stantly reviewing the modern hardware required to keep us in the forefront of electronic data preparation. To this end we have now purchased a further I.C.L. 2903 Computer. We are therefore well founded in administrative and supply terms for our continued advance into the future.

Suppliers

Special thanks must go to our suppliers for keeping our stores supplied as close to normal levels, more particularly to those who were, for some time, struggling with the difficulties of a severely curtailed working week and raw material shortages.

We are full of admiration to them for having done so remarkably well. There were some shortages, but that was inevitable in the prevailing circumstances. Customers may not always have been able to get their favourite brand, but because of our policy of offering such a wide selection in our stores, they were usually able to obtain an alternative.

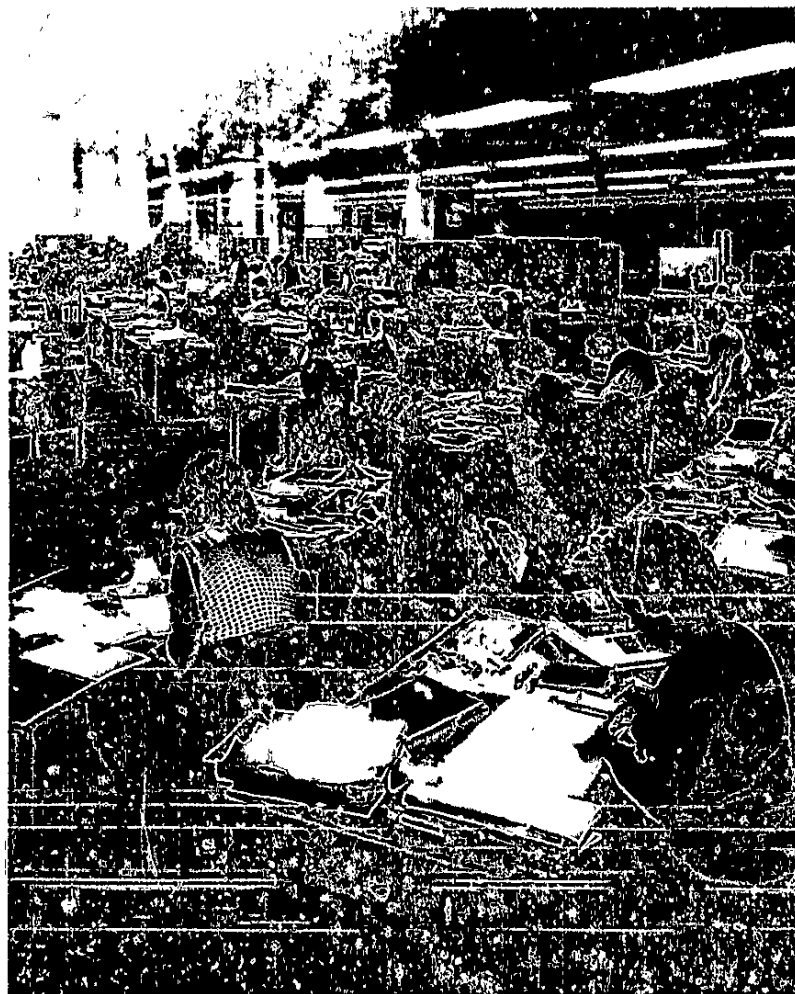
Our thanks are due, not only to those supplying our depots and stores, but also to contractors and others who erect and equip our buildings. We are grateful to them all, and offer our thanks for their continued co-operation and goodwill.

Outlook

Trading at the beginning of the current financial year was somewhat depressed due to shortages of supplies and also the time taken for the country to fully recover from the effects of the miners' strike. Strict comparison was further complicated as in the same period last year we experienced a considerable uplift in trade prior to the introduction of Value Added Tax.

As from 1st April, 1974, the Company has been subjected to further Government restrictions, and the overall effect of the legislation will be to reduce our net margins. At this moment in time it is too early to forecast the extent that subsequent price reductions effected will have on our sales, but I am very pleased to report that turnover since the beginning of April has shown a significant increase over that of last year to a highly satisfactory level.

Profit in the current climate has become a "nasty" word, and it is indeed unfortunate that the more



Pleasant working conditions are achieved in New Tesco House by the open plan, totally air conditioned landscaped floors as demonstrated in this view.

efficient the company is in containing its operating costs, and selling goods at highly competitive prices, the more it appears to be penalised.

Let there be no misunderstanding — we need profits! we need them to expand our business — we need them to invest to create further efficiencies and savings, in order to maintain our competitive position in the market place. Your Board is dedicated to achieve this goal.

Whilst on the subject of effecting savings I must comment on Superstores. I would point out that in these larger stores, on the edge of town with adequate car parking areas, we will be able to show significant reductions in prices, as better facilities for the bulk handling of goods can be

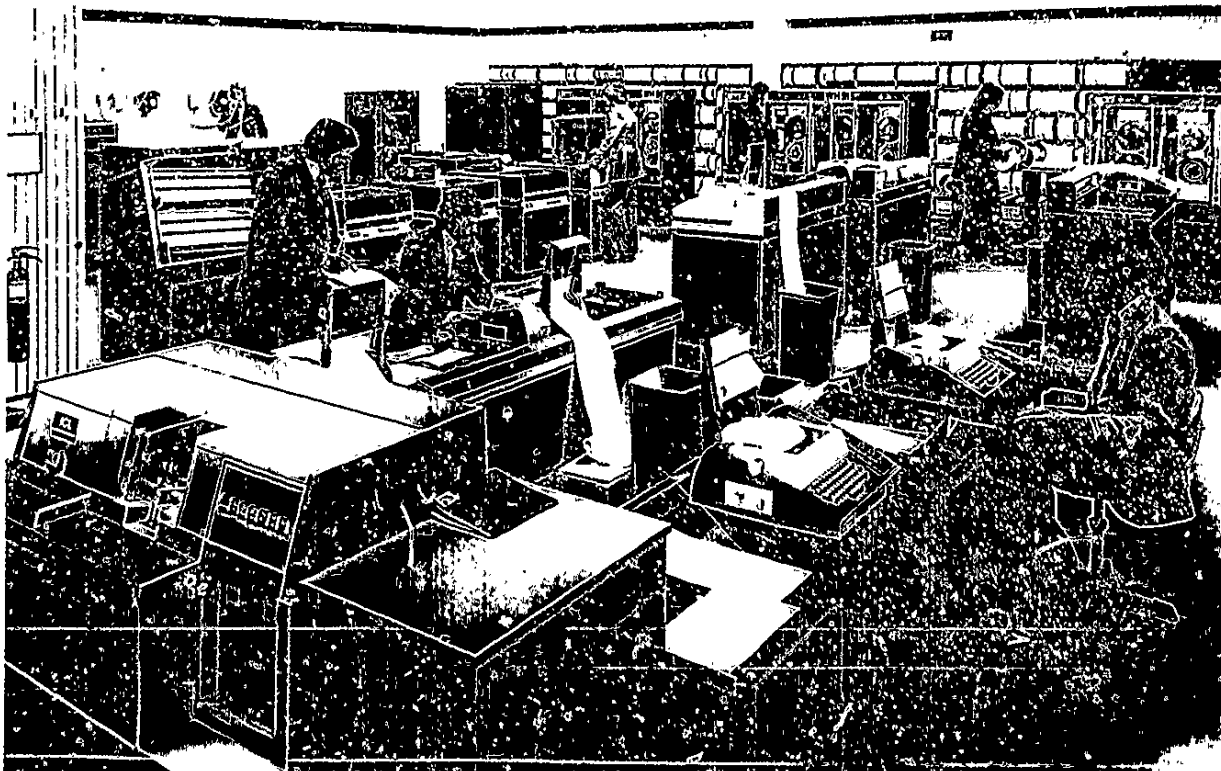
introduced. These larger stores are of benefit to the Company and community alike and will in the long term assist the Government in achieving its aim in holding down the cost of living.

Many leading members of the Retail Trade have commented on the enormous delays in obtaining planning permission for large stores. There is an urgent, indeed pressing, need for a complete reappraisal of the system by which we obtain these consents. Delays are very costly as building costs are rising every month and the quicker one is able to build and open a store, the lower the ultimate cost will be.

Reggie Porter

CHAIRMAN

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Part of the computer suite which houses two large ICL computers, and all the sophisticated 'hardware' necessary to process, quickly and accurately, the data which is vital to the efficient operation of our business.

52 Computer linked visual display units receive, process and transmit between the stores, head office, and the distribution depots, a constant flow of stock control data necessary to the servicing of the branches. A further 27 visual display units will be installed in the building later in the year as an extension of computerisation.

A Ten Year Record
of the Tesco Group

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Year Ended	Turnover £000's	Trading Profit £000's	Net Profit Before Tax £000's	Net Profit After Tax £000's	Dividends £000's	Dividends per Share (new pence) (c)	Earnings per Share (new pence) (d)	Net Profit Before Tax as % of Turnover	Cash Flow £000's
27.2.65	59,687	4,304	3,576	1,649	705 (net)	0.31	0.73	5.99	1,606
26.2.66	88,259	6,451	5,286	3,370	1,810 (gross)	0.66	1.07	5.98	3,000
25.2.67	110,999	8,136	6,669	3,883	1,951 (gross)	0.68	1.38	6.01	3,342
24.2.68	136,323	10,112	8,313	4,597	2,011 (gross)	0.71	1.63	6.09	4,343
22.2.69	191,405	12,601	10,207	5,531	2,239 (gross)	0.76	1.88	5.33	5,714
(a) 28.2.70	238,427	15,278	12,508	6,657	3,371 (gross)	1.08	2.24	5.25	6,361
27.2.71	259,383	17,248	13,808	8,224	3,923 (gross)	1.26	2.66	5.32	8,040
26.2.72	299,701	20,857	16,542	9,807	4,643 (gross)	1.49	3.16	5.52	9,566
24.2.73	359,013	25,516	21,727	12,720 (b)	4,875 (gross)	1.57	4.10	6.05	12,335
23.2.74(e)	423,032	27,621	24,538	11,730 (b)	5,118 (gross)	1.65	3.78	5.80	13,291

(a) 53 week period

(b) Gross equivalent including imputed tax credit

(c) Adjusted for capitalisation and rights issues

(d) Earnings after tax adjusted for capitalisation and rights issues

(e) Exclusive of value added tax

Additional Information

Dividend Payment Dates

Interim dividend normally payable late January/February and final dividend late July.

Number of Shareholders

The number of shareholders of the Company at 23rd February, 1974 was 81,216.

Capital Gains Tax

The market value of the shares in the Company on the 6th April, 1965 was 17p per share after adjustment for subsequent capitalisation issues and assuming the one for twenty rights issue was taken up in full. (Calculations made to the nearest new penny.)

To be presented at the Twenty Sixth Annual General Meeting to be held at Tesco House, Delamare Road, Cheshunt, Hertfordshire EN8 9SL, on Friday, 26th July, 1974, at 3.30 p.m.

The Balance Sheet of the Company together with the Consolidated Balance Sheet as at 23rd February, 1974, and the Consolidated Profit and Loss Account for the 52 week period ended 23rd February, 1974, are submitted.

Profits

The Group Profit and Loss Account on page 18 shows the profit for the period.

Acquisition

On the 16th August 1973 94% of the share capital of Square Meals Frozen Foods Limited, a Company engaged in bulk distribution of frozen food and freezers was acquired from Brooke Bond Liebig Limited. The balance of 6% of the share capital was subsequently acquired. The Company ceased trading in April 1974 as a result of planning difficulties and losses were incurred as outlined in the Chairman's Statement.

The losses are of an exceptional nature and non recurring. The expertise gained in the bulk frozen food business is now being profitably used particularly in the development of our Home Freezer units and the extension of the Home Freezer sections in our larger stores.

Principal Activities

The principal activity of the Company and its subsidiaries during the period was multiple retailing.

Dividends

An interim dividend of 0.4791p (gross equivalent 0.6844p) per share on account of the 52 week period ended 23rd February, 1974, was paid on the Ordinary Shares and the Directors recommend the payment of a final dividend of 0.6466p (gross equivalent 0.9650p) per share, subject to a scrip dividend election.

Directors

A list of Directors is given on page 1. Mr. L. Porter and Mr. G. R. Wood retire from the Board by rotation in accordance with Article 85 and, being eligible, offer themselves for re-election. Mr. S. Berwin and Mr. R. Temple were appointed Directors of the Company on 21st September, 1973, and in accordance with Article 86 retire and, being eligible, offer themselves for re-election. Mr. R. N. Behar retires from the Board in accordance with Article 86 and does not offer himself for re-election.

Shareholdings

Directors' shareholdings in the Company and family interests as defined by the Companies Act 1967, were as follows:

	23rd February, 1974			24th February, 1973		
	Beneficial & Family Interest	Non Beneficial As Trustee		Beneficial & Family Interest	Non Beneficial As Trustee	
	Ordinary Shares	'A' Ordinary Shares 1p Paid	Ordinary Shares	Ordinary Shares	'A' Ordinary Shares 1p Paid	Ordinary Shares
Sir John E. Cohen	4,702,566		1,437,912	4,268,949		1,989,256
Mr. L. Porter	7,148,862		5,693,743	6,354,547		5,708,328
Mr. L. B. Leigh	2,824	63,281		2,511	56,250	
Mr. I. C. MacLaurin	99,267	63,281		96,243	56,250	
Mr. D. Behar	1,851,359			1,839,648		
Mr. R. N. Behar	318,178	44,296		282,825	39,375	
Mr. S. Berwin	—			—		
Mrs. D. D. Hart	116,002			103,113		
Mr. H. Kreitman	16,590,591		5,093,743	14,747,195		5,708,328
Mr. R. Temple	7,144	44,296		6,351	39,375	
Mr. G. R. Wood	16,927	63,281		15,047	56,250	

6,412,699 Ordinary Shares are duplicated above; 718,956 (1973—994,628) shares being held as trustees by Sir John E. Cohen and Mr. Hyman Kreitman jointly and 718,956 (1973—994,628) by Sir John E. Cohen and Mr. Leslie Porter jointly. 4,974,787 (1973—4,713,700) shares are held as trustees by Mr. Hyman Kreitman and Mr. Leslie Porter jointly.

Apart from the directors and their family interests listed above there are no persons holding or, as far as the

Register of Shareholders discloses, beneficially interested in any substantial part of the share capital of the Company.

Between 23rd February 1974 and 2nd June 1974 there have been the following changes: Mr. Hyman Kraitman's family interests have been reduced by 12,150,000 Ordinary Shares and his non beneficial holding as trustee has been increased by 11,823,024 Ordinary Shares, and Mr. Leslie Porter has become a non beneficial holder as trustee of a further 8,099,996 Ordinary Shares. Mr. Robin N. Behar sold 27,843 Ordinary Shares on 23rd May 1974.

Market Value of Interest in Land held as Fixed Assets

A revaluation of the group properties was carried out by Healey and Baker as at 30th November, 1972, and disclosed a surplus of approximately £37,400,000 over book value which has not been reflected in the Balance Sheet.

Employees

The average number of employees per week during the period was 40,245 including 13,006 part time staff. (1973—34,262 including 10,474 part time staff).

The aggregate remuneration paid to employees for the period was £37,375,000 (1973—£28,382,000).

Political and Charitable Contributions

No political contributions were made during the period, but charitable contributions totalled £18,000 (1973—£6,500).

Auditors

The Auditors, Messrs. Hogg Bullimore Gundry & Co., will continue in office under the provisions of the Companies Act, 1948.

By Order of the Board,

R. TEMPLE,

Secretary.

2nd July, 1974.

Auditors Report

to the Members of Tesco Stores (Holdings) Limited

In our opinion the Accounts set out on pages 18 to 24 together give so far as concerns the Members of the Holding Company a true and fair view of the state of affairs at 23rd February, 1974, and of the profit for the 52 weeks ended on that date and comply with the Companies Acts, 1948 and 1967.

HOGG BULLIMORE GUNDRY & CO.,

Chartered Accountants.

London,

18th June, 1974.

nb

Consolidated Profit and Loss and Appropriation Account — note 1

52 weeks ended 23rd February, 1974

	Notes	1974	£000's	1973
Sales to customers at net selling prices		433,767		359,013
Deduct Value Added Tax		10,735		—
Sales excluding Value Added Tax (including Export Sales £245,000—1973 £115,000)		<u>£423,032</u>		<u>£359,013</u>
Trading profits of the Group (after deducting £1,222,000 loss applicable to Subsidiary Company acquired during period)		27,621		25,516
Interest	2	2,202		958
		<u>29,823</u>		<u>26,474</u>
<i>Deduct</i>				
Emoluments of Directors of Parent Company	3	160	138	
Amortisation, amounts written off and depreciation of fixed assets, excepting freeholds	10	5,054	4,490	
Auditors' remuneration		37	33	
Debenture interest	12	34	36	
Supplementary contribution to staff pension scheme		—	50	
		<u>5,285</u>		<u>4,747</u>
Net profit subject to taxation (after deducting £1,321,000 loss applicable to Subsidiary Company acquired during period)		24,538		21,727
<i>Deduct Taxation</i>	4a	12,808		9,007
Net profit after taxation		11,730		12,720
<i>Deduct</i> amount set aside for subsequent anticipated losses incurred by a Subsidiary Company to date of cessation in respect of trade and assets		1,000		—
		<u>10,730</u>		<u>12,720</u>
<i>Deduct Dividends</i>	5	3,493		3,577
Profit retained for the period		<u>7,237</u>		<u>9,143</u>
<i>Add</i>				
Balance brought forward 25th February, 1973		29,553	20,183	
Adjustment for taxation in earlier periods	4b	(1,086)	227	
		<u>28,467</u>		<u>20,410</u>
Balance carried forward to next year				
Parent Company		34,330	28,198	
Subsidiary Companies		1,374	1,355	
		<u>£35,704</u>		<u>£29,553</u>
Earnings per Ordinary Share after Taxation		<u>3.78p</u>		<u>4.10p</u>

Accounting policies and notes forming part of these accounts are on pages 21 to 24

**Consolidated Balance
Sheet — note 1**
23rd February, 1974

Tesco Stores (Holdings) Limited
and Subsidiary Companies

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	Notes	1974	£000's	1973
Capital employed				
Issued capital of Parent Company	6	15,536		13,809
Share premium	7	5,432		7,193
Capital reserve	8	3,314		3,741
Unappropriated profits		35,704		29,553
Total share capital and reserves		59,986		54,296
Amount set aside for anticipated losses		1,000		—
Deferred taxation	9	7,345		3,512
		<u>£68,331</u>		<u>£57,808</u>
Employment of capital				
Fixed assets				
	10			
Freeholds		27,154		24,680
Leaseholds		13,334		10,615
Plant, motor vehicles, fixtures, fittings and equipment		26,841		22,787
Total fixed assets		67,329		58,082
Investments	11	4,187		10
Current assets				
Stocks at lower of cost or market value		47,934	31,031	
Debtors		4,729	3,116	
Cash and short term deposits		13,244	16,426	
		<u>65,907</u>	<u>50,573</u>	
		137,423		108,665
Deduct Current liabilities				
Creditors and accrued expenses		51,979	35,506	
Current taxation		4,201	2,712	
Dividends		3,493	4,020	
		<u>59,673</u>	<u>42,238</u>	
		77,750		66,427
Deduct Debentures secured on certain properties of a subsidiary company				
	12	546		609
		<u>77,204</u>		<u>65,818</u>
Deduct Corporation tax payable				
1st January, 1975	4a	8,873		8,010
		<u>£68,331</u>		<u>£57,808</u>

J. E. COHEN }
L. PORTER } *Directors*

Accounting policies and notes forming part of these accounts are on pages 21 to 24

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Balance Sheet—Tesco Stores (Holdings) Ltd.
23rd February, 1974

	Notes	1974		1973	
		<i>Authorised</i>	<i>Issued</i>	<i>Authorised</i>	<i>Issued</i>
Capital employed					
Share capital	6	<u>17,500</u>	<u>15,536</u>	<u>14,000</u>	<u>13,809</u>
Share premium account	7		5,432		7,193
Unappropriated profits			<u>34,330</u>		<u>28,198</u>
Total share capital and reserves			<u>55,298</u>		<u>49,200</u>
Deferred taxation	9		<u>153</u>		<u>110</u>
			<u>£55,451</u>		<u>£49,310</u>
 Employment of capital					
Investments	11		4,184		7
Subsidiary companies	14				
Shareholdings at cost		4,390		4,390	
Add Net amount due from subsidiary companies		<u>43,111</u>		<u>34,760</u>	
			47,501		39,150
Current assets					
Debtors		407		402	
Cash and short term deposits		<u>10,410</u>		<u>15,329</u>	
			<u>10,817</u>		<u>15,731</u>
			62,502		54,888
Deduct Current liabilities					
Creditors and accrued expenses		712		470	
Current taxation		<u>1,784</u>		<u>880</u>	
Dividends		<u>3,493</u>		<u>4,020</u>	
			<u>5,989</u>		<u>5,370</u>
			56,513		49,518
Deduct Corporation tax payable	4(a)				
1st January, 1975			1,062		208

J. E. COHEN }
L. PORTER } *Directors*

£55,451

£49,310

Accounting policies and notes forming part of these accounts are on pages 21 to 24

Accounting policies and notes to
be read as part of the Accounts

1. Consolidated Accounts

- (a) The Profit and Loss Account includes the figures applicable to a subsidiary company, Square Meals Frozen Foods Limited, from the date of acquisition, 16th August, 1973.
(b) The deficiency of net tangible assets of this subsidiary company at date of acquisition, in excess of the consideration for the Share Capital is dealt with by deduction in the Capital Reserve Account.

2. Interest and Dividends

	1974	1973
Interest receivable on short-term loans	2,400	974
Deduct interest payable on short-term loans	201	16
	<u>2,199</u>	<u>958</u>
Dividends receivable on quoted investments, including tax credit	3	—
	<u>£2,202</u>	<u>£958</u>

3. Directors' Emoluments

Fees	1	1
Other emoluments (including pension contributions)	159	137
	<u>£160</u>	<u>£138</u>

Emoluments (excluding pension contributions)

Chairmen— H. Kreitman to 21st September, 1973	£14	£15
L. Porter from 21st September, 1973	£18	—
	<u>£18</u>	<u>£17</u>

Highest paid Director— Chairman (1973—other Director)

Directors (excluding Chairmen)	No.	No.
Up to £2,500	1	—
From £2,501 to £5,000	1	1
From £5,001 to £7,500	1	—
From £7,501 to £10,000	1	—
From £10,001 to £12,500	1	2
From £12,501 to £15,000	2	2
From £15,001 to £17,500	1	3
From £17,501 to £20,000	2	—

Total emoluments waived by 1 Director (1973—2)	<u>£10</u>	<u>£19</u>
--	------------	------------

Two Directors of a subsidiary company received a salary of between £10,001 and £12,500 (1973—1)

4. Taxation

(a) Corporation Tax at 50.857% (1973—40%)	10,171	8,010
Deferred Taxation	2,637	997
Total Taxation for the Period	<u>£12,808</u>	<u>£9,007</u>

The Corporation Tax charge for the period and the Corporation Tax payable on 1st January, 1975 have been reduced by £294,000, being a reduction of Corporation Tax payable on 1st January, 1975 of £2,797,000 (by reason of anticipated tax relief on losses represented by allowances for capital expenditure to be surrendered to the Group by an Associated Company) less an amount of £2,503,000 being the consideration payable on 1st March, 1975 in respect of the surrender of those losses. The Corporation Tax payable on 1st January, 1975 is further reduced by an amount of £1,298,000 in respect of Deemed Advance Corporation Tax.

(b) Deferred taxation applicable to earlier periods by reason of change in rate of Corporation Tax to 52%	1,524	—
Less: Overprovision for Corporation Tax in respect of previous periods, including £325,000 represented by a reduction of Corporation Tax of £2,600,000 (by reason of tax relief for losses agreed to be surrendered to the Company and certain subsidiary companies of the Group by other companies) less £2,275,000 being the sum of payments made and to be made in respect of the surrender of those losses	438	227
	<u>£1,086</u>	<u>£(227)</u>

- (c) Deferred taxation represents Corporation Tax at current rates on the amount by which the accumulated taxation allowances on fixed assets exceed provisions for depreciation to date, and other timing differences in Corporation Tax payable arising on income and expenditure.

30 Accounting policies and notes (continued)

		£000's	
		1974	1973
5. Dividends			
	Gross Equivalent	Actual	
Declared Interim	2,124	1,487	2,023
Proposed Final	2,994	2,006	2,852
	<u>5,118</u>	<u>3,493</u>	<u>4,875</u>
Less deemed Advance Corporation Tax	—	—	1,298
	<u>£5,118</u>	<u>£3,493</u>	<u>£3,577</u>
6. Issued Share Capital			
Shares of 5p each			
Ordinary	"A" Ordinary	Ordinary	"A" Ordinary (1p paid)
275,833,139	1,794,375	13,792	18
34,479,142	224,268	1,724	2
<u>310,312,281</u>	<u>2,018,643</u>	<u>£15,516</u>	<u>£20</u>
7. Share Premium Account			
Balance at 25th February, 1973		7,193	
Deduct amount applied towards Capitalisation Issue made on 27th July, 1973 including expenses and costs of increasing Authorised Share Capital		1,761	
		<u>£5,432</u>	
8. Capital Reserve			
Balance at 25th February, 1973		3,741	
Realised Net Surplus on Disposals of Fixed Assets		380	
Realised Net Surplus on Redemption of Debentures		20	
		<u>4,141</u>	
Deduct deficiency of net tangible assets of subsidiary company at the date of acquisition, in excess of the Consideration for the Share Capital		827	
		<u>£3,314</u>	
The balance on Capital Reserve includes £2,653,000 realised surpluses on disposal of Fixed Assets, the liability to tax thereon, where applicable, being dealt with under the provisions of Section 33 of the Finance Act, 1965, and Section 276 of the Income and Corporation Taxes Act, 1970.			
9. Deferred Taxation			
	Tesco Stores (Holdings) Ltd	Consolidated	
Balance at 25th February, 1973	110	3,512	
Transfer from Profit and Loss Account (notes 4a and 4b)	43	4,161	
Deemed Advance Corporation Tax transferred, deducted from Corporation Tax payable, 1st January, 1975	—	1,298	
	<u>153</u>	<u>8,971</u>	
Less Advance Corporation Tax recoverable 1st January, 1976	—	1,626	
	<u>£153</u>	<u>£7,345</u>	
10. Movements in Fixed Assets			
	1974	1973	
	Cost	Cost	Amounts written off
Freeholds at 25th February, 1973	24,680	22,464	
Additions	2,681	2,581	
	<u>27,361</u>	<u>25,045</u>	
Deduct Disposals	207	367	
Balance at 23rd February, 1974	<u>£27,154</u>	<u>£24,680</u>	<u>—</u>

Accounting policies and notes (continued)

Tesco Stores (Holdings) Limited
and Subsidiary Companies

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10. (continued)

(continued)	1974		£000's		1973	
Leaseholds at 25th February, 1973	12,552	1,937	10,641	1,635		
Additions	3,147	5	2,035			
	<hr/>	<hr/>	<hr/>	<hr/>		
Deduct Disposals	15,699	1,942	12,676	1,635		
	140	91	124	49		
	<hr/>	<hr/>	<hr/>	<hr/>		
Amortisation	15,559	1,851	12,552	1,586		
	—	374	—	351		
	<hr/>	<hr/>	<hr/>	<hr/>		
Balance at 23rd February, 1974	£15,559	£2,225	£12,552	£1,937		
	<hr/>	<hr/>	<hr/>	<hr/>		
Long Leases (Over 50 years to run)	£9,029	£347	£6,682	£270		
Short Leases (Under 50 years to run)	£6,530	£1,878	£5,870	£1,667		
	<hr/>	<hr/>	<hr/>	<hr/>		
Plant, Motor Vehicles, Fixtures Fittings and Equipment at 25th February, 1973	43,519	20,732	39,784	17,329		
Additions	9,132	64	4,711	—		
	<hr/>	<hr/>	<hr/>	<hr/>		
Deduct Disposals	52,651	20,796	44,495	17,329		
	1,247	913	976	736		
	<hr/>	<hr/>	<hr/>	<hr/>		
Depreciation	51,404	19,883	43,519	16,593		
	—	4,680	—	4,139		
	<hr/>	<hr/>	<hr/>	<hr/>		
Balance at 23rd February, 1974	£51,404	£24,563	£43,519	£20,732		
	<hr/>	<hr/>	<hr/>	<hr/>		

The above cost figures include:

(a) Certain properties of subsidiary companies at professional valuation prior to acquisition of these subsidiaries by the Parent Company, amounting to £487,000.

(b) Long Leasehold valued by the Directors at £151,000 in 1968.

Additions include fixed assets in subsidiary company acquired during the period.

Depreciation of Plant, Motor Vehicles, Fixtures, Fittings and Equipment is provided over their anticipated normal working life, on a consistent annual basis.

Leasehold Properties are amortised on the unexpired portions of the leases by equal annual instalments on the following basis:—

Up to 21 years	—over period of the lease
22 to 42 years	—over 21 years
43 to 150 years	—over period of the lease
In excess of 150 years—nil	

11. Investments

	Tesco Stores (Holdings) Ltd		Consolidated	
	1974	1973	1974	1973
Unquoted, at cost less amounts written off (Directors' valuation £6,000 (1973—£10,000))	3	7	6	10
Quoted, at cost (Market Valuation £3,351,000)	4,181	—	4,181	—
Associated Company (Directors' valuation £100—cost £100)	—	—	—	—
	£4,184	£7	£4,187	£10

Associated Company

A subsidiary company acquired during the period 50% of the issued share capital of Bannergrade Limited, a company registered in England. The first accounts of that company are not yet completed but it is considered that the profits or losses to 23rd February, 1974 will not be of a material amount and accordingly the figures have not been incorporated in these accounts.

12. Debentures

	1974	1973
6½% Debenture Stock 1975/80	80	91
Add Interest accrued	2	2
	82	93
6% Debenture Stock 1983/88	460	511
Add Interest accrued	4	5
	464	516
	£546	£609

(a) The 6½% Debenture Stock 1975/80 is secured by way of a first mortgage on certain assets of Tesco Stores Limited under a Trust Deed dated 20th December, 1955, as amended by a Supplementary Trust Deed dated 10th April, 1972, and is redeemable

Accounting policies and notes (continued)

12. (continued)

- (i) by the application of a sinking fund established by annual instalments since 30th September, 1956;
- (ii) at the company's option at any time after 30th September, 1975, at a premium of 2½%; or
- (iii) if still outstanding at 30th September, 1980, at 102%.
- The authorised amount of the issue is £200,000 and £120,000 has been redeemed to date at a premium of 2%. The interest payable was increased by the said Supplemental Trust Deed to 6½% per annum. Under the said Supplemental Trust Deed the parent company has acted as surety for Tesco Stores Limited.
- (b) The 6% Debenture Stock 1983/88 is now secured by way of a first mortgage on certain assets of Tesco Stores Limited under a Trust Deed dated 3rd July, 1963, as amended by a Supplemental Trust Deed dated 10th April, 1972, and is redeemable
- (i) by the application of a sinking fund to be established by annual instalments commencing during the year ended 30th June, 1968;
- (ii) at par, at the company's option, at any time after 30th June, 1983;
- (iii) by purchase through the market or by tender at a price not exceeding par plus accrued interest; or
- (iv) if still outstanding at 30th June, 1988, at par.
- The authorised amount of the issue is £650,000 and £190,000 has been redeemed to date by purchase through the market.
- Under the said Supplemental Trust Deed the parent company has acted as surety for Tesco Stores Limited.

13. At 23rd February, 1974

- (a) There were commitments for capital expenditure of approximately £10,388,000 (1973—£10,100,000).
- (b) Capital expenditure authorised by the Board but not contracted for amounted to £10,102,000 (1973—£6,902,000).

14. (a) Subsidiary Companies, which in the opinion of the Directors principally affected the amount of the profit or assets of the Group, all operated and registered in England.

Wholly owned by Tesco Stores (Holdings) Limited

Tesco Stores Limited
Cadena Cafes Limited

Wholly owned by Subsidiaries

Square Meals Frozen Foods Limited

The Identity of Class of Shares held is Ordinary £1 for all Companies

- (b) Amounts due from Subsidiary Companies
Deduct Amounts due to Subsidiary Companies

	£000's	
	1974	1973
	80,889	78,903
	37,778	44,143
	<u>£43,111</u>	<u>£34,760</u>

Subsidiary Company Directors

Directors

M. J. Adelson	† H. E. Merritt
D. R. Baker	F. Milburn
A. K. P. Bishop	K. Milburn
M. J. Coxall	† P. J. J. O'Gorman
* R. E. Clark	* R. S. Parker
W. J. Corness	† P. R. Pearce
† W. J. Corsie	H. F. Pennell
† E. A. Dudley	† E. Price
* M. Darnell	F. A. Rann
* F. T. W. Dean	W. R. Rensonnott
J. H. Dipple	* J. Russell
J. F. Duggan	E. J. Shipman
* E. J. Fox	C. Simpson
* C. J. Goodfellow	J. R. Stenlake
† L. L. Gowers	† S. Stevens
M. R. Groves	A. G. H. Swan
D. G. Harris	† A. P. Sweeney
† A. Harvey	J. D. Thomson
P. G. Herbert	B. J. Tree
† B. C. Hewitt	* D. C. Tuffin
† B. T. Jones	† P. G. Uttley
† D. A. Jones	J. C. Venner
* L. N. Kelly	† E. Webber
A. King	† J. Wells
* F. R. N. Krejsa	† B. R. Williams
† R. J. Levine	E. S. Williams
† * A. D. Malpas	H. B. Williams
J. Marshom	

Executive Directors

† S. Abrahams	C. Longley
† E. J. L. Ashton	R. McLaughlin
F. A. Austin	† F. W. Nash
L. R. Barnes	W. L. Phillips
R. Barton	† K. O. Pritchard
A. I. Besbrode	† A. C. W. Quinton
† K. W. Blackburn	J. Rawlings
† P. Bostle	† P. J. Russell
† C. B. Brown	† K. A. Shaw
† M. G. Brownlie	† P. J. Shayer
J. Cartwright	† J. M. Smith
B. S. Castelli	J. K. Sumeray
H. Christopher	† J. A. Taylor
B. H. Clark	S. C. Taylor
† K. W. Clarke	† N. A. Todd
† K. H. Day	C. C. Tse
D. J. Demus	J. Turner
† R. E. Doone	† L. Valencia
J. Eastoe	J. Webster
D. Freeman	T. White
M. A. Goldhill	
† N. R. B. Graff (Miss)	
† R. J. Horsman	
H. Jury	

* Managing Directors and Deputy Managing Directors
† A appointed during year

Group Management Executive

L. Porter	Chairman of Tesco Stores (Holdings) Ltd.
L. B. Leigh	Managing Director of Tesco Stores (Holdings) Ltd.
I. C. MacLaurin	Managing Director of Tesco Stores (Holdings) Ltd.
*D. D. Hart, O.B.E.	Managing Director of Tesco Wholesale Ltd.
*R. Temple, F.C.A.	Director of Administration and Local Finance
*G. R. Wood	Managing Director of Tesco Fresh Foods Ltd.
†M. Darnell	Joint Managing Director of Tesco Supermarkets Ltd.
†M. R. Groves	Group Marketing Director
†D. G. Harris, B.A.	Group Distribution Director
†P. G. Herbert, F.C.A.	Group Chief Accountant
†F. R. N. Krejsa, F.R.I.C.S.	Managing Director of Tesco Estates Ltd.
†R. S. Parker	Asst. Managing Director of Tesco Fresh Foods Ltd.
†H. F. Pennell	Group Grocery Buying Director
†J. Russell	Joint Managing Director of Tesco Home 'n' Wear Ltd.
M. J. Boxall, A.C.I.I.	Company Secretary

*Directors of Tesco Stores (Holdings) Ltd.

†Directors of Tesco Stores Ltd.