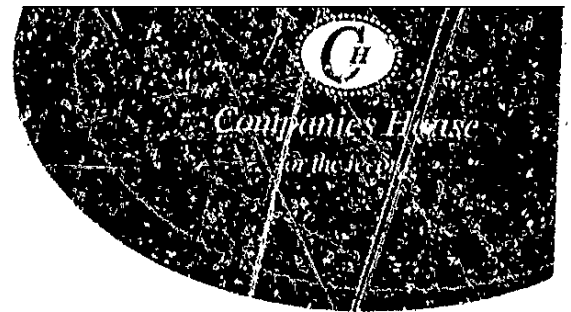




NOTICE OF ILLEGIBLE DOCUMENT ON THE MICROFICHE RECORD

Companies House regrets that the microfiche record for this company contain some documents which are illegible.

The poor quality has been noted, but unfortunately steps taken to improve them were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

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SAINSBURY'S



1990

ANNUAL REPORT & ACCOUNTS

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Registered Office and Advisers

Registered Office

1 Sainsbury plc
Standard House
Standard Street
London SE1 1PL

Auditors

C Clark White Bull
25 New Street Square
London EC4A 3DF

Solicitors

Denden Hall Burton & Watson
Five Chambers Lane
Clifford's Inn
London EC4A 3DF

Registrars

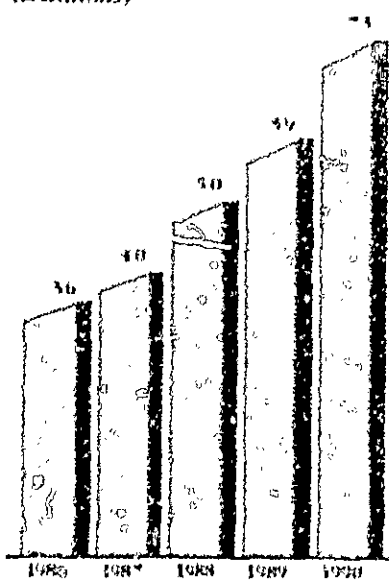
National Westminster Bank PLC
Registrars Department
100 Bank Street
London EC4A 3DF
Reckitts Way
House 1B SE1 1NF



RESULTS AT A GLANCE

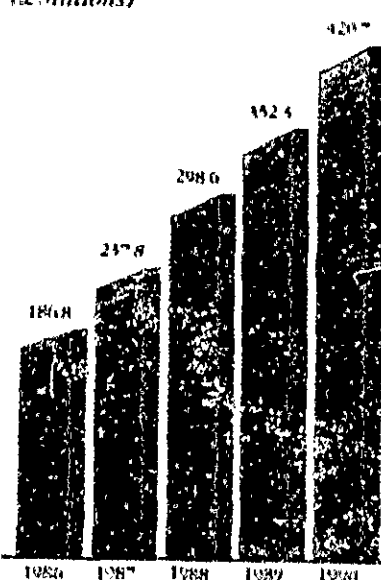
	1990	1989	%
£ million	52 weeks to 17th March	52 weeks to 18th March	Increase
Group Sales	7,257.0	5,915.1	22.7
UK Sales	6,211.2	5,083.9	22.2
UK Operating Profit	437.2 7.04%	350.4 6.89%	24.8
US Sales	1,045.8	831.2	25.8
US Operating Profit	43.5 3.20%	22.5 2.70%	49.1
Interest Payable	(17.8)	(9.5)	89.4
Associates	1.6	15.6	
UK Profit Sharing	(33.8)	(26.7)	26.8
Group Trading Profit	420.7	352.3	19.4
Other Operating Income	30.7	22.8	34.9
Profit before Tax	451.4	375.1	20.3
Fully Diluted Earnings per share (excluding Property Profit)	18.36p	15.10p	21.6
Dividend per Share - net for year	6.10p	5.05p	20.8

Group Sales
(£ Billions)



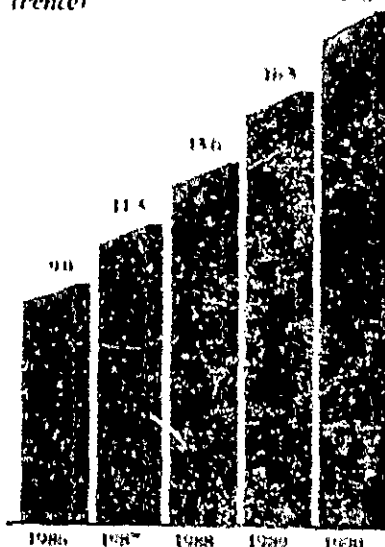
Group sales have increased by over 100% since 1986.

Group Trading Profit
(£ Millions)



Group trading profit has increased by over 125% since 1986.

Earnings per share
(35% tax, including Property Profit)
(Pence)



Annual increases in earnings per share have averaged more than 21% since 1984.

CHAIRMAN'S STATEMENT



Boosting UK Food Sales

State Development

Retail Technology

Last year I reported on the opportunity to improve customer service through EFTPOS (Electronic Funds Transfer at the Point of Sale), the major news at that time being that customers with Switch cards could use them to pay for purchases at over 200 supermarkets with scanning equipment.

Following consistent pressure on the Banks, Sainsbury's can now accept all major debit cards and some 15 million cardholders are able to use this facility at 270 Sainsbury supermarkets. Already 20% of our supermarket sales are paid for in this convenient and cost effective way.

Customers are also increasingly appreciative of our highly successful Multibuy facility, whereby discounts are automatically given for selected multiple purchases. This again has been made possible through scanning at the checkouts where we are now scanning 98% of all items purchased.

Food Safety and the Environment

The Company continues to give the highest priority to all aspects of food safety. In the face of the ongoing debate on food safety issues, Sainsbury's customers have demonstrated great confidence in our products, the controls we exercise and the standards we achieve.

During the year the Company continued its initiatives on environmental matters as can be seen throughout the review section of this Report. In March the Company was awarded the Environment Management Award for 1989. This prestigious award run by the Royal Society of Arts with the support of the CBI was presented by the Prime Minister.

*Whitley Bay, Tyne and Wear,
is the most northerly Sainsbury's
supermarket*



The Company is making a wide contribution to food safety and environmental concerns through its specialists sitting on trade, government, EEC and UN committees. Sainsbury's is also supporting the Food Safety Advisory Centre, which commissions independent scientific research.

Product Development

The extent and depth of Sainsbury's own label range is unrivalled among UK food retailers and accounts for about two thirds of supermarket sales. We devote much effort and resources to innovative development where our buying and product development team is recognised as being exceptionally strong and experienced. A review of developments is on pages 8 to 12.

Subsidiaries

Our Subsidiaries have made excellent progress.

At Savacentre operating profit was £17.3 million on sales of £365.8 million. The Merton hypermarket is trading very well and the opening sales at London Colney were a Savacentre record. The Meadowhall Savacentre at Sheffield will open in September.

Homebase performed extremely well despite difficult trading conditions in the DIY sector as a whole. It increased its sales by 11%, and increased operating profit by 26%.

Shaw's enjoyed an excellent year with operating profit increasing by 36% to \$51.6 million. The future of Shaw's is particularly exciting and we are investing heavily in the store development programme, the restructuring of the distribution network and associated systems developments.

In total, Subsidiaries account for 22% of Group Sales and 13% of Group Operating Profit. They provide an outstanding range of opportunities for sustained growth in the years ahead.

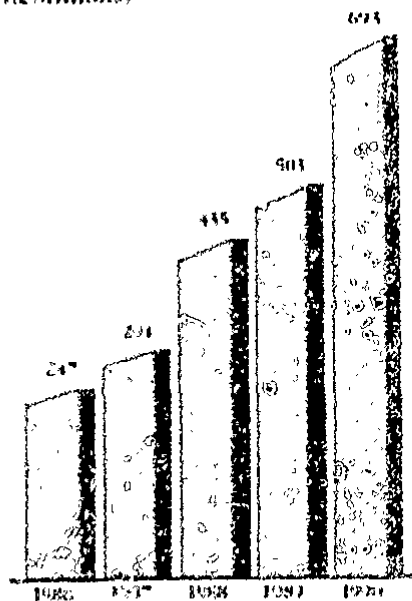
Funding

In recent years we have invested very heavily in the freehold property of new supermarkets, whereas previously there had been a more even balance between property owned and property rented. In the past year sale and leaseback transactions amounting to £200 million have allowed us to move closer to the traditional balance, thereby stabilising balance sheet gearing at a moderate level. Currently 58% of UK supermarket selling space is freehold or held on long leasehold.

Thanks to Suppliers

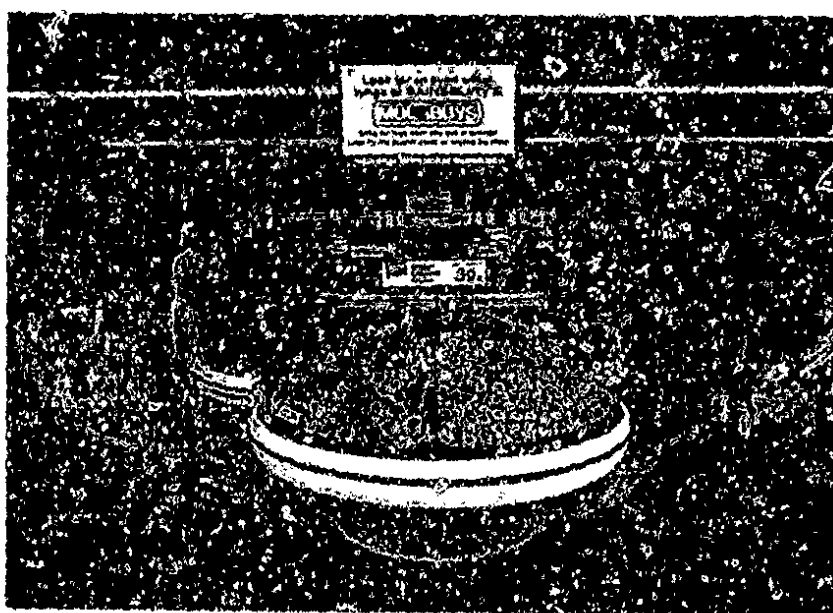
Once again I would like to acknowledge the debt we owe to our suppliers. I thank them for their enthusiastic participation in the new

Capital Expenditure
(£ Millions)



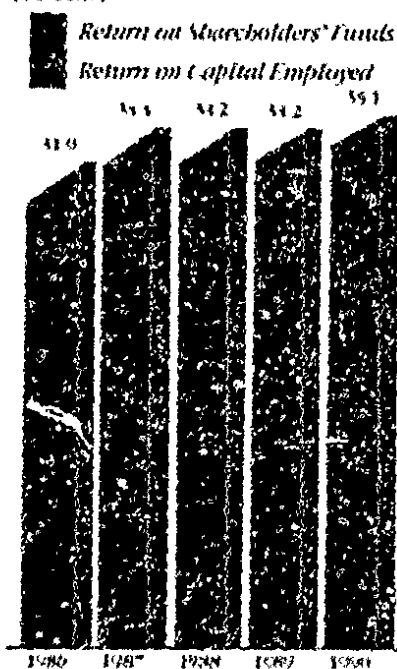
This year Group capital expenditure has increased by nearly 40% over last year.

The highly successful Mulberry facility is only possible because of heavy investment in checkout scanning



product development, for their willingness to adapt products and packaging, particularly to meet the new environmental standards we set, and for their co-operation in the daily task of delivery to our distribution network.

Return on Shareholders' Funds and Capital Employed (Percent)



Returns on Shareholders' funds have increased from 31.0% to 31.2%

Sainsbury Staff

During the year we have built on the new store management structures and improved our staff remuneration packages. An important job evaluation completely re-appraised the jobs of the 60,000 supermarket staff below management level. This has resulted in a more accurate reflection in pay of the changing nature of jobs in today's large supermarkets. The changes provide improved and fairer rewards for our branch workforce and will aid recruitment and retention in the face of demographic changes and increasing competition for staff.

We have made improvements to the Profit Sharing Scheme, which now embraces all three of the UK retail companies, and have extended participation to staff with shorter service. Since the creation of the Profit Sharing Scheme 11 years ago, over £160 million has been distributed in Sainsbury's shares and cash. No other publicly quoted retailer has distributed profit to staff on such a scale or done more to encourage staff to become shareholders. Nearly 30% of our staff in the UK are shareholders.

The success of the Profit Sharing Scheme reflects the success of the Company and the achievements of our staff throughout the Group. It gives me much pleasure on behalf of all shareholders to express appreciation to our staff for all they have done in the past year to maintain the highest standards of service to our customers.



Mr. J. H. G. Barnes

New Directors

Challenge of the Future

Wesley

September 1961

COMPANY OBJECTIVES

To discharge the responsibility as leaders in our trade by acting with complete integrity, by carrying out our work to the highest standards, and by contributing to the public good and to the quality of life in the community

To provide unrivalled value to our customers in the quality of the goods we sell, in the competitiveness of our prices and in the range of choice we offer

In our stores, to achieve the highest standards of cleanliness and hygiene, efficiency of operation, convenience and customer service, and thereby create as attractive and friendly a shopping environment as possible

To offer our staff outstanding opportunities in terms of personal career development and in remuneration relative to other companies in the same market, practising always a concern for the welfare of every individual

To generate sufficient profit to finance continual improvement and growth of the business whilst providing our shareholders with an excellent return on their investment

A number of awards which
Sainsbury's received during the year
in respect of its performance in
business performance are illustrated
here. Right: the Environmental
Management Award the Green
Award from the Green magazine,
the Retail Award from the Retail
Council, the Business & Industry
Commitment to the Environment
Premier Award. Left: the
International Magazine Advertising
for Finance Award from the Food
Marketing Institute of America, the
European Merchandising Masters
Award run by the European grocery
industry, the Supermarket Wine
Merchants of the Year Award from
Wine Magazine. Not illustrated is the
AAFA Bank's Telegraph Award for the
best supermarket in Britain and the news



THE QUALITY OF SAINSBURY'S PRODUCTS

Product Quality



Fresh Foods

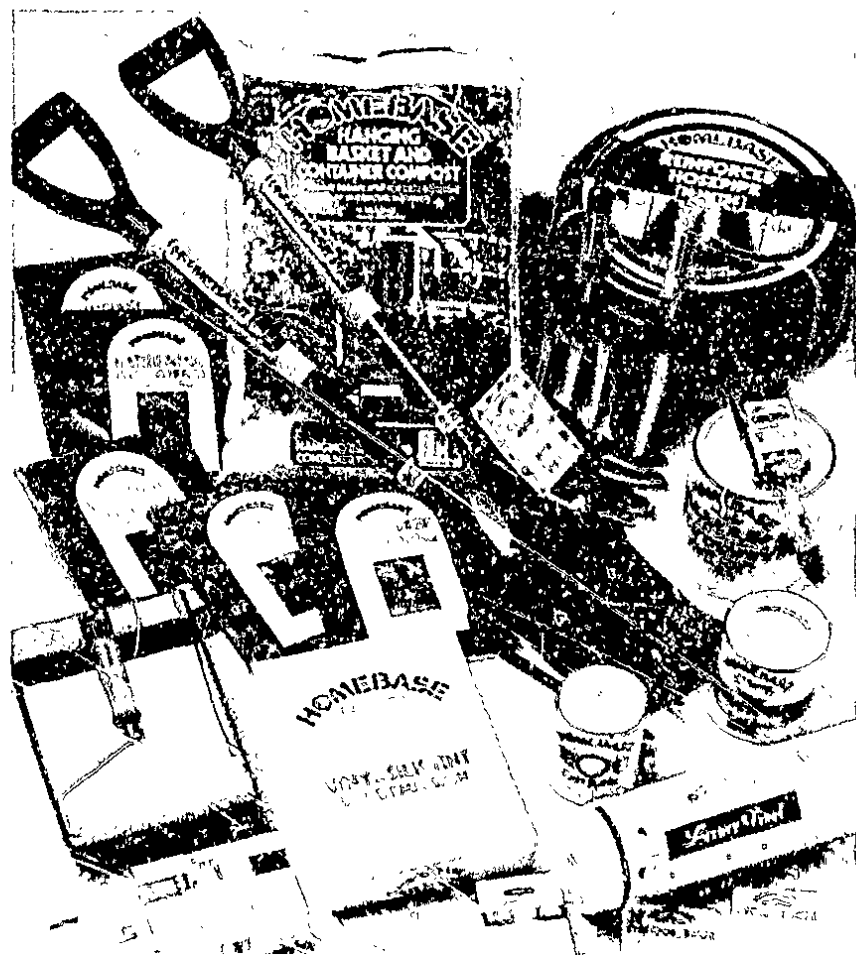




Organic Products



Cosmetics

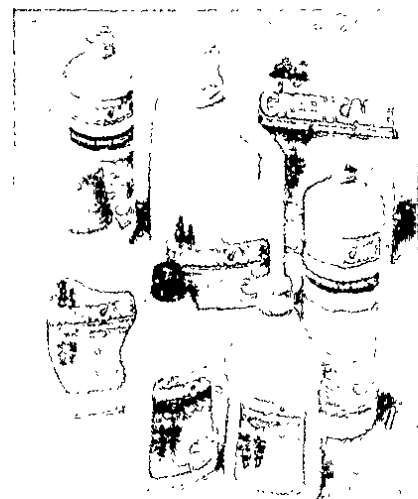


THE QUALITY OF SAINSBURY'S PRODUCTS



Books

Technological Support



product is established. Sainsbury's technologists and buyers work with the manufacturers to ensure constant monitoring of quality control.

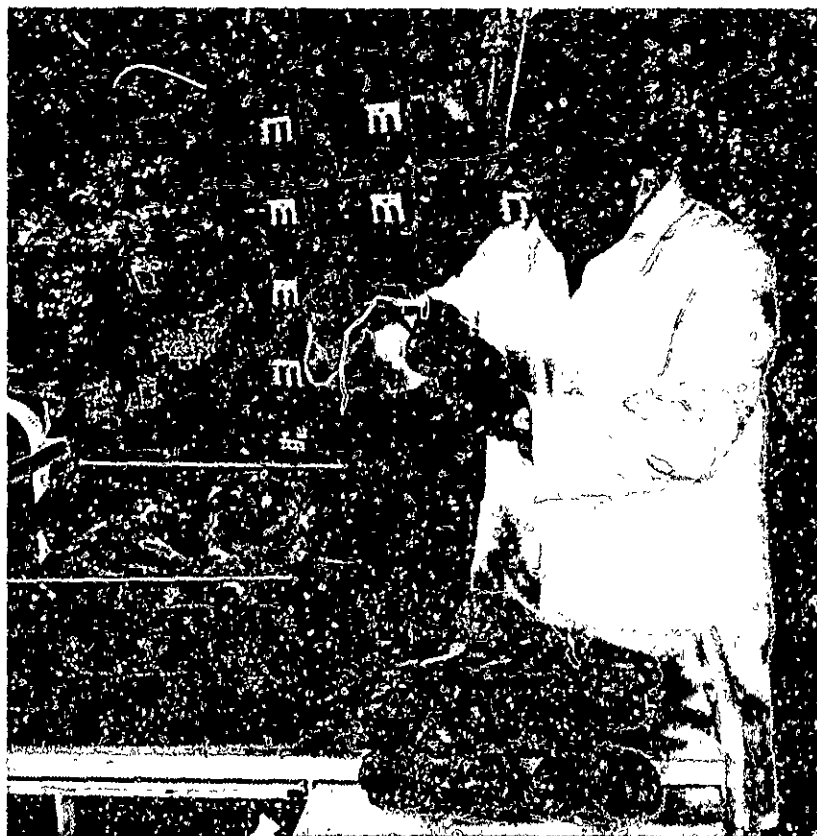
Much technical effort has gone into developing new products with specific environmental benefits. These include Sainsbury's Green care range of household cleaners and washing detergents, toilet tissue and kitchen rolls made from recycled paper have been introduced after considerable research. This long term environmental concern has brought Sainsbury's several green awards, including those shown on page 7.

The Cold Chain

Approximately one third of Sainsbury's products is sold under controlled temperature conditions. Throughout distribution - in depots, in the vehicles serving the stores and in the stores themselves - products are held in a closely controlled cold chain. Much of this, including the latest refrigerated cabinets in store, is controlled by sophisticated computer technology. The Company's lead in cold chain distribution is the result of a rolling programme of investment - a 25 million over three years.

Food Hygiene

Training in food hygiene is an integral part of staff training in stores and depots. This is one of the critical areas for managing perishable foods. Hygiene performance is independently assessed by the Company's own team of hygiene officers.



The key task is to provide customers with safe and wholesome food. Through the expertise of its buyers and the technological backup which is available at all levels throughout the Company Sainsbury's is confident that the products on offer to its customers are better, safer and more wholesome than they have ever been.

Read in detail Top Technology's Marian Williams reviews special offers to help you choose the best products for your business. You will find out how to get the most from your Sainsbury's account and how to get the most from your Sainsbury's account.

DEVELOPING THE NEW STORES

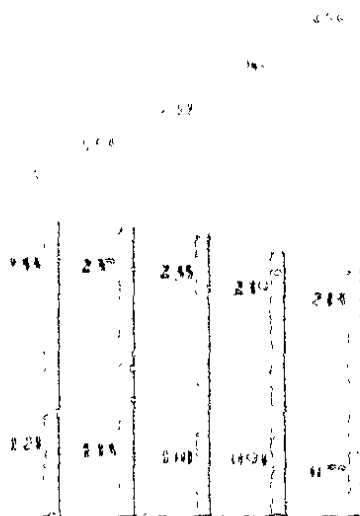


New Openings

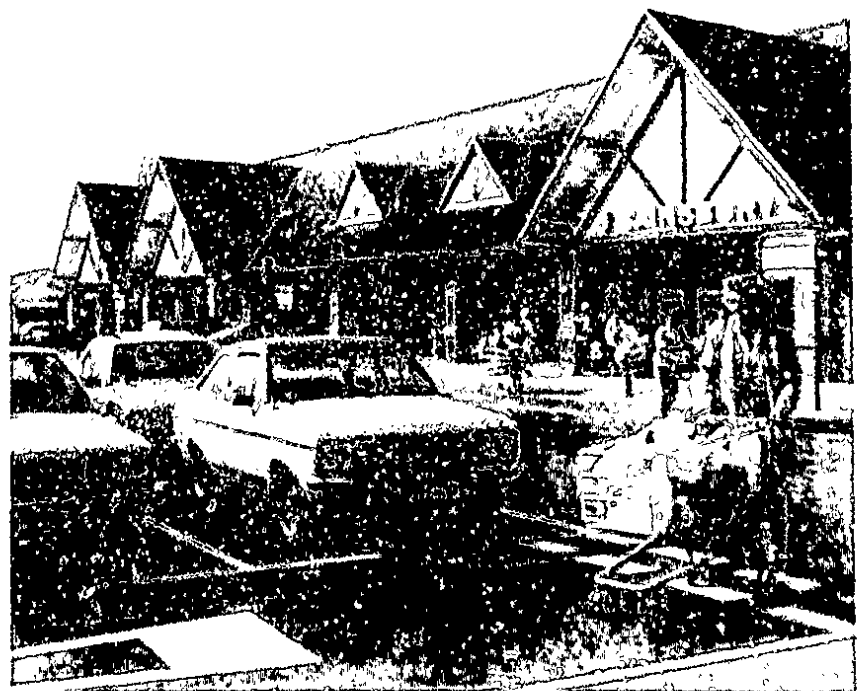
Future Expansion

Analysis of Sunbury's Sales Area

March 1978



Source: Sunbury's Sales Area
 Analysis of Sunbury's Sales Area
 March 1978





DEVELOPING THE NEW STORIES



Contact with Local Planners



Energy Management



The Changing Scene

Sainsbury's now employs over 100,000 people in the UK and the US. In the UK, the Company is creating over a 1000 new jobs each year and, in all its divisions and departments, offers exciting and challenging career opportunities. These are in the traditional areas of buying and store operations and also across a wide range of professional disciplines.

The radically changing demographic profiles of the 1990s will present the Company with major challenges in attracting and retaining the quality of staff necessary to meet the growth of the business. Sainsbury's response is an integrated approach to recruitment and staff development which builds upon existing and established education and training schemes. It

provides all employees who seek them with opportunities for personal development and the chance to make a greater contribution to the Company's success.

Recruitment

Recruitment activity is becoming more focused and concentrates on marketing the Company to potential employees at a number of levels. Liaison with schools and the higher education sector is being enhanced to increase the awareness of teachers and students of Sainsbury's career opportunities. The Company is fully involved with the Education Business Partnership and the Compact Movement in a number of locations. General advice and financial support have been provided to further and higher education and, in particular, to

"All sorts of people work at Sainsbury's. Michael Skalecki and Sandra Albans (right and second right) from the management team at Welwyn Garden City store, explain career opportunities at a conference of careers officers from Hertfordshire secondary schools and the County Education Department."



institutions launching and offering vocational courses including degrees in retail marketing.

At a local level, Sainsbury's is encouraging increased contact between its stores and schools in their areas. Support is offered through a book donation scheme, the provision of equipment, and detailed information packs for GCSE/project work. The Company's new Retail Training Scheme for 16 and 17 year olds - an 'own label' version of YTS - has been extended nationwide, providing full time employment with structured training, leading to national vocational qualifications.

Training and Development

Training and development programmes are available to all Sainsbury's staff from junior levels through to senior management. Customer service training is supplemented with a range of technical and managerial skills programmes which reflect the Company's commitment to providing opportunities for personal development.

As part of this commitment, the Sainsbury's Scholarships Scheme was launched recently. This offers 100 scholarships each year awarded on a competitive basis to its own student employees going on to higher education and to final year undergraduates at universities or polytechnics identified by Sainsbury's as target locations for graduate recruitment. The scheme provides students with financial support while they are undertaking



full time study together with structured and well paid vacation training opportunities or sandwich year industrial placements.

A further initiative has been the launching of the Senior Management Development Programme, which provides top management with the chance to update their technical and managerial skills and so equip them for the demands of the future.



Top checkout supervisor Kim Brown has benefited from the new opportunities for part time staff to enter into store management.

Above left a group of new recruits at the Chislehill Healthstore. Sixteen year old school leavers in Sainsbury's through the Retail Training Scheme.

Above right Sainsbury's gives its staff students access to financial support from their company. Robert McCann, 19, is a student at the University of Liverpool and a Sainsbury's staff member.

Management training continues at all levels. Right taking part in the Senior Management Development Programme is Ian Fidler, Warehouse Operations Manager at Buntingford (far right) seen here in discussion with Perishables Manager Peter Cox below. Peter Sorman, Deputy Store Manager at Stanway, Essex, store is studying for the Sainsbury sponsored MBA at The City University



Career Opportunities

Career opportunities for super market staff were clarified and improved last year following the implementation of a new job evaluation scheme. Under the banner 'Placing New Values on our People', the scheme reflected the many skills required in a modern supermarket, and the multi skilling which is increasingly the norm. It has helped to underpin the Company's equal opportunities policy.

Sainsbury's continuing emphasis on training ensures that staff are employed in a way which maximises their job satisfaction and the service offered to customers, as well as increasing the career opportunities open to them.

Providing the chance to develop and take on greater responsibility is the key element in the strategy to ensure staff remain with the Com-

pany and make a long term contribution to its success. Determined efforts over several years to encourage more women to enter store management are now showing positive results. About half the positions in retail management are now held by women and there are over 750 women managers in buying, personnel, data processing and other professional areas.

Part-time Employees

Within the Retail Division, further progress has been made in aligning the conditions of employment for full and part time staff. Part time staff are now fully included in sick pay and staff discount schemes, and the qualifying period for the Christmas bonus has been reduced. The pension scheme has been altered to allow part time staff to become members. The profit sharing and savings related share-



option schemes have been widened to allow those staff working less than 16 hours a week the opportunity of taking shares. The store management structure now offers opportunities for part time management.

Staff Involvement in the Community

Sainsbury staff are noted for their enthusiasm and energy in fund raising for charity and have raised large sums for local and national causes.

Last year a new annual Community Award Scheme gave public recognition to the involvement of individual members of staff in charity and community work. Ten members of staff, selected from over 150 nominees, were presented with framed certificates acknowledging their individual efforts and each was invited to direct a Company donation to the charity of their choice.

An increasing number of staff are, as private individuals, contributing to local communities by undertaking responsibility as school governors. Recognising the



importance of this work under the new arrangements for school management, the Company is providing opportunities for training and discussion about governors' new responsibilities and offering modest financial support for the schools themselves.



Above left checkout operator Joyce Brown at the Streatham Common, London, store is one of the 53,000 part-time staff working for Sainsbury's in the UK. During the year, changes to part time conditions of employment included full participation in the employee share schemes.

Above right An important job evaluation scheme completely re-appraised the jobs of 60,000 supermarket staff below management level. Marian Hayward, Meat Preparation Assistant at Crayford store, was one of the ten members of the staff panel which reviewed the new classifications and determined the relative value of each job.



Left checking quality Homebase horticulturalist Martin Leonard (left) at Crayford Homebase center with colleague Bob Morris, who is one of the 1,000 or so full-time employees within Sainsbury's who have come back to work after retirement or who have moved on beyond their normal retirement age.

RETAIL SUBSIDIARIES

	Homebase		Savacentre		Shaw's	
	1989	1989	1990	1989*	1990**	1989
Sales	£200.6m	£180.3m	£365.8m	£329.2m	\$1.69bn	\$1.46bn
Operating Profit	£10.9m	£8.6m	£17.3m	£18.4m	\$51.0m	\$40.0m
Number of stores	55	48	8	7	60	61
Sales area (000 sq ft)	2,213	1,886	665	513	1,928	1,693
Full time employees	1,397	1,108	2,211	1,821	1,811	1,511
Part time employees	2,110	2,270	4,113	3,661	10,068	9,499

*57 weeks **53 weeks



Opening Days: Above: Homebase Chairman Gorth Hower Miller (right) with Managing Director (left) Adams at Harrold, below: Sainsbury's Chairman David Sainsbury (left) talks with Managing Director David Clapham at Farnborough.



Homebase

Homebase has performed strongly and increased market share despite the impact of a substantially weaker residential house market which directly affects the DIY sector. Operating profit increased by 26.2% with sales up 11.4%. This further profit increase, following a doubling of profit the previous year, reflects the underlying strength of the Homebase offer and operation. Seven Homebases opened during the year, 55 were open by the year end. Four more began trading before Easter and five now under construction will also open in 1990/91.

Significant advantages in quality and availability of product and use of space result from the centralised distribution system which Homebase has pioneered within the DIY sector. More than half the goods sold in Homebase stores are handled through the contract distribution depot at Northampton and the horticultural depot at Swindon.

Directors

G. C. Hower Millar (Chairman)
D. B. Adriano (Managing Director)
A. H. B. Cantat
S. W. Bradbury
I. D. Coall
I. Dopsch
D. I. Henson
J. Jutz
M. Rosen
M. R. Sargeant

*Sainsbury's in New England
Chairman of Shaw's David Jenkins
right with President Jim Dammie*

Savacentre

Savacentre traded well in its first year as a wholly owned subsidiary. The sales increase of 20.9% (based on 52 week comparatives) reflects the successful growth of the Menon Savacentre (opened February 1989) whilst operating profit of £17.3 million was affected by the pre-opening costs of the London Colney Savacentre (opened March 1990).

London Colney Savacentre, Britain's largest hypermarket, stands on a 23 acre site alongside Junction 22 of the M25. It carries over 39,000 products, offers a wide range of concessions and other facilities, petrol and free parking for 1,800 cars.

A ninth Savacentre will open in September as part of the Meadowhall shopping and leisure mall by Junction 34 of the M1 in Sheffield.

Directors

D. J. Sainsbury (Chairman)
D. I. Clapham (Managing Director)
J. H. G. Barnes
P. Boon
H. M. A. Fludge
I. G. Grindle
R. McLaren
A. I. Mitcham
D. N. Roberts
S. R. Sunnucks
C. R. Turner

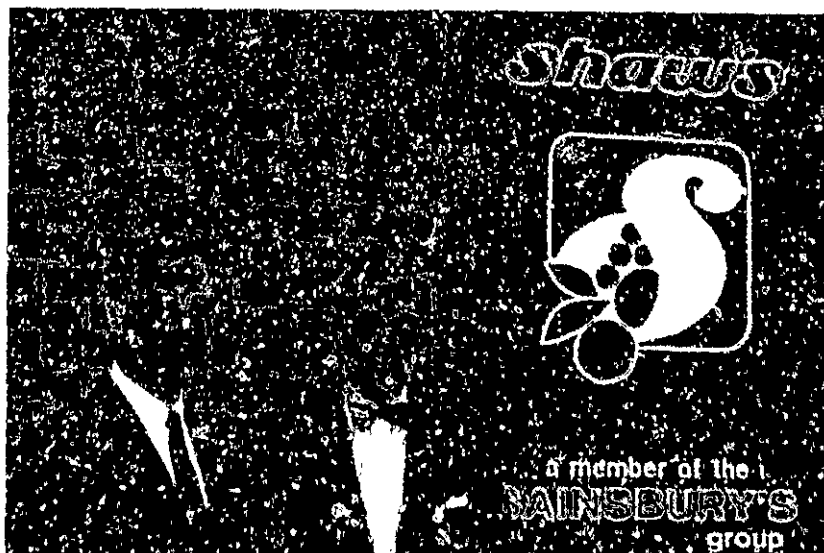
Shaw's

Shaw's Sainsbury's 6th strong American supermarket chain trading in New England, increased its operating profit to \$51.6 million, up 33.6% (adjusted for the 53 week year) and increased its sales by 12.7% (on an annualised basis) to \$1.69 billion. The Landoli stores acquired in October 1987 are now making a contribution to operating profit.

During the course of the year eight new stores were opened, including one replacement. This represents an increase in sales space of 13.9%. In 1990/91 six new stores will open, including one replacement, to give a further increase of 10.7%. Shaw's will be investing \$6.1 million next year in new stores, distribution facilities and systems.

Directors

D. B. Jenkins (Chairman)
D. J. Sainsbury (Vice Chairman)
J. A. Dammie (President)
S. M. DuBrul, Jr.
R. I. Eklund
I. D. Kelleher
Z. F. Mathews
H. V. Powell
D. A. Quarmby
R. P. Whitbread



BOARD OF DIRECTORS



**Lord Sainsbury
of Preston Candover**
Chairman



D. J. Sainsbury
Deputy Chairman



J. H. G. Barnes
Joint Managing
Director



D. A. Quarmby
Joint Managing
Director



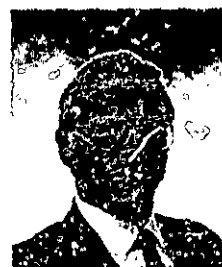
R. T. Vyner
Assistant Managing
Director



R. Cooper
Trading Director



J. E. Adshead
Personnel Director



C. I. Harvey
Retail Director



D. B. Adriano
Managing Director
Homebase

JOINT PRESIDENTS

Lord Sainsbury of Drury Lane
Sir Robert Sainsbury

BOARD OF DIRECTORS

Lord Sainsbury of Preston Candover

Joined the Company in 1950, appointed Director in 1959, Vice Chairman 1967-69, Chairman and Chief Executive 1969, age 62

D. J. Sainsbury
Joined the Company in 1963, appointed Director in 1966, Finance Director 1974-80, Chairman, Save-the-Date 1981, Deputy Chairman 1988, age 69

J. H. G. Barnes
Joined the Company in 1966, appointed Director in 1969, responsible for the Retail Division since 1977, Joint Managing Director Trading 1989, retired from executive duties July 1990, age 50

D. A. Quarmby
Joined the Company in 1981 as Director of Distribution, Joint Managing Director in 1988 with responsibility for marketing, retired from July 1990, will have overall responsibility for operations, age 48

R. T. Vyner
Joined the Company in 1978 as Director responsible for grocery and non-foods buying, Assistant Managing Director, Buying and Marketing 1986, appointed to be Joint Managing Director in July 1989, age 53

C. Roberts
Joined the Company in 1958, appointed a trading Director 1975, now responsible for marketing services (dairy, bakery, produce, off licence and frozen foods buying, age 57

R. A. Clark
Joined the Company in 1966, Director for personnel and data processing 1979-1988, now responsible for distribution and data processing, age 55

D. E. Henson
Joined the Company in 1979 as Director responsible for financial control, Finance Director 1989, age 50

K. C. Worrall
Joined the Company in 1984, appointed Director for grocery and non-foods buying in 1989, age 58

I. D. Coull
Joined the Company in 1988 as Director of the Development Division, age 40

R. Cooper
Joined the Company in 1975, appointed Director for Meat, Poultry Products and Bakery Buying and Scientific Services in 1978, age 44

J. E. Adshead
Joined the Company in February 1989 as Personnel Director, age 45

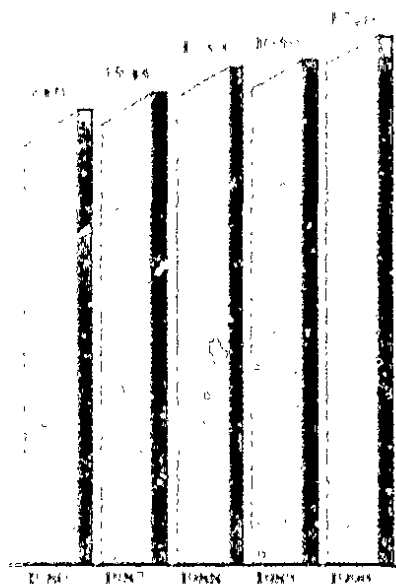
C. I. Harvey
Joined the Company in 1958 as a tradesman, appointed Joint Area Director in 1983, became Director responsible for the Retail Division in 1989, age 48

D. B. Adriano
Joined the Company in 1989 as an accountant, was General Manager of Homebase 1984-86, then appointed as an Area Director in charge of the Homebase as Managing Director in 1989, age 47

Sir Roy Griffiths
Joined the Company in 1988, appointed Director in 1989, was a Divisional Director, Marketing Director 1989-90, then became a Director, retired from the Company in 1990, age 67

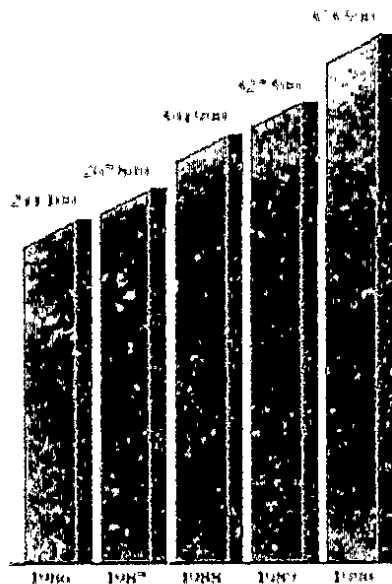
UK SUPERMARKET PERFORMANCE

**Sainsbury's Sales per sq. ft.
(£ per week)**



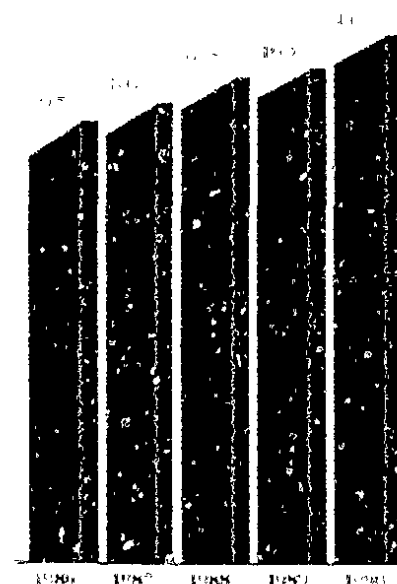
In the five years since 1985 sales per square foot have increased by one fifth

**Sainsbury's Sales per Store
(£ per week)**



In the five years since 1985 sales per store have increased by nearly 50%

UK Market Share



Share of national trade in food and drink shops based on supermarket sales, convenience food and grocery non food sales and DTI data.



The Sainsbury's supermarket is a leading example of the high standards of service and quality that the company is committed to. The Sainsbury's supermarket is a leading example of the high standards of service and quality that the company is committed to.

TEN YEAR FINANCIAL RECORD

Results £ million	1981	1982	1983**	1984	1985
Group Sales (Including VAT & Sales Taxes)	1,589.2	1,950.5	2,315.8	2,688.5	3,135.3
Increase on previous year	29.6%	22.7%	17.6%	16.1%	16.6%
UK Operating Margin	36.7%	42.2%	43.7%	47.8%	48.4%
Group Operating Profit	58.5	82.4	101.1	128.5	151.8
Associates	1.4	2.5	5.4	6.0	9.7
Profit sharing	(3.7)	(5.7)	(6.6)	(9.7)	(12.1)
Group Trading Profit	62.1	83.4	99.8	127.3	153.8
Increase on previous year	41.8%	34.3%	19.1%	27.6%	20.8%
Other Operating Income	—	—	0.9	2.7	2.6
Profit Before Tax	62.1	83.4	100.7	130.0	156.4
Increase on previous year	41.8%	34.3%	20.2%	29.1%	20.3%
Tax charge	12.7	15.4	27.4	41.0	48.0
Profit after Tax	49.4	68.0	73.3	89.0	108.4
Earnings per Share (35% Tax)*	3.01p	4.02p	4.81p	6.13p	7.32p
Increase on previous year	40.7%	33.6%	19.2%	27.4%	19.4%
Dividend per Share	0.91p	1.22p	1.47p	1.88p	2.25p
Results £ million	1986	1987	1988	1989	1990
Group Sales (Including VAT & Sales Taxes)	3,575.2	4,043.5	5,009.5	5,915.1	7,257.0
Increase on previous year	14.6%	13.1%	23.9%	18.1%	22.7%
UK Operating Margin	5.30%	5.75%	6.16%	6.89%	7.04%
Group Operating Profit	189.6	232.5	295.7	372.9	470.7
Associates	13.0	17.9	18.2	15.6	1.0
Profit sharing	(15.8)	(21.2)	(23.9)	(26.7)	(33.8)
Group Trading Profit	186.8	237.8	298.6	352.3	420.7
Increase on previous year	21.5%	27.3%	25.6%	18.0%	19.4%
Other Operating Income	5.9	9.1	9.8	22.8	30.7
Profit Before Tax	192.7	246.9	308.4	375.1	451.4
Increase on previous year	23.2%	28.1%	24.9%	21.6%	20.3%
Tax charge	65.4	88.9	109.0	125.1	140.5
Profit after Tax	127.3	158.0	199.4	250.0	310.9
Earnings per Share (35% Tax)*	8.96p	11.34p	13.63p	16.25p	19.64p
Increase on previous year	22.4%	26.6%	20.2%	19.2%	20.9%
Dividend per Share	2.75p	3.50p	4.20p	5.05p	6.10p

*Adjusted in respect of capitalisation issues in 1982, 1981 and 1987

**The 1983 results are for the 52 weeks to 26th March 1983 (except where for comparability purposes percentage changes relate to the 52 weeks to 24th February 1983)

REPORT OF THE DIRECTORS

for the 52 weeks to 17th March 1990

Group Performance

A review of the Group's performance during the year, with comments on the financial results and future developments, is contained in the Chairman's Statement which is adopted as part of this Report.

Profit and Dividend

The profit on the ordinary activities of the Group before taxation amounted to £451.4 million. After deducting £140.5 million for taxation and £92.4 million for dividends paid and proposed, £221.3 million has been transferred to reserves. The Group trading profit amounted to £420.7 million.

The Directors are proposing the payment of a final dividend of 4.35p per share on 13th July 1990 to shareholders on the Register at the close of business on 15th June 1990, together with the interim dividend paid of 1.75p per share. This makes a total dividend for the year of 6.10p per share.

Principal Activities

The principal activity of the Group is the retail distribution of food. Other activities through Subsidiaries include the operation of home improvement and garden centres, hypermarkets, and the processing of bacon and pork products.

Share Capital

During the year 12,276,028 shares were allotted and further options granted under the Company's share schemes for employees. Details are shown on pages 37 and 38.

A Resolution to renew the authority of the Directors to issue shares without applying the statutory pre-emption rights will be proposed at the Annual General Meeting.

The full text of this Resolution is set out in the Notice of Meeting on page 49.

Profit Sharing

Following the approval of shareholders at the Extraordinary General Meeting in November 1989 and the subsequent grant of approval by the Inland Revenue, participating employees with one financial year's service will qualify for a distribution in respect of 50% of pay, those with two financial years' service will qualify

in respect of 75% of pay, and those with three or more financial years' service will qualify in respect of 100% of pay.

For the 1990 payment only, a transitional arrangement will operate to ensure that those employees with two financial years' service will receive a distribution in respect of 100% of pay.

National Insurance is now payable for the first time on all cash distributions under the Profit Sharing Scheme.

Haverhill Meat Products Limited

On 17th January 1990 the Company acquired the remaining shares in its Associate Haverhill Meat Products Limited for an overall consideration of £18.5 million.

Market Value of Properties

Based on the sample valuation undertaken by J. Trevor & Sons which was referred to in the Annual Report and Accounts for 1988/89 the Directors were of the opinion that the open market value of the retail properties of J. Sainsbury plc and Homebase Limited at 18th March 1989, including developments, exceeded net book value by 41%. This revaluation was not reflected in the balance sheet at that date.

The Directors remain of the opinion that the properties of the Group, included in this year's accounts at a net book value of £2,122.1 million, have a substantially greater market value.

Fixed Assets

The movements of fixed assets are shown in Note 1 on page 52.

Research and Development

The Scientific Services Division employs 167 people and has an annual expenditure of over £5 million. It works in close co-operation with suppliers to achieve the highest standards of product quality, hygiene and safety and to maintain them throughout the Company's distribution chain and stores. It also works with the Company's buyers to develop new products.

Employment Policies

Group employment policies respect the individual and offer career oppor-

tunities regardless of sex, race or religion. Full and fair consideration is given to the employment and opportunities for training and development of disabled persons according to their skills and capacity. The services of any existing employee who becomes disabled are retained wherever possible.

Sainsbury's has a very extensive and well established structure for communicating with employees, especially in relation to the financial results at the year end. Joint Consultative Committees, attended by senior personnel, and a Pensions Consultative Committee discuss matters of concern to employees and allow their views to be taken into account in making decisions which are likely to affect their interests. During the year an extensive job evaluation was undertaken which involved the participation of retail employees.

Donations

Donations to charitable organisations amounted to £0.9 million (1989: £0.8 million), which included contributions to enterprise agencies, job creation, educational schemes, and the Arts. There were no political donations.

Directors

The Directors are shown on pages 22 and 23. All the Directors shown held office throughout the year with the exception of Mr C. I. Harvey who was appointed to the Board on 21st August 1989 and Mr D. B. Adriano who was appointed to the Board on 18th March 1990. In accordance with the Articles of Association, Resolutions will be submitted to the Annual General Meeting for the re-appointment of Mr C. I. Harvey and Mr D. B. Adriano who were both appointed since the last AGM and The Rt. Hon. Lord Prior PC, who retires by rotation and offers himself for re-election. Directors holding executive office do not retire by rotation. Mr C. I. Harvey, Mr D. B. Adriano and the Rt. Hon. Lord Prior PC do not hold service contracts.

A Resolution will be proposed at the Annual General Meeting to appoint Mr R. P. Whitbread a Director.

No Director had during or at the end of the year any material interest in any contract of significance to the Group's business.

Directors' Interests

The number of ordinary shares and options over ordinary shares held by the Directors and their families at 17th March 1990 were

	Ordinary Shares		Options	
	Beneficial 1990	Beneficial 1989	1990	1989
Lord Sainsbury of Preston Candover	47,497,363	47,494,874	54,347	—
D J Sainsbury	338,433,302	337,427,656	47,101	—
J H G Barnes	149,699	141,320	162,200	195,332
D A Quarmby	12,687	8,198	242,090	194,761
R T Viner	26,825	48,046	282,422	230,215
C Roberts	178,293	149,649	172,013	205,816
R A Clark	118,942	124,262	198,291	190,817
D F Henson	103,418	114,884	164,688	193,934
K C Worrall	105,767	103,278	170,277	161,430
I D Coull	1,000	1,000	68,510	34,090
R Cooper	32,244	26,865	134,571	122,563
J E Adshead	1,000	1,000	36,231	—
C I Harvey	54,590	53,544*	133,157	134,088*
D B Adriano	6,534*	—	98,025*	—
Sir Roy Griffiths	104,150	104,150	299,720	299,720
G C Hoyer Millar	410,957	419,568	181,171	139,867
Sir James Spooner	4,800	4,800	—	—
The Rt Hon Lord Prior PC	11,000	11,000	—	—
Lady Eccles of Moulton	2,000	2,000	—	—

*At date of appointment

Notes:

Beneficial holdings include the Directors' personal holdings and those of their spouses and minor children as well as holdings in family trusts, of which the Directors' spouses or their minor children are beneficiaries or potential beneficiaries.

Non beneficial holdings of Directors were as follows: D J Sainsbury, 428,056 (1989: 478,056); Sir Roy Griffiths, 144,498 (1989: 144,498). Non beneficial holdings include holdings in charitable trusts of which the Directors are trustees.

Directors' interests in Loan Stock were: Lord Sainsbury of Preston Candover, beneficial 50 (1989: 50); D J Sainsbury, non beneficial 2,095 (1989: 2,095).

Between 17th March 1990 and 12th May 1990 there were no changes in the Directors' interests.

trustees of various settlements, including charitable settlements.

At 12th May 1990, the total holdings of the trusts of which the above are trustees amounted to 10%, 9% and 16% respectively. As trustee and beneficially, D J Sainsbury held 7%. All these holdings include duplications.

Auditors

Clark Whitehill are willing to continue in office and a Resolution to re-appoint them as Auditors and to authorise the Directors to fix their remuneration will be submitted to the Annual General Meeting.

By Order of the Board

N. F. Matthews
Secretary

14th May 1990

N. F. Matthews

Substantial Interests

The substantial interests notified to the Company are as follows: H O N & V Trustee Limited which is a trust company owned by the partners of Denton Hall Burgin & Warrens, the Company's solicitors, and W M P, bus and Miss J Portrait, respectively a consultant and a partner of Denton Hall Burgin & Warrens, are

BALANCE SHEETS

17th March 1990

		Group		Company	
	Note	1990 £m	1989 £m	1990 £m	1989 £m
Fixed Assets					
Tangible Assets	1	2,738.4	2,338.1	2,097.8	1,809.6
Investments	2	17.1	31.5	474.2	287.4
		<u>2,755.5</u>	<u>2,369.6</u>	<u>2,572.0</u>	<u>2,097.0</u>
Current Assets					
Investment	5	29.4	—	19.0	—
Stocks		308.4	286.1	196.2	183.7
Debtors	6	94.9	97.3	72.8	92.0
ACT Recoverable	7	27.3	25.2	22.0	17.8
Cash at Bank and in Hand		139.3	90.0	47.1	51.1
		<u>599.3</u>	<u>498.6</u>	<u>357.1</u>	<u>297.6</u>
Creditors: due within one year	8	(1,352.3)	(1,314.1)	(1,105.1)	(1,200.8)
Net Current Liabilities		<u>(753.0)</u>	<u>(815.5)</u>	<u>(748.0)</u>	<u>(703.2)</u>
Total Assets Less Current Liabilities		2,002.5	1,554.1	1,824.0	1,393.8
Creditors: due after one year	8	(431.8)	(377.1)	(493.0)	(278.9)
Deferred Tax	10	(3.9)	(2.1)	2.0	2.0
Minority Interest	11	(161.3)	(7.3)	—	—
		<u>1,405.5</u>	<u>1,167.6</u>	<u>1,333.0</u>	<u>1,116.9</u>
Capital and Reserves					
Called up Share Capital	12	378.6	375.6	378.6	375.6
Share Premium Account	13	193.8	179.1	193.8	179.1
Revaluation Reserve	14	20.3	24.9	20.3	24.8
Profit and Loss Account	15	812.8	588.0	740.3	537.4
		<u>1,405.5</u>	<u>1,167.6</u>	<u>1,333.0</u>	<u>1,116.9</u>

Notes on the Financial Statements are on pages 32 to 42

The Financial Statements on pages 28 to 42

are approved by the Board of Directors on

14th May 1990, and are signed on its behalf by

Sainsbury Chairman

David Sainsbury Deputy Chairman

GROUP PROFIT AND LOSS ACCOUNT

for the 52 weeks to 17th March 1990

	Note	1990 £m	1989 £m
Group Sales (including VAT & Sales Taxes)	16	7,257.0	5,915.1
VAT & Sales Taxes		326.6	280.1
Group Sales (excluding VAT & Sales Taxes)		6,930.4	5,635.0
Cost of Sales		6,302.3	5,165.1
Gross Profit		628.1	493.9
Administrative Expenses		157.4	131.0
Group Operating Profit	16	470.7	372.9
Net Interest Payable	17	17.8	9.5
		452.9	363.4
Associates - share of profit	4	1.6	15.6
		454.5	379.0
Profit Sharing	18	33.8	26.7
Group Trading Profit		420.7	352.3
Other Operating Income (Net)	19	30.7	22.8
Profit on Ordinary Activities before Tax	20	451.4	375.1
Tax on Profit on Ordinary Activities	23	140.5	125.1
Profit on Ordinary Activities after Tax		310.9	250.0
Extraordinary Items (Net)	21	—	1.0
Profit after Tax and Extraordinary Items		310.9	251.0
Minority Interest		2.8	(0.4)
Profit for Financial Year		313.7	251.2
Dividends	25	92.4	75.9
Profit Retained	15	221.3	175.3
Earnings per Share			
Excluding other operating income		18.81p	12.17p
Including other operating income		20.80p	16.60p
Fully Diluted Earnings per Share			
Excluding other operating income		18.36p	15.10p
Including other operating income		20.23p	16.50p

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the 52 weeks to 17th March 1990

	1990 £m	1989 £m
Source of Funds		
Profit on ordinary activities before tax	451.4	375.1
Extraordinary items before tax	—	(1.1)
	<u>451.4</u>	<u>374.0</u>
Adjustments for items not involving movement of funds		
Depreciation	103.4	79.6
Share of profits before tax of Associates	(1.6)	(15.6)
Share of extraordinary item of Associate before tax	—	(9.0)
Deferred Income	—	(2.1)
Total Generated from Operations	<u>553.2</u>	<u>426.9</u>
Funds from Other Sources		
5% Convertible Capital Bonds 2001	146.0	—
9½% Notes 1990	91.9	—
9½% Guaranteed Notes 1991	—	110.8
Unsecured Loan Notes	—	36.4
Share capital	22.1	15.4
Minority interest capital contribution	4.3	4.3
Disposal of tangible fixed assets	198.1	71.7
	<u>1,015.6</u>	<u>671.5</u>
Application of Funds		
Capital expenditure	692.5	502.7
Purchase of Haverhill Meat Products Limited	18.5	—
Purchase of Savacentre Limited	—	99.3
Dividends paid	79.8	60.7
Tax paid	131.7	112.8
Net advances (from)/to Associates	(6.0)	3.6
Redemption of debentures	—	0.2
Unsecured Loan Notes	32.5	—
	<u>952.0</u>	<u>785.3</u>
Decrease/(Increase) in Working Capital		
Increase in net creditors	101.8	15.1
Less increase in stocks	22.3	29.3
	<u>79.5</u>	<u>(14.2)</u>
Increase/(Decrease) in Net Liquid Funds (including Short Term Notes)	<u>143.1</u>	<u>(128.0)</u>

ACCOUNTING POLICIES

Form of Accounts

These accounts comprise the accounts of J Sainsbury plc (the Company) and the consolidated accounts of J Sainsbury plc together with its subsidiary companies and, where appropriate, the relevant proportion of the post-acquisition results and reserves of Associates (the Group).

No profit and loss account is presented for the Company as provided by Section 228(7) of the Companies Act 1985.

The accounts which have been prepared under the historical cost convention as modified by the revaluation of certain properties, are made up to the Company's financial year end apart from the United States subsidiaries which are made up to a date within two weeks of the year end.

Consolidation

The results of Subsidiaries acquired are included in the Group Profit and Loss Account from the date of acquisition.

Goodwill arising in connection with the acquisition of Subsidiaries is written off against reserves. Goodwill comprises the excess of the purchase price over the fair value of the assets acquired.

Sales

Sales consist solely of sales through retail outlets, and exclude rental and other income.

Cost of Sales

Cost of sales consists of all costs to the point of sale including warehouse and transportation costs and all the costs of operating retail outlets.

Deferred Tax

Provision is made on the liability method for deferred tax which could become payable within the foreseeable future having regard to the Group's projected levels of trading and capital expenditure.

Depreciation

Depreciation is provided on freehold and long leasehold properties if, in the opinion of the Directors, the estimated residual value of any property will be less than its book value after excluding the effects of inflation, so that the shortfall is written off in equal annual

instalments over the remaining useful life of the property.

Certain landlords' fittings, which have been capitalised as part of leasehold properties, are depreciated in equal annual instalments over the estimated useful life of the asset to the Group.

Leasehold properties with less than 50 years unexpired are depreciated to write off their book value in equal annual instalments over the unexpired period of the lease.

Fixtures, equipment and vehicles are depreciated to write off their cost over their estimated useful lives in equal annual instalments at varying rates not exceeding 15 years and commencing in the accounting year following capitalisation.

Capitalisation of Interest

Interest incurred on borrowing to finance specific property developments is capitalised net of tax relief.

Research

Research and Development expenditure is written off as incurred against the profits of the year.

Sale and Leaseback of Properties

Surpluses and deficits on sale and leaseback of properties are recognised in the year of disposal.

Pension Costs

The costs of providing pensions for employees are charged in the profit and loss account in accordance with the recommendations of qualified actuaries. Any funding surpluses or deficits that may arise from time to time are amortised over the average working life of employees.

Leased Assets

Assets used by the Group which have been funded through finance leases are capitalised and the resulting lease obligations are included in creditors.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks at warehouses are valued at invoiced prices, and at retail outlets at calculated average cost prices.

Associates

Associates are those shown on page 33. An Associate is a company in which the Group participates in commercial and financial policy and has an interest of between 20% and 50% inclusive. These companies are also related companies as defined in the Companies Act 1985.

Foreign Currencies

Assets and liabilities in foreign currencies are translated to sterling at the exchange rates ruling at the balance sheet date. Results from overseas companies are translated at the average rates of exchange for the relevant accounting period of the overseas companies. Differences on translation of investment in overseas companies and related loans are taken directly to reserves.

Earnings per Share

The calculation of basic earnings per share is based on profit after tax and minority interest, and on the weighted average of ordinary shares in issue after adjustment for capitalisation issues.

The calculation of fully diluted earnings per ordinary share is based on the profit after tax and minority interest and adjustments which assume:

- (i) the full conversion of 5% Convertible Capital Bonds 2001 on the first day of the financial year;
- (ii) the exercise of all ordinary shares granted under the Company's own schemes on the first day of the financial year, or the date granted if later.

The amount so derived is divided by the weighted average number of ordinary shares in issue during the year and the weighted average number of ordinary shares arising from the above adjustments.

NOTES ON THE FINANCIAL STATEMENTS

at 17th March 1990

1 Tangible Fixed Assets

	Properties	Group Fixtures, Equipment & Vehicles	Total	Properties	Company Fixtures, Equipment & Vehicles	Total
	£m	£m	£m	£m	£m	£m
Cost or Valuation						
At 18th March 1989	1,853.8	859.4	2,713.2	1,391.5	690.7	2,082.2
Additions	512.9	179.6	692.5	406.8	137.0	543.8
Disposals	189.5	41.7	231.2	171.3	36.7	208.0
Exchange adjustments	9.0	3.7	12.7			
At 17th March 1990	<u>2,186.2</u>	<u>1,001.0</u>	<u>3,187.2</u>	<u>1,627.0</u>	<u>791.0</u>	<u>2,418.0</u>
Depreciation						
At 18th March 1989	55.2	319.9	375.1	17.6	254.8	272.6
Provided in the year	13.5	89.9	103.4	5.1	71.1	76.2
Disposals	6.2	26.9	33.1	5.5	23.1	28.6
Exchange adjustments	1.6	1.8	3.4			
At 17th March 1990	<u>64.1</u>	<u>384.7</u>	<u>448.8</u>	<u>17.4</u>	<u>302.8</u>	<u>320.2</u>
Net Book Value						
At 17th March 1990	<u>2,122.1</u>	<u>616.3</u>	<u>2,738.4</u>	<u>1,609.6</u>	<u>488.2</u>	<u>2,097.8</u>
At 18th March 1989	<u>1,798.6</u>	<u>539.5</u>	<u>2,338.1</u>	<u>1,373.7</u>	<u>435.9</u>	<u>1,809.6</u>

Capital Work-In-Progress Included above

At 17th March 1990	135.2	33.1	168.3	84.4	23.4	107.8
At 18th March 1989	99.4	20.9	120.3	70.0	18.0	88.0

Analysis of Properties

At 17th March 1990

	Group Cost or Valuation £m	Company Cost or Valuation £m
Freehold	1,619.6	1,224.0
Long Leasehold	460.4	375.6
Short Leasehold	106.2	27.4
	<u>2,186.2</u>	<u>1,627.0</u>

The United States properties and the properties of Savacentre Limited have been included on the basis of the fair value attributed by the Directors at the date of acquisition.

The amount included in additions in respect of interest capitalised during the year ended 17th March 1990 amounted to £37.1 million after deducting tax relief of £19.5 million.

Included in the net book value of fixed assets is £38.5 million in respect of assets held under finance leases.

Included in the Group and Company totals above are properties which were valued in 1973 by Messrs Healey & Baker and/or Messrs G. L. Hearn and Partners on an open market basis of £28.9 million as follows: Freehold £19.3 million, Long Leasehold £9.2 million and Short Leasehold £0.4 million.

If these properties at the 1973 Valuation of £28.9 million had been included at original cost, the cost and depreciation figures at 17th March 1990 would have been Freehold £4.6 million, Long Leasehold £3.9 million and Short Leasehold £0.1 million with cumulative depreciation of £0.3 million, £0.7 million and £0.1 million respectively (compared to £1.3 million, £2.0 million and £0.2 million depreciation on revalued cost).

2 Investments

	Group		Company	
	1990 £m	1989 £m	1990 £m	1989 £m
Subsidiaries (Note 4)			467.6	250.4
Associates (Note 4)	14.2	40.4	6.6	7.1
Other investments	3.0	1.1		
	<u>17.1</u>	<u>41.5</u>	<u>474.2</u>	<u>257.4</u>

3 Investment In Subsidiaries

The Company's principal Subsidiaries are

	Share of Ordinary Allotted Capital	Country of Incorporation
Savacentre Limited	100%	UK
Homebase Limited	75%	UK
Shaw's Supermarkets, Inc	100%*	USA
J Sainsbury (U.S.A.) Inc.	100%*	USA
J Sainsbury (Finance) B.V.	100%	Netherlands
J Sainsbury (Capital) Limited	100%	Jersey
Haverhill Meat Products Limited	100%	UK

Details of other Subsidiaries will be set out in the Company's Annual Return.

All shares in Subsidiaries are held directly by J Sainsbury plc, apart from those marked* above, which are held by another subsidiary company. All Subsidiaries operate in the countries of their incorporation.

Investments	Company £m
Shares at cost	
Balance 18th March 1989	57.5
Additions	20.4
Balance 17th March 1990	77.9
Long Term Capital Advances	
Balance 18th March 1989	222.8
Net Increase	166.9
Balance 17th March 1990	389.7
Total Investment 17th March 1990	467.6
18th March 1989	280.3

The consolidated accounts are based upon the audited accounts of the Company and its Subsidiaries made up to 17th March 1990, with the exception of Haverhill Meat Products Limited (17th February 1990) and J Sainsbury (U.S.A.) Inc. and Shaw's Supermarkets, Inc. (3rd March 1990). In the opinion of the Directors it is necessary for the overseas companies to prepare accounts to an accounting date earlier than the rest of the Group for the early production of the Group accounts.

4 Investment In Associates

4 Investment in Associates	Share of Allotted Capital	Share of Profit Before Tax	
		1990 £m	1989 £m
Haverhill Meat Products Limited	50%	0.4	3.0
Breckland Farms Limited			
200,000 "D" Ordinary Shares of £1 each	50%	0.7	(0.2)
141,532 1% Redeemable Preference Shares of £1 each			
Kings Reach Investments Limited			
28,700 Ordinary Shares of 1p each	28.76%	0.9	1.3
Sainsbury LET Developments Limited			
500 "B" Ordinary Shares of £1 each	50%	(0.4)	0.1
9,000 Preference Shares of £1 each	100%		
Savacentre Limited			
Share of profits for 56 weeks before it became a Subsidiary in 1989			11.3
		1.6	15.6

4 Investment in Associates - continued

Investments	Group £m	Company £m
Balance 18th March 1989	1.1	1.1
Adjustment in respect of Haverhill Meat Products Limited acquisition	(0.5)	(0.5)
Balance 17th March 1990	0.6	0.6
Share of Post Acquisition Reserves		
Balance 18th March 1989	23.3	
Share of retained loss for the year	(5.4)	
Adjustment in respect of Haverhill Meat Products Limited	(10.4)	
Balance 17th March 1990	7.5	
Long Term Capital Advances		
Balance 17th March 1990 and 18th March 1989	6.0	6.0
Total Investment 17th March 1990	14.1	6.6
18th March 1989	30.4	7.1

The proportion of the profits of the Associates attributable to the Group and the reserves included in the Group Balance Sheet are taken from the audited accounts produced within three months of the balance sheet date, except Kings Reach Investments Limited where management accounts are used.

The reserves shown above are after deducting a dividend received by J Sainsbury plc of £6.0 million (1989: £1.0 million).

All Associates operate and are incorporated in the United Kingdom.

J Sainsbury plc Directors of Associates

Breckland Farms Limited: A. W. Fry, I. G. Merton and M. Sheard.

Kings Reach Investments Limited: D. J. Sainsbury and C. W. Burdsey.

Sainsbury LET Developments Limited: E. A. O. Davidson and T. A. Baker.

5 Current Asset Investment

This represents the Company's 100% shareholding in Haverhill Meat Products Limited. Since it is the Company's intention that its control is temporary, the investment has been treated as a current asset. The investment in the Group accounts is stated at cost plus the relevant proportion of post acquisition reserves because, in the opinion of the Directors, this properly reflects the nature of the group's actual interest in Haverhill Meat Products Limited.

6 Debtors

	Group		Company	
	1990 £m	1989 £m	1990 £m	1989 £m
Trade	10.5	7.0	2.2	1.8
Amounts owed by Subsidiaries			6.7	7.3
Amounts owed by Associates	0.4	1.7	0.4	1.7
Other Debtors (including £1.8 million due in more than one year)	77.1	69.3	61.3	27.8
Prepayments	3.7	6.5	2.2	3.4
Corporation Tax Recoverable	1.2	17.8		
	<u>94.9</u>	<u>97.3</u>	<u>72.8</u>	<u>42.0</u>

7 ACT Recoverable

The advance corporation tax (ACT) is recoverable by set off against corporation tax payments in future periods of which £5.4 million (1989: £7.4 million) is recoverable in more than one year.

8 Creditors

	Group		Company	
	1990 £m	1989 £m	1990 £m	1989 £m
Due within one year				
Bank Loans and Overdrafts	236.2	319.3	207.1	100.6
Unpresented Cheques	125.2	115.9	80.2	76.5
Short Term Notes	—	20.0	—	20.0
Unsecured Loan Notes	24.6	3.4	3.7	—
Current portion of long term indebtedness, including finance leases	2.7	5.6	—	—
Trade Creditors	481.1	438.0	410.1	374.0
Corporation Tax	120.9	132.0	117.6	103.8
Social Security Costs and Other Taxes	14.8	14.2	11.0	10.7
Other Creditors	213.2	169.0	177.7	141.6
Accruals	67.0	42.6	21.5	10.5
Amounts owed to Subsidiaries	—	—	9.6	49.1
Amounts owed to Associate	0.7	0.7	0.7	0.7
Proposed Dividend (Note 25)	65.9	53.3	65.9	53.3
	<u>1,352.3</u>	<u>1,314.1</u>	<u>1,105.1</u>	<u>1,000.8</u>

The Unsecured Loan Notes comprise issues by the parent company with interest at a margin below LIBOR rates and by a subsidiary company which is interest free. Included in Group Other Creditors is £10.0 million secured on freehold land

	Group		Company	
	1990 £m	1989 £m	1990 £m	1989 £m
Due after one year				
First Mortgage Debentures	1.6	1.6	1.6	1.6
Secured Loans	8.7	10.1	—	—
Term Bank Loans	2.5	7.6	—	—
Unsecured Loan Notes	23.8	76.1	3.9	36.4
9½% Notes 1991	120.4	116.8	—	—
5½% Guaranteed Notes 1991	19.8	18.0	—	—
10½% Notes 1993	100.0	100.0	100.0	100.0
9½% Notes 1996	92.3	—	92.3	—
8% Irredeemable Unsecured Loan Stock	2.9	2.9	2.9	2.9
Finance Leases	41.1	24.0	—	—
Loan to Homebase Limited from minority shareholder	11.5	11.5	—	—
Amount due to subsidiary company	—	—	292.3	138.0
Other Creditors	7.2	7.9	—	—
	<u>431.8</u>	<u>377.1</u>	<u>493.0</u>	<u>278.9</u>

The mortgage debentures comprise £0.5 million 7½% stock 1987/92 and £1.1 million 6½% stock 1988/93. Each provides for redemption at par within 5 years of the terminal date or by yearly drawing out of a sinking fund established for the purpose.

The sinking fund obligations in any year may be satisfied by tendering, at the lower of par or inclusive cost, stock previously purchased by the Company, the obligations in respect of both stocks arising in the year ended 17th March 1990 have been met in this way. The value of debenture stock redeemed between 18th March 1990 and 14th May 1990 amounted to £163,000. The mortgage debenture stocks are secured on certain of the Group's freehold and leasehold properties.

The secured loans comprise US dollar loans to an overseas subsidiary. Repayment and interest terms are as follows:

- \$7.5 million repayable by 1993 in annual instalments of \$1.5 million with a \$3.0 million balloon payment in 1993, interest rates are related to prime rate.
- \$0.7 million repayable by 1996 in annual instalments, interest at varying rates from 4.8% to 16%.
- \$6.0 million secured by specific mortgages repayable in monthly instalments, interest at varying rates from 7% to 11.5%.

The Term Bank Loan of \$1.0 million to an overseas subsidiary company bears interest at 7% and is repayable in 1991. The proceeds of this loan have been lent by the overseas subsidiary to the parent company.

8 Creditors - continued

Unsecured loan notes comprise:

- (a) US dollar loans to an overseas subsidiary including \$0.8 million repayable by 1991 in annual instalments with interest at 15.75% and \$25.0 million repayable by 1997 in annual instalments of \$4.0 million beginning in 1992 with a balloon payment of \$5.0 million in 1997 with interest at 8.45%.
- (b) £4.0 million Loan Notes, issued by the parent company, bearing interest at National Westminster Bank PLC Base Rate, repayable by 1992.
- (c) £1.1 million Loan Notes, issued by a subsidiary company, interest free, repayable in stages by 1992.

The Company's wholly owned subsidiary, J Sainsbury (Finance) B.V., has issued Yen 5,000 million Guaranteed Notes 1991 and has arranged for this borrowing to be converted into \$32 million through the assumption of an equivalent liability to a third party. This borrowing of \$32 million bears interest at 7.7%. The proceeds of this borrowing have been lent by the overseas subsidiary to the parent company. All these borrowings and liabilities mature in November 1991.

J Sainsbury (Finance) B.V. has in issue \$200 million 9 1/8% Guaranteed Notes 1991 and, by the assumption of equivalent liabilities to third parties, has arranged to convert this into a liability of £58.6 million and \$100 million, both bearing interest rates at a margin below the relevant LIBOR rate. All these borrowings and liabilities mature in October 1991.

During the year the Company issued \$150 million 9 1/8% Notes 1990, to refinance existing borrowings and support further expansion of the Group.

The loans to Homebase Limited are unsecured loans for terms of 5 years and bear interest at 1% above base rate.

9 Term Loans

	Group		Company	
	1990 £m	1989 £m	1990 £m	1989 £m
Due after one and within two years				
Bank and Other Loans	148.2	50.7	142.4	26.1
Leases	0.4	0.4	—	—
Due after two and within five years				
Bank and Other Loans	128.6	277.9	120.1	249.9
Leases	1.7	1.2	—	—
Due wholly or in part by instalments after five years				
Bank and Other Loans	11.4	13.7	—	—
Leases	39.1	22.5	—	—
Due otherwise than by instalments after five years				
Bank and Other Loans	95.2	2.9	230.5	2.9
Other Creditors	7.2	7.9	—	—
	<u>431.8</u>	<u>374.1</u>	<u>493.0</u>	<u>278.9</u>

10 Deferred Tax

The potential liabilities for deferred tax and the amount provided in respect of each are as follows:

	Group				Company			
	1990		1989		1990		1989	
	Total £m	Provision £m	Total £m	Provision £m	Total £m	Provision £m	Total £m	Provision £m
Timing differences between depreciation and capital allowances	103.3	—	105.9	—	95.3	—	83.7	—
Other timing differences including payments for consortium group relief under indemnities	3.9	3.9	2.1	2.1	(2.0)	(2.0)	(2.0)	(2.0)
	<u>107.2</u>	<u>3.9</u>	<u>108.0</u>	<u>2.1</u>	<u>93.3</u>	<u>(2.0)</u>	<u>81.7</u>	<u>(2.0)</u>

11 Minority Interests

	1990	1989
	£m	£m
Convertible Capital Bond of J Sainsbury (Capital) Limited	150.0	—
Other	11.3	—
	<u>161.3</u>	<u>—</u>

J Sainsbury (Capital) Limited, a wholly owned subsidiary company, issued on 19th April 1989 30,000 5% Convertible Capital Bonds £1 of £5 at a price of £5,000 each. These Bonds are guaranteed on a subordinated basis by the Company and are convertible into 2½% Exchangeable Redeemable Preference Shares of the Subsidiary and may either be redeemed or exchanged for ordinary shares in J Sainsbury plc.

The Bonds will be convertible and redeemable at the Bondholders' option on 19th April 1994 and 19th April 1999. The redemption value will be their paid up value of £5,000 together with supplemental interest to the coupon rate of 5% calculated to ensure a yield to holders of 10.26% per annum at that date.

The subsidiary company is entitled to require conversion and redemption at a premium of 5% of the paid up value from issue declining by 1% per annum to nil at 19th April 1994 provided that the average ordinary share price of J Sainsbury plc is equal to 262 pence multiplied by 133.28% plus the accrued interest. From 19th April 1994 to maturity the conversion and redemption is determined by accruing supplemental interest on a time basis with a premium of 1% added, except on the due date. The Subsidiary also has certain rights to enhance the prospective yield to holders of the Bonds which, if exercised, may modify the terms on which the Bonds are convertible and redeemable.

12 Called Up Share Capital

	No. Allotted Fully paid shares	Aggregate Nominal Value £m	Consideration £
Ordinary Shares of 25p each Authorised = 1,700,000,000 shares		<u>425.0</u>	
At 18th March 1989	1,502,280,283	375.6	
Shares allotted			
Savings Related Share Option Schemes	4,570,649	1.1	5,871,261
Executive Share Option Schemes	3,071,304	0.7	5,163,024
Profit Sharing Scheme	4,634,075	1.2	11,168,121
At 17th March 1990	<u>1,514,556,311</u>	<u>378.6</u>	<u>22,202,406</u>

Contingent rights to the allotment of 57,240,000 Ordinary Shares in the Company at 262p exist until 19th April 2001 under the terms of the issue of £150,000,000 5% Convertible Capital Bonds 2001 by a subsidiary company (see Note 11).

Contingent rights also exist at future dates under the Company's Savings Related Share Option and Executive Share Option Schemes and under similar schemes for Savacentre. It is also intended to allot Ordinary Shares in the Company under the terms of the Company's Profit Sharing Scheme. Under the Savings Related Schemes options are normally exercisable within six months of the fifth anniversary of the grant of an option and under the Executive Share Schemes between 3 and 10 years from the date of the grant of an option. Under the terms of the Company's Profit Sharing Scheme qualifying employees can elect to have shares allocated to them at market value in respect of their participation in the Scheme for the relevant financial year and such shares will be allotted within one month of the Annual General Meeting.

Details of these options at 17th March 1990 were as follows:

(a) Savings-Related Share Options

Date of Grant	Price	Options outstanding at the end of the year	
		1990	1989
28th October 1983	96.75p	1,068	3,059,400
7th December 1984	128p	1,285,114	5,215,420
9th December 1985	103p	3,721,984	4,111,502
19th November 1986	180p	3,675,350	4,162,048
9th November 1987	248p	3,157,109	2,983,142
14th November 1988	170p	4,414,831	2,707,101
9th January 1990	268p	7,314,698	—
		<u>23,570,154</u>	<u>22,839,413</u>

12 Called Up Share Capital - continued

(b) Executive Share Options

Date of Grant	Price	Options outstanding at the end of the year	
		1990	1989
13th January 1983	97 5p	—	228,796
18th July 1983	92p	—	5,008
16th January 1984	119p	287,540	645,364
28th January 1985	158p	684,494	1,561,754
16th September 1985	169p	42,048	160,282
14th July 1986	196p	3,189,408	4,065,634
9th March 1987	241 5p	132,286	143,000
13th July 1987	285p	3,345,988	3,375,654
9th February 1988	220p	4,518,964	4,570,336
31st July 1989	276p	5,258,618	—
		<u>17,459,346</u>	<u>15,361,825</u>

Figures for all prices and options outstanding are adjusted for capitalisation issues in July 1984 and July 1987.

13 Share Premium Account

	Company £m
Balance 18th March 1989	179.1
Premium on shares allotted during the year	19.1
Expenses of capital issues	(4.4)
Balance 17th March 1990	<u>193.8</u>

14 Revaluation Reserve

	Group £m	Associates £m	Company £m
Balance 18th March 1989	24.9	0.1	24.8
Transfer to Profit and Loss Account in respect of property disposals during the year (Note 15)	(4.5)	—	(4.5)
Share of revaluation deficit	(0.1)	(0.1)	—
Balance 17th March 1990	<u>20.3</u>	<u>—</u>	<u>20.3</u>

15 Profit and Loss Account

	Group £m	Subsidiaries £m	Associates £m	Company £m
Balance 18th March 1989	588.0	27.4	23.2	537.4
Profit retained for the year	221.3	21.7	(5.3)	204.9
Transfer from Revaluation Reserve (Note 14)	4.5	—	—	4.5
Currency Movements	(1.0)	5.5	—	(6.5)
Haverhill Meat Products Limited acquisition	—	10.4	(10.4)	—
Share of revenue reserves transferred	—	—	—	—
Balance at 17th March 1990	<u>812.8</u>	<u>65.0</u>	<u>7.5</u>	<u>740.3</u>

No provision has been made for additional taxation which would arise if profits of overseas Subsidiaries were distributed. The profit for the financial year dealt with in the accounts of J Sainsbury plc amounted to £297.3 million (1989 £219.9 million).

16 Group Sales and Operating Profit

	1990	Group 1989
Group sales, inclusive of VAT and sales taxes, arose from retailing in the following geographic markets	£m	£m
United Kingdom	6,211.2	5,083.9
United States	1,045.8	831.2
	<u>7,257.0</u>	<u>5,915.1</u>
Operating Profit comprises		
United Kingdom	437.2	350.4
United States	33.5	22.5
	<u>470.7</u>	<u>372.9</u>
Net margin on tax inclusive sales		
United Kingdom	7.04%	6.89%
United States	3.20%	2.74%
	<u>6.49%</u>	<u>6.30%</u>

17 Net Interest Payable

	1990	Group 1989
Interest receivable	£m	£m
	77.7	44.3
Interest payable		
Bank and Other Interest on loans wholly repayable within five years	134.2	81.3
Interest on loans payable by instalments within five years	1.8	1.2
On loans not wholly repayable within five years		
9% Notes	3.9	—
Debenture Interest	—	0.1
Loan Stock Interest	0.2	0.2
Other Loans payable by instalments	1.3	1.7
Finance Leases	3.9	2.5
Convertible Capital Bonds	6.8	—
	<u>152.1</u>	<u>86.8</u>
Interest Capitalised	56.6	33.0
	<u>95.5</u>	<u>53.8</u>
	<u>17.8</u>	<u>9.5</u>

18 Profit Sharing

The amount due to UK employees under the Profit Sharing Scheme is calculated on the UK operating profits less UK interest but excluding the other operating income. In order that employees can more readily identify profit sharing, the profit and loss account has been amended from the format of the Companies Act 1985.

The figure on which the profit sharing fund is based is £425.8 million and funds have been provided as follows:

	£m
Profit fund	31.3
Transitional payment	0.9
Provision for Employers National Insurance	1.6
	<u>33.8</u>

19 Other Operating Income (net)

	Group	
	1990	1989
	£m	£m
Surplus on sale and leaseback of properties	33.9	22.8
Provision for disposal of properties and other fixed assets	3.2	—
	<u>30.7</u>	<u>22.8</u>

In 1989 £6.8 million of the surplus on sale and leaseback of properties arose from a disposal to an Associate

20 Profit on Ordinary Activities before Tax

	Group	
	1990	1989
	£m	£m
This has been arrived at after charging		
Depreciation — owned assets	102.5	78.4
— finance leases	0.9	1.2
Pension Costs	32.7	26.1
Directors' Emoluments (Fees nil—Note 22)	2.3	2.0
Auditors' Remuneration (Company £185,000)	0.4	0.3
Pensions to former Directors	0.1	0.1
Operating Lease Rentals — plant and equipment	1.7	1.0
— other	60.8	39.1

21 Employees

	Group	
	1990	1989
	£m	£m
Employees' remuneration and related costs during the year amounted to		
Wages and Salaries	641.2	518.0
Social security costs	43.7	35.3
Other pension costs	32.7	26.1
	<u>717.6</u>	<u>579.4</u>
Employees' Profit Sharing Scheme	33.8	26.7
	<u>751.4</u>	<u>606.1</u>

	1990	1989
The weekly average number of employees during the year was		
Full time	38,089	34,245
Part time	61,912	54,038
	<u>100,001</u>	<u>88,283</u>
Full time equivalents	<u>65,309</u>	<u>59,078</u>

The number of UK employees whose remuneration exceeded £30,000 was as follows

	1990	1989		1990	1989
£30,001—£35,000	210	116	£65,001—£70,000	10	8
£35,001—£40,000	141	62	£70,001—£75,000	3	5
£40,001—£45,000	54	25	£75,001—£80,000	6	1
£45,001—£50,000	34	9	£80,001—£85,000	5	1
£50,001—£55,000	7	4	£85,001—£90,000	2	1
£55,001—£60,000	7	6	£90,001—£95,000	1	—
£60,001—£65,000	4	0			

22 Directors' Remuneration

	1990	1989
	£'000	£'000
Chairman	175	158
Highest paid Director	220	180

Remuneration of all Directors fell within the following ranges

	1990	1989		1990	1989
£ 5,001—£ 10,000	—	2	£125,001—£130,000	1	1
£ 10,001—£ 15,000	1	—	£130,001—£135,000	1	1
£ 15,001—£ 20,000	2	2	£135,001—£140,000	—	2
£ 20,001—£ 25,000	1	—	£140,001—£145,000	2	1
£ 25,001—£ 30,000	—	1	£145,001—£150,000	—	2
£ 30,001—£ 35,000	—	1	£150,001—£155,000	2	1
£ 35,001—£ 40,000	—	1	£155,001—£160,000	1	—
£ 40,001—£ 45,000	1	—	£160,001—£165,000	1	1
£ 45,001—£ 50,000	—	1	£165,001—£170,000	—	—
£ 50,001—£ 55,000	—	1	£170,001—£175,000	1	1
£ 55,001—£ 60,000	—	1	£175,001—£180,000	1	—
£ 60,001—£ 65,000	—	1	£180,001—£185,000	1	—
£ 65,001—£ 70,000	—	1	£185,001—£190,000	1	—
£ 70,001—£ 75,000	—	1	£190,001—£195,000	1	—
£ 75,001—£ 80,000	—	1	£195,001—£200,000	1	—
£ 80,001—£ 85,000	—	1	£200,001—£205,000	1	—
£ 85,001—£ 90,000	—	1	£205,001—£210,000	1	—
£ 90,001—£ 95,000	—	1	£210,001—£215,000	1	—
£ 95,001—£ 100,000	—	1	£215,001—£220,000	1	—
£ 100,001—£ 105,000	—	1	£220,001—£225,000	1	—
£ 105,001—£ 110,000	—	1			
£ 110,001—£ 115,000	—	1			
£ 115,001—£ 120,000	—	1			
£ 120,001—£ 125,000	—	1			

23 Tax on Profit on Ordinary Activities

	1990	1989
	£m	£m
The tax charge for the year is		
Corporation tax at 35%	128.4	118.0
Deferred tax release	—	(1.6)
Overseas tax	11.3	6.6
Share of Associates' tax	0.8	5.1
	<u>140.5</u>	<u>128.1</u>

After deducting tax relief of £19.5 million on interest capitalised the net amount of corporation tax of £108.9 million is payable in December 1990

The Company is not a Close Company under the terms of the Income and Corporation Taxes Act 1988

24 Extraordinary Items

	1990	1989
	£m	£m
Share of profit on sale of a property by an Associate	—	9.0
Production department closure costs	—	—
(after deducting tax relief of £2.7 million)	—	7.1
	<u>—</u>	<u>16.1</u>

25 Dividends

	1990	1989
	£m	£m
Interim	26.5	22.6
Proposed final	65.9	53.3
	<u>92.4</u>	<u>75.9</u>

The interim dividend of 1.75p per share, paid on 12th January 1990, together with the related tax credit, is equal to 2.33p and the proposed final dividend of 4.35p per share, together with the related tax credit, is equal to 5.80p

26 Future Capital Expenditure

	1990	1989
	£m	£m
Contracted for but not provided for in the accounts	272.7	200.4
Authorised but not contracted for to date by Board of Directors	570.5	439.5

27 Contingent Liabilities and Financial Commitments

The Group has guaranteed facilities for Associates to the extent of £4.0 million (1989: £4.5 million) at the date of approval of these Accounts. Other contingent liabilities amounted to £2.0 million (1989: £0.9 million) at that date. No provision has been made for supplemental interest, if any, which might be payable in certain circumstances under the terms of redemption of the 5% Convertible Capital Bonds 2004 issued by a Subsidiary (see Note 11). The maximum supplemental interest for the period to 17th March 1990 is £7.9 million.

The Company has guaranteed the £150 million Convertible Capital Bonds 2004 and its related interest liabilities of J Sainsbury (Capital) Limited; the Yen 5,000 million 5 1/2% Guaranteed Notes 1991, the \$200 million 9 1/2% Guaranteed Notes 1991, the \$1 million Term Bank Loan 1991 and related interest liabilities of J Sainsbury (Finance) BV; the £4.1 million Unsecured Loan Notes 1990-1992 of a Subsidiary, and bank overdrafts of Subsidiaries to the extent of £2.9 million (1989: £9.1 million).

The Group is committed to make operating lease payments during the next financial year as follows:

	£m
Land and Buildings	
Leases which expire within the year	0.2
Leases which expire within 2-5 years	0.2
Leases which expire after 5 years	73.1
Other Leases	
Leases which expire within 2-5 years	4.9
Leases which expire after 5 years	0.1

28 Pension Commitments

The Group operates a defined benefit pension scheme in the UK, the assets of which are held in a separate trustee administered fund.

Of the total pension costs of the Group £28.7 million (1989: £23.3 million) relates to the UK scheme, the cost of which is assessed on the advice of qualified actuaries using the entry age method. The latest actuarial assessment of the scheme was at 19th March 1988.

The significant actuarial assumptions used in the assessment were that future investment return would be 10% per annum, future salary and wage increases would average 7% per annum and future pensions would increase at 5% per annum.

At the date of the latest actuarial assessment the market value of the assets of the UK scheme was £540 million and the actuarial value of the assets was sufficient to cover 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The surplus is being amortised over the expected working lifetime of the existing members.

The Group also operates a defined benefit pension scheme and a defined contribution pension scheme in the USA. The pension cost relating to the USA defined benefit scheme has been determined in accordance with the advice of independent actuaries.

AUDITORS' REPORT

To the Members of J Sainsbury plc

We have audited the Financial Statements on pages 28 to 42 in accordance with 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 17th March 1990 and of the profit and source and application of funds of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Clark Whitehill
Chartered Accountants
London

19th May 1990

FINANCIAL CALENDAR

1 Dividend and Interest Payments

Ordinary Dividend	Interim	announced November	paid January
	Final	proposed May	paid July
7½% First Mortgage Debenture Stock 1987/92		7th March	7th September
6½% First Mortgage Debenture Stock 1988/93		31st May	30th November
5½% Guaranteed Notes 1991		5th November	
10½% Notes 1993		7th January	
8% Irredeemable Unsecured Loan Stock		1st March	1st September
9½% Guaranteed Notes 1991		4th October	
5% Convertible Capital Bond 2004		19th April	19th October
9½% Notes 1996		2nd October	

2 Other dates — Financial Year 1990/91

Results for half year	announced November	Results for year	announced May
Report & Accounts	circulated in June	Annual General Meeting	July

SHAREHOLDERS' INTERESTS

17th March 1990

Number of Shareholders: 64,702 (1989 66,354)

Shareholdings Range	Shareholders %	Shares %	Category of Shareholders	Shareholders %	Shares %
500 and under	24.77	0.32	Pension Funds	0.14	6.65
501 to 1,000	20.42	0.72	Insurance Companies	0.65	7.03
1,001 to 10,000	50.31	5.92	Investment Trusts	0.16	0.28
10,001 to 100,000	3.61	3.97	Banks and Nominee Companies	8.26	23.50
100,001 to 1,000,000	0.64	9.00	Other Corporate Bodies	2.70	14.65
and over 1,000,000	0.25	80.07	Other Shareholders	88.09	47.89
	<u>100.00</u>	<u>100.00</u>		<u>100.00</u>	<u>100.00</u>

At the year end the Trustees of the Profit Sharing Scheme held 19,443,449 shares (1989 17,989,702) on behalf of 24,785 participants (1989 24,187) in the Scheme. The Trustees' holding is included in 'Other Shareholders' above.

Capital Gains Tax

For the purposes of United Kingdom Capital Gains Tax the market values of the Company's ordinary shares were

Date	Value	Date	Value
31st March 1982	69 375p	16th July 1981	123 0p
5th July 1982	80 0p	3rd July 1987	292 0p

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY given that the Annual General Meeting of J Sainsbury plc will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Wednesday, 11th July 1990 at 12 noon for the following purposes:

- 1 To receive and adopt the Report of the Directors and the Financial Statements for the 52 weeks to 17th March 1990 and the Report of the Auditors thereon
- 2 To declare a final dividend on the ordinary shares
- 3 To re appoint Mr C. J. Harvey a Director
- 4 To re appoint Mr D. B. Adriano a Director
- 5 To appoint Mr R. P. Whitbread a Director
- 6 To re appoint the Rt Hon Lord Prior PC a Director
- 7 To re appoint Clark Whitehill as Auditors and to authorise the Directors to fix their remuneration

As Special Business to consider, and if thought fit, to pass the following Resolution which will be proposed as a Special Resolution

- 8 That
 - (a) subject to the variation contained in paragraph (b) of this Resolution, the power conferred on the Directors by paragraph (C) of Article 9 of the Articles of Association of the Company (being the power to allot equity securities pursuant to the authority contained in paragraph (A) of Article 9 as if the statutory pre-emption rights did not apply to such allotment) be and it is hereby renewed for a period ending 15 months from the date of this Resolution or, if earlier, on the date of the next Annual General Meeting of the Company; and
 - (b) the maximum aggregate nominal amount of equity securities which may be so allotted on or after the date of the passing of this Resolution otherwise than pursuant to sub-paragraphs (i) and (ii) of paragraph (C) of Article 9 of the Articles of Association of the Company (being the provisions for allotments in connection with a rights issue or an option, incentive or profit sharing scheme) be £19,000,000 (being approximately 5% of the issued share capital of the Company)

By Order of the Board

N. P. Matthews
Secretary

12th June 1990

Notes

- 1 A member entitled to attend and vote at this Meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member of the Company.
- 2 Although this Annual Report is sent to debenture and loan stock holders and to beneficial owners of shares under the Share Trusts of the Group's employee profit sharing schemes, only holders of ordinary shares or their proxies are entitled to attend and vote at this Meeting.
- 3 There will be available for inspection at the Registered Office of the Company during normal business hours on any weekday (Saturday excepted) from the date of this Notice until the date of the Meeting and at the place of the Meeting for fifteen minutes prior to and during the Meeting:
 - (i) The Register of Directors' Interests kept by the Company under Section 329 of the Companies Act 1985
 - (ii) Copies of all service contracts for periods in excess of one year between the Directors and the Company

The Directors will be pleased to meet shareholders for coffee from 11.15am.

STORE OPENINGS

Openings 1989/90

Sainsbury's
 Dewsbury
 Leamington
 Redditch
 Peterborough
 Denton, Greater Manchester
 Chesterfield
 Dudley
 Middlesbrough
 Great Yarmouth
 Haringay, London
 Norwich (Pound Lane)
 Norwich (Queen's Road)
 Rugby
 Coventry (Court House Green)
 Streamham, London
 Sunderland
 Bolton
 Cobham
 Edgware, London
 Romford
 Whitby Bay
 Telford

Homebase
 Plymouth
 Norwich
 Blackpool
 Maidstone
 Great Yarmouth
 Chichester
 Milton Keynes

Savacentre
 London Colney

Shaw's
 Milford, New Hampshire
 Medfield, Massachusetts
 South Lawrence, Massachusetts
 East Providence, Rhode Island
 North Fall River, Massachusetts
 Smithfield, Rhode Island
 Sanford, Maine
 Waterville, Maine

Projected Openings 1990/91

Sainsbury's
 Salford
 Durham
 Northwich
 St. Clare's Hampton
 Chippenham
 Tunbridge Wells
 Christchurch
 Haverhill
 Bury Park, Luton
 Swirekon
 Ellesmere Port, Liverpool
 Wellingborough
 Poole
 Thaxet
 Seabrook
 Waltham Hill, London
 Cannock
 Chaddesden, Derby
 Middleton, Manchester

Homebase
 Basildon
 Mill Hill, London
 Orpington
 Harlow
 Camberley
 Guildford
 Middleton, Manchester
 Swindon
 Chelmsford

Savacentre
 Sheffield

Shaw's
 Salem, Massachusetts
 Brockton West, Massachusetts
 Hudson, Massachusetts
 Tewksbury, Massachusetts
 Leominster, Massachusetts
 Plaistow, New Hampshire



