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# SAINSBURY'S

## annual report and accounts 1982



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## Joint Presidents

Lord Sainsbury of Drury Lane  
Sir Robert Sainsbury

## Board of Directors

Sir John Sainsbury *Chairman and Chief Executive*  
E. R. Griffiths *Deputy Chairman and Managing Director*  
P. J. Davis *Assistant Managing Director, Buying and Marketing*  
T. A. D. Sainsbury MP *Non-Executive*  
D. J. Sainsbury *Finance*  
G. C. Hoyer Millar *Property and Development*  
J. H. G. Barnes *Retail Operations*  
L. S. Payne *Distribution and Systems*  
C. Roberts *Meat, Pork Products and Bakery Buying*  
R. A. Ingham *Dairy, Produce and Off-Licence Buying*  
R. T. Vyner *Grocery and Non-Foods Buying*  
R. A. Clark *Personnel and Data Processing*  
D. E. Henson *Financial Controller*  
Sir James Spooner *Non-Executive*  
Mrs. J. Jenkins *Non-Executive*

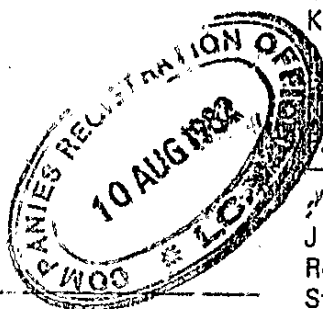
## Departmental Directors

F. R. Bumstead *Non-Foods Buying*  
C. W. Burdsey *Property*  
H. Galazka *Pork and Pork Products Buying*  
J. G. Grindle *Retail Operations*  
M. S. Hughes *Meat Buying*  
A. L. Jacobs *Data Processing*  
R. Linfield *Architects and Engineering*  
D. A. Males *Retail Operations*  
A. R. Mathias *Distribution*  
M. D. Morgan *Grocery Buying*  
G. A. G. Nichols *Grocery Administration*  
Dr. R. Spencer *Director of Scientific Services*  
K. C. Worrall *Frozen Foods and Dairy Buying*

A. Q. Davidson *Treasurer*

F. Matthews *Company Secretary*

E. Netscher *Chief Accountant*



The photographs on both the front and back inside covers are of our Nine Elms branch.

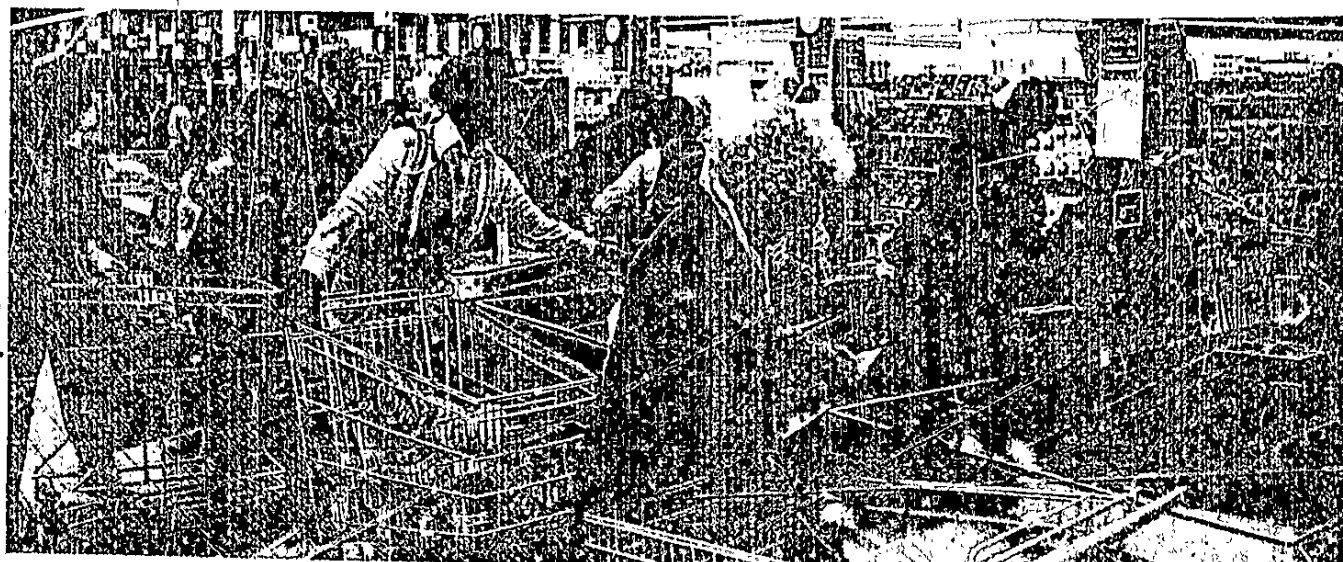
## Registrars

J Sainsbury plc  
Registered Office  
Stamford House  
Stamford Street  
London SE1 9LL

National Westminster Bank PLC  
Registrar's Department  
P.O. Box No. 82  
37 Broad Street  
Bristol BS99 7NH

**Results at a Glance**  
*Ten Year Table see pages 10/11*

	1982 £ million	1981 £ million	increase
<b>Sales</b>	<b>1,950.5</b>	<b>1,589.2</b>	<b>22.7%</b>
Retail profit	86.6	64.4	34.5%
Net margin	4.44%	4.05%	
Associates-share of profit	2.5	1.4	82.5%
<b>Profit before tax and profit sharing</b>	<b>89.1</b>	<b>65.8</b>	<b>35.5%</b>
Profit sharing	5.7	3.7	53.4%
Profit before tax and after profit sharing	83.4	62.1	34.4%
Earnings per share (fully taxed)	23.74p	17.74p	33.8%
Dividend per share	9.75p	7.25p	34.5%
Investment	125.8	88.2	42.6%
New supermarkets opened	17	15	
Retail sales area (000 sq. ft.)	3,366	2,978	13.0%
Employees at year end	49,874	44,250	12.7%





Once again I am happy to be able to report a year of highly successful trading and one in which many records were broken.

The year's sales increase of 22.7% represents a volume growth of 13%, with volume in existing stores up by 6%. We now serve more than five million customers a week, an increase of 23% over two years, and their average size of purchase has increased to a record level.

For the fifth year in succession our supermarkets' sales per square foot at "constant prices" increased, bringing the weekly figure to £12—well over twice the average in the trade. Productivity in terms of sales per employee improved by a further 3.4%, bringing the increase in five years to 28.5%. This has been made possible in large part by the scale of our investment programme, which last year rose to the highest level ever at £126 million.

The financial effect of the buoyant trade and greater productivity was the record profit growth of £23.3 million, bringing the Group total to £89.1 million before tax and profit sharing. Over the past four years our profit has doubled in real terms.

Earnings per share (fully taxed) were up by 33.8%, or 20% in real terms adjusted for the change in the Retail Price Index. Since the flotation of the Company in 1973, the real compound growth in earnings per share has been 8.5% per annum, a rate of growth which has been shown by a recent survey to be the third highest in the country among companies, other than oil companies, with market capitalisations over £500 million.

#### Value for Money and Market Share

Of the many ways of measuring the Company's success, none is more important than an assessment of the value we are offering our customers in the quality and variety of the food we sell and the competitiveness of our prices. We have continued our "Discount" policy, which was launched first in January 1978, by which we offer "Discount prices" at lower than normal profit margins on a wide range of frequently purchased products. The public have long recognised that items on our Discount programme are priced at an exceptionally competitive level, and even though that price may increase, the relative value remains exceptionally good. There is no doubt that our Discount trading has made a major contribution to the growth in sales since 1978 and the cumulative effect of an unchanging trading stance has been increasingly widely recognised and appreciated.

During this period we have maintained our traditional priority for quality, especially crucial in fresh foods, and for products sold under our name, while at the same time seeking to offer overall lower prices than our competitors. In this respect it is pleasing to be able to report that our prices during the last year were assessed by an independent market research agency as being even more competitive than they were a year before. The contrast between our prices and other quality competition is especially marked.

The underlying strength of our competitive trading is shown very clearly by the continuing growth in our share of the retail food trade. This is best assessed by using Department of Industry published figures together with data available from Nielsen. On this basis

we estimate that our market share increased from an average of 7.2% for 1980/81 to 8.3% for last year as a whole, the final quarter being 8.6%. On the basis of the more limited grocery trade market share published by AGB our market share has grown from 13.2% to 14.6%, comparing the final quarters of each year.

Leaving aside the Co-operative movement as a whole, we have become the largest retailer of food in the country and can also claim to be the largest butcher, greengrocer and wine retailer. There is no merit in size for itself, but this is a mark of our current success:

### **Product Development and Good Supplier Relations**

The past year has been a particularly creative one for the introduction of new Sainsbury products. The number and variety of new products marketed under our label are far greater than those developed by even the largest food manufacturer. Such innovation is dependent on the enterprise of our buying departments and the technical abilities of our Scientific Services Division. However, these would not be sufficient on their own and the fact that so much has been achieved is the result of the excellent relations we enjoy with our suppliers. I would like, therefore, to take this opportunity to extend my appreciation to all suppliers who have served us well and who have risen to the challenge of maintaining the exacting standards of quality we require as well as putting such effort into developing and improving Sainsbury products.

### **Store Development Programme**

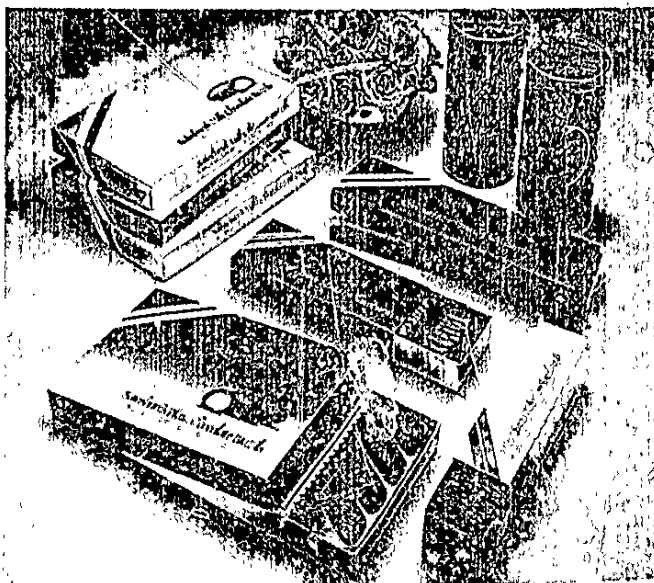
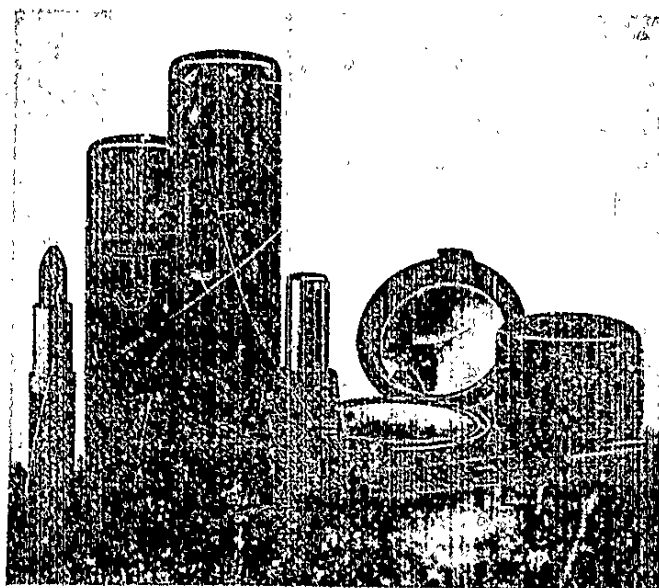
Another record broken in 1981/82 was the amount of new selling area that was opened – the 17 new stores had a total sales area of 358,000 sq. ft. Even

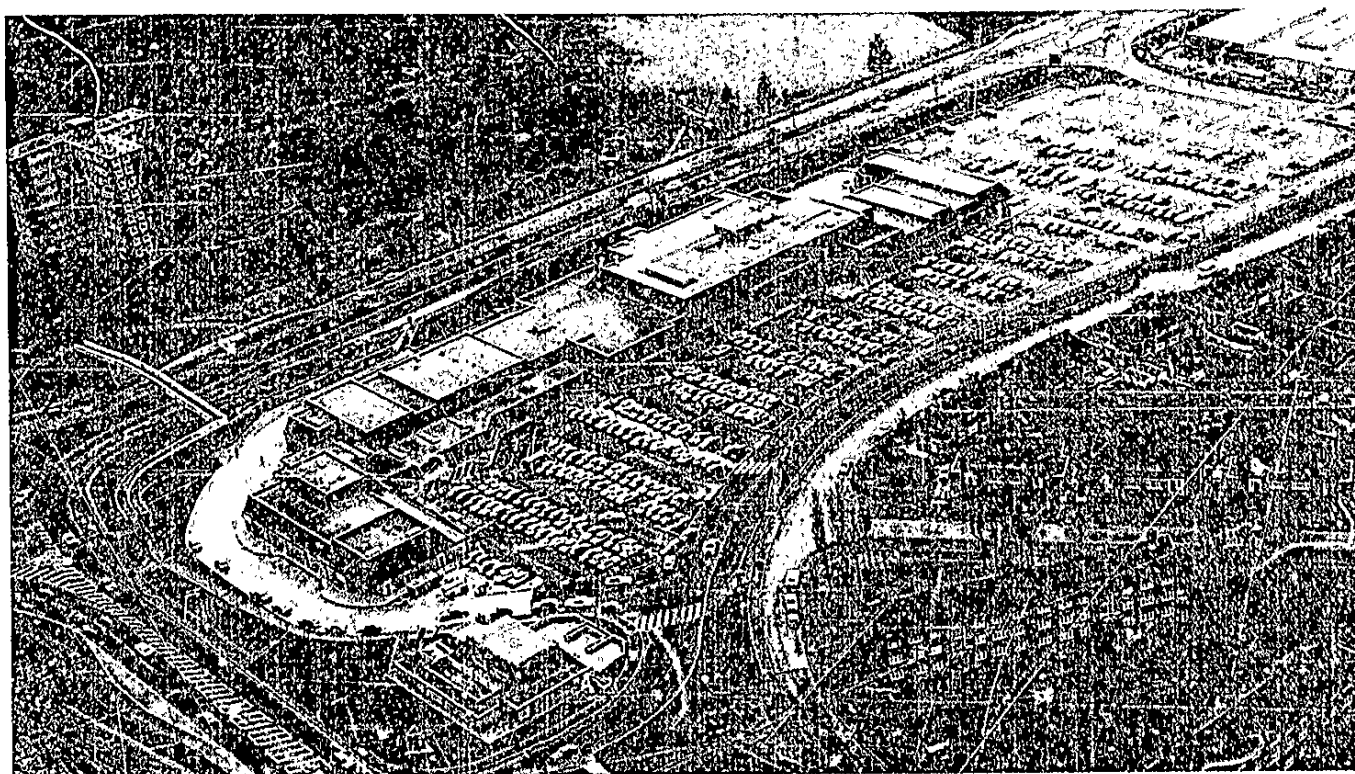
more pleasing was the fact that the new stores exceeded their anticipated level of initial trade by a greater margin than ever before and that this success was experienced in different parts of the country and in different types of location.

At Rayleigh Vaux, a new edge-of-town store between Southend and Basildon with first class ground level car parking, we achieved a quite exceptional level of trade, despite the strongest possible competition from our own Basildon SavaCentre and a new superstore and a large supermarket within five miles of the store. In the North our opening trade at Leeds (*pictured opposite*) broke all our previous records despite the fact that we have never traded in or near Leeds before.

This was followed by an equally outstanding opening performance in a market where Sainsbury's have been trading since the 1890s—Walthamstow. It was particularly pleasing to be able to open a modern attractive supermarket, having the largest selling area of any Sainsbury's in London, in an old market street where we have been represented for nearly a century and have enjoyed the loyal support of many generations of shoppers.

Perhaps the most interesting of all the 17 new stores was the new supermarket at Nine Elms in London, close by the new Covent Garden market. The store is exceptional in many ways, including stocking a wider range of products than any other Sainsbury supermarket, but I believe it demonstrates the scope for developments of a similar nature in other parts of London and in other large cities. The location is alongside a railway track in a central area of declining commercial value or attraction. However, the site provides sufficient space for a car park for 300 cars at ground level and a large supermarket. Once again we





broke all previous sales records for a new store. We have brought trade and life to an area as well as providing the most attractive supermarket in Central London, drawing customers from as far apart as Lambeth and Kensington.

It will be hard to repeat such a successful mix of new stores, but in 1982/83 we are expecting to do so by opening a similar number of supermarkets of approximately the same size. Four supermarkets will open in the North West – Birkenhead, Liverpool, Preston and Southport each having their first Sainsbury's, while our fourth Yorkshire store opens in Huddersfield.

We shall continue to urge planners to be more open minded about unconventional sites in city centres – like Nine Elms – as well as giving a higher priority to good car parking. Despite the efforts of the present Government, getting the necessary planning permission is still the greatest constraint on our development programme. This is not because we seek to site new stores in green belt areas. More often it seems that local authorities are reluctant to see new competition and are over-protective of existing shopping facilities. This is not a correct use of their powers. Planning controls were not established to create an anti-competitive umbrella or to inhibit change in retailing. They exist to ensure sensible use of that scarce resource – land.

#### **Scale of Investment**

Last year we invested £126 million in the Group, an increase of 43% over the previous year, which is the largest investment programme we have ever mounted. Part of this was spent in updating and re-equipping existing stores and depots, which in turn were able to generate a better service for our customers and improved operational efficiency.

In the future we intend to continue our ambitious investment plans with the objective of opening as near as possible the same number of new stores as we have in the past two years (15 – 17 per year). Although we shall need to monitor the cost benefits closely, we are committed to the development of new systems both in the stores, with electronic scanning at the checkout and in-store computers, and at Head Office, where we see much scope for harnessing the latest communications and computer technology.

This will call for greater capital requirements, but not such as to cause a change in our policy of largely self-financed expansion helped by a modest programme of sale and leaseback. The proportion of freeholds in our property portfolio is still increasing.

#### **Creating More Jobs and Better Training**

At a time when the nation's greatest concern is rising unemployment it is a source of some pride that, as well as achieving significant increases in productivity,

we have created more than 5,600 new jobs, bringing the total in two years to 11,000 (6,500 on a basis of full-time equivalent).

We have worked hard to improve still further our training programmes. In addition to general on-the-job training, no less than 35,600 working days were committed to training courses during the year. I believe our staff are better trained now than ever before and as a result our management team is stronger. We recognise that only by continued development of our training effort will we be able to equip our future management with the necessary skills at a time when modern technology offers ever greater opportunity for improving our efficiency and customer service.

We have recently reviewed our pension scheme benefits, and I am pleased to report that the pensions provided compare well with those generally in industry. Nevertheless we did feel it right to initiate some significant improvements in the scale of benefit which will have the effect of increasing the Company contribution by nearly 20%.

#### **Subsidiaries and Associates**

It is with pleasure that I record encouraging progress in our subsidiary and associate companies.

The newest of these is the home improvement and DIY chain we are establishing with our Belgian partners GB-Inno-BM (who hold 25% of the equity) under the name "Sainsbury's Homebase". The first store opened in March 1981 in Croydon and the second in October in Leeds close to our new supermarket. Both are trading successfully. We expect to open a further five stores in the current year and to achieve the forecast. I gave last year of 20 Homebase stores trading by 1984. Inevitably it will be some years before their contribution to Group profit will be significant, but as a long-term project it has made a most encouraging start. (Homebase details are on pages 8-9.)

I indicated last year that SavaCentre's contribution to Group profit would increase, but I would not have forecast such a large improvement. This comes as a result of the most encouraging growth of sales in the four hypermarkets that were trading a year ago as well as the success of our largest and latest SavaCentre at Calcot outside Reading. SavaCentre is now well and truly established and we look forward to steady progress in the years ahead. Its success is a reflection of both the management performance and the close and harmonious relationship with our British Home Stores partners, with each parent company able to contribute its strength and know-how for the benefit of our joint venture. (SavaCentre details are on pages 8-9.)

Haverhill Meat Products Limited, including

Palethorpes, had a satisfactory year with a 20% increase in sales. This was helped by particularly strong volume growth in fresh pork, sausages and pies. Productivity at Haverhill increased by over 5%, but company profitability at just over £2 million was substantially affected by higher pig prices in the second half. Prospects are, however, good and the forecasts for the present year encouraging.

Breckland Farms had a successful year, maintaining its outstanding performance, which makes it one of the leading pig production companies in the country.

#### **Profit Sharing**

A particularly important and tangible expression of our belief in encouraging still further the commitment and involvement of Sainsbury people in the affairs of the Company is our Profit Sharing Scheme. In existence now for three years, it is geared to a formula that relates the amount distributed to the profitability of the Company and thus could hardly have been established at a more fortunate time. This year we shall distribute £5.7 million in shares or cash to the 23,000 staff who, with over two years' service, are participating in the Scheme. This is 40% of our total workforce.

The total distribution in the first three years of the Scheme is £11.6 million. To date 38% of the staff eligible to do so have opted to take shares and thus will enjoy the benefit of the available tax concessions as well as the substantial gain in the value of the shares. We estimate that, taking account of those entitled to shares under the Profit Sharing Scheme, about a quarter of our shareholders are employees.

#### **Business Enterprise Award and Thanks to Staff**

We were proud to be awarded the 1981 Business Enterprise Award. In my speech of acceptance following the presentation of the Award I said:-  
*"If previous generations should be sharing in today's honour, so too should every one of today's staff of over 45,000, for if corporately we deserve the accolade for enterprise, so do all who work in Sainsbury's. Our achievements in growth of sales, increasing productivity and improving service to our customers are the achievements of all our people."*

This year there is no more appropriate way of expressing my appreciation to our staff for all they have done.

John Sainsbury *Chairman*



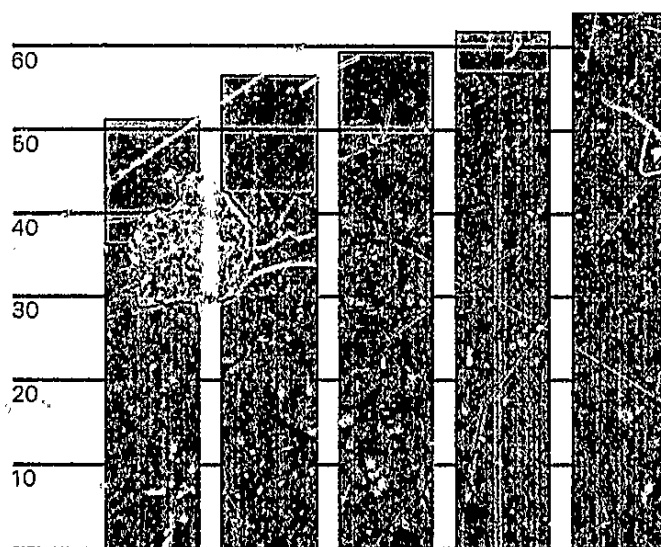
## Employee Review

### Productivity Sales per full-time equivalent employee

Actual

Today's money values

£000 per annum	1978	1979	1980	1981	1982
70					



### Jobs and Youth Employment

The number of Sainsbury's employees continued to grow—this year by more than 5,600. Retailing is an important source of employment for school leavers. During the year 2,450 young people leaving full-time education—amongst them 127 graduates—took permanent jobs with us.

We welcome the increased attention which is being given to the vocational preparation of young people

between the ages of 15 and 18 years. This is a vital investment in their future and for the country. Much effort is needed to devise effective programmes that combine work experience with formal, but relevant, off-the-job training. We ourselves are experimenting with the Young Workers Scheme to find ways which will add to opportunities for permanent employment with us.

### Investment in Training and Re-Training

Investment in people is an essential factor in productivity which, as can be seen from the chart, improved yet again during the year. Sainsbury's have long been committed to the importance of staff training in the basic retail skills and in the many disciplines which are required to run a business which is becoming increasingly complex. Our training efforts during the year increased; for example we successfully introduced a new method of cashier training which customers will have been able to see in part at the checkouts.

We are also re-training staff in the use of the electronic based systems necessary for maintaining the levels of customer service. We believe we have a responsibility to ensure that in becoming familiar with the new methods, existing staff acquire new skills and enhanced job satisfaction. This is the only practical way to maintain job security in a competitive and fast changing industry.

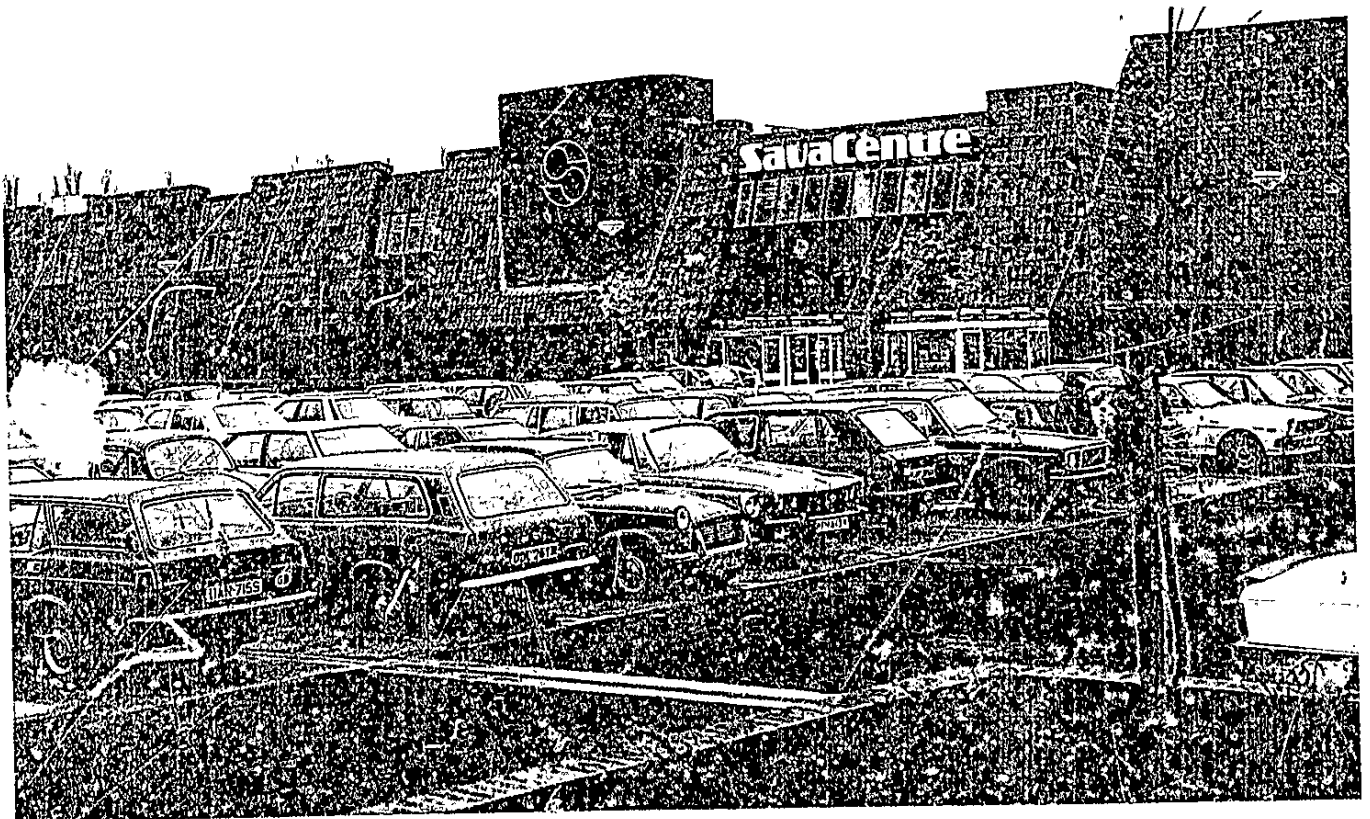
### Pensions

After consultation with staff representatives the Board decided to make a further improvement in pension levels and in protection for death-in-service with effect from April 1982. These changes affect present full-time employees, all of whom belong to a single pension scheme. We also continued to give priority to protecting, to the best of our ability, the standard of living of our pensioners. Pensions were revised upwards in January 1982 by the same amount as the Government's review last November.

	1978	1979	1980	1981	1982
Number of employees at year end					
full-time	16,297	16,380	16,935	19,088	20,515
part-time	16,870	18,755	21,951	25,162	29,359
full-time equivalent*	22,530	23,523	25,442	28,867	32,017
Average number of employees (full-time equivalent)	22,422	23,604	24,809	27,913	30,506
Annual wage/salary costs (£000)	64,724	76,795	93,382	123,904	154,405
Average wage/salary (£)	2,887	3,253	3,764	4,439	5,061
Sales per employee (£)	36,174	42,665	49,442	56,934	63,940
Number of employees eligible for profit sharing			16,868	18,835	22,973
Profit sharing distribution rate			4.15%	5.27%	6.12%



## Subsidiary and Associate Companies



SavaCentre Calcot  $\Delta$

$\nabla$  Homebase Leeds



### **SavaCentre Limited**

Our joint hypermarket venture with British Home Stores PLC is now well established and opened its fifth and largest SavaCentre (*pictured left*) at Calcot, outside Reading, in September 1981. In 1981/82 sales rose by 52% to reach £140.3m and give profits of £3.01m.

*The Directors are Mr. D. J. Sainsbury, Mr. J. H. G. Barnes, Mr. R. T. Vyner and Mr. L. S. Payne, together with four British Home Stores' Directors and the General Manager, Mr. A. S. Henn.*

### **Homebase Limited**

Sainsbury's chain of home improvement and garden centres, established as a joint venture with the Belgian retailers, GB-Inno-BM, S.A., began trading in 1981 with two stores—Croydon in March, and Leeds (*pictured left*) in October. A third Homebase will open at Nottingham in June 1982, to be followed during the financial year by stores at Ilford, Southampton, Watford and Basingstoke.

*The Directors are Mr. G. C. Hoyer Millar (Chairman), Mr. P. J. Davis, Mr. D. E. Henson and Mr. J. H. G. Barnes, together with two Directors from our Belgian partners and the General Manager, Mr. D. B. Adriano.*

### **Haverhill Meat Products Limited**

This company, jointly owned with Canada Packers Inc. of Toronto produces Tendersweet bacon, fresh pork and a wide range of pork products. In 1981/82 it had over 2,400 employees and handled 600,000 pigs. Profits in 1981/82 were £2.08m on sales of £84.6m.

*The Directors are Mr. E. R. Griffiths (Chairman), Mr. C. Roberts, Mr. H. Galazka and Mr. D. E. Henson, together with four Directors from Canada Packers Inc. of Toronto and three Directors from HMP—Mr. D. Pillar (General Manager), Mr. P. Collins and Mr. D. M. Hickman.*

### **J Sainsbury (Farms) Limited**

This wholly-owned subsidiary farms at Inverquhomery in Aberdeenshire and at Aberlour in Banffshire where it owns the Kinermony Aberdeen Angus herd. In total it manages 1,700 acres.

*The Directors are Mr. J. R. Hill (Chairman), Mr. M. S. Hughes and Mr. N. F. Matthews.*

### **Breckland Farms Limited**

This pig production company, jointly owned with Pauls & Whites plc, had another successful year and improved its profits to £326,000. A fourth production unit was completed during the year and has increased the company's current output to about 70,000 pigs per year.

*The Directors are Mr. H. Galazka, Mr. J. R. Hill and Mr. F. E. Netscher, together with three Directors from Pauls & Whites and the General Manager, Mr. G. Brown.*

### **J. Sainsbury (Properties) Limited**

J. Sainsbury (Properties) Limited is a management company which manages (but does not own) all Sainsbury's properties.

*The Directors are Sir John Sainsbury (Chairman), Mr. D. J. Sainsbury (Deputy Chairman), Mr. G. C. Hoyer Millar (Managing Director), Mr. C. W. Burdsey (Assistant Managing Director), Mr. N. A. Franks, Mr. G. G. Haynes, Mr. R. Linfield and Mr. T. A. D. Sainsbury MP.*

### **Kings Reach Investments Limited**

The Kings Reach development is now a recognised landmark on the south side of the River Thames close by Sainsbury's Head Office in Stamford Street. In addition to Sainsbury's, the shareholders in this company are The Union International Company PLC, The Stock Conversion and Investment Trust plc and a subsidiary of Reed International PLC.

*The Sainsbury Directors are Mr. C. W. Burdsey and Mr. T. A. D. Sainsbury MP.*

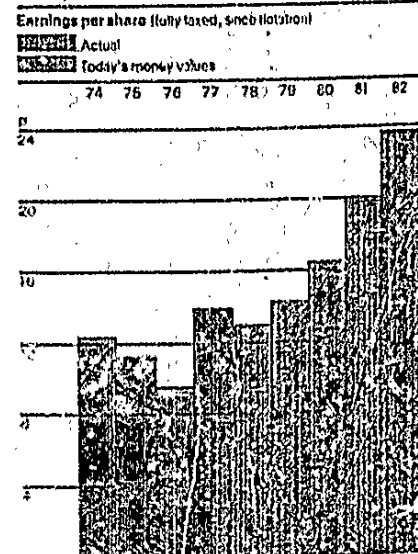
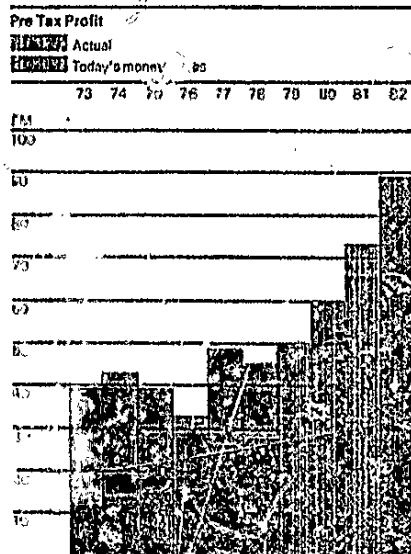
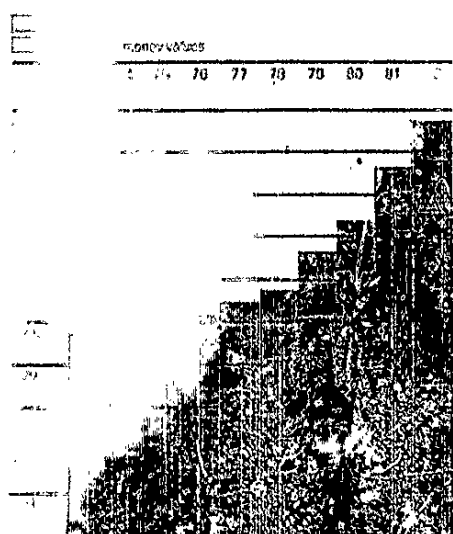
# Summary of Results/Retail Statistics

## Results

£000	1973	1974	1975	1976	1977	1978
Sales	296,862	362,137	452,804	543,443	663,776	811,102
Increase on previous year	13.3%	22.0%	25.0%	20.0%	22.1%	22.2%
Retail profit	11,465	13,542	14,337	15,372	25,303	27,139
Net margin	3.86%	3.74%	3.17%	2.83%	3.81%	3.35%
Associates — share of profit/(loss)	(77)	82	292	45	879	443
Profit before tax and profit sharing	11,388	13,624	14,629	15,417	26,182	27,582
Increase on previous year	13.5%	19.6%	7.4%	5.4%	69.8%	5.3%
Profit sharing	—	—	—	—	—	—
Tax charged	4,510	7,280	7,766	8,018	5,981	6,563
Profit after tax and profit sharing	6,878	6,344	6,863	7,399	20,201	21,019
Extraordinary items	(604)	—	—	717	1909	—
Earnings per share† (fully taxed)	4.26p	3.93p	4.21p	4.46p	7.54p	7.93p
Increase/(decrease) in real terms	—	(16.5%)	(9.0%)	(15.0%)	46.6%	(7.6%)
Dividend per share† (since flotation)	—	2.00p	2.25p	2.45p	2.72p	3.04p

## Retail Statistics

Number of outlets at financial year end						
Supermarkets (above 4,000 sq. ft. sales area)	138	154	163	175	181	185
Other grocery outlets	56	44	35	27	24	22
Independent freezer centres	—	—	8	13	13	15
Homebase	—	—	—	—	—	—
Total outlets	194	198	206	215	218	222
Sales area (including Homebase)						
Total at financial year end (000 sq. ft.)	1,452	1,711	1,936	2,240	2,391	2,499
New sales area (000 sq. ft.)	221	279	253	362	194	143
Net increase during year	15.0%	17.8%	13.2%	15.7%	6.7%	4.5%
New supermarket openings	13	16	11	17	10	7
Average size of new supermarkets (sq. ft.)	14,950	16,280	17,700	19,460	18,970	18,660
Average size of all supermarkets (sq. ft.)	9,690	10,500	11,260	12,210	12,690	13,010
Average supermarket sales						
Per supermarket (£ per week)	38,500	43,700	51,400	58,800	68,100	81,700
Per square foot (£ per week)	4.13	4.33	4.72	4.97	5.47	6.34
Share of national trade in food shops (based on A.C. Nielsen and DOI data)	4.2%	4.5%	4.7%	4.7%	4.9%	5.3%

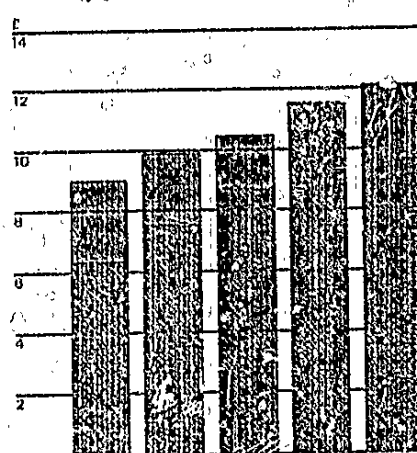


	1979	1980	1981	1982
1978				
02	1,007,070	1,226,595	1,589,196	1,950,546
2.2%	24.2%	21.8%	29.6%	22.7%
39	31,838	45,385	64,393	86,597
35%	3.16%	3.70%	4.05%	4.44%
143	818	645	1,368	2,497
582	32,656	46,030	65,761	89,094
5.3%	18.4%	41.0%	42.9%	35.5%
—	—	2,208	3,699	5,675
563	6,250	8,751	12,680	15,419
019	26,406	35,071	49,382	68,003
—	—	4,364	3,944	2,886
.93p	9.45p	12.66p	17.74p	23.74p
(7.6%)	10.0%	15.7%	20.5%	20.0%
3.04p	3.56p	5.125p	7.25p	9.75p
				† adjusted in respect of capitalisation issue in 1980.
185	190	197	208	218
22	21	18	14	12
15	18	21	20	21
—	—	—	—	2
222	229	236	242	253
499	2,616	2,766	2,978	3,366
143	150	172	257	462
4.5%	4.7%	5.7%	7.7%	13.0%
7	9	15	17	17
.660	18,040	14,830	16,890	21,060
.010	13,260	13,520	13,880	14,650
.700	99,100	116,600	145,500	170,600
6.34	7.52	8.73	10.59	12.01
5.3%	5.9%	6.2%	7.2%	8.3%

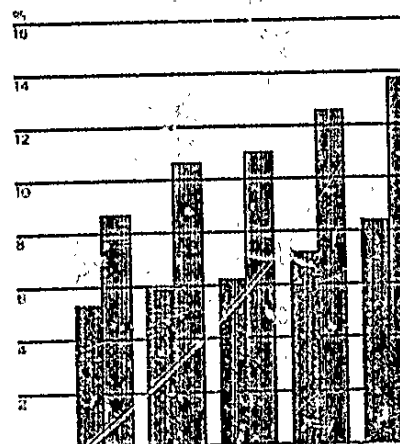
Branch	Sales area sq. ft.
<b>Openings 1981/82</b>	
Rayleigh Weir	22,850
Aylesbury	16,530
Basingstoke Central	20,940
Lincoln	16,850
Purley	23,740
Prestwich	16,230
Perton, Wolverhampton	18,270
Leeds	24,330
Walthamstow	29,120
Harlow	22,490
Locksbottom, Kent	22,000
Leatherhead	16,910
Woodhall Farm, Hemel	
Hempstead	18,930
Tonbridge	20,150
Nine Elms, London	25,310
Folkestone	25,950
Kidderminster	17,380
<b>Total</b>	<b>357,980</b>
<b>Average</b>	<b>21,060</b>

Projected Branch	Sales area sq. ft.
<b>Openings 1982/83</b>	
Braintree	14,940
Birkenhead	18,800
Welwyn Garden City	17,440
Liverpool	19,190
Epsom	18,400
Southport	17,300
Wimbledon	17,180
Huddersfield	18,490
Preston	20,570
Bournemouth	23,560
Hornchurch	24,170
Gravesend	18,090
Pockham	17,090
Northfield, Birmingham	25,080
Farnham	16,950
Bath	22,640
Arnold, Nottingham	23,350
<b>Total</b>	<b>333,240</b>
<b>Average</b>	<b>19,600</b>

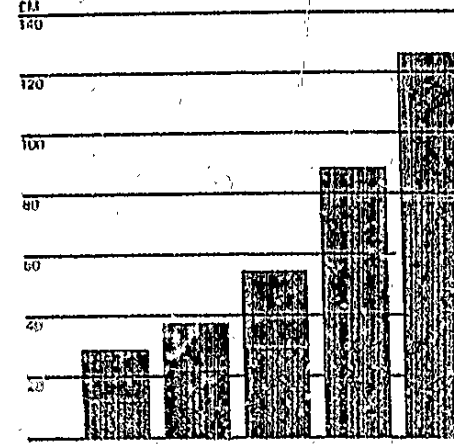
**Supermarket trade intensity** Weekly sales per sq ft of sales area  
 1978-1982 J Sainsbury (actual) 1978-1982 All Grocers\* (actual)  
 1978-1982 J Sainsbury (today's money values) \*Source: Institute of Grocery Distribution



**Market share** Share of national trade in food shops  
 based on Nielsen and DOI data  
 Share of grocers' trade as estimated by J Sainsbury



**Investment** Property 1978-1982 Other 1978-1982



## Report of the Directors

for the 52 weeks to 27th February 1982

### Profit and Dividends

The profit before tax and profit sharing was £89,094,000, details of which are shown on page 15. The Directors are proposing the payment of a final dividend of 6.5p per share on 23rd July 1982 to shareholders on the Register at the close of business on 23rd June 1982. Together with its associated tax credit this dividend is equivalent to a gross dividend of 9.29p per share and makes a total gross dividend for the year of 13.93p per share. The increase in the net dividend this year is 34.5 per cent.

### Companies Act 1980

As required by the Companies Act 1980 the Company has re-registered as a public limited company with effect from 1st March 1982 and, on that date, changed its name to J Sainsbury plc. This name is being used throughout the Annual Report.

### Share Capital

During the year further shares were issued under the Company's Profit Sharing Scheme, the Savings-Related Share Option Schemes and the Executive Share Option Scheme. Details of shares issued and further options granted are shown in Note 1 on page 19.

### Capitalisation Issue

The Directors are recommending a capitalisation issue on the basis of one new share for every existing share held on 4th June 1982. The new shares will not rank for the final dividend to be declared at the Annual General Meeting but will rank for any dividend declared subsequently. The capitalisation issue will not affect the total amount of dividends payable by the Company in the future.

### Property

The Directors are of the opinion that the land and buildings valued in the historical cost accounts at £286m have a current value of £438m. The basis of this estimate is set out in Note 3(a) on page 25.

The movements of fixed assets are set out in Note 5 on page 21.

### Principal Activity

The principal activity of the Group is the retail distribution of food. There are no direct exports, but products to the value of £650,000 (1981 £745,000) were sold to other companies for export.

### Employees

The average number of employees in the Group was 19,930 full-time and 27,159 part-time and their aggregate remuneration was £154,405,000, before profit sharing.

### Employment of Disabled People

The Company supports the recruitment of disabled people wherever possible. Priority is given to the retention of those who become disabled during their employment. They all have opportunities for training, career development and promotion in accordance with their skills and abilities.

### Donations

Donations to charitable organisations amounted to £213,160 and to political parties nil.

### Directors

The Directors are shown on page 1. Apart from Sir James Spooner, who was appointed on 5th March 1981 and Mrs. Jenkins, who was appointed at the last Annual General Meeting, all Directors held office throughout the year. In accordance with the Articles of Association, a Resolution will be submitted to the Annual General Meeting for the re-appointment of Sir James Spooner, who, being a non-executive Director, retires by rotation and offers himself for re-election. Directors holding executive office are not subject to retirement by rotation. No Directors were interested in any contracts subsisting during or at the end of the financial year.

### Directors' and Other Interests

The number of ordinary shares and units of loan stock held by Directors and their families at 27th February 1982 and other substantial interests notified to the Company are shown on page 26.

### Financial Year

The progressive shortening of the time between the Christmas trading period and the start of the Company's new financial year will soon begin to cause operational problems. Accordingly the Directors are restoring the financial year end to a position in late March and the financial year which began on 28th February 1982 will last for 56 weeks until 26th March 1983.

### Auditors

Clark Fixel 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  
6th May 1982



## Accounting Policies

### Sales

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

### Deferred Tax

In accordance with the Statement of Standard Accounting Practice No. 15, provision is made on the liability method for deferred tax which could become payable within the foreseeable future and which has been calculated in the light of the Company's projected levels of trading and capital expenditure.

No provision is made for any potential liability to corporation tax on capital gains in respect of either net gains arising on disposals of assets subsequent to 6th April 1965 or future gains that might arise if the properties were disposed of at the values included in the accounts, since any liability has been or will be deferred under the provisions of Section 33 of the Finance Act 1965.

### Depreciation

Freehold land is not depreciated.

Freehold buildings and long leasehold properties with more than 50 years unexpired are only depreciated when, in the opinion of the Directors, a diminution in value, either in historical or replacement cost terms, will occur over the useful life of the asset to the Group. Depreciation is calculated to write off the excess value over the remaining useful life by equal annual instalments.

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.

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

### 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.

### Foreign Currencies

Assets and liabilities in foreign currencies are converted to sterling at the exchange rates ruling at the year end.

### Research

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

### Associates

Associates are those shown on page 22. An Associate is a company in which the Group participates in commercial and financial policy and has an interest of between 20 per cent. and 50 per cent.

### Earnings per Share

The calculation of earnings per share is based on profit after tax but before extraordinary items, and on the weighted average of ordinary shares in issue during the financial year. Comparative figures are adjusted for capitalisation issues.

### Income on Short Term Investments & Securities

Income on short term investments and securities is credited to the profit and loss account when received.

## Auditors' Report

To the Members of J Sainsbury plc

We have audited the Financial Statements on pages 13 to 25 in accordance with approved Auditing Standards.

In our opinion:

the Financial Statements on pages 13 to 15 and 18 to 24, which have been prepared under the historical cost convention as modified by the revaluation of certain land and buildings, give a true and fair view of the state of affairs of the Company and the Group at 27th February 1982; of the profit and source and application of funds of the Group for the period then ended and comply with the Companies Acts 1948 to 1981 insofar as the provisions of those Acts apply to these Financial Statements; and the current cost Financial Statements on pages 16 and 17 have been properly prepared in accordance with the policies and methods described in the Notes on page 25 to give the information required by the Statement of Standard Accounting Practice No. 16.

Clark Pixley  
Chartered Accountants  
London  
6th May 1982

# **Historical Cost Balance Sheets** 27th February 1982

		Group		Company	
	Note	1982 £000	1981 £000	1982 £000	1981 £000
<b>Capital Employed</b>					
Share Capital	1	42,258	42,103	42,258	42,103
Reserves	2	306,947	250,919	301,892	247,750
		<u>349,205</u>	<u>293,022</u>	<u>344,150</u>	<u>289,853</u>
Loan Capital	3	5,563	5,812	5,563	5,812
Minority Interest		1,434	240	—	—
Deferred Tax	4	1,435	2,941	1,435	2,941
		<u>357,637</u>	<u>302,015</u>	<u>351,148</u>	<u>298,606</u>
<b>Represented by</b>					
Fixed Assets	5	416,663	312,287	410,042	311,265
Subsidiaries	6	—	—	4,504	939
Associates	7	28,690	26,008	23,460	22,810
Advance Corporation Tax Recoverable		4,709	3,609	4,709	3,609
Current Assets	8	183,744	145,183	181,745	144,143
		<u>633,812</u>	<u>487,087</u>	<u>624,460</u>	<u>482,766</u>
Less Current Liabilities	9	276,175	185,072	273,312	184,160
		<u>357,637</u>	<u>302,015</u>	<u>351,148</u>	<u>298,606</u>

Notes on the historical cost accounts are on pages 13 and 19 to 24

The Financial Statements on pages 13 to 25 were  
approved by the Board of Directors on 6th May 1982  
and are signed on its behalf by

John Sainsbury, *Chairman*  
E. R. Griffiths, *Deputy Chairman*



**Group Historical Cost Profit and Loss Account**  
For the 52 weeks to 27th February 1982

	Note	1982 £000	1981 £000
<b>Group Sales</b> – include VAT £74.7m (£58.0m)		1,950,546	1,589,196
<b>Retail Profit</b> – net margin 4.4% (4.1%)	10	86,597	64,393
<b>Associates</b> – share of profit	7	2,497	1,368
<b>Profit before Tax and Profit Sharing</b>		89,094	65,761
<b>Profit Sharing</b>		5,675	3,699
<b>Profit before Tax</b>		83,419	62,062
<b>Tax</b>	11	15,419	12,680
		68,000	49,382
<b>Tax Provision no longer required</b>	11	—	15,548
		68,000	64,930
<b>Minority Interest</b>		56	10
		68,056	64,940
<b>Extraordinary Items</b>	12	2,886	3,934
		70,942	68,874
<b>Dividends</b>	13	16,480	12,206
<b>Profit Retained</b>	2	54,462	56,668
<b>Earnings per Share</b> – actual		40.31p	29.41p
– fully taxed basis		23.74p	17.74p

**Group Current Cost Balance Sheet**  
27th February 1982

	Note	1982 £000	1981 £000
<b>Capital Employed</b>			
Share Capital		42,258	42,103
Reserves	2	504,638	427,817
Loan Capital		546,896 5,563	469,920 5,812
Minority Interest		1,434	240
Deferred Tax		1,435	2,941
		<u>555,328</u>	<u>478,913</u>
<b>Represented by</b>			
Fixed Assets	3	598,497	478,927
Associates		44,268	35,873
Advance Corporation Tax Recoverable		4,709	3,609
Current Assets		184,029	145,573
Less Current Liabilities		831,503 276,175	663,985 185,072
		<u>555,328</u>	<u>478,913</u>

Notes on the current cost accounts are on page 25

**Group Current Cost Profit and Loss Account**  
For the 52 weeks to 27th February 1982

	Note	1982 £000	1981 £000
<b>Group Sales</b>		<u>1,950,546</u>	<u>1,589,196</u>
<b>Profit before Tax and Profit Sharing on the historical cost basis</b>		89,094	65,761
<b>Current Cost Operating Adjustments</b>			
Depreciation	4	10,599	8,773
Cost of Sales	4	9,548	7,626
Less Monetary Working Capital Associates	4	(9,548)	(7,626)
		<u>917</u>	<u>545</u>
		11,516	9,318
<b>Current Cost Operating Profit</b>		<u>77,578</u>	<u>56,443</u>
<b>Profit Sharing</b>		5,675	3,699
		<u>71,903</u>	<u>52,744</u>
<b>Current Cost Profit before Tax</b>		15,419	12,680
<b>Tax</b>		<u>56,484</u>	<u>40,064</u>
<b>Tax Provision no longer required</b>			15,548
		<u>56,484</u>	<u>55,612</u>
<b>Minority Interest</b>		56	10
		<u>56,540</u>	<u>55,622</u>
<b>Extraordinary Items</b>		791	2,212
		<u>57,331</u>	<u>57,834</u>
<b>Gearing Adjustment</b>	4	1,296	690
		<u>58,627</u>	<u>58,524</u>
<b>Current Cost Profit Attributable to Shareholders</b>		16,480	12,206
<b>Dividends</b>			
		<u>42,147</u>	<u>46,318</u>
<b>Retained Current Cost Profit</b>	2		
<b>Current Cost Earnings per Share</b>		34.25p	24.27p

# **Group Statement of Source and Application of Funds** For the 52 weeks to 27th February 1982

	1982 £000	1981 £000
<b>Source of Funds</b>		
Generated from Operations	86,597	64,393
Retail profit	13,856	11,671
Depreciation		
	<u>100,453</u>	<u>76,064</u>
Other Sources	1,721	1,351
Share capital	1,250	248
Minority interest	8,601	7,011
Disposal of fixed assets	1,724	3,934
Extraordinary items		
	<u>113,749</u>	<u>88,608</u>
<b>Application of Funds</b>		
Capital expenditure	126,833	79,894
Profit sharing paid	3,685	2,208
Dividends paid	13,913	9,869
Tax paid	9,359	3,560
Net investment in Associates	410	8,490
Redemption of debentures	249	112
Short term investments and securities	9,507	—
	<u>164,356</u>	<u>104,133</u>
<b>Reduction in Working Capital</b>		
Increase in net creditors	57,311	18,687
Deduct increase in stocks	14,287	4,545
	<u>43,024</u>	<u>14,142</u>
<b>Decrease in Net Liquid Funds</b>	<u>(7,583)</u>	<u>(1,383)</u>

## Notes on the Historical Cost Accounts

### 1 Share Capital

	£000
Ordinary Shares of 25p each	
Authorised—200,000,000 shares	50,000
Issued at 28th February 1981—168,410,075 shares fully paid	42,103
Shares issued—Savings-Related Share Option Schemes	49
— 1973 Share Option Scheme	23
— Profit Sharing Scheme	83
Issued at 27th February 1982—169,031,250 shares fully paid	42,258

#### a) Savings-Related Share Option Schemes

Under the Company's Savings-Related Share Option Schemes, certain employees hold options to purchase ordinary shares in the Company. The options are normally exercisable between five and six years from the date that they are taken out. In certain circumstances however, options can be exercised earlier. Details of these options at 27th February 1982 were as follows:

Options granted	Price	Options exercised in the year		Options outstanding at the end of the year	
		Number of options	Shares issued	Number of options	Shares under option
7th November 1975	75½p	78	55,762	—	—
5th November 1976	51p	125	136,015	90	105,842
4th November 1977	109½p	8	2,743	285	162,934
3rd November 1978	105p	1	285	333	228,342
2nd November 1979	144p	8	1,943	1,058	739,156
18th February 1981	329p	—	332	2,400	1,260,377
30th October 1981	383p	—	—	1,114	387,262
			197,080		2,883,913

#### b) Executive Share Option Schemes

Details of options as at 27th February 1982 were as follows:

Options granted	Price	Options exercised in the year		Options outstanding at the end of the year	
		Number of options	Shares issued	Number of options	Shares under option
14th September 1979	155p	6	60,616	117	1,680,628
29th January 1980	155p	—	—	11	69,434
12th September 1980	255p	5	30,712	129	872,752
11th September 1981	455p	—	—	263	779,506
			91,328		3,402,320

## 2 Reserves

	Group £000	Subsidiaries £000	Associates £000	Company £000
Profit and Loss Account	250,785	(29)	3,198	247,616
Balance 28th February 1981	(48,718)	—	—	(48,718)
Transfer to Revaluation Reserve at 28th February 1981	—	—	—	—
Restated balance at 28th February 1981	202,067	(29)	3,198	198,898
Profit retained	54,462	(152)	2,038	52,576
Transfer from Revaluation Reserve	3,177	—	—	3,177
Balance 27th February 1982	259,706	(181)	5,236	254,651
Share Premium Account	134	—	—	134
Balance 28th February 1981	1,566	—	—	1,566
Premiums arising on shares issued during the year	—	—	—	—
Balance 27th February 1982	1,700	—	—	1,700
Revaluation Reserve	48,718	—	—	48,718
Transfer from Profit and Loss Account at 28th February 1981	—	—	—	—
Transfer to Profit and Loss Account in respect of property disposals during the year	(3,177)	—	—	(3,177)
Balance 27th February 1982	45,541	—	—	45,541
Reserves 27th February 1982	306,947	(181)	5,236	301,892

The Revaluation Reserve represents the balance of the surplus arising on the 1973 revaluation.

## 3 Loan Capital

	1982 £000	1981 £000
6½% First Mortgage Debenture Stock 1988/93	1,982	2,165
7½% First Mortgage Debenture Stock 1987/92	662	722
Accrued interest	54	60
8% Irredeemable Unsecured Loan Stock	2,865	2,865
	5,563	5,812

Each mortgage debenture issue provides for repayment on the following terms:

- By redemption at par within five years of the terminal date.
- By yearly drawing out of a sinking fund to be 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 27th February 1982 have been met in this way.

The nominal value of debenture stock redeemed between 28th February 1982 and 6th May 1982 amounted to £5,042.

## 4 Deferred Tax

The potential liabilities, and the amount provided in respect of each are as follows:

	Group		Group	
	1982 Total £000	Provision £000	1981 Total £000	Provision £000
a) Timing differences between depreciation and capital allowances (Company £66,892,000)	67,558	—	48,826	1,740
b) Other timing differences including payments for consortium group relief under indemnities	1,435	1,435	1,201	1,201
c) Potential capital gains on disposal of properties at net book value including net gains already deferred	22,500	—	21,000	—
	91,493	—	71,097	—
Balance at 27th February 1982		1,435		3,941

## 5 Fixed Assets

	Group			Company		
	Land and Buildings £000	Plant Equipment & Vehicles £000	Total £000	Land and Buildings £000	Plant Equipment & Vehicles £000	Total £000
Cost or Valuation						
At 28th February 1981	219,066	138,285	357,351	218,626	137,616	356,242
Additions	75,085	50,050	125,135	70,228	49,190	119,418
Disposals	(6,179)	(9,188)	(15,367)	(6,179)	(9,135)	(15,314)
At 27th February 1982	287,972	179,147	467,119	282,675	177,671	460,346
Depreciation						
At 28th February 1981	1,480	46,391	47,871	1,470	46,314	47,784
Provided in the year	807	13,049	13,856	807	12,950	13,757
Disposals	(277)	(6,489)	(6,766)	(277)	(6,455)	(6,732)
At 27th February 1982	2,010	52,951	54,961	2,000	52,809	54,809
Net Book Value						
At 27th February 1982	285,962	126,196	412,158	280,675	124,862	405,537
Term Secured Loan for Store Development (1981 £2,807,000)			4,505			4,505
At 27th February 1982			416,663			410,042
At 28th February 1981	217,586	91,894	312,287	217,156	91,302	311,265

Certain freehold and leasehold properties were revalued to open market value on 10th March 1973 by Messrs. Healey & Baker and/or Messrs. G. L. Hearn and Partners.

	Group			Company		
	At Cost £000	At 1973 Valuation £000	Total £000	At Cost £000	At 1973 Valuation £000	Total £000
Analysis of Land and Buildings at 27th February 1982						
Freehold	107,509	46,439	153,948	103,756	46,439	150,195
Long Leasehold	103,205	16,189	124,394	107,314	16,189	123,503
Short Leasehold	7,527	2,103	9,630	6,874	2,103	8,977
	223,241	64,731	287,972	217,944	64,731	282,675

## 6 Subsidiaries

	Share of Ordinary Issued Capital
Homebase Limited	75%
J Sainsbury (Farms) Limited	100%
J. Sainsbury (Properties) Limited	100%
The Cheyne Investments Limited	100%
J. Sainsbury Trustees Limited	} Limited by guarantee
The Sainsbury Charitable Fund Limited	

All subsidiaries operate in the United Kingdom.

	Company	
	1982 £000	1981 £000
Shares at cost	8,717	4,067
Amounts owing on current account	(4,217)	(1,217)
Advances	4	189
	4,504	339



## 7 Associates: Unquoted

	Share of Issued Capital	Share of Profit or (Loss) Before Tax	
		1982 £000	1981 £000
Haverhill Meat Products Limited 500,000 "B" Ordinary Shares of £1 each	50%	1,041	1,420
Kings Reach Investments Limited 28,760 Ordinary Shares of 1p each	28.76%	(213)	(437)
Breckland Farms Limited 200,000 "B" Ordinary Shares of £1 each 141,532 1% Redeemable Preference Shares of £1 each	50%	163	156
SavaCentre Limited 16,180,050 "B" Ordinary Shares of £1 each	50%	1,506	229
SavaCentre (Leasing) Limited 50 "B" Ordinary Shares of £1 each			
		<u>2,497</u>	<u>1,368</u>

	Group		Company	
	1982 £000	1981 £000	1982 £000	1981 £000
Shares at cost or valuation	17,339	17,339	17,339	17,339
Advances	6,121	5,471	6,121	5,471
Share of retained profits and reserves	5,236	3,198	—	—
	<u>28,696</u>	<u>26,008</u>	<u>23,460</u>	<u>22,810</u>

The proportion of the profits and losses of the Associates attributable to the Group and the reserves included in the Group balance sheet are taken from the latest Directors' accounts produced within two months of the end of the financial year. The reserves shown above are after deducting a dividend received by J Sainsbury plc of £240,000. All Associates operate in the United Kingdom.

## 8 Current Assets

	Group		Company	
	1982 £000	1981 £000	1982 £000	1981 £000
Stocks	134,031	119,744	132,284	118,832
Debtors	9,723	10,091	9,473	9,964
Short term investments and securities	9,117	—	9,907	—
Cash	30,083	15,348	30,081	15,347
	<u>183,744</u>	<u>145,183</u>	<u>181,745</u>	<u>144,143</u>

The market value of short term investments and securities is £10,410,000.

## 9 Current Liabilities

	Group		Company	
	1982 £000	1981 £000	1982 £000	1981 £000
Creditors	204,923	145,540	203,916	145,108
Bank overdrafts and unrepresented cheques	43,917	21,599	42,085	21,592
Tax	16,348	9,063	16,324	9,042
Dividends (Note 13)	10,987	8,420	10,987	8,420
	<u>276,175</u>	<u>185,072</u>	<u>273,312</u>	<u>184,160</u>

## 10 Retail Profit

	Group	
	1982 £000	1981 £000
The Group Profit has been arrived at after:		
Charging		
Depreciation	13,856	11,671
Pension scheme contributions	9,106	7,443
Debenture interest	180	194
Loan stock interest	224	228
Bank and other interest	477	531
Directors' emoluments (Note 14)	701	572
Directors' fees	26	—
Pensions to former Directors	68	61
Auditors' remuneration (Company £81,500)	92	74
Crediting		
Profit on redemption of debentures	70	37
Interest	5,070	7,073
Income from listed investments	36	—

## 11 Tax

The tax charge for the year is:

	Group	
	1982 £000	1981 £000
Corporation tax	15,475	10,925
Deferred tax	(480)	1,644
Share of Associates' tax	219	64
Payment for consortium group relief	205	47
	<u>15,419</u>	<u>12,680</u>
Tax provision no longer required	<u>—</u>	<u>(15,548)</u>

The corporation tax charge of £15,475,000 is calculated after taking the benefit of stock relief, capital allowances and group relief totalling £52,055,000 and is payable in December 1982. The Company is not a "close company" under the terms of the Income and Corporation Taxes Act 1970.

## 12 Extraordinary Items

- During the year the leases of two retail properties were surrendered in exchange for capital sums and leased at market rents. The surplus of £3,986,000 represents the sums received less the book value. No tax has been provided because of roll-over relief.
- Provision for terminating a distribution contract, less tax, of £1,100,000.

### 13 Dividends

	Company	
	1982 £000	1981 £000
Interim	5,493	3,786
Proposed final	10,987	8,420
	<u>16,480</u>	<u>12,206</u>

The interim dividend of 3.25p per share, paid on 22nd January 1982, is equivalent to 4.64p gross, and the proposed final of 6.50p per share is equivalent to 9.29p gross, assuming a standard rate of income tax of 30%.

### 14 Directors' Emoluments

	1982	1981
Chairman	£77,500	£62,000

Emoluments of all Directors fell within the following ranges:

	1982	1981		1982	1981
£ 5,001-£10,000	2	—	£50,001-£55,000	1	—
£10,001-£15,000	1	1	£55,001-£60,000	4	1
£30,001-£35,000	—	2	£60,001-£65,000	—	1
£35,001-£40,000	—	3	£70,001-£75,000	1	—
£40,001-£45,000	2	2	£75,001-£80,000	1	—
£45,001-£50,000	3	3			

### 15 Employees' Emoluments

The number of employees whose total remuneration exceeded £20,000 was as follows:

	1982	1981
£20,001-£25,000	13	13
£25,001-£30,000	9	2
£30,001-£35,000	3	—

### 16 Future Capital Expenditure

	1982 £000	1981 £000
Contracted for but not provided for in the accounts	67,927	49,775
Authorised to date by Board of Directors but not contracted for	76,247	47,000

In addition the Company has agreed to subscribe £3,750,000 for shares in a subsidiary company.

### 17 Contingent Liabilities

The Group has guaranteed, or undertaken to provide, facilities for Associates to the extent of £5,513,000 (1981 £5,089,000). Other contingent liabilities are estimated at £178,000 (1981 £763,000).

# Notes on the Current Cost Accounts

## 1 General Notes

- The current cost accounts have been prepared on the basis of the Accounting Standards Committee's recommendation contained in the Statement of Standard Accounting Practice No. 16 published in March 1980.
- The Accounting Policies of the Company used for the historical cost accounts of the Company have been applied in the compilation of the current cost accounts.

## 2 Reserves

### Profit and Loss Account

	1982 £000	1981 £000
Opening balance	226,868	200,230
Transfer to Revaluation Reserve at 28th February 1981	(48,718)	—
Restated opening balance	178,150	200,230
Current Cost Profit Retained	42,147	46,318
Capitalisation Issue	—	(19,680)
Transfer from Revaluation Reserve	3,177	—
Closing balance	223,474	226,868

### Current Cost Reserve

	200,815	181,055
Opening balance		
Revaluation Surpluses reflecting price changes		
Land and Buildings	12,083	7,241
Plant, Equipment and Vehicles	3,111	(795)
Trading Stocks	(105)	(24)
Associates	5,704	2,988

	20,793	9,410
Current Cost Adjustments	13,611	11,040
Gearing Adjustment	(1,296)	(690)
Closing balance	233,923	200,815

### Share Premium Account

	134	325
Opening balance		
Premium arising on shares issued during the year	1,566	1,162
Capitalisation Issue	—	(1,353)
Closing balance	1,700	134

### Revaluation Reserve

Transfer from Profit and Loss Account at 28th February 1981	48,718	—
Transfer to Profit and Loss Account in respect of property disposals during the year	(3,177)	—
Closing balance	45,541	—
Reserves	504,638	427,817

The amount of the current cost reserve realised is £36,232,000 (1981 £23,917,000).

## 3 Fixed Assets

- An internal valuation of the Company's property portfolio was carried out by the Company's own qualified staff at 1st March 1980.

This valuation, adjusted for subsequent disposals and additions, has been updated by the Company's internal index (averaging 7.3% in 1981/82) and incorporated into the current cost accounts.

- Official price indices published by the Central Statistics Office have been applied to plant, equipment and vehicles. (Index 7.9%)

	Gross £000	Depreciation £000	Net £000
Land and Buildings	438,464	—	438,464
Plant, Equipment and Vehicles	285,876	130,348	155,528
	724,340	130,348	593,992
Term secured loan for store development			4,505
			598,497

## 4 Current Cost Adjustments

- The additional depreciation adjustment has been based on official price indices published by the Central Statistics Office and applied to plant, equipment and vehicles.
- The cost of sales adjustment for stocks and the monetary working capital adjustment have been based on price indices maintained by the Company relative to its own trade. The averaging method has been used in most instances. (Index 8.1%)
- The gearing adjustment has been arrived at using the basis recommended by SSAP 16.
- The extraordinary items have been restated to take account of the impact of inflation.

## Directors' and Other Interests

	Ordinary Shares				Loan Stock			
	Beneficial		Non-Beneficial		Beneficial		Non-Beneficial	
	1982	1981	1982	1981	1982	1981	1982	1981
Sir John Sainsbury	16,806,214	17,105,982	1,577,380	1,577,380	50	50	455,000	455,000
E. R. Griffiths	8,286	8,654	—	—	—	—	—	—
P. J. Davis	712	480	—	—	—	—	—	—
T. A. D. Sainsbury MP	15,867,018	15,882,018	1,696,098	1,746,098	9,197	9,197	—	—
D. J. Sainsbury	48,296,138	48,546,138	130,632	130,632	—	—	2,095	2,095
G. C. Hoyer Millar	5,212	4,480	—	—	—	—	—	—
J. H. G. Barnes	6,774	6,542	—	—	—	—	—	—
L. S. Payne	1,812	2,580	—	—	—	—	—	—
C. Roberts	14,038	13,806	—	—	—	—	—	—
R. A. Ingham	4,912	12,880	—	—	—	—	—	—
R. T. Vyner	232	—	—	—	—	—	—	—
R. A. Clark	4,482	5,280	—	—	—	—	—	—
D. E. Henson	—	—	—	—	—	—	—	—
Sir James Spooner	—	—	—	2,078	—	—	—	—
Mrs. J. Jenkins	—	—	—	—	—	—	—	—

738,886 shares (1981 738,886) are duplicated under beneficial holdings.

Directors hold options to purchase 10,415 shares under the Company's Savings-Related Share Option Scheme and 1,064,670 shares under the Company's Executive Share Option Schemes.

Certain of the above shareholdings are held by trustees of settlements, the trustees of which variously include H.O.N. & V. Trustee Limited and Vanheime Trustee Limited (being trust companies owned by the partners of Herbert Oppenheimer, Nathan & Vandyk, the Company's solicitors), W. M. Pybus and W. Picton-Turbervill, partners of Herbert Oppenheimer, Nathan & Vandyk. No individual trust interest exceeds 5%, but at 6th April 1982 the total holdings of the trusts of which the above are trustees amounted to 12%, 11%, 10% and 9% respectively. As trustees and beneficially, S. D. Sainsbury and Lady (Robert) Sainsbury hold 14% and 5% respectively.

Between 27th February 1982 and 6th April 1982 there were no changes in the Directors' interests.

## Shareholders' Interests

Number of Shareholders 22,034 (1981 21,071)

Shareholdings Range	Shareholders %		Shares %	
	1982	1981	1982	1981
100 and under	10.67	9.71	0.11	0.10
101 to 250	43.26	45.31	1.11	1.12
251 to 500	16.58	15.05	0.82	0.70
501 to 1,000	13.96	13.12	1.41	1.26
1,001 to 10,000	13.84	15.16	4.28	4.54
10,001 to 100,000	1.03	1.00	4.71	4.52
100,001 to 1,000,000	0.53	0.52	20.10	20.02
over 1,000,000	0.13	0.13	67.46	67.74
	100.00	100.00	100.00	100.00

## Category of Shareholders

	Shareholders %		Shares %	
	1982	1981	1982	1981
Pension Funds	0.28	0.24	7.01	6.09
Insurance Companies	0.42	0.37	5.61	5.72
Investment Trusts	0.12	0.12	0.17	0.58
Banks and Nominee Companies	2.84	1.96	11.26	11.03
Other Corporate Bodies	1.14	1.01	4.53	4.17
Other Shareholders	95.20	96.30	71.42	72.41
	100.00	100.00	100.00	100.00

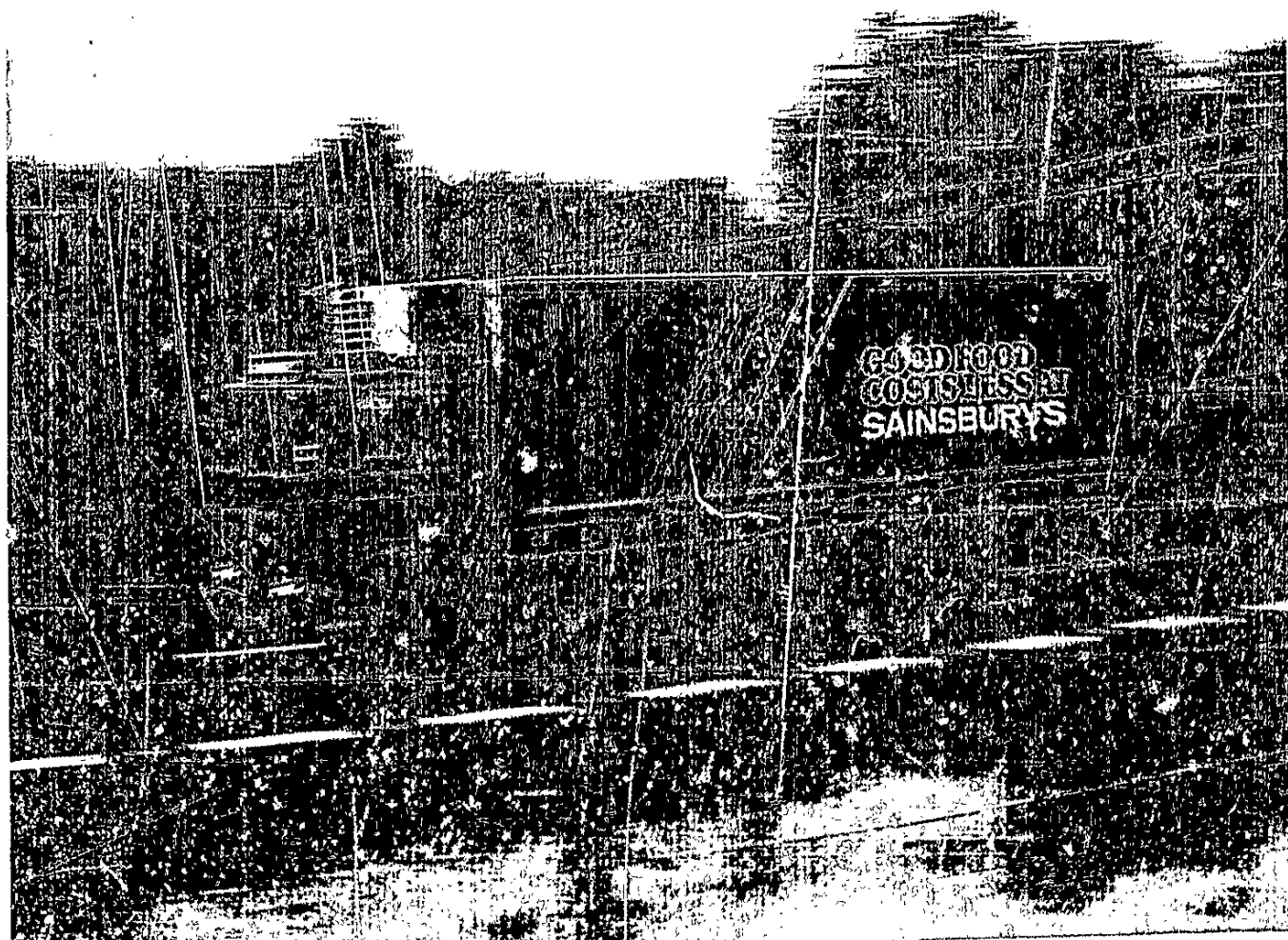
## Financial Calendar

### 1 Dividend and Interest Payments

Ordinary dividend:	Interim announced:	November	paid: January
	Final proposed:	May	paid: July
6½% First Mortgage Debenture Stock 1988/93		31st May	30th November
7½% First Mortgage Debenture Stock 1987/92		7th March	7th September
8% Irredeemable Unsecured Loan Stock		1st March	1st September

### 2 Other dates - Financial Year 1982/83

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



## Notice of Annual General Meeting

Notice is hereby given that the sixtieth Annual General Meeting of J Sainsbury plc will be held at the Connaught Rooms, Great Queen Street, London WC2 on Wednesday the 30th day of June 1982 at 12 noon for the following purposes:

### As ordinary business

- 1 To receive and adopt the Report of the Directors and the Financial Statements for the 52 weeks to 27th February 1982 and the Report of the Auditors thereon.
- 2 To declare a final dividend on the ordinary shares.
- 3 To re-appoint Sir James Spooner a Director.
- 4 To re-appoint Clark Pixley as Auditors and to authorise the Directors to fix their remuneration.

As special business, to consider and if thought fit pass the Resolutions which are set out in the appendix to the accompanying letter to shareholders dated 6th May 1982.

### As ordinary resolutions

- 5 To increase the authorised capital of the Company.
- 6 To authorise the capitalisation issue.

By Order of the Board  
N. F. Matthews  
Secretary

6th May 1982

### 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 behalf. A proxy need not be a member of the Company.
- 2 Although this Annual Report is sent to Debenture and Loan Stockholders, and to beneficial owners of shares under the Share Trust of the Company's Employee Profit Sharing Scheme, 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 29 of the Companies Act 1967.
  - ii) Copies of all service contracts for periods in excess of one year between the Directors and the Company.