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CONTENTS

Notice of meeting	2
Board of directors	3
Officers and professional advisers	3
Summary of results	4
Five year record	4
Statement by the Chairman	5
Directors' report	7
Consolidated profit and loss account	8
Consolidated balance sheet	9
Balance sheet of the company	10
Consolidated cash flow statement	11
Notes on the accounts	12
Report of the auditors	20
Retail branches	21

288
24.5.93

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the sixty-fifth annual general meeting of the company will be held at 12.15 pm on Wednesday 23rd June 1993 at 171 Victoria Street, London SW1:

To receive the directors' report and accounts for the year 1992/93.

To consider the re-election of retiring directors.

To consider the re-appointment of the auditors.

To consider the remuneration of the auditors.

By order of the Board B J Pritchard Secretary
171 Victoria Street, London SW1E 5NN
19th May 1993

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote instead of him.

A proxy need not be a member of the company, but a proxy who is not a member has only the rights conferred by section 372(2) and section 373(2) of the Companies Act, 1985. To be effective, a proxy form must reach the company's registered office not later than forty-eight hours before the time for holding the meeting. For the convenience of members a form of proxy is enclosed.

BOARD OF DIRECTORS

Chairman	S Hampson MA
Deputy chairman	D E Young BA
	W N Wreford-Brown
	J B G Carpenter FRICS
	D R Cloake BSc (Econ)
	P Falconer BA
	D L Felwick
	L H Fletcher BA
	B A O'Callaghan
	P J F O'Ryan
	Mrs J M Quinn
	P W K Still

OFFICERS AND PROFESSIONAL ADVISERS

Secretary	B J Pritchard ACIS
Chief accountant	T M Phillips BSc (Econ), FCA
Auditors	Price Waterhouse
Solicitors	Clifford Chance
Bankers	National Westminster Bank PLC
Registered office and Transfer office	171 Victoria Street London SW1E 5NN

Registered in England No. 233462

SUMMARY OF RESULTS FOR THE YEAR ENDED 30TH JANUARY 1993

Turnover and profits	1993 £m	1992 £m
Turnover	2,357.3	2,280.4
Trading profit	95.8	100.1
Interest	24.4	22.8
Taxation	9.0	8.3
Dividends	.3	.4
Balance available for profit sharing and retention in the business	62.1	68.6
Partnership bonus	28.2	30.2
Retained in the business for development	33.9	38.4
Capital employed - Net assets employed at the year end	779.6	745.7
Numbers employed - Employees (weighted for part-timers)	30,000	30,500
Number of shops		
Department stores	22	22
Supermarkets	102	99

FIVE YEAR RECORD

	Years ended January				
	1993 £m	1992 £m	1991 £m	1990 £m	1989 £m
Turnover	2,357.3	2,280.4	2,159.2	2,046.3	1,917.7
Profit after payment of interest	87.5	88.6	101.9	119.6	148.2
Pension costs	16.1	11.3	10.5	9.4	16.7
Taxation	9.0	8.3	12.6	21.0	26.5
Dividends	.3	.4	.3	.3	.3
Net profit available for profit sharing and retention in the business	62.1	68.6	78.5	88.9	104.7
Partnership bonus	28.2	30.2	36.6	41.3	47.4
As a percentage of ranking pay	8	9	12	17	22
Retained in the business	33.9	38.4	41.9	47.6	57.3
Retained in the business Extraordinary item	—			18.6	
	62.1	68.6	78.5	107.5	104.7
Net assets employed	779.6	745.7	706.0	660.7	592.0
Pay	338.4	323.6	298.7	266.6	238.8
Number of employees	39,300	40,200	39,800	38,800	37,900
including part time employees	15,000	15,400	15,200	14,400	13,9[illegible]

STATEMENT BY THE CHAIRMAN

Mr Peter Lewis retired as Chairman of the John Lewis Partnership on 1st February after more than 20 years' service as Chairman and 34 years with the Partnership. He was the Partnership's third Chairman and only the fourth of the main trading business going right back to 1864 when John Lewis opened in Oxford Street. The Board owes him a great debt for his dedicated leadership over two decades of substantial growth in the Partnership's business.

1992 saw no respite in the harsh economic conditions that have prevailed for the best part of four years. Like all businesses finding difficulty in moving sales ahead, we have focused on holding down costs as tightly as possible but this effort, valiantly pursued at all levels, has not been enough to stem the fall in profits, and I highlight three reasons. First, some of our costs - and particularly those associated with property such as the Uniform Business Rate, service charges and supermarket rents – have continued to rise despite the recession. I welcome the Government's decision to limit again the increase in business rates to the level of inflation. Secondly, our main variable cost is pay, and unlike many of our competitors we have chosen largely to rely on natural wastage to pare down numbers; the fall in the total of Partners over the year was less than 1%. This policy reflects the Partnership's unique ownership structure, where strain on the dividend – the distribution of Partnership Bonus to Partners - can be a counterpoise to maintenance of employment. Our continued emphasis on full staffing of our selling floors, and the retention of experience within the business, means that we are well equipped to gain whatever sales there are to be had now and, more particularly, when the economic upturn begins to lift consumer expenditure. The third factor affecting profits this year and it will follow through into next year is exceptional infrastructure costs. If the booms and troughs of the economic cycle were predictable, we should invest in infrastructure during boom times and enjoy the benefits of greater efficiency when trading is hard. The Partnership no more than the Treasury has no crystal ball for the economy. We are committed to significant spending on the introduction of scanning in Waitrose and improvements to Waitrose distribution arrangements. Both projects will make valuable contributions to Waitrose's efficiency in the years ahead, but we have to take on the chin their adverse effect on profits in the short term.

Against the background of these three factors weighing on our profitability, I have to report on the outstanding determination of Partners to do all they can to better our results. Our communication arrangements enable all Partners to know the score. The response at all levels gives confidence that the Partnership's competitive ability, in our department stores, Waitrose and production units, is undimmed by the rigours of this extensive recession.

Partnership sales last year reached £2,357 million, an increase of 3.4% on the year before. We did, however, enjoy the benefit last year of an additional week's trade, and adjusting for that knocks the best part of two points off the increase.

The department store division saw sales barely ahead in the first half year, enjoyed a flurry of activity in August and into September, which was then stopped in its tracks by the UK's exit from the Exchange Rate Mechanism and the circumstances surrounding that event. A good Christmas and final flourish secured a like for like return of 3.5% for the second half year and 2% for the year as a whole. Within that there was a revival from the wholesale and manufacturing units, where sales increased by 7%.

STATEMENT BY THE CHAIRMAN *continued*

For Waitrose the pattern of the two half years was the reverse of that for the department stores. An increase of 3.5% in the first half was followed by a very difficult second half, with sales falling 1.5% below 1991, leaving the outcome for the year as a whole at an increase of just 1%. Recession no doubt played a part in this, but more potent impacts were the lack of movement in fresh food prices and the continuing intensity in competition. We cannot complain about competition, but feel every right to be angry when sales are taken from us by the open flouting of the law by others and doubly angry at the sight of a government prepared neither to go beyond token condemnation nor to act quickly to settle the issue of substance on Sunday trading.

Although it was pleasing that trading profit before pensions was just slightly higher than in 1991/2, higher pension and interest charges meant that pre-tax profits fell by 8% to £71.4 million.

Pension costs rose sharply by almost £5 million to £16.1 million, although it is noteworthy that they are still below the level of 1989. The rise in pension costs followed the outcome of the triennial actuarial valuation of the pension fund as at 31st March 1992. This showed that the fund had a past service surplus of £51 million; the previous valuation, when the surplus was £71 million, has been followed by a two-year contribution holiday. The normal contribution rate advised by the actuary has risen from 6.3% of the pay sheet to 7.2%. Almost half of that is accounted for by improvements to the scheme made in 1990, and the rest by demographic changes in the Partnership with, for example, a greater proportion of Partners being covered by the scheme. Although we shall extend the contribution holiday to 1993/94, the accounting treatment of pensions costs is designed to spread the benefit of the surplus over a number of years by showing a charge based on an adjusted contribution rate lower than the normal rate.

Capital expenditure was some £95 million, a little down on the previous year. Retained profit of £34 million and depreciation of £49 million were sufficient to meet most of this from internal cash flow; average net borrowings rose by £12 million to £238 million. Year-end gearing was 25%.

A flat property market, and delays in government decisions on planning appeals, have put a brake on activity on the department store development front in 1992. The extensive refurbishment work on John Lewis Oxford Street is now substantially complete, and reflects credit both on the designers and on all concerned with executing the work and keeping trade going during the disruption. We now have a green light for a new department store at Cheadle, south of Manchester, which will open in 1995. Waitrose opened five new supermarkets last year – at Thame, Ely, Longfield, Chelmsford and Gillingham – and Chichester was relocated to new premises; the total number of branches rose to 102. A further five new branches are planned for this year at Petersfield, Holloway Road (North London), Bishops Stortford, Bury St Edmunds and Stroud. A new warehouse was completed at Bracknell as part of the arrangements for the transition to regional composite distribution, which will gather pace this year. Another important development due to start this year is the roll-out of scanning, which will continue through 1994.

It is still too soon to be confident of recovery in the national economy, but sales in department stores after 11 weeks of the current year are 4% ahead of last year and we can take some modest encouragement from that. As mentioned earlier, we shall have to provide for some quite heavy one-off costs this year, particularly in Waitrose, and comparisons with 1992 will also suffer because of the extra week last year.

S Hampson
Chairman
22nd April 1993

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JANUARY 1993

Directors

The directors of the company at the date of this report are listed on page 3.
Mr P T Lewis resigned as Chairman and as a director on 1st February 1993, on which day Mr S Hampson became Chairman. Mr D E Young was appointed a director and Deputy Chairman on 1st February 1993.

Employees

The company is the principal trading subsidiary of John Lewis Partnership plc, the latter being the principal holding company under trusts set up in 1929 and 1950 to implement the constitution of the John Lewis Partnership. Among other things those trusts and the constitution provide employees of this company annually with a share of all the profits of the business in proportion to the pay of each individual; the constitution also provides for their constant and effective involvement in its affairs through elected councils and elected membership of the board of the John Lewis Partnership plc. There is full, prompt and regular information on all aspects through extensive weekly journalism, as well as wide ranging communication and exchange of opinion, written and oral, through councils, committees, journalism and immediate management. Detailed explanations of financial results are given at intervals through the year in local units and for the John Lewis Partnership as a whole, including full analysis and council debate on the annual report and accounts of the holding company. John Lewis plc fully maintained that constitution in the course of the year.
The company recruits disabled people for suitable vacancies and provides for such staff appropriate training and careers. Where disability occurs during the period of employment every effort is made to continue to provide suitable employment with the provision of appropriate training.

Principal activity

The company controls the businesses listed on page 21 comprising 22 department stores, 102 Waitrose supermarkets and ancillary manufacturing activities.

Borrowings

The company increased its long-term borrowings by issuing a 5-year £100 million Eurobond for financing future developments.

Use of profits

Preference dividends absorbed £89,250 and an interim dividend of £200,000 has been paid on the Ordinary Shares leaving £33,965,000 to be added to reserves.

Review of the business

A review of the business and of future developments is included in the Chairman's statement.

Directors' interests

Under the constitution of the Partnership all the directors, as employees of John Lewis plc, are necessarily interested in the 612,000 Deferred Ordinary Shares in John Lewis Partnership plc which are held in trust for the benefit of employees of John Lewis plc and of certain other companies.
There were no contracts subsisting during or at the end of the financial year in which the directors were materially interested and which were significant in relation to the company's business.

Charitable donations

The group donated £764,000 for charitable purposes during the year but made no political donations.

For and by order of the Board B J Pritchard Secretary
22nd April 1993

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JANUARY 1993

Notes		1993 £m	1992 £m
2	**Turnover**	2,357.3	2,280.4
	Value added tax	226.9	213.7
		2,130.4	2,066.7
	Cost of sales	1,493.4	1,437.3
	Gross profit	637.0	629.4
	Selling and distribution costs	465.4	458.6
	Administrative costs	59.7	59.4
3	Pension costs	16.1	11.3
	Trading Profit	95.8	100.1
4	Interest	24.4	22.8
	Profit before Partnership bonus and taxation	71.4	77.3
	Partnership bonus	28.2	30.2
5	**Profit on ordinary activities before taxation**	43.2	47.1
6	Tax on profit on ordinary activities	9.0	8.3
7	**Profit after taxation for the financial year**	34.2	38.8
8	Dividends	.3	.4
17	**Profit retained**	33.9	38.4

CONSOLIDATED BALANCE SHEET AS AT 30TH JANUARY 1993

Notes		1993 £m	1992 £m
	Fixed Assets		
11	Tangible assets	905.9	861.7
	Current assets		
13	Stocks	182.2	174.7
14	Debtors	176.1	173.4
	Investments - short term deposits	.6	.4
	Cash at bank and in hand	32.9	12.5
		391.8	361.0
	Creditors		
15	Amounts falling due within one year	267.0	320.9
	Net current assets	124.8	40.1
	Total assets less current liabilities	1,030.7	901.8
	Creditors		
15	Amounts falling due after more than one year	251.1	156.1
	Net assets	779.6	745.7
	Capital and reserves		
16	Called up share capital	9.0	9.0
17	Share premium account	1.9	1.9
17	Revaluation reserve	154.6	156.2
17	Capital reserve	1.4	1.4
17	Profit and loss account - accumulated profit	612.7	577.2
	Total capital employed	779.6	745.7

Approved by the Board on 22nd April 1993
S Hampson

BALANCE SHEET AS AT 30TH JANUARY 1993

Notes		1993 £m	1992 £m
	Fixed Assets		
11	Tangible assets	299.2	295.3
12	Investment in subsidiary undertakings	218.6	192.2
		517.8	487.5
	Current assets		
13	Stocks	118.3	110.5
14	Debtors	157.7	157.4
	Investments - short term deposits	.6	.4
	Cash at bank and in hand	29.4	9.1
		306.0	277.4
	Creditors		
15	Amounts falling due within one year	328.3	382.1
	Net current liabilities	22.3	104.7
	Total assets less current liabilities	495.5	382.8
	Creditors		
15	Amounts falling due after more than one year	250.0	150.0
	Net assets	245.5	232.8
	Capital and reserves		
16	Called up share capital	9.0	9.0
17	Share premium account	1.9	1.9
17	Revaluation reserve	4.5	4.5
17	Profit and loss account - accumulated profit	230.1	217.4
	Total capital employed	245.5	232.8

Approved by the Board on 22nd April 1993
S Hampson

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JANUARY 1993

	1993 £m	1992 £m
Net cash inflow from operating activities	102.5	120.0
Returns on investments and servicing of finance		
Interest received	1.8	1.4
Interest paid	(25.7)	(24.5)
Dividends paid	(.4)	(.2)
Net cash outflow from returns on investments and servicing of finance	(24.3)	(23.3)
Corporation tax paid	(14.5)	(15.7)
Investing activities		
Purchases of tangible fixed assets	(94.6)	(108.2)
Sales of tangible fixed assets	1.8	5.2
Net cash outflow from investing activities	(92.8)	(103.0)
Net cash outflow before financing	(29.1)	(22.0)
Financing		
Issue of 10 1/8% Bonds 1998 (including premium)	101.6	-
Expenses of issue	(1.9)	
Net cash inflow from financing	99.7	–
Increase in cash and cash equivalents	70.6	(22.0)

Notes to the Cash Flow Statement

Reconciliation of operating profit to net cash inflow from operating activities

	1993 £m	1992 £m
Trading profit	95.8	100.1
Depreciation charged	48.6	43.9
Decrease in debtors	3.0	(2.2)
Decrease in creditors	(23.3)	1.7
Increase in pension fund accrual	16.1	11.3
Increase in stocks	(7.5)	1.7
Partnership bonus paid for previous year	(30.2)	(36.5)
Cash flow from operating activities	102.5	120.0

Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1993 £m	Change in year £m	1992 £m
Cash at bank and in hand	32.9	20.4	12.5
Investments short term deposits	.6	.2	.4
Loans and bank overdrafts	–	50.0	(50.0)
	33.5	70.6	(37.1)

Analysis of changes in financing

	Share Capital (inc. premium) £m	Bonds and Debenture Loans £m
At 25th January 1992	10.9	156.1
Issue of 10 1/8% Bonds 1998 (excluding premium)	–	100.0
At 30th January 1993	10.9	256.1

NOTES ON THE ACCOUNTS

1 Accounting policies

The consolidated profit and loss account and balance sheet include the accounts of the company and all its subsidiary undertakings and have been prepared in accordance with applicable accounting standards.

Turnover is the amount receivable by the group for goods and services supplied to customers.

Stock is stated at the lower of cost, which is generally computed on the basis of selling price less the appropriate trading margin, or net realisable value.

The cost of providing retirement benefits is recognised in the profit and loss account so as to spread it over employees' working lives. The contributions are assessed in accordance with the advice of a qualified actuary. Any funding surpluses or deficits are amortised over the average remaining employee service life.

The accounts are prepared under the historical cost convention with the exception of certain land and buildings which are included at valuations made in 1988. The valuations were made on the basis that each property was regarded as available for existing use in the open market. Recent additions are carried at cost until they reach full trading potential. The surplus arising on the revaluation of properties is credited to revaluation reserve.

No depreciation is charged on freehold and long (over 100 years) leasehold land. Depreciation is calculated for all other assets in equal annual instalments at the following rates:

Freehold and long leasehold buildings – 1% to 4%

Other leaseholds – over the remaining period of the lease

Fixtures and fittings – 10% to 33%

Leased assets are all held under operating leases and the annual rentals are charged to the profit and loss account.

Provision for deferred taxation is only made where there is a reasonable probability of payment in the foreseeable future.

Goodwill arising on the aquisition of subsidiaries is written off to reserves at the time of acquisition.

2 Analysis of turnover and profit

The Partnership is principally engaged in the business of retailing in department stores and supermarkets, and also operates some ancillary manufacturing and farming activities. The business is carried on in the United Kingdom and the turnover derives mainly from that source.

3 Pension Fund

The principal pension scheme operated by the Partnership is a defined benefits scheme, providing benefits based on final pensionable pay. The assets of this scheme are held in a separate, trustee administered fund.

The fund was last valued by consulting actuaries as at 31st March 1992, using the projected unit method. The assumption which has the most significant effect on the results of the valuation is the relative rate of return on the investments of the fund compared with increases in pay and pensions. It was assumed for this purpose that, on average, the annual return on investments would exceed increases in pay and pensions by 2.5% and 5% respectively. The market value of the assets of the fund as at 31st March 1992 was £352m. The valuation showed that the assets were sufficient to cover 114% of the benefits which had accrued to members. On the recommendation of the actuaries no company contributions will be made to the scheme until April 1994.

The actuaries have recommended a normal future contribution rate of 7.2% of total pay.

For a number of years the charge will be reduced to take into account the past-service surplus. The pension charge for the year, calculated according to the provisions of SSAP 24, was equivalent to 4.8% (3.5%) of total pay and amounted to £16.1m (£11.3m), including notional interest of £1.2m on the pension charge accrued in the consolidated balance sheet.

NOTES ON THE ACCOUNTS *continued*

4 Interest

	1993 £m	1992 £m
Interest payable:		
On bank loans, overdrafts and other loans repayable within 5 years	2.8	8.6
On all other loans	23.5	15.6
Interest receivable	(1.9)	(1.4)
	24.4	22.8

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging the following:

	1993 £m	1992 £m
Staff costs:		
Pay	338.4	323.6
Social security costs	30.7	30.1
Partnership bonus	25.3	27.2
Employer's national insurance on Partnership bonus	2.9	3.0
Other pension costs	16.1	11.3
Depreciation	48.6	43.9
Auditors' remuneration	.5	.4
Operating lease rental of land and buildings	30.6	28.9

6 Tax on profit on ordinary activities

	1993 £m	1992 £m
Corporation tax based on the profit for the year	16.5	15.3
Corporation tax - previous years	(2.2)	(3.3)
Deferred tax	(5.3)	(3.7)
	9.0	8.3

The tax charge is based on a corporation tax rate of 33% (33%) and has been reduced by £6.0m (£11.2m) as a result of capital allowances in excess of depreciation.

Total taxation deferred and unprovided in respect of capital allowances in excess of depreciation amounts to £71.1m (£65.1m) based on corporation tax at 33%.

No liability to taxation on capital gains would arise if properties were to be sold at the amounts at which they have been revalued and included in these accounts.

7 Profit for the financial year

	1993 £m	1992 £m
Dealt with in the accounts of:		
John Lewis plc	13.0	9.6
Subsidiaries	21.2	29.2
	34.2	38.8

As permitted by Section 230 of the Companies Act 1985, John Lewis plc has not presented its own profit and loss account.

NOTES ON THE ACCOUNTS *continued*

8 Dividends

	1993	1992
	£m	£m
5% (now 3.5% plus tax credit) Cumulative Preference Stock		
and 7% (now 4.9% plus tax credit) Cumulative Preference Stock	.1	.1
Ordinary shares	.2	.3
	.3	.4

The ordinary shares are all held by the parent company John Lewis Partnership plc which is registered in England.

9 Directors' emoluments

Directors' remuneration including pension fund contributions and Partnership bonus of 8% (9%) was as follows:	£000	£000
Remuneration as managers	1,889	1,772
Pensions to past directors	6	8

Excluding pension fund contributions but including Partnership bonus, the emoluments of the individual directors, who served on the Board during any part of the year, were as follows:

	1993	1992		1993	1992
Chairman	£269,491	£266,663			
Other directors:					
£25,001 - £30,000	–	1	£125,001 - £130,000	–	1
£30,001 - £35,000	–	1	£130,001 - £135,000	1	1
£80,001 - £85,000	–	2	£135,001 - £140,000	1	–
£85,001 - £90,000	–	1	£150,001 - £155,000	–	1
£90,001 - £95,000	1	–	£155,001 - £160,000	–	1
£95,001 - £100,000	–	1	£175,001 - £180,000	1	–
£100,001 - £105,000	1	1	£185,001 - £190,000	1	–
£105,001 - £110,000	2	–	£195,001 - £200,000	–	1
£110,001 - £115,000	1	1	£210,001 - £215,000	1	
£115,001 - £120,000	1	–			

10 Employees

During the year the average number of employees of the group, all of whom were employed in the UK, was as follows:

Department stores	20,800	21,400
Supermarkets	17,200	17,500
Other	1,300	1,300
	39,300	40,200

NOTES ON THE ACCOUNTS *continued*

11 Tangible assets

Consolidated

	Land and buildings £m	Fixtures and fittings £m	Payments on account and assets in course of construction £m	Total £m
Cost or valuation				
At 25th January 1992	692.9	321.3	46.4	1,060.6
Additions at cost	21.2	40.7	32.7	94.6
Transfers	36.3	2.8	(39.1)	–
Disposals	(.8)	(6.5)	–	(7.3)
At 30th January 1992	749.6	358.3	40.0	1,147.9
At cost	465.6	358.3	40.0	863.9
At valuation 1988	284.0	–	–	284.0
	749.6	358.3	40.0	1,147.9
Depreciation				
At 25th January 1992	52.8	146.1	–	198.9
Charges for the year	12.8	35.8	–	48.6
On disposals	(.2)	(5.3)	–	(5.5)
At 30th January 1993	65.4	176.6	–	242.0
Net book values at 25th January 1992	640.1	175.2	46.4	861.7
Net book values at 30th January 1993	684.2	181.7	40.0	905.9

	1993 £m	1992 £m
Land and buildings at cost or valuation:		
Freehold property	395.8	356.2
Leasehold property, 50 years or more unexpired	290.3	276.7
Leasehold property, less than 50 years unexpired	63.5	60.0
	749.6	692.9

Included in land and buildings at 30th January 1993 is land valued at £144m, which is not subject to depreciation. If they had not been revalued, land and buildings at 30th January 1993 would have been included at the following amounts:

Cost	602.1	545.[illegible]
Accumulated depreciation	72.5	61.7
	529.6	483.9

11 Tangible assets *continued*

Company

	Land and buildings *£m*	*Fixtures and fittings* *£m*	*Payments on account and assets in course of construction* *£m*	*Total* *£m*
Cost or valuation				
At 25th January 1992	191.4	178.5	12.1	382.0
Additions at cost	3.6	22.6	2.5	28.7
Group transfers	12.7	.3	(13.0)	–
Disposals	(.1)	(5.5)	–	(5.6)
At 30th January 1993	207.6	195.9	1.6	405.1
At cost	157.8	195.9	1.6	355.3
At valuation 1988	49.8	–	–	49.8
	207.6	195.9	1.6	405.1
Depreciation				
At 25th January 1992	6.4	80.3	–	86.7
Charges for the year	2.7	20.9	–	23.6
On disposals	–	(4.4)	–	(4.4)
At 30th January 1993	9.1	96.8	–	105.9
Net book values at 25th January 1992	185.0	98.2	12.1	295.3
Net book values at 30th January 1993	198.5	99.1	1.6	299.2

	1993 *£m*	*1992* *£m*
Land and buildings at cost or valuation:		
Freehold property	46.5	34.2
Leasehold property, 50 years or more unexpired	153.4	149.5
Leasehold property, less than 50 years unexpired	7.7	7.7
	207.6	191.4

Included in land and buildings at 30th January 1993 is land valued at £9m, which is not subject to depreciation. If they had not been revalued, land and buildings at 30th January 1993 would have been included at the following amounts:

Cost	207.0	186.3
Accumulated depreciation	13.0	9.6
	194.0	176.7

12 Investments in subsidiary undertakings

	Shares in group companies £m	Loans to group companies £m	Total £m
At 25th January 1992	53.2	139.0	192.2
Movements	–	24.5	24.5
Dividends receivable	–	1.9	1.9
At 30th January 1993	53.2	165.4	218.6

Wholly owned subsidiaries of John Lewis plc

- John Lewis Properties plc
- Waitrose Limited
- Cavendish Textiles Limited
- Stead, McAlpin & Company, Limited
- Herbert Parkinson Limited
- J H Birtwistle & Company Limited
- John Lewis Overseas Limited
- John Lewis Building Limited
- John Lewis Construction Limited
- Leckford Estate Limited
- Leckford Mushrooms Limited

The whole of the ordinary share capital is held within the group. The list excludes non-trading companies which have no material effect on the accounts of the group. All of these subsidiaries operate wholly or mainly in the United Kingdom and are registered in England.

13 Stocks

	1993 £m	1992 £m
Consolidated		
Raw materials and work-in-progress	8.9	9.2
Finished goods	173.3	165.5
	182.2	174.7
Company		
Raw materials and work-in-progress	1.3	.9
Finished goods	117.0	109.6
	118.3	110.5

14 Debtors

	1993 £m	1992 £m
Consolidated		
Amounts falling due within one year:		
Trade debtors	116.1	121.9
Other debtors	7.9	8.7
Deferred tax	1.3	1.3
Prepayments and accrued income	13.3	10.9
	138.6	142.8
Amounts falling due after more than one year:		
Trade debtors	28.1	26.5
Deferred tax	9.4	4.1
	176.1	173.4

NOTES ON THE ACCOUNTS *continued*

14 **Debtors** *continued*	1993 £m	1992 £m
Company		
Amounts falling due within one year:		
Trade debtors	105.4	115.7
Other debtors	4.5	5.0
Deferred tax	1.3	1.3
Prepayments and accrued income	9.1	7.2
	124.3	129.2
Amounts falling due after more than one year:		
Trade debtors	28.1	26.5
Deferred tax	5.3	1.7
	157.7	157.4

15 Creditors

	1993 £m	1992 £m
Consolidated		
Amounts falling due within one year:		
Debenture loans (secured)	5.0	-
Loans and bank overdraft	-	50.0
Trade creditors	102.2	126.2
Holding company	1.6	1.5
Other creditors	10.3	11.8
Corporation tax	15.9	16.1
Other taxation and social security	55.9	54.9
Pension fund accrual	28.7	12.6
Accruals and deferred income	22.0	20.4
Proposed dividend	.2	.3
Partnership bonus	25.2	27.1
	267.0	320.9
Amounts falling due after more than one year:		
Due by instalments after 5 years		
- Debenture loans (secured)	1.1	1.1
Due other than by instalments after 5 years		
- Debenture loans (secured)	-	5.0
- 10 3/8% Bonds, 1998	100.0	-
- 10 1/4% Bonds, 2006	50.0	50.0
- 10 1/2% Bonds, 2014	100.0	100.0
	251.1	156.1
Total of instalment payments due after 5 years	1.1	1.1

Debentures (secured on land and buildings) John Lewis Properties plc		
9 1/4% Mortgage Debenture Stock, 1992/97 (redeemed 31 March 1993)	5.0	5.0
8 1/4% Mortgage Debenture Stock, 1993/98	1.1	1.1
	6.1	6.1

NOTES ON THE ACCOUNTS *continued*

15 Creditors *continued*

	1993 £m	1992 £m
Company		
Amounts falling due within one year:		
Loans and bank overdraft	–	50.0
Trade creditors	85.3	110.2
Holding company	1.6	1.5
Owed to group companies	121.2	116.7
Other creditors	8.5	10.1
Corporation tax	4.0	1.4
Other taxation and social security	41.7	41.9
Pension fund accrual	28.6	12.6
Accruals and deferred income	12.7	11.1
Proposed dividend	.2	.3
Partnership bonus	24.5	26.3
	328.3	382.1
Amounts falling due after more than one year:		
Due other than by instalments after 5 years		
– 10 1/8% Bonds, 1998	100.0	–
– 10 1/4% Bonds, 2006	50.0	50.0
– 10 1/2% Bonds, 2014	100.0	100.0
	250.0	150.0

16 Share capital

	1993 £m	1992 £m
Authorised, issued and fully paid :		
5% (now 3.5% plus tax credit) First Cumulative Preference Stock	1.5	1.5
7% (now 4.9% plus tax credit) Cumulative Preference Stock	.7	.7
Ordinary shares of £1 each	6.8	6.8
	9.0	9.0

17 Reserves

Consolidated	*Profit and loss account £m*	*Capital £m*	*Share premium £m*	*Revaluation reserve £m*	*Total reserves £m*
At 25th January 1992	577.2	1.4	1.9	156.2	736.7
Profit retained	33.9	–	–	–	33.9
Transfers	1.6	–	–	(1.6)	–
At 30th January 1993	612.7	1.4	1.9	154.6	770.6

The cumulative amount of goodwill written off to reserves is £10.4m (£10.8m)

NOTES ON THE ACCOUNTS continued

17 Reserves *continued*

Company

	Profit and loss account £m	Share premium £m	Revaluation reserve £m	Total reserves £m
At 25th January 1992	217.4	1.9	4.5	223.8
Profit retained	12.7	–	–	12.7
At 30th January 1993	230.1	1.9	4.5	236.5

18 Commitments

At 30th January 1993, the directors had authorised capital expenditure of £104.1m (£139.1m) of which contracts had been placed for £10.1m (£16.4m).
John Lewis plc has entered into bank guarantees in favour of subsidiary companies amounting to £24m.

19 Lease commitments

	1993 £m	1992 £m
Rentals of land and buildings for the next financial year on leases expiring:		
Within 1 year	.2	.1
Between 1 and 5 years	.4	.5
Over 5 years	30.6	30.1

20 Parent company

John Lewis Partnership plc, a company registered in England, is the company's immediate and ultimate parent company and prepares consolidated accounts which include the accounts of the company.
Copies of the group accounts of John Lewis Partnership plc may be obtained from the Company Secretary, 171 Victoria Street, London SW1E 5NN.

REPORT OF THE AUDITORS

We have audited the financial statements of John Lewis plc set out on pages 8 to 20 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 30th January 1993 and of the profit and cash flow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants and Registered Auditor
London 22nd April 1993

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RETAIL BRANCHES

Department Stores

London
John Lewis, Oxford Street
John Lewis, Brent Cross
Peter Jones, Sloane Square

Southern England
Caleys, Windsor
Heelas, Reading
John Lewis, Bristol
John Lewis, High Wycombe
John Lewis, Kingston
John Lewis, Milton Keynes
John Lewis, Welwyn
Knight & Lee, Southsea
Trewin Brothers, Watford
Tyrrell and Green, Southampton

Midlands, East Anglia Northern England and Scotland
Bainbridge, Newcastle
Bonds, Norwich
Cole Brothers, Sheffield
George Henry Lee, Liverpool
Jessop & Son, Nottingham
John Lewis, Aberdeen
John Lewis, Edinburgh
John Lewis, Peterborough
Robert Sayle, Cambridge

Waitrose Supermarkets

London

Barnet	Chelsea	Enfield	Kenton	Temple Fortune	Whetstone
Brent Cross	East Sheen	Harrow Weald	Swiss Cottage	West Ealing	

Southern England

Allington Park	Chelmsford	Fleet	Horsham	Richmond	Wallingford
Andover	Chesham	Gillingham	Kingston	Ringwood	Wantage
Banstead	Chichester	Green Street Green	Leighton Buzzard	Romsey	Welwyn Garden City
Bath	Cirencester	Godalming	Longfield	Ruislip	Westbourne
Beaconsfield	Cobham	Goldsworth Park	Lymington	Sevenoaks	Westbury Park
Berkhamsted	Coulsdon	Gosport	Maidenhead	St Albans	West Byfleet
Birch Hill	Cowplain	Harpenden	Marlborough	Slough	Weybridge
Brighton	Crowborough	Havant	Marlow	Southsea	Windsor
Bromley	Dibden	Hayes	Milton Keynes	Stevenage	Winton
Buckhurst Hill	Dorchester	Henley	New Malden	Sunningdale	Witney
Burgess Hill	Dorking	Hertford	Northwood	Tenterden	Wokingham
Caterham	Epsom	Horley	Ramsgate	Thame	Woodley
Caversham	Esher			Tilehurst	Yateley

Midlands and East Anglia

Blaby	Evington	Huntingdon	Newmarket	St Ives
Daventry	Four Oaks	Kidderminster	Peterborough	St Neots
Ely	Hall Green	Kingsthorpe	Saffron Walden	Stourbridge

In addition to the shops listed above, the Partnership has businesses engaged in manufacturing and farming

Stead McAlpin, Carlisle *(Textile Printing)*
J H Birtwistle, Haslingden *(Spinning and weaving)*
Herbert Parkinson, Darwen *(Weaving and making up)*
Taylor & Penton, Weybridge *(Fitted kitchen furniture and bedding)*
Leckford Estate, Stockbridge *(Farming)*