

Notes to the financial statements

3 Segment reporting

The Group's primary reporting format is business segments, with each segment representing a business unit that offers different products and serves different markets.

The businesses are organised into three operating divisions:

- Retailing (Supermarkets, Convenience and Online);
- Financial services (Sainsbury's Bank joint venture); and
- Property investments (British Land joint venture and Land Securities joint venture).

All material operations are carried out in the UK.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Notes to the financial statements continued

	Retailing £m	Financial services £m	Property investments £m	Group £m
52 weeks to 21 March 2009				
Segment revenue	18,911	-	-	18,911
Underlying operating profit	616	-	-	616
Underlying finance income	52	-	-	52
Underlying finance costs	(141)	-	-	(141)
Underlying share of post-tax profit from joint ventures	-	4	12	16
Underlying profit before tax	527	4	12	543
Profit on sale of properties	57	-	-	57
Investment property fair value movements	-	-	(124)	(124)
Financing fair value movements	(7)	-	(3)	(10)
Profit/(loss) before tax	577	4	(115)	466
Income tax expense				(177)
Profit for the financial year				289
Assets	9,745	-	-	9,745
Investment in joint ventures	1	72	215	288
Segment assets	9,746	72	215	10,033
Segment liabilities	5,657	-	-	5,657
Other segment items				
Capital expenditure ¹	1,105	-	-	1,105
Depreciation expense	453	-	-	453
Amortisation expense	15	-	-	15
Provision for impairment of receivables	1	-	-	1
Share-based payments	40	-	-	40
52 weeks to 22 March 2008				
Segment revenue	17,837	-	-	17,837
Underlying operating profit	535	-	-	535
Underlying finance income	83	-	-	83
Underlying finance costs	(128)	-	-	(128)
Underlying share of post-tax (loss)/profit from joint ventures	-	(3)	1	(2)
Underlying profit/(loss) before tax	490	(3)	1	488
Profit on sale of properties	7	-	-	7
Financing fair value movements	(4)	-	-	(4)
Fair value gain on other financial asset	22	-	-	22
Costs relating to approach from Delta Two	(7)	-	-	(7)
Costs associated with Office of Fair Trading dairy inquiry	(27)	-	-	(27)
Profit/(loss) before tax	481	(3)	1	479
Income tax expense				(150)
Profit for the financial year				329
Assets	9,967	-	-	9,967
Investment in joint ventures	1	89	58	148
Segment assets	9,968	89	58	10,115
Segment liabilities	5,180	-	-	5,180
Other segment items				
Capital expenditure ²	1,006	-	-	1,006
Depreciation expense	463	-	-	463
Amortisation expense	18	-	-	18
Release of provision for impairment on receivables	(1)	-	-	(1)
Share-based payments	53	-	-	53

1 Capital expenditure consists of property, plant and equipment additions of £1,081 million, property, plant and equipment acquired through business combinations of £4 million, intangibles additions of £10 million and intangibles generated through business combinations of £10 million.

2 Capital expenditure consists of property, plant and equipment additions of £993 million, property, plant and equipment acquired through business combinations of £3 million, intangibles additions of £6 million and intangibles generated through business combinations of £4 million.