

Registered Company number: 05644620

Sainsbury Propco A Limited  
Annual Report and Financial Statements  
For the 52 weeks to 1 March 2025

**Sainsbury Propco A Limited**  
**Strategic report**  
**for the 52 weeks to 1 March 2025**

**Principal activities and review of business**

The principal activities of Sainsbury Propco A Limited (the 'Company') are the ownership and rental of supermarket outlets to J Sainsbury plc and its subsidiary companies (the 'Group') and to raise finance secured against its property.

The Company made a profit for the financial year of £96 million (2024: £70 million). The financial position as at 1 March 2025 is shown in the balance sheet on page 5.

All material operations are carried out in the United Kingdom.

A full review of the business and future developments can be found in the 2025 Annual Report and Financial Statements of J Sainsbury plc, ('the Group'), the ultimate parent undertaking, on the following website: [www.about.sainsburys.co.uk](http://www.about.sainsburys.co.uk).

**Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 54 to 62 of the Group's Annual Report and Financial Statements 2025, which does not form part of this report.

**Future developments**

No change is planned in the activities of the Company in the next financial year.

**Key performance indicators (KPIs)**

The Directors of J Sainsbury plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using KPI's for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the Company, are discussed on pages 45 to 46 of the Group's Annual Report, which does not form part of this report.

**Financial risk management**

The financial risk management and policies of the Group, which include those of the Company, are disclosed in note 28 on pages 176 to 184 of the Group's Annual Report, which does not form part of this report.

**Section 172 statement and stakeholder engagement**

The Board believes that it has acted in accordance with Section 172(1) of the Companies Act 2006 during the year ended 1 March 2025. This requires each Director to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard to the interest of other stakeholders, whilst maintaining high standards of business conduct.

The Company is a wholly-owned subsidiary of J Sainsbury plc and its stakeholder engagement is integrated within the governance framework of J Sainsbury plc and its subsidiaries (the 'Group'). During the year, the Directors continued to focus on engagement with the Company's stakeholders, most notably the Group and corporate customers. It is the day-to-day responsibility of individual Directors to engage with stakeholders relevant to their roles in the Group.

Further details on how the Group engaged with its stakeholders, can be found in the 2025 Annual Report for J Sainsbury plc on pages 24 to 30 (S172).

As per Section 54(1) of the Modern Slavery Act 2015, our Slavery and Human Trafficking Statement is published annually on our Group website. The statement covers the activities of the Group and details the steps taken during the year ended 1 March 2025 to prevent modern slavery and human trafficking in our own operations and supply chains.

By order of the Board:



Jamie Cowen, Director, 8 December 2025

**Sainsbury Propco A Limited**  
**Directors' report**  
**for the 52 weeks to 1 March 2025**

The Directors present their report and the unaudited financial statements of Sainsbury Propco A Limited (the 'Company') for the 52 weeks to 1 March 2025. The prior year's financial statements were for the 52 weeks to 2 March 2024.

**Dividends**

During the financial year the dividends paid were £nil (2024: £310 million).

**Going concern**

The financial statements have been prepared on the going concern basis on the grounds that the ultimate parent company, J Sainsbury plc has confirmed its present intention to provide financial support such that the Company is able to repay its liabilities as they fall due for a period of 12 months from the date on which these financial statements are signed.

The assessment period for the purposes of considering going concern is the 12 months from the date on which these financial statements are signed.

**Directors**

The Directors of the Company who were in office during the financial year and up to the date of signing the financial statements were:

G Jamie Cowen  
Sainsburys Corporate Director Limited

**Company secretary**

Details of the Company Secretaries who held office during the financial year and up to the date of signing the financial statements are shown below:

Sainsbury's Corporate Secretary Limited

**Directors' indemnities**

The Directors are entitled to be indemnified by the ultimate parent company, J Sainsbury plc, to the extent permitted by law and the Articles of Association in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. The parent company purchased and maintained Directors' and Officers' liability insurance throughout 2024/25, which has been renewed for 2025/26. The insurance covers all Directors and Officers of companies in the J Sainsbury plc Group. Neither the indemnities nor the insurance provides cover if the Director is proved to have acted fraudulently.

The Company made no political donations in 2025 (2024: £nil). See page 122 of the Group Annual Report, which does not form part of this report, for details of J Sainsbury plc and its subsidiaries' (the 'Group's') political donations.

By order of the Board:



Jamie Cowen  
Director  
8 December 2025

**Sainsbury Propco A Limited**  
**Statement of Directors' Responsibilities**  
**for the 52 weeks to 1 March 2025**

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with law and those regulations.

By order of the Board:

  
L.Smith (Dec 8, 2025 18:03:12 GMT)

Leon Smith  
On behalf of Sainsburys Corporate Director Limited  
Director  
8 December 2025

**Sainsbury Propco A Limited**  
**Statement of comprehensive income**  
**for the 52 weeks to 1 March 2025**

		<b>2025</b>	2024
	Note	<b>£m</b>	£m
<b>Revenue</b>		<b>107</b>	102
Cost of sales		<b>(10)</b>	(10)
<b>Gross profit</b>		<b>97</b>	92
<b>Operating profit</b>	3	<b>97</b>	92
Finance costs	5	<b>(1)</b>	(1)
<b>Profit before tax</b>		<b>96</b>	91
Income tax expense	6	-	(21)
<b>Profit for the financial year</b>		<b>96</b>	70

There was no other comprehensive income or expense during the financial year or the prior financial year.

The notes on pages 7 to 15 are an integral part of these financial statements.

**Sainsbury Propco A Limited**  
**Balance sheet**  
**As at 1 March 2025**  
**Registered company number: 05644620**

	Note	1 March 2025 £m	2 March 2024 £m
<b>Non-current assets</b>			
Investment properties	8	<b>1,224</b>	1,234
Other receivables	9	<b>405</b>	379
		<b>1,629</b>	1,613
<b>Current assets</b>			
Other receivables	9	-	15
		-	15
<b>Total assets</b>		<b>1,629</b>	1,628
<b>Current liabilities</b>			
Other payables	10	<b>(1,028)</b>	(1,110)
Taxes payable		<b>(26)</b>	(39)
		<b>(1,054)</b>	(1,149)
<b>Net current liabilities</b>		<b>(1,054)</b>	(1,134)
<b>Non-current liabilities</b>			
Lease liabilities	11	<b>(8)</b>	(8)
		<b>(8)</b>	(8)
<b>Total liabilities</b>		<b>(1,062)</b>	(1,157)
<b>Net assets</b>		<b>567</b>	471
<b>Equity</b>			
Called up share capital	12	<b>401</b>	401
Retained earnings		<b>166</b>	70
<b>Total equity shareholders' funds</b>		<b>567</b>	471

For the financial period ending 1 March 2025 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 7 to 15 were approved by the Board of Directors on 8 December 2025, and are signed on its behalf by:

*L. Smith*

[L.Smith \(Dec 8, 2025 18:03:12 GMT\)](#)

Leon Smith  
On behalf of Sainsburys Corporate Director Limited  
Director

**Sainsbury Propco A Limited**  
**Statement of changes in equity**  
**for the 52 weeks to 1 March 2025**

	Called up share capital £m	Retained earnings £m	Total equity £m
<b>At 3 March 2024</b>	<b>401</b>	<b>70</b>	<b>471</b>
Profit for the financial year	-	96	96
<b>At 1 March 2025</b>	<b>401</b>	<b>166</b>	<b>567</b>

	Called up share capital £m	Retained earnings £m	Total Equity £m
At 5 March 2023	401	310	711
Profit for the financial year	-	70	70
Dividends	-	(310)	(310)
At 2 March 2024	401	70	471

The notes on pages 7 to 15 are an integral part of these financial statements.

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements**  
**for the 52 weeks to 1 March 2025**

**1. General information**

Sainsbury Propco A Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in England and Wales. For the 52 weeks ended 1 March 2025 the Company's registered address was 33 Holborn, London EC1N 2HT, the registered address of the Company changed to 33 Charterhouse Street, London, EC1M 6HA with effect from 18 June 2025.

The immediate parent Company is Sainsbury Holdco A Limited and the ultimate parent company and controlling party of the Company is J Sainsbury plc. Both companies are registered in the United Kingdom, and J Sainsbury plc forms the only group into which the financial statements of the Company are consolidated. Copies of the ultimate parent Company's financial statements may be obtained from [www.about.sainsburys.co.uk](http://www.about.sainsburys.co.uk).

The Company's financial year represents the 52 weeks to 1 March 2025 (the prior financial year represents the 52 weeks to 2 March 2024).

**2. Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**

The financial statements are prepared in accordance with United Kingdom Accounting standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the Standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition measurement and disclosure requirements of adopted International Financial Reporting Standards (IFRS).

The Company is a qualifying entity for the purposes of FRS 101. The results of the Company are consolidated into the Annual Report and Financial Statements 2025 of J Sainsbury plc, available on the Group's website.

FRS 101 sets out amendments to IFRS that are necessary to achieve compliance with the Companies Act and related regulations. These amendments had no impact on the Statement of comprehensive income, Balance sheet or Statement of changes in equity for the Company for the year ended 1 March 2025.

The financial statements are presented in pound sterling. They have been prepared on a going concern basis under the historical cost convention.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Amendments to published standards**

**Effective for the Company in these financial statements:**

The Company has considered the following amendments to published standards that are effective for the Company for the financial year beginning 3 March 2024 and concluded that they are either not relevant to the Group or that they do not have a significant impact on the Group's financial statements other than disclosures.

- Amendments to IFRS 16: Lease liability in a sale and leaseback
- Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants
- Amendments to IAS 7 and IFRS 7: Supplier finance arrangement

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements (continued)**  
**for the 52 weeks to 1 March 2025**

**2. Accounting policies (continued)**

**Standards and revisions effective for future periods:**

The following standards and revisions will be effective for future periods:

- Amendments to IAS 21: Lack of exchangeability
- Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments
- IFRS 18: Presentation and disclosure in financial statements
- IFRS 19: Subsidiaries without public accountability
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Company has considered the impact of the above standards and revisions and have concluded that, the adoption of the above standards and interpretations, with the exception of the adoption of IFRS 18, is not expected to lead to any changes to the accounting policies nor to have any impact, or any material impact on the Company's financial statements. The impact of IFRS 18, subject to UK endorsement, is still under assessment.

**Summary of disclosure exemptions**

In these financial statements, the Company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 - 'Share-based payments' (how the fair value of goods/services received or equity instruments granted was determined and details of the number and weighted average exercise prices of share options).
- IFRS 7 - 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
  - Paragraph 79(a)(iv) of IAS 1,
  - Paragraph 73(e) of IAS 16, 'Property, plant and equipment', and
  - Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
  - 10(d) (statement of cash flows),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information), and
  - 134-136 (capital management disclosures).
- IAS 7 - 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).

**Going concern**

The financial statements have been prepared on the going concern basis on the grounds that the ultimate parent company, J Sainsbury plc has confirmed its present intention to provide financial support such that the Company is able to repay its liabilities as they fall due for a period of 12 months from the date on which these financial statements are signed.

The assessment period for the purposes of considering going concern is the 12 months from the date on which these financial statements are signed.

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements (continued)**  
**for the 52 weeks to 1 March 2025**

**2. Accounting policies (continued)**

**Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 3 March 2024 have had a material effect on the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

**Revenue**

The Company earns revenue from the provision of services relating to operating leases on investment properties. This revenue is recognised on a straight-line basis over the lease terms net of any lease incentives given to the lessee and is included in revenue in the statement of profit or loss due to its operating nature.

**Cost of sales**

Cost of sales consists of all costs associated with the investment properties, including depreciation.

**Finance costs**

Finance costs are recognised in the income statement for financial liabilities measured at amortised cost using the effective interest rate method.

**Financial instruments**

*Financial assets*

The Company classifies all of its financial assets at amortised cost in accordance with IFRS 9.

The Company initially measures financial assets at fair value plus transaction costs. Subsequently these assets are carried at amortised cost less impairment using the effective interest method. Income from these financial assets is calculated on an effective yield basis and is recognised in the income statement.

*Financial liabilities*

Payables are recorded initially at fair value, which is generally the proceeds received, net of direct issue costs. Subsequently, these liabilities are held at amortised cost using the effective interest method.

*Fair value estimation*

The fair values of receivables, payables and loans of a maturity of less than one year are approximate to their book values.

*Impairment of financial assets*

For trade receivables and contract assets, the Company establishes provisions against trade receivables to reflect the lifetime expected credit loss, consistent with the simplified approach under IFRS 9.

**Current tax**

Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the balance sheet date. Current tax is charged or credited to the income statement, except when it relates to items charged to equity or other comprehensive income, in which case the current tax is also dealt with in equity or other comprehensive income respectively.

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements (continued)**  
**for the 52 weeks to 1 March 2025**

**2. Accounting policies (continued)**

**Investment property**

Investment properties are those properties held for capital appreciation and/or to earn rental income. They are initially measured at cost, which includes the original purchase price of the assets and the costs attributable to bringing the asset to its working condition for its intended use, including related transaction costs. After initial recognition at cost, they are measured using the "cost method" which is cost less accumulated depreciation and any recognised impairment loss.

Gains and losses on disposal are determined by comparing proceeds with the asset's carrying amount and are recognised within operating profit.

Depreciation is calculated to write down the cost of the assets to their residual values, on a straight-line method on the following basis:

- Freehold land is not depreciated.
- Freehold buildings and leasehold properties - 50 years, or the lease term if shorter.

*Leasehold investment property*

For investment properties located on leased land, these ground leases are for long periods of time (i.e. more than 99 years). As the Company is a lessee in respect of the ground lease, a right-of-use asset and lease liability is recognised in relation to these leases. In turn, the right-of-use asset is classified as an investment property, given that the leased land is held solely for the purposes of holding the related investment property building. These leasehold investment properties are recognised at the commencement date of the lease (i.e. the date the underlying asset is available for use) at cost, less any accumulated depreciation and impairment losses, and adjusted for any subsequent remeasurement of lease liabilities. The cost of the investment property includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. All the leasehold investment properties are recognised on a historical cost convention.

The leasehold investment properties are depreciated on a straight-line basis over the lease term, and are subject to impairment.

**Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and investment property to determine whether there is any indication that the net book value is no longer supportable. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to dispose and its value-in-use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-investment property, the CGU is deemed to be each investment property.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and an impairment loss is recognised immediately in the income statement.

Where there has been a change in the estimates used to determine the recoverable amount and an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. An impairment loss reversal is recognised in the income statement.

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements (continued)**  
**for the 52 weeks to 1 March 2025**

**Lease liabilities**

Lease liabilities are recognised at the commencement date of the lease and are measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The Company's leases are discounted using the IBR.

The lease payments include fixed payments and variable lease payments that depend on an index or a rate (using the relevant rate at the commencement date of the lease), less any lease incentives receivable. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. For agreements which contain both lease and non-lease components, such as cleaning and maintenance services, the non-lease component is excluded from the lease payments used to measure the lease liabilities.

After the commencement date of the lease, the lease liability is subsequently measured at amortised cost using the effective interest rate method. The carrying amount of lease liabilities is remeasured when there is a change in the future lease payments due to a change in the lease term such as a recognition of an extension or break option, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

**Called up share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**3. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with IFRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Those which are significant to the Company are discussed separately below:

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

*Operating leases for lessors*

The Company earns rental income through commercial property leases on its portfolio of stores. At inception of each lease, the terms and conditions of the arrangements are evaluated to assess whether the lease terms constitute a major part of the economic life of the assets and whether the present value of the minimum lease payments amount to substantially all of the fair value of the commercial property. Where there is no evidence of this, management conclude that the significant risks and rewards of ownership do not transfer and these leases are accounted for as operating leases, with the underlying asset presented in the balance sheet and lease income recognised over the lease term on a straight-line basis.

*Lease term*

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option under some of its leases to either lease the assets for additional terms, or terminate the lease early (a break option). The Company applies judgement in evaluating whether it is reasonably certain to exercise these options. That is, it considers all relevant factors that create an economic incentive for it to exercise them. For leased properties, this includes the current and expected profitability of the respective site, as well as the length of time until the option can be exercised. The judgement currently applied is that the Company assumes contractual terms unless it is reasonably certain that an extension or break option will be applied.

After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the options to renew (e.g. a change in business strategy). Any reassessment of the lease term will be reflected in a recalculation of the lease liability and respective right-of-use asset.

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements (continued)**  
**for the 52 weeks to 1 March 2025**

**3. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Sources of estimation uncertainty**

The areas where estimates and assumptions are significant to the financial statements are as listed below. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

*Impairment of assets*

Non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

*Income taxes*

The Company recognises expected liabilities for tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made. Details of the tax charge are set out in note 7.

*Determining fair values*

The fair value of financial assets and liabilities are based on prices available from the market on which the instruments are traded. Where market values are not available, the fair values of financial assets and liabilities have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values of short-term deposits, trade receivables, overdrafts and payables are assumed to approximate to their book values.

*Fair value of Investment properties*

The Company carries its investment properties using the “cost method” which is cost less accumulated depreciation and any recognised impairment loss. For disclosure purposes the Company engaged an independent valuation specialist to assess fair values as at 1 March 2025. A valuation methodology based on a discounted cash flow (DCF) model was used. Please refer to note 8 for the key assumptions used to determine the fair value of the properties.

*Lease liabilities*

The discount rate used to calculate the lease liability is the rate implicit in the lease if it can be readily determined, or the Group’s incremental borrowing rate (IBR) if not.

The IBRs depend on the start date and term of the lease, and are determined based on a number of inputs including a reference (risk free) rate and adjustments to reflect the Group’s credit risk. The reference rates are based on UK overnight swap rates and the credit risk adjustments are based on the prices of instruments issued by the Group and quoted credit default swaps (“CDS”).

**4. Operating profit**

**Operating profit is stated after charging:**

	<b>2025</b>	2024
	<b>£m</b>	£m
Property operating expenses	<b>10</b>	10

There were £nil (2024: £nil) direct operating expenses arising from investment property that did not generate rental income during the year.

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements (continued)**  
**for the 52 weeks to 1 March 2025**

**5. Employees' and directors' emoluments**

The average monthly number of persons (including Directors) employed by the Company during the financial year was nil (2024: nil).

All of the Directors are also employees of the ultimate parent Company, J Sainsbury plc or other Group companies. The Directors' emoluments are borne by Sainsbury's Supermarkets Ltd, a Group Company that makes no recharge to the Company. It is not possible to make an accurate apportionment of the Directors' emoluments as they serve as Directors to a number of Group companies. Accordingly, the income statement does not include emoluments in respect of the Directors.

**6. Finance costs**

	2025	2024
	£m	£m
Lease liabilities	1	1
<b>Finance costs</b>	<b>1</b>	<b>1</b>

**7. Income tax expense**

	2025	2024
	£m	£m
<b>Current tax</b>		
UK corporation tax	26	25
Over provision in prior years	(26)	(4)
	-	21
<b>Total income tax expense in income statement</b>	<b>-</b>	<b>21</b>

The effective tax rate of 0% (2024: 23%) is lower than (2024: lower than) the standard rate of corporation tax in the UK. The differences are explained below:

	2025	2024
	£m	£m
<b>Profit before tax</b>	<b>96</b>	<b>91</b>
Income tax at UK corporation tax rate of 25% (2024: 25%):	24	23
Disallowed depreciation on UK properties	2	2
Over provision in prior years	(26)	(4)
	-	21

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements (continued)**  
**for the 52 weeks to 1 March 2025**

**8. Investment property**

	<b>Land and buildings</b>
	<b>£m</b>
<b>Cost</b>	
At 3 March 2024	<b>1,413</b>
<b>At 1 March 2025</b>	<b>1,413</b>
<b>Accumulated depreciation and impairment</b>	
At 3 March 2024	<b>179</b>
Depreciation expense	<b>10</b>
<b>At 1 March 2025</b>	<b>189</b>
<b>Net book value at 1 March 2025</b>	<b>1,224</b>
<b>Cost</b>	
At 5 March 2023	1,413
At 2 March 2024	1,413
<b>Accumulated depreciation and impairment</b>	
At 5 March 2023	170
Depreciation expense	9
At 2 March 2024	179
<b>Net book value at 2 March 2024</b>	<b>1,234</b>

The Company owns 54 (2024: 54) supermarket properties (land and buildings) with a net book value of £1,224 million (2024: £1,234 million). The properties have not been pledged as security for long-term financing.

The fair value of the Company's investment properties at 1 March 2025 was £1,701 million (2024: £1,698 million).

The valuation was carried out by CBRE Limited, independent valuers not connected with the Company. The basis of the valuation used in calculating the fair value of the investment property was the Oasis valuation (2024: Oasis valuation). The valuation is made under the Special Assumption that any existing leases have been dissolved and that a lease (known as an 'Oasis' lease) has been entered into at the date of valuation to Sainsbury's Supermarkets Ltd for a term of 25 years with annual upward only reviews linked to increases in RPI capped and collared at 4% and 0% respectively.

There are no restrictions on the realisability of Investment properties or the remittance of income or the remittance of income or proceeds on disposals. There are no contractual obligations to purchase, construct or develop Investment properties for repairs, maintenance or enhancements.

**Sainsbury Propco A Limited**  
**Notes to the Financial Statements (continued)**  
**for the 52 weeks to 1 March 2025**

**9. Other receivables**

	<b>2025</b>	2024
	<b>£m</b>	£m
<b>Non-current</b>		
Amounts owed by other Group companies	<b>405</b>	379
	<b>405</b>	379
<b>Current</b>		
Amounts owed by other Group companies	-	15
	-	15

Non-current amounts due from Group companies are denominated in pound sterling, are non-interest bearing and relate to the straight-lining of rent increases. Current amounts due from Group companies are denominated in pound sterling, are non-interest bearing and payable on demand. Amounts due from Group companies are not considered overdue or impaired.

**10. Other payables**

	<b>2025</b>	2024
	<b>£m</b>	£m
<b>Current</b>		
Amounts owed to other Group companies	<b>1,028</b>	1,110
	<b>1,028</b>	1,110

Amounts owed to other Group companies are denominated in sterling, are non-interest bearing and repayable on demand.

**11. Lease liabilities**

	<b>2025</b>	2024
	<b>£m</b>	£m
<b>At 1 March 2025 and 2 March 2024</b>	<b>8</b>	8
<b>Non-current</b>	<b>8</b>	8

**12. Called up share capital**

	<b>2025</b>	2024	<b>2025</b>	2024
	<b>million</b>	million	<b>£m</b>	£m
<b>Called up share capital</b>				
Authorised, allotted and fully paid ordinary shares at £1 each	<b>401</b>	401	<b>401</b>	401

**13. Parent and ultimate parent undertakings**

The immediate parent company is Sainsbury Holdco A Limited and the ultimate parent company and controlling party of the Company is J Sainsbury plc. Both companies are registered in the United Kingdom, and J Sainsbury plc forms the only group into which the financial statements of the Company are consolidated.

The most senior parent entity producing publicly available financial statements is J Sainsbury plc. These financial statements are available upon request from <https://www.about.sainsburys.co.uk/investors>.