

Tesco personal finance

Finance



Tesco now offers 21 financial products and services from loans and savings accounts to credit cards and insurance. It is the UK's third largest online car insurer with over 1.4 million active car insurance policies. It is continuously trying to improve its offer for customers and now offers the opportunity to purchase travel money in-store, by providing kiosks in seven stores. To date, over 70,000 customers have used this service. It has also made the purchase of premium bonds much more convenient for customers.

The partnership with National Savings & Investments (NS&I) and Tesco Personal Finance enables customers to pick up brochures for NS&I tax-free premium bonds, and its range of inflation-beating index-linked savings certificates, alongside their weekly shop. TELECOMS In the run up to Christmas 2005, Tesco was the third largest pay-as-you-go mobile retailer. We offer our customers a comprehensive range of landline phones, telecoms accessories, pay-as-you-go mobile phones and airtime. In December 2005, it launched its first dedicated telecoms centre in our Slough store.

Corporate responsibility

Culture Centres This year, we opened six new Culture Centres in our stores in South Korea, which offer 300 different sorts of educational and cultural programmes including dancing, karate and cookery lessons. We now have 37 of these centres with 350,000 members and 2,300 instructors. We raised 114 million KRW through various events, including a charity bazaar and staff fundraising, and we donated 50,000 products worth 350 million KRW to various charities.

Recycling with its customers This is an area that Tesco has invested in to make recycling easier and more attractive. In 2005 it invested over 600, 000 in new automated recycling machines for customers at its stores in Winchester, Havant, Portsmouth, Southampton, Andover and Royston and it plans to install these at many more stores. It believes this will enable it to double the amount its customers bring for recycling and this additional material would account for around 10% of the total additional tonnage needed to meet the UK's EU packaging recycling targets by 2008.

There are 7, 229508 outstanding, which implies that the value per share is given by $52, 902, 250 / 7, 229508 = 7. 3175 = 731. 75p$. The current share price is 473. 75p while the value calculated here is 731. 75p. This means that the stock is undervalued; it is therefore consistent with a buy or hold decision. In addition, the company is earning above its cost of equity capital. It's return on equity (ROE) is 16. 7% while its cost of capital is 13. 7% the company therefore earns a return of 3% above its equity cost of capital. This provides further evidence of a buy or hold decision. Sainsbury J Sainsbury plc is a United Kingdom-based food retailer with interests in financial services. The Company is principally engaged in grocery and related retailing, and financial services.

(<http://finance.google.com/finance?q=LON%3ASBRY>). J Sainsbury plc consists of Sainsbury's Supermarkets, Sainsbury's Online, convenience stores, Bells Stores, Jackson's Stores and Sainsbury's Bank. Sainsbury's Supermarkets is a food retailing chain in Britain. Sainsbury's Online is the Company's Internet-based home delivery shopping service, which operates from 97 stores. Bells Stores operates a chain of 54 convenience stores in <https://assignbuster.com/tesco-personal-finance/>

north east England. Jackson's Stores operates a chain of 114 stores across Yorkshire and the North Midlands in the United Kingdom.

Sainsbury's Bank, owned by J Sainsbury plc and HBOS plc group, offers a range of products, including savings and loan products. The Company's businesses are organised into two operating divisions: Retailing (supermarkets and convenience stores) and Financial Services. 'Active Kids', launched in March 2005, is our nationwide scheme to help inspire schoolchildren to take more exercise and to eat more healthily. It looks beyond standard, curriculum-based sports to encourage children to get involved in a whole range of non-traditional activities and to have fun while they are getting physically active.

In 2005 Sainbury donated over ? 17m of activity and sports equipment to schools across the UK, an average of ? 700 per school. Double Olympic gold medalist Dame Kelly Holmes is the ambassador for the scheme. She says, " I feel strongly that more kids should be offered the opportunity to try out fun activities. Enjoying being active is a springboard to getting involved in sport. " (<http://www.j-sainsbury.com/files/reports/cr2006/index.asp?pageid=61>) The scheme ran again from February to May 2006, with customers earning one 'Active Kids' voucher per 10 spent. We extended the scheme to nursery and special schools.

More than 30, 000 schools and nurseries signed-up. To encourage healthy eating, customers earned extra vouchers for money spent on foods marked with our healthy 'apple' stamp. For the first time this year, schools can not only redeem vouchers for activity and sports equipment but for coaching

from trained specialists. (<http://www.j-sainsbury.com/files/reports/cr2006/index.asp?pageid=61>) Our customer research shows that 95% of customers are aware of the 'Active Kids' scheme and 70% feel it is very important in supporting their local community. 'Active Kids' will run again in 2006/07. (<http://www.j-sainsbury.com/files/reports/cr2006/index.asp?pageid=61>)

Community Grants Supporting charities In 2005/06 we raised more than ? 3.2m for charity in its stores. This included ? 270,000 for Home-Start, a charity helping families with young children, and more than ? 330,000 through the charity donation boxes in stores. Sainsbury's has supported Comic Relief's Red Nose Day since 1999. In June 2005 it committed to working with Comic Relief for a further seven years, as its sole retail partner until 2011. It also committed for the first time to working with Sport Relief, set up by Comic Relief in association with BBC Sport, also until 2011.

The money raised by Comic Relief and Sport Relief helps poor and disadvantaged people in the UK and some of the poorest countries in the world to make long-term changes to their lives. Sainsbury has been donating food since 1998 to charities such as the Salvation Army, FareShare and Food For All. The food, which is safe, edible and nutritious, is beyond its display-by date but within its use-by date. Some food goes to zoos and animal sanctuaries if suitable social charities can't be found. We ended 2005/06 with 270 stores donating surplus food to charities, 27 more than last year.

However, overall volumes donated were down on last year. This was due to the development and implementation of new business processes to address

the root causes of having food surpluses in the first place. But the value of food donated to charity was still over ? 3. 3 million. Our target is to link each of our supermarkets with a charity by the end of March 2007. This will not only demonstrate our support for the less advantaged in our local communities, but will also reinforce our commitment to the environment by diverting even more of our surplus food from landfill sites.