

Investment in bp plc



**ASSIGN
BUSTER**

Reasons for choosing project topic The objective of writing this project is in partial fulfilment of being awarded the Bachelor of Science degree in Applied Accounting of the Oxford Brookes University, United Kingdom. The main reason for choosing the project topic, “ An Evaluation of the Business and Financial performance of J Sainsbury plc for the year ended 24 March 2006 – 22 March 2008”, was to assess and improve my professional ability to conduct a business and financial analysis of a publicly listed company.

Secondly, I have deep interest in specialising as a financial analyst and wanted to use my research project as a springboard to this career goal.

Saunders, et al. (2007) opined that embarking on research enables the development of knowledge in a particular field. Thirdly, I plan to develop a reusable financial analysis model that can be used to analyse the financial performance of similar companies in the retailing sector (in which J. Sainsbury plc operates). 1.

2 Reasons for choosing J. Sainsbury plc as case study There are four reasons for choosing J.

Sainsbury plc: Firstly, I decided to analyse the financial statements of this United Kingdom based company, and not a Nigerian company, because its financial statements comply with International Financial Reporting Standards (IFRSs) as adopted by the European Union (Sainsbury plc, 2008). My accounting studies have centred on the preparation and presentation of financial statements in compliance with IFRSs.

Compliance with IFRS requires an explicit and unreserved statement of such compliance in the notes (IASB, 2003).

Secondly, it was relatively easier to gain access to the annual reports and financial statements of J Sainsbury plc online compared to those of Nigerian companies that have not fully adopted financial reporting on the Internet. Thirdly, getting access to external data such as economic data relating to the UK economy and the food and groceries retailing sector was also relatively easier than getting such information about the Nigerian economy and any particular industry.

Fourthly, I wanted to be able to develop content for my Skills and Learning Statement by proving that my case study was on a foreign company to my country of domicile, which required getting most of my core data using the Internet. 1.

2. 1 About J Sainsbury plc J Sainsbury plc consists of Sainsburys Supermarkets – a chain of 504 supermarkets and 319 convenience stores and Sainsburys Bank 0 Sainsbury plc, 2008). 1 Sainsburys Supermarkets is the UK's longest standing major food retailing chain, having opened its first store in 18690 Sainsbury plc, 2008).

Sainsburys Supermarkets provides over 30, 000 food and non-food products and services, including financial services provided by Sainsburys Bank to more than 5 million customers per week. 1. 3 Project Aims and Objectives

The main aim of my research is to evaluate the extent to which the company achieved its ' Making Sainsburys Great Again (MSGA)' plan set in 2004.

This is to be done by analysing its financial performance, financial position and changes in financial position over three years (2006 to 2008).

My findings would be used to justify its current ‘Recovery to Growth’ expansion plan (Sainsbury plc, 2007). To achieve my aims, I have set the following project objectives: 1. To examine the different models, tools and techniques of assessing the strategic business and financial performance of companies. 2. To analyse the strategic direction and position of J.

Sainsbury plc. . To evaluate the operating and investment management, financing decisions and dividend policies of the company and their impact on the company’s growth and profitability. . To analyse the cash flow position and management in order to assess the ability of the company to achieve its ‘recovery to growth’ plans with or without additional external finance. 5.

To draw conclusions about the business and financial performance of J.

Sainsbury plc. 1. 4 Research Questions A key issue after choosing a project title and defining the project objectives is to focus the project (BPP, 2005).

To focus my research project I framed research questions to ensure a clear sense of purpose and direction for the research process.