

Notes to the financial statements

34 Related party transactions

Group

(a) Key management personnel

The key management personnel of the Group comprise members of the J Sainsbury plc's Board of Directors and the Operating Board.

The key management personnel compensation is as follows:

	2009 £m	2008 £m
Short-term employee benefits	11	7
Post-employment employee benefits	1	1
Share-based payments	10	9
	22	17

Details of transactions, in the normal course of business, with the key management personnel are provided below. The transactions occurred with Sainsbury's Bank plc. For this purpose, key management personnel include Group key management personnel and members of their close family.

	Credit card balances Number of key management personnel	Credit card balances £m	Saving deposit accounts Number of key management personnel	Saving deposit accounts £m
At 23 March 2008	4	–	2	(1)
Amounts advanced/(received) ¹	6	–	5	(1)
Interest earned	2	–	7	–
Amounts withdrawn	6	–	3	1
At 21 March 2009	5	–	7	(1)
At 25 March 2007	4	–	2	–
Amounts received ¹	3	–	4	(1)
Interest earned/(paid)	1	–	1	–
Amounts withdrawn ²	4	–	3	–
At 22 March 2008	4	–	2	(1)

1 Includes existing balances of new appointments.

2 Includes existing balances of resignations.

(b) Joint ventures

Transactions with joint ventures

For the 52 weeks to 21 March 2009, the Group entered into various transactions with joint ventures as set out below.

	2009 £m	2008 £m
Sales of inventories	3	6
Management services provided	17	20
Interest income received in respect of interest bearing loans	3	3
Sale of assets	34	74
Management services received	(1)	–
Rental expenses paid	(67)	(4)

Year-end balances arising from transactions with joint ventures

	2009 £m	2008 £m
Receivables		
Other receivables	2	7
Loans due from joint ventures		
Floating rate subordinated undated loan capital ¹	25	25
Floating rate subordinated dated loan capital ²	30	30
Payables		
Loans due to joint ventures	(48)	(5)

1 The undated subordinated loan capital shall be repaid on such date as the Financial Services Authority shall agree in writing for such repayment and in any event not less than five years and one day from the dates of draw down. In the event of a winding up of Sainsbury's Bank plc, the loan is subordinated to ordinary unsecured liabilities. Interest is payable three months in arrears at LIBOR plus a margin of 1.0 per cent per annum for the duration of the loan.

2 No repayment of dated subordinated debt prior to its stated maturity may be made without the consent of the Financial Services Authority. In the event of a winding up of Sainsbury's Bank plc, the loan is subordinated to ordinary unsecured liabilities. Interest is payable three months in arrears at LIBOR plus a margin of 0.6 per cent per annum for the duration of the loan.

Notes to the financial statements continued

Company

(a) Key management personnel

The key management personnel of the Company comprise members of the J Sainsbury plc's Board of Directors. The Directors do not receive any remuneration from the Company (2008: £nil) as their emoluments are borne by subsidiaries. The Company did not have any transactions with the Directors during the financial year (2008: £nil).

(b) Subsidiaries

The Company enters into loans with its subsidiaries at both fixed and floating rates of interest on a commercial basis. Hence, the Company incurs interest expense and earns interest income on these loans and advances. The Company also received dividend income from its subsidiaries during the financial year.

Transactions with subsidiaries

	2009 £m	2008 £m
Loans and advances given to, and dividend income received from subsidiaries		
Loans and advances given	402	284
Loans and advances repaid by subsidiaries	(423)	(360)
Interest income received in respect of interest bearing loans and advances	119	115
Dividend income received	250	250
Loans and advances received from subsidiaries		
Loans and advances received	(944)	(321)
Loans and advances repaid	689	202
Interest expense paid in respect of interest bearing loans and advances	(201)	(277)

Year-end balances arising from transactions with subsidiaries

	2009 £m	2008 restated ¹ £m
Receivables		
Loans and advances due from subsidiaries	1,374	1,279
Payables		
Loans and advances due to subsidiaries	(5,516)	(5,127)

¹ The restatement of certain comparative amounts is explained in note 2 on page 52.

(c) Joint ventures

Transactions with joint ventures

For the 52 weeks to 21 March 2009, the Company entered into transactions with joint ventures as set out below.

	2009 £m	2008 £m
Services and loans provided to joint ventures		
Management services received	(1)	–
Interest income received in respect of interest bearing loans	3	3

Year-end balances arising from transactions with joint ventures

	2009 £m	2008 £m
Receivables		
Other receivables	–	1
Loans due from joint ventures		
Floating rate subordinated undated loan capital ¹	25	25
Floating rate subordinated dated loan capital ²	30	30
Payables		
Loans due to joint ventures	(5)	(5)

¹ The undated subordinated loan capital shall be repaid on such date as the Financial Services Authority shall agree in writing for such repayment and in any event not less than five years and one day from the dates of draw down. In the event of a winding up of Sainsbury's Bank plc, the loan is subordinated to ordinary unsecured liabilities. Interest is payable three months in arrears at LIBOR plus a margin of 1.0 per cent per annum for the duration of the loan.

² No repayment of dated subordinated debt prior to its stated maturity may be made without the consent of the Financial Services Authority. In the event of a winding up of Sainsbury's Bank plc, the loan is subordinated to ordinary unsecured liabilities. Interest is payable three months in arrears at LIBOR plus a margin of 0.6 per cent per annum for the duration of the loan.