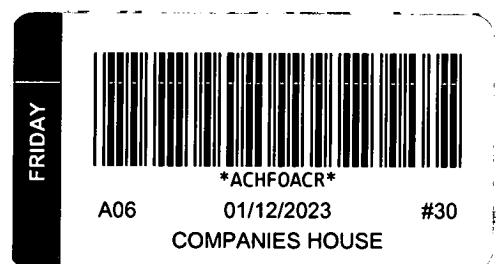


Registered number  
872776

Home Retail Group Holdings (Overseas) Limited  
Annual Report and Financial Statements

For the 52 weeks ended  
4 March 2023



**Home Retail Group Holdings (Overseas) Limited**  
**Annual Report and Financial Statements**  
**For the 52 weeks ended 4 March 2023**

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# **Home Retail Group Holdings (Overseas) Limited**

## **Strategic report**

### **for the 52 weeks ended 4 March 2023**

#### **Principal activities, business review and future developments**

The principal activity of Home Retail Group Holdings (Overseas) Limited (the "Company") is that of a holding company. It is envisaged that this will remain the activity of the Company for the foreseeable future. The results and dividends are discussed on page 3.

#### **Company performance and position**

Home Retail Group Holdings (Overseas) Limited is a non-trading company, however during the year it received a dividend from an associate company and paid a dividend to its parent, amounting to £7,519,868 (2022: £8,541,817). There was no impairment charge in the year (2022: £nil), resulting in an overall profit of £7,519,868. At the year-end, the Company had net assets of £15,155,000 (2022: £15,155,000).

#### **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 4 March 2023. 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. The Directors primarily used finance meetings to consider and engage with the Group. These interactions informed key decisions that the Directors made during the year, such as approving the Company's financial statements.

Further details on how the Group engaged with its stakeholders, can be found in the 2023 Annual Report for J Sainsbury plc on pages 24-29.

#### **Principal risks and uncertainties**

The management of business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to be the ability of its debtor to repay its loan. Further details of these risks and uncertainties in the context of the J Sainsbury plc group (the "Group"), which includes the Company, as a whole is provided on pages 38 to 52 of the Group's 2022 annual report which does not form part of this report.

#### **Financial risk management**

The Group operates a centralised treasury function which is responsible for managing the market risk (foreign exchange and interest rate risk), credit risk and liquidity risks associated with the Group's activities. These activities include those of the Company. The Group operates a structured risk management process which identifies, evaluates and prioritises risks and uncertainties.

The Group's treasury function seeks to reduce exposures to foreign exchange, interest rate and other financial risks, and to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Policies and procedures are subject to review and approval by the Group's Board of Directors as well as subject to internal audit review.

##### *Market risk*

The Company has no exposure to interest rate fluctuations as all amounts receivable and payable to Group companies are non-interest bearing.

##### *Credit risk*

The Company monitors its group receivable balances on an ongoing basis with any provision for impairments made as required. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Company does not hold any collateral as security.

The Company's treasury transactions are managed centrally by the Group treasury function. The Group's exposure to credit risk with regard to treasury transactions is managed by dealing only with major banks and financial institutions. Dealing activity is closely controlled and counterparty positions are monitored on a regular basis.

##### *Liquidity risk*

The Company's liquidity risk is managed centrally by the Group treasury function.

**Home Retail Group Holdings (Overseas) Limited**  
**Strategic report (continued)**  
**for the 52 weeks ended 4 March 2023**

**Key performance indicators (KPIs)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

By the order of the Board

*Irina Beech*  
Irina Beech (Sep 5, 2023 13:17 GMT+1)

I Beech  
**Director**  
5 September 2023

## Home Retail Group Holdings (Overseas) Limited

### Directors' report for the 52 weeks ended 4 March 2023

The directors present their report and unaudited financial statements of the Company for the 52 weeks ended 4 March 2023 (the year) (Prior year: 52 weeks to 5 March 2022).

#### Registered number

The registered number of the Company is 872776.

#### Results and dividends

The Company did not make a trading profit, but received £7,519,868 dividend income from its investment (2022: £8,541,817). There was no impairment charge in the year (2022: £nil), resulting in an overall profit of £7,519,868. The directors do not recommend the payment of a final dividend (2022: £nil), however total interim dividends of £7,519,868 (2022: £8,541,817) were paid in February 2023. The future developments of the business, principal risks and uncertainties and financial risk management are discussed within the Strategic report on page 1.

#### Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the financial statements.

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 that held office during the year and up to the date of approval of the financial statements were as follows:

Sainsbury's Corporate Director Limited  
I Beech

#### Secretary

The Company secretaries that held office during the year and up to the date of approval of the financial statements were as follows:

Sainsbury's Corporate Secretary Limited

#### Director's liability insurance and third-party indemnification provisions

The Directors are indemnified to the extent permitted by the Articles of Association of the Company in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout 2022/23 which was renewed for 2023/24. The insurance covers all Directors and Officers of companies in the Group. Neither the indemnities nor insurance provide cover in the event that the Director or Officer is proved to have acted fraudulently.

#### Audit exemption

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. For the year ended 4 March 2023, the Company was entitled to exemption from audit under section 477 of the Companies Act relating to small companies.

Directors' responsibilities in respect of audit exemption:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

By order of the Board

Irina Beech  
Irina Beech (Sep 5, 2023 13:17 GMT+1)

I Beech  
Director  
5 September 2023

## Home Retail Group Holdings (Overseas) Limited

### Statement of Directors' responsibilities

### for the 52 weeks ended 4 March 2023

The directors are responsible for preparing the Strategic Report and Directors' 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- make judgments and 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 proper accounting records that 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 and Directors' report, that comply with that law and those regulations.

By order of the Board

*Irina Beech*

Irina Beech (Sep 5, 2023 13:17 GMT+1)

I Beech

Director

5 September 2023

**Home Retail Group Holdings (Overseas) Limited**  
**Profit and loss account**  
**For the 52 weeks ended 4 March 2023**

	Notes	52 weeks ended 4 March 2023 £'000	52 weeks ended 5 March 2022 £'000
Impairment charge		-	-
Operating loss		-	-
Income from shares in group undertakings		7,520	8,542
<b>Profit on ordinary activities before taxation</b>		<b>7,520</b>	<b>8,542</b>
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		<b>7,520</b>	<b>8,542</b>

**Statement of comprehensive income**  
**For the 52 weeks ended 4 March 2023**

	52 weeks ended 4 March 2023 £'000	52 weeks ended 5 March 2022 £'000
Profit for the financial year	7,520	8,542
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<b>7,520</b>	<b>8,542</b>

**Home Retail Group Holdings (Overseas) Limited**  
**Balance sheet**  
**As at 4 March 2023**

	Notes	2023 £'000	2022 £'000
<b>ASSETS</b>			
<b>Fixed assets</b>			
Investments	7	4,839	4,839
<b>Total fixed assets</b>		<b>4,839</b>	<b>4,839</b>
<b>Current assets</b>			
Debtors	8	-	10,316
<b>Total current assets</b>		<b>-</b>	<b>10,316</b>
<b>Non-current assets</b>			
Debtors	8	10,316	-
<b>Total non-current assets</b>		<b>10,316</b>	<b>-</b>
<b>Total assets</b>		<b>15,155</b>	<b>15,155</b>
<b>Net assets</b>		<b>15,155</b>	<b>15,155</b>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Share premium account		4,612	4,612
Capital redemption reserve		1	1
Profit and loss account		10,541	10,541
<b>Total shareholders' funds</b>		<b>15,155</b>	<b>15,155</b>

For the year ended 4 March 2023, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts.

The financial statements on pages 5 to 11 were approved by the Board of Directors and were signed on their behalf by:

Leon Smith  
Leon Smith (Sep 5, 2023 13:16 GMT+1)

**Registered number 872776**

L Smith (on behalf of Sainsburys Corporate Director Limited)  
**Director**  
5 September 2023



**Home Retail Group Holdings (Overseas) Limited**  
**Statement of changes in equity**  
**For the 52 weeks ended 4 March 2023**

	Attributable to owners of the Company				
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 6 March 2022	1	4,612	1	10,541	15,155
Total comprehensive income for the year	-	-	-	7,520	87,520
Transactions with Owners:					
Equity dividends paid during the year	-	-	-	(7,520)	(7,520)
Total transactions with owners	-	-	-	(7,520)	(7,520)
<b>Balance at 4 March 2023</b>	<b>1</b>	<b>4,612</b>	<b>1</b>	<b>10,541</b>	<b>15,155</b>

	Attributable to owners of the Company				
	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 7 March 2021	1	4,612	1	10,541	15,155
Total comprehensive income for the year	-	-	-	8,542	8,542
Transactions with Owners:					
Equity dividends paid during the year	-	-	-	(8,542)	(8,542)
Total transactions with owners	-	-	-	(8,542)	(8,542)
<b>Balance at 5 March 2022</b>	<b>1</b>	<b>4,612</b>	<b>1</b>	<b>10,541</b>	<b>15,155</b>

# **Home Retail Group Holdings (Overseas) Limited**

## **Notes to the financial statements**

### **For the 52 weeks ended 4 March 2023**

#### **1. GENERAL INFORMATION**

Home Retail Group Holdings (Overseas) Limited (the Company) is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company's registered address is 33 Holborn, London, EC1N 2HT.

The financial year represents the 52 weeks to 4 March 2023 (prior financial year 52 weeks to 5 March 2022).

#### **2. BASIS OF PREPARATION**

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared on a going concern basis and under the historic cost convention. The principal accounting policies applied in the preparation of these financial statements are set out in note 3. Unless otherwise stated, these policies have been consistently applied to all the periods presented.

##### **Statement of compliance**

The Company's financial statements are prepared in accordance with 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 2023 of J Sainsbury plc, available on the Group's website: [www.sainsburys.co.uk](http://www.sainsburys.co.uk).

The key disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present a cash flow statement.
- The requirements of paragraph 17 of IAS 24, Related Party Transactions, to disclose information related to key management personnel, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries.
- The requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new standards issued but which are not yet effective.
- The requirements of IFRS 7 and IFRS 13 for disclosure of financial instruments and fair values.
- The requirements to present roll-forward reconciliations in respect of share capital (IAS 1).

##### **Going concern**

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

##### **Accounting estimates and assumptions**

The preparation of financial statements in conformity with FRS 101 requires the use of 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. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

##### **Changes in accounting standards**

There are no new standards, amendments to existing standards or interpretations which are effective for the first time during the year ended 4 March 2023 that have a material impact on the Company.

**Home Retail Group Holdings (Overseas) Limited**  
**Notes to the financial statements**  
**For the 52 weeks ended 4 March 2023 (continued)**

**3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES**

**Investments**

Investments are included in the balance sheet at cost. Where appropriate, a provision is made for any impairment in their value.

**Impairment of assets**

Assets are subject to impairment reviews whenever changes in events or circumstances indicate that an impairment may have occurred. Assets are written down to the higher of fair value less costs to sell and value-in-use. Value-in-use is calculated by discounting the expected cash flows from the asset at an appropriate discount rate for the risks associated with that asset. This includes estimates of both the expected cash flows and an appropriate discount rate which use management's assumptions and estimates of the future performance of the asset. Differences between expectations and the actual cash flows will result in differences in the level of impairment required.

A previously recognised impairment loss is reversed if there has been a significant change in the underlying assumptions used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined, net of amortisation or depreciation, if no impairment loss had been recognised in prior years.

**Current tax**

Current tax is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

**Financial instruments**

The only financial instruments of the Company relate to loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the debtor. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. They are included in current assets. Loans and receivables comprise group debtors.

**Dividend income**

Dividend income is recognised when the right to receive payment is established.

**4. NET OPERATING EXPENSES**

Costs of £nil (2022: £3,000) for the annual audit of the financial statements of the Company are borne by Argos Limited, and no recharge is made to the Company.

**5. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION**

The Company had no employees in either years other than the Company directors.

No director received emoluments in respect of their services to the Company during the year (2022: £nil).

**Home Retail Group Holdings (Overseas) Limited**  
**Notes to the financial statements**  
**For the 52 weeks ended 4 March 2023 (continued)**

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**Factors affecting the tax charge**

The effective tax rate for the year of nil% (2022: nil%), is lower than the standard rate of corporation tax in the UK of 19.0% (2022: 19.0%). The differences are explained below:

	52 weeks ended 4 March 2023 £'000	52 weeks ended 5 March 2022 £'000
Profit before tax on ordinary activities	7,520	8,542
Profit before tax multiplied by the standard rate of corporation tax in the UK	(1,429)	(1,623)
Effects of:		
Transfer pricing adjustments	-	(29)
Income not taxable	1,429	1,623
Loss relief claimed for nil consideration	-	29
<b>Total tax credit</b>	<b>-</b>	<b>-</b>

It was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This change was enacted during the accounting period.

As a result, existing temporary differences on which deferred tax has been provided have been revalued, where appropriate, to reflect the fact they will now unwind at 25% rather than 19%. The impact of this is £nil.

The Spring Budget on 21 March 2023 confirmed the introduction of Pillar 2 reporting requirements for the UK. This has not been enacted to date, but the rules are expected to apply to the Company. Pillar 2 reporting will see the introduction of a global minimum 15 per cent tax rate by the end of 2023, and the Company will be required to file certain returns evidencing the payment of tax at this rate. The potential impact of this is currently being assessed, but the Company does not consider there to be a material exposure at this stage.

**7. INVESTMENTS**

	Subsidiaries/Associates £'000
Cost	
At 4 March 2023 and 5 March 2022	7,514
Impairment at 4 March 2023	(2,675)
Net book value	
At 4 March 2023 and 5 March 2022	4,839

The Company holds 37.5% of the issued ordinary shares of Sainsbury's Argos Asia Limited, a holding company, which is incorporated in Hong Kong.

An impairment charge of £nil (2022: £nil) has been recognised in the year in respect of the investment in Sainsbury's Argos Asia Limited. In the opinion of the directors the value of the investment is not less than the amount at which the investment is stated in the balance sheet.

**Home Retail Group Holdings (Overseas) Limited**  
**Notes to the financial statements**  
**For the 52 weeks ended 4 March 2023 (continued)**

**8. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by immediate parent company	-	10,315
Corporation tax	1	1
<b>Amounts falling due after one year:</b>		
Amounts owed by immediate parent company	10,315	-
	<b>10,316</b>	<b>10,316</b>

The amounts owed by the immediate parent company are unsecured, repayable on demand and non-interest bearing. No balances owed by the immediate parent company are past due or impaired.

**9. CALLED UP SHARE CAPITAL**

	2023 £	2022 £
<b>Authorised, allotted, called-up and fully paid:</b>		
500 (2022: 500) ordinary shares at £1 each	500	500

**10. ULTIMATE PARENT UNDERTAKINGS**

The Company's ultimate parent and controlling party is J Sainsbury plc (a company registered in England and Wales). The largest and smallest group of undertakings for which group financial statements have been prepared was that of J Sainsbury plc which are publicly available from its official website: <https://www.about.sainsburys.co.uk/investors>; or by writing to its registered office: 33 Holborn, London, EC1N 2HT.

**11. SUBSIDIARIES AND RELATED UNDERTAKINGS**

Undertaking	Address of the undertaking	Direct/indirect holding	Percentage of ordinary shares held
Sainsbury's Argos Asia Limited (Hong Kong) Limited	A	Direct	37.5
Sainsbury's Argos Asia Technical Limited	B	Indirect	37.5
Sainsbury's Argos Asia Commercial Limited	B	Indirect	37.5
Sainsbury's Argos Asia Sourcing Limited	A	Indirect	37.5
Sainsbury's Argos Commercial Consultancy (Shanghai) Limited	B	Indirect	37.5

**A:** Unit 904 9/F Tower 2, The Quayside, 77 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong

**B:** 26/F., Tower 1, Kerry Everybright City Phase III – Enterprise Centre, No 128 West Tian Mu Road, Ahzbei, Shanghai, 200070, Shanghai, People's Republic of China