

Registered number
4288193

Stanhope Finance Limited
Annual Report and Financial Statements

For the 52 weeks ended
9 March 2019



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Stanhope Finance Limited

Strategic report for the 52 weeks ended 9 March 2019

Principal activities, business review and future developments

Stanhope Finance Limited's (the "Company") principal activity is to act as a non-trading 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 2.

Company performance and position

Stanhope is a non-trading company. At the year-end, the Company had net assets of £449,643,000 (2018: £449,657,000).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the J Sainsbury plc and its subsidiaries (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 30 to 36 of the Group's Annual Report and Financial Statements 2019, which do 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 - interest rate 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.

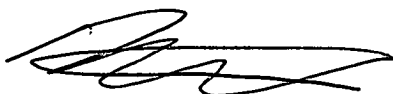
Liquidity risk

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

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 order of the Board



DC Wheeler on behalf of Sainsburys Corporate Director Limited
27 November 2019

Stanhope Finance Limited

Directors' report for the 52 weeks ended 9 March 2019

The Directors present their report and the audited financial statements of the Company for the 52 weeks ended 9 March 2019 (the year). The prior financial year's financial statements were for the 52 weeks to 10 March 2018.

Registered number

The registered number of the Company is 4288193.

Results and dividends

The Company did not trade during the year, but incurred a tax charge of £13,924 (2018: £2,614). The Directors do not recommend the payment of a dividend (2018: £nil). 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.

Directors

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

C L Catlin	(appointed 15 February 2019)
Sainsburys Corporate Director Limited	(appointed 15 February 2019)
S Goodluck	(resigned 15 February 2019)
R J Mynard	(resigned 15 February 2019)

There were no other appointments or resignations.

Company Secretary

The Company Secretary of the Company who held office during the financial year and up to the date of signing the financial statements is shown below:

Julia Foo (appointed 14 June 2019)
Tim Fallowfield (resigned 14 June 2019)

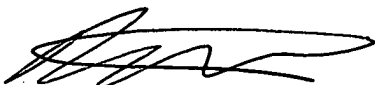
Disclosure of information to auditors

Each of the Directors confirms that, so far as they are aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

Ernst & Young LLP, have indicated their willingness to continue in office.

By order of the Board



DC Wheeler on behalf of Sainsburys Corporate Director Limited
27 November 2019

Stanhope Finance Limited
Statement of Directors' responsibilities
for the 52 weeks ended 9 March 2019

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

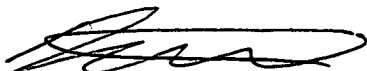
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

By order of the Board



DC Wheeler on behalf of Sainsburys Corporate Director Limited
27 November 2019

Independent auditors' report to the members of Stanhope Finance Limited

We have audited the financial statements of Stanhope Finance Limited for the 52-week period ended 9 March 2019 which comprise the Profit and loss account, Statement of comprehensive income, the Balance sheet, the statement of changes in equity and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 9 March 2019, and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
-
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Independent auditors' report to the members of Stanhope Finance Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

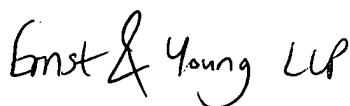
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ben Marles (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date 3 December 2019

Stanhope Finance Limited
Profit and loss account
For the 52 weeks ended 9 March 2019

		52 weeks ended 9 March 2019	52 weeks ended 10 March 2018
	Notes	£'000	£'000
Turnover		-	-
Cost of sales		-	-
Operating profit		-	-
Net interest receivable/(payable) and similar charges		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	6	(14)	(3)
Loss for the financial year		(14)	(3)

Statement of comprehensive income
For the 52 weeks ended 9 March 2019

	52 weeks ended 9 March 2019	52 weeks ended 10 March 2018
	£'000	£'000
Loss for the financial year	(14)	(3)
Total comprehensive expense for the year attributable to owners of the Company	(14)	(3)

Stanhope Finance Limited
Balance sheet
As at 9 March 2019

	Notes	9 March 2019 £'000	10 March 2018 £'000
ASSETS			
Current assets			
Debtors	7	449,657	449,660
Total current assets		449,657	449,660
Total assets		449,657	449,660
LIABILITIES			
Current liabilities			
Creditors	8	(14)	(3)
Total current liabilities		(14)	(3)
Net assets		449,643	449,657
Capital and reserves			
Called up share capital	9	370	370
Share premium account		450,130	450,130
Profit and loss account		(857)	(843)
Total shareholders' funds		449,643	449,657

The financial statements on pages 6 to 12 were approved by the Board of Directors and were signed on their behalf by:



DC Wheeler on behalf of Sainsburys Corporate Director Limited
27 November 2019

**Registered
Number
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Stanhope Finance Limited
Statement of changes in equity
For the 52 weeks ended 9 March 2019

	Attributable to owners of the Company			
	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 10 March 2018	370	450,130	(843)	449,657
Total comprehensive expense for the year	-	-	(14)	(14)
Balance at 9 March 2019	370	450,130	(857)	449,643

	Attributable to owners of the Company			
	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 11 March 2017	370	450,130	(840)	449,660
Total comprehensive expense for the year	-	-	(3)	(3)
Balance at 10 March 2018	370	450,130	(843)	449,657

Stanhope Finance Limited
Notes to the financial statements
For the 52 weeks ended 9 March 2019

1. GENERAL INFORMATION

Stanhope Finance 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 Company is a part of J Sainsbury plc group.

The financial year represents the 52 weeks ended 9 March 2019 (prior financial year 52 weeks to 10 March 2018).

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

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act) as applicable to companies using FRS 101.

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 EU-adopted 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 2019 of J Sainsbury plc, available on the Group's website: www.j-sainsbury.co.uk.

FRS 101 sets out amendments to IFRS as adopted by the European Union 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 9 March 2019.

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), property, plant and equipment (IAS 16), intangible assets (IAS 38).

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.

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.

Stanhope Finance Limited
Notes to the financial statements
For the 52 weeks ended 9 March 2019 (continued)

2. BASIS OF PREPARATION (continued)

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 9 March 2019 that have a material impact on the Company.

3. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

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 receivable. 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, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise group receivables.

4. NET OPERATING EXPENSES

Costs of £5,000 (2018: £2,956) 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

Other than the Company Directors the Company had no employees in either year.

No Director received emoluments in respect of their services to the Company during the year (2018: £nil).

Stanhope Finance Limited
Notes to the financial statements
For the 52 weeks ended 9 March 2019 (continued)

6. TAXATION

	52 weeks ended 9 March 2019 £'000	52 weeks ended 10 March 2018 £'000
Analysis of charge in the year		
Current tax:		
Current year tax	-	-
Under provision in prior years	(14)	(3)
Total tax charge in the profit and loss account	(14)	(3)

Factors affecting the tax charge

The effective tax rate for the current year is nil (2018: nil), although there is a tax charge arising from a previous year. This differs from the standard rate of corporation tax in the UK of 19.0% (2018: 19.06%). The differences are explained below:

	52 weeks ended 9 March 2019 £'000	52 weeks ended 10 March 2018 £'000
Result before tax on ordinary activities	-	-
Result before tax multiplied by the standard rate of corporation tax in the UK	-	-
Effects of:		
Under provision in prior years	(14)	(3)
Transfer pricing adjustments	(1,794)	(1,457)
Loss relief claimed for nil consideration	1,794	1,457
Total tax charge in the profit and loss account	(14)	(3)

Factors that may affect future tax charges

The main rate of corporation tax rate reduction to 17 per cent effective from 1 April 2020 was substantively enacted in the prior year, so its effect is reflected in these financial statements. Deferred tax on temporary differences and tax losses as at the balance sheet date is calculated at the substantively enacted rates at which the temporary differences and tax losses are expected to reverse.

7. DEBTORS

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Amounts owed by immediate parent company	449,657	449,660

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

8. CREDITORS

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Amounts owing to fellow subsidiary	(14)	(3)

The amount owing to the fellow subsidiary company is unsecured, repayable on demand and non-interest bearing.

Stanhope Finance Limited
Notes to the financial statements
For the 52 weeks ended 9 March 2019 (continued)

9. CALLED UP SHARE CAPITAL

	2019 £'000	2018 £'000
Allotted, called-up and fully paid:		
370,000 (2018: 370,000) ordinary shares at £1 each	370	370

10. ULTIMATE PARENT UNDERTAKINGS

The Company's ultimate parent and controlling party 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: <http://www.j-sainsbury.co.uk/investors>; or by writing to its registered office: 33 Holborn, London, EC1N 2HT.