

Registered number  
4288193

Stanhope Finance Limited  
Annual Report and Financial Statements

For the 52 weeks ended  
4 March 2023

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**Stanhope Finance Limited**  
**Annual Report and Financial Statements**  
**For the 52 weeks ended 4 March 2023**

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# **Stanhope Finance Limited**

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

### **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 3.

### **Company performance and position**

Stanhope is a non-trading company. At the year-end, the Company had net assets of £449,643,000 (2022: £449,643,000).

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of 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 44 to 57 of the Group's Annual Report and Financial Statements 2023, which do not form part of this report.

### **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.

### **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.

**Stanhope Finance Limited**  
**Strategic report for the 52 weeks ended 4 March 2023 (continued)**

**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.

**Dormant company**

The Company did not trade during the year and was dormant within the meaning of sections 1169 and 480 of the Companies Act 2006 through the year.

*Irina Beech*  
Irina Beech (Sep 1, 2023 18:15 GMT+1)  
By order of the Board

I Beech  
Director  
1 September 2023

## **Stanhope Finance Limited**

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

The Directors present their report and the financial statements of the Company for the 52 weeks ended 4 March 2023 (the year). The prior financial year's financial statements were for the 52 weeks to 5 March 2022.

#### **Registered number**

The registered number of the Company is 4288193.

#### **Results and dividends**

The Company did not trade during the year. The Directors do not recommend the payment of a dividend (2022: £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.

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:

Sainsburys Corporate Director Limited  
I Beech

There were no other appointments or resignations.

#### **Company Secretary**

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

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 2022/223 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.

By order of the Board

*Irina Beech*

Irina Beech (Sep 1, 2023 18:15 GMT+1)

I Beech

Director

1 September 2023

## **Stanhope Finance Limited**

### **Statement of Directors' responsibilities**

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

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 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 1, 2023 18:15 GMT+1)

I Beech  
**Director**  
1 September 2023

**Stanhope Finance Limited**  
**Profit and loss account**  
**For the 52 weeks ended 4 March 2023**

		<b>52 weeks ended 4 March 2023</b>	<b>52 weeks ended 5 March 2022</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
Turnover		-	-
Cost of sales		-	-
<b>Operating profit</b>		-	-
Net interest receivable/(payable) and similar charges		-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Tax credit on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		-	-

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

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

**Stanhope Finance Limited**  
**Balance sheet**  
**As at 4 March 2023**

	Notes	4 March 2023 £'000	5 March 2022 £'000
<b>ASSETS</b>			
<b>Current assets</b>			
Debtors	7	-	449,643
<b>Total current assets</b>		-	449,643
<b>Non-current assets</b>			
Debtors	7	449,643	-
<b>Total non-current assets</b>		449,643	-
<b>Total assets</b>		449,643	449,643
<b>Net assets</b>		449,643	449,643
<b>Capital and reserves</b>			
Called up share capital	8	370	370
Share premium account		450,130	450,130
Profit and loss account		(857)	(857)
<b>Total shareholders' funds</b>		449,643	449,643

For the year ended 4 March 2023 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

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 10 were approved by the Board of Directors and were signed on their behalf by:

Leon Smith  
 Leon Smith (Sep 1, 2023 18:06 GMT+1)

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

**Registered  
 Number  
 4288193**

**Stanhope Finance 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	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 6 March 2022	370	450,130	(857)	449,643
Total comprehensive income for the year	-	-	-	-
<b>Balance at 4 March 2023</b>	<b>370</b>	<b>450,130</b>	<b>(857)</b>	<b>449,643</b>

	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 7 March 2021	370	450,130	(857)	449,643
Total comprehensive income for the year	-	-	-	-
<b>Balance at 5 March 2022</b>	<b>370</b>	<b>450,130</b>	<b>(857)</b>	<b>449,643</b>

# **Stanhope Finance Limited**

## **Notes to the financial statements**

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

#### **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 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**

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.

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. 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.

**Stanhope Finance Limited**  
**Notes to the financial statements**  
**For the 52 weeks ended 4 March 2023 (continued)**

**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 £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**

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 (2022: £nil).

**6. TAXATION**

**Factors affecting the tax charge**

The effective tax rate for the current year is nil (2022: nil), is difference from 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
<b>Result before tax on ordinary activities</b>	-	-
Result before tax multiplied by the standard rate of corporation tax in the UK	-	-
<b>Effects of:</b>		
Transfer pricing adjustments	-	(1,247)
Loss relief claimed for nil consideration	-	1,247
<b>Total tax in the profit and loss account</b>	-	-

**Stanhope Finance Limited**  
**Notes to the financial statements**  
**For the 52 weeks ended 4 March 2023 (continued)**

**6. TAXATION (continued)**

**Factors that may affect future tax charges**

In the current period, the substantively enacted UK Corporation tax rate applicable to the company from 1 April 2020 was increased from 17 per cent to 19 per cent. It was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25 per cent from 1 April 2023.

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. DEBTORS**

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by immediate parent company	-	449,643
<b>Amounts falling due after one year:</b>		
Amounts owed by immediate parent company	449,643	-
<b>Total</b>	<b>449,643</b>	<b>449,643</b>

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. CALLED UP SHARE CAPITAL**

	2023 £'000	2022 £'000
<b>Authorised, allotted, called-up and fully paid:</b>		
370,000 (2022: 370,000) ordinary shares at £1 each	370	370

**9. 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.