Registered number: 07111226

Flint Castle Limited

Annual Report and Financial Statements

For the 52 weeks to 16 March 2013

Flint Castle Limited
Directors' report
for the 52 weeks to 16 March 2013
Registered company number: 07111226

The Directors present their report and the audited financial statements of Flint Castle Limited ('the Company') for the accounting period for the 52 weeks to 16 March 2013 The prior year's financial statements were for the 52 weeks to 17 March 2012

Principal activities and review of business
The principal activity of the Company is to act as a Limited Partner in Sainsbury's Property Scottish Limited Partnership (the 'Partnership') The role of Limited Partner as laid out by the Limited Partnership Agreement (dated 12 May 2010) gives the Company no part in the management or control of the business and affairs of the Partnership

The Company's profit for the financial year is £55 (2012 £54) The financial position as at 16 March 2013 is shown in the balance sheet set out on page 7

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 51 to 53 of the J Sainsbury plc Annual Report and Financial Statements 2013, which do not form part of this report

Future developments
No change is planned in the activities of the Company in the next financial year

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

Financial risk management
The financial risk management and policies of the Company are disclosed in note 12 of the financial statements

Dividends
The Directors do not recommend the payment of a dividend (2012 £nil)

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 The ultimate parent company, J Sainsbury plc, will continue to support the Company Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

Directors
The names of the persons who were Directors at any time during the financial year and up to the date of signing the financial statements are set out below Unless otherwise indicated they served as Directors for the entire financial year

E Barker (appointed 18 April 2012)
Sainsburys Corporate Director Limited
R Fleming (resigned 18 April 2012)

Directors' indemnities

The Directors are entitled to be indemnified by the ultimate parent company, J Sainsbury plc, to the extent permitted by law and the Articles of Association 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 2012/13, which was renewed for 2013/14 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

Disclosure of information to auditors

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office

By order of the Board

Philip Davies
Company Secretary
30 July 2013

Flint Castle Limited
Statement of Directors' responsibilities

The Directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 year In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union 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 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

Philip Davies
Company Secretary
30 July 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLINT CASTLE LIMITED

We have audited the financial statements of Flint Castle Limited for the 52 weeks ended 16 March 2013 which comprise the Income statement, Statement of comprehensive income, Balance sheet, Cash flow statement, Statement of changes in equity and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 16 March 2013 and of its profit and cash flows for the 52 weeks then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Simon Morley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 July 2013

Flint Castle Limited
Income statement
for the 52 weeks to 16 March 2013

	Note	2013 £	2012 £
Revenue		**5**	5
Operating profit	3	**5**	5
Finance income	5	**50**	49
Profit before taxation		**55**	54
Income tax expense	6	-	-
Profit for the financial year		**55**	54

Statement of comprehensive income
for the 52 weeks to 16 March 2013

There was no other comprehensive income or expense during the financial year or the prior financial year

Flint Castle Limited
Balance sheet
As at 16 March 2013 and 17 March 2012

	Note	2013 £	2012 £
Non-current assets			
Investments	7	**100**	100
Current assets			
Other receivables	8	**10,153**	10,098
Total assets		**10,253**	10,198
Current liabilities			
Other payables	9	**(100)**	(100)
Net current assets		**10,053**	9,998
Net assets		**10,153**	10,098
Equity			
Called up share capital	10	**10,001**	10,001
Retained earnings	11	**152**	97
Total equity		**10,153**	10,098

The financial statements on pages 6 to 14 were approved by the Board of Directors on 30 July 2013, and are signed on its behalf by

E Barker

E Barker
Director

Flint Castle Limited
Cash flow statement
for the 52 weeks to 16 March 2013

There were no cash flows arising in the Company during the current or prior financial year

Statement of changes in equity
for the 52 weeks to 16 March 2013

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 18 March 2012	**10,001**	**97**	**10,098**
Profit for the year	**-**	**55**	**55**
At 16 March 2013	**10,001**	**152**	**10,153**
At 20 March 2011	10,001	43	10,044
Profit for the year	-	54	54
At 17 March 2012	**10,001**	**97**	**10,098**

Flint Castle Limited
Notes to the financial statements
for the 52 weeks to 16 March 2013

1 General information

Flint Castle Limited is a private limited company incorporated and domiciled in the United Kingdom The Company's registered address is 33 Holborn, London EC1N 2HT

The Company's financial year represents the 52 weeks to 16 March 2013 (prior financial year 52 weeks to 17 March 2012)

2 Accounting policies

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and International Financial Reporting Interpretations Committee ("IFRIC") interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS

(b) Basis of preparation

The financial statements are presented in sterling, to the nearest pound (£) unless otherwise stated They have been prepared on a going concern basis under the historical cost convention

The preparation of financial statements in conformity with IFRS requires the use of judgements, 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 The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources Actual results may differ from these estimates The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2c

New standards, interpretations and amendments to published standards
Effective for the Company in these financial statements:

- Amendments to IFRS 1 'First time adoption of IFRS', Severe hyperinflation and removal of fixed dates for first-time adopters
- Amendments to IFRS 7 'Financial instruments Disclosures', Disclosures on transfers of financial assets

The Company has considered the above amendments to published standards that are effective and concluded that they are either not relevant to the Company or that they would not have a significant impact on the Company's financial statements, apart from additional disclosures

Effective for the Company for the financial year beginning 17 March 2013:

- Amendment to IAS 1, 'Presentation of financial statements', Presentation of items of other comprehensive income
- Amendments to IAS 12 'Income Taxes', Deferred tax accounting for investment properties
- IAS 19 (revised), 'Employee benefits' *
- Amendment to IFRS 1, 'First-time adoption', Government loans
- Amendment to IFRS 7, 'Financial instruments Disclosures', Disclosures on assets and liabilities offsetting*
- IFRS 13, 'Fair value measurement'*
- Annual Improvements 2011*

* These standards and interpretations have been endorsed by the EU

The Company has considered the remaining above amendments to published standards and new standards that are not yet effective and concluded that they are either not relevant to the Company

2 Accounting Policies (continued)

or that they would not have a significant impact on the Company's financial statements, apart from additional disclosures

The following standards and revisions will be effective for future years:

- IAS 27 (revised) 2011, 'Separate financial statements' *
- IAS 28 (revised) 2011, 'Associates and joint ventures' *
- IFRS 9, 'Financial instruments' – classification of financial assets and financial liabilities ^
- IFRS 10, 'Consolidated financial statements' *
- IFRS 11, 'Joint arrangements' *
- IFRS 12, 'Disclosure of interests in other entities' *
- Amendment to IAS 32, 'Financial instruments Presentation', Offsetting financial assets and liabilities*
- Amendment to IFRS 10,11 and 12 on transition guidance*

* These standards are effective for accounting periods starting on or after 1 January 2014
^ This standard is effective for accounting periods starting on or after 1 January 2015

The Company has considered the impact of the above standards and revisions and has concluded that they will not have a significant impact on the Company's financial statements, apart from additional disclosures

The accounting policies set out below have been applied consistently to all financial years presented in the financial statements and have been applied consistently by the Company

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 The ultimate parent company, J Sainsbury plc, will continue to support the Company Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

Financial instruments

Financial assets

Loans and receivables are non-derivative financial assets, initially recognised at fair value, plus transaction costs, then subsequently carried at amortised cost

Financial liabilities

Bank loans and payables are initially recorded at fair value net of direct issue costs, which are generally the proceeds received They are then subsequently carried at amortised cost

Revenue

Revenue is earned by means of a distribution of profits from the Company's investment in Sainsbury's Property Scottish Limited Partnership, of which the Company is a Limited Partner

Finance income

Finance income is recognised in the income statement for financial assets and liabilities measured at amortised cost using the effective interest method

Investments

Investments in partnerships are carried at cost in the financial statements of the Partnership

Current taxation

Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the balance sheet date Current tax is charged or credited to the income statement, except when it relates to items charged to equity or other comprehensive income, in which case the current tax is also dealt with in equity, or other comprehensive income, respectively

2 Accounting Policies (continued)

Called up share capital

Ordinary shares are classified as equity Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds

(c) Judgements and estimates

The Company makes judgements and assumptions concerning the future that impact the application of policies and reported amounts The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below

Income taxes

The Company recognises expected liabilities for tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the year when such determination is made Detail of the tax charge and deferred tax are set out in note 6

3 Operating profit

The auditors' remuneration, in the current year, has been borne by Sainsbury's Supermarkets Ltd, a Group company that makes no recharge to the Company

4 Employee Costs

The average monthly number of persons (including Directors) employed by the Company during the financial year was nil (2012 nil)

All of the Directors are also employees of the ultimate parent company, J Sainsbury plc, or other Group companies The Directors' emoluments are borne by Sainsbury's Supermarkets Ltd, a Group company that makes no recharge to the Company It is not possible to make an accurate apportionment of the Directors' emoluments as they serve as Directors to a number of Group companies Accordingly, the income statement does not include emoluments in respect of the Directors

5 Finance income

	2013	2012
	£	£
Interest receivable from Group companies	**50**	49
Finance income	**50**	49

6 Income tax

	2013	2012
	£	£
Current tax expense	-	-
Total income tax expense in income statement	-	-

Flint Castle Lımited
Notes to the financial statements (continued)
for the 52 weeks to 16 March 2013

6 Income tax (continued)

The effectıve tax rate ıs lower than the standard rate of corporatıon tax ın the UK The dıfferences are explaıned below

	2013 £	2012 £
Profıt before taxatıon	**55**	54
Income tax at UK corporatıon tax rate of 24 08% (2012 26 07%)	**13**	14
Effects of		
Share of partnershıp profıts	**-**	1
Transfer prıcıng adjustment	**(1)**	65
Group relıef claımed for nıl consıderatıon	**(12)**	(80)
Total ıncome tax expense ın ıncome statement	**-**	-

On 21 March 2012, the Chancellor announced that the maın rate of UK corporatıon tax would reduce to 23 0 per cent for the fınancıal year commencıng 1 Aprıl 2013 Thıs was substantıvely enacted on 3 July 2012

In addıtıon to thıs, a number of further changes to the UK corporatıon tax system were announced ın the 5 December 2012 and the 20 March 2013 UK Budget Statements The maın rate of corporatıon tax ıs expected to reduce to 21 0 per cent from 1 Aprıl 2014, and to 20 0 per cent from 1 Aprıl 2015 Neıther of these expected rate reductıons had been substantıvely enacted at the balance sheet date and, therefore, theır effect ıs not ıncluded ın the fınancıal statements

7 Investments

	2013 £	2012 £
At beginning and end of the year	**100**	100

The Company has taken advantage of the exemptıon conferred by Regulatıon 7 of the Partnershıps (Accounts) Regulatıons 2008 and has therefore not appended the fınancıal statements of thıs qualıfyıng partnershıp to these fınancıal statements

8 Other receıvables

	2013 £	2012 £
Current		
Amounts due from parent company	**1**	1
Amounts due from Group companıes	**10,152**	10,097
	10,153	10,098

Amounts due from Group companıes are denomınated ın sterlıng and are ınterest bearıng at the fıxed rate of 0 5 per cent per annum

Amounts due from Group companıes are repayable on demand and not consıdered ımpaıred

Flint Castle Limited
Notes to the financial statements (continued)
for the 52 weeks to 16 March 2013

9 Other payables

	2013 £	2012 £
Current		
Amounts due to Group companies	**100**	**100**

Amounts due to Group entities are non-interest bearing and are repayable on demand

10 Called up share capital

	2013 number	2013 £	2012 number	2012 £
Called up share capital				
Allotted and fully paid - £1 ordinary shares	**10,000**	**10,000**	10,000	10,000
Allotted and unpaid - £1 ordinary shares	**1**	**1**	1	1

11 Retained earnings

	2013 £	2012 £
At start of financial year	**97**	43
Profit for the financial year	**55**	54
At end of financial year	**152**	97

12 Financial risk management

Treasury management
Treasury policies are reviewed and approved by the ultimate parent company's board The J Sainsbury plc Chief Executive and Chief Financial Officer have joint delegated authority from the ultimate parent company's board to approve finance transactions

The Group operates a central treasury function which is responsible for managing the Company's liquid resources, funding requirements and interest rate and currency exposures

Interest rate risk
The Company has no exposure to interest rate risk fluctuations as amounts due to and from Group companies carry fixed rates of interest

Liquidity risk
The Company's exposure to liquidity risk is managed by funding cash flow requirements from the parent company

Credit risk
The Company's exposure to credit risk is limited to amounts due from Group companies

Capital risk management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide services to the Group and to maintain an optimal capital structure

13 Related party transactions

The ultimate parent company and controlling party of the Company is J Sainsbury plc, which is registered in England and Wales, and forms the only group into which the financial statements of the Company are consolidated Copies of the parent company's financial statements may be obtained from www j-sainsbury co uk

13 Related party transactions (continued)

(a) Key management personnel

The key management personnel of the Company comprise of the Board of Directors The Directors do not receive any remuneration from the Company as their emoluments are borne by Group companies The Company did not have any transactions with the Directors during the financial year

(b) Transactions with parent company

	2013 £	2012 £
Year end balances arising from transactions with parent company		
Receivables		
Amounts due from parent company	**1**	1

(c) Transactions with Group companies

	2013 £	2012 £
Advances given to Group companies		
Interest income in respect of interest bearing loans	**50**	49
Distribution of profits from Sainsbury's Property Scottish Limited Partnership	**5**	5
Year end balances arising from transactions with Group companies		
Receivables		
Amounts due from Group companies	**10,152**	10,097

(d) Transactions with other related parties

There have been no transactions with other related parties during the financial year