

Registered number. 07111228

Tintagel Castle Limited

Annual Report and Financial Statements



For the period 22 December 2009 to 19 March 2011

Tintagel Castle Limited
Directors' report
for the period to 19 March 2011
Registered company number: 07111228

The Directors present their report and the audited financial statements of Tintagel Castle Limited ("the Company") for the accounting period from the date of incorporation of the Company on 22 December 2009 to 19 March 2011. Accordingly, there are no comparatives presented in this report.

Business review and principal activities

The principal activity of the Company is to act as a partner in a property partnership called Sainsbury's Property Scottish Partnership (the 'Partnership'). The Company's profit for the period is £50,114. The Directors do not recommend payment of a dividend.

Future outlook

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

Key performance indicators (KPIs)

The key performance indicators of the Company are substantially those of the Group. The development, performance and position of J Sainsbury plc, which includes the Company, is discussed on pages 2 to 13 of the J Sainsbury plc Annual Report and Financial Statements 2011, which does not form part of this report.

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 group ("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 36 to 37 of the J Sainsbury plc Annual Report and Financial Statements 2011 which does not form part of this report.

Directors

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

R Fleming (appointed 22 December 2009)
Sainsburys Corporate Director Limited (appointed 22 December 2009)

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 has executed deeds of indemnity for the benefit of each Director in respect to liabilities which may attach to them in their capacity as Directors. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout the 15 month period. 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.

Financial risk management

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

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.

Tintagel Castle Limited
Directors' report (continued)
for the period to 19 March 2011

Post-balance sheet events

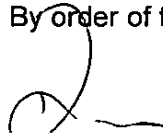
On 25 March 2011 a capital contribution was made by the Company to the Partnership of £100,600,000

On 1 July 2011 a further distribution of £50,000 was made to the Company by the Partnership

Independent auditors

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

By order of the Board



Philip Davies
Company Secretary
15 July 2011

Tintagel 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 elected to prepare 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 period. 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 International Financial Reporting Standards (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.

By order of the Board



Philip Davies
Company Secretary
15 July 2011

Independent Auditors' Report to the members of Tintagel Castle Limited

We have audited the financial statements of Tintagel Castle Limited for the period ended 19 March 2011 which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Cash flow statement, the 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.

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 19 March 2011 and of its profit and cash flows for the period 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.

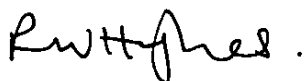
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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.



Richard Hughes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date 15 July 2011

Tintagel Castle Limited
Income statement
for the period to 19 March 2011

	Note	2011 £
Income		50,000
Operating profit	3	50,000
Finance income	5	114
Profit before and after taxation for the financial period		50,114
Attributable to:		
Equity holders		50,114

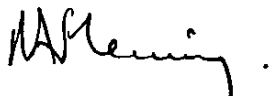
Statement of comprehensive income
for the period to 19 March 2011

	2011 £
Profit for the period	50,114
Other comprehensive income/(expense)	-
Total comprehensive income for the period	50,114

Tintagel Castle Limited
Balance sheet
As at 19 March 2011

	Note	2011 £
Non-current assets		
Investments	7	55,570,000
Current assets		
Other receivables	8	60,115
Current liabilities		
Other payables	9	(55,570,000)
Net current liabilities		(55,509,885)
Net assets		60,115
Equity		
Called up share capital	10	10,001
Retained earnings	11	50,114
Total equity		60,115

The financial statements on pages 6 to 14 were approved by the Board of Directors on 15 July 2011, and are signed on its behalf by



Richard Fleming
Director

Tintagel Castle Limited
Cash flow statement
for the period to 19 March 2011

There were no cash flows arising in the Company in the current period

Statement of changes in equity
for the period to 19 March 2011

	Called up share capital £	Retained earnings £	Total Equity £
At 22 December 2009	-	-	-
Share issue	10,001	-	10,001
Profit for the year	-	50,114	50,114
At 19 March 2011	10,001	50,114	60,115

Tintagel Castle Limited
Notes to the financial statements
for the period to 19 March 2011

1 General information

Tintagel 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 period represents the 15 month period from incorporation on 22 December 2009 to 19 March 2011.

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 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.

The Directors believe that the going concern basis is applicable for the preparation of the accounts as the ultimate parent company, J Sainsbury plc, has confirmed its present intention to provide financial support such that the Company is able to repay its liabilities as they fall due.

New standards, interpretations and amendments to published standards
Effective for the Group for the financial period beginning 20 March 2011:

- IAS 24 'Related Party Disclosures' revised definition of related parties
- IFRIC 19 'Extinguishing financial liabilities with equity instruments'
- Amendments to IFRIC 14 'Prepayments of a minimum funding requirement'
- Amendments to certain IFRSs and IASs arising from the May 2010 Annual Improvements to IFRS by the IASB

The Company has considered the above new standards, interpretations and amendments to published standards that are not yet 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.

The following new standards and interpretations have not yet been endorsed by the EU:

- Amendments to IFRS 7 'Financial Instruments: Disclosures' enhancing disclosures about transfers of financial assets
- IFRS 9 'Financial Instruments'
- Limited scope amendments to IAS 12 'Income Taxes'

The accounting policies set out below have been applied consistently in the financial statements by the Company.

Tintagel Castle Limited
Notes to the financial statements (continued)
for the period to 19 March 2011

2 Accounting policies (continued)

Income

Income is earned by means of a distribution of profits from the Company's investment in Sainsbury's Property Scottish Partnership

Investments

Investments in partnerships are carried at cost less any impairment loss 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.

Deferred taxation

Deferred tax is accounted for on the basis of temporary differences arising from differences between the tax base and accounting base of assets and liabilities.

Deferred tax is recognised for all temporary differences, except to the extent where it arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit. It is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income.

Deferred tax is provided on temporary differences associated with investments in subsidiaries, branches, joint ventures and partnerships except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(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.

Tintagel Castle Limited
Notes to the financial statements (continued)
for the period to 19 March 2011

2 Accounting policies (continued)
(c) Judgements and estimates (continued)

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 period 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 period, 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.

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

	2011 £
Interest receivable from Group companies	114
Finance income	114

6 Income tax

	2011 £
Current tax expense	
Current year	-
Total income tax expense in income statement	-

The effective tax rate is different to the standard rate of corporation tax in the UK. The differences are explained below.

	2011 £
Profit before taxation	50,114
Income tax at UK corporation tax rate of 28.00%	14,032
Effects of	
Share of partnership profits	(7,227)
Transfer pricing adjustment	(466,284)
Group relief claimed for nil consideration	459,479
Total income tax expense in income statement	-

Tintagel Castle Limited
Notes to the financial statements (continued)
for the period to 19 March 2011

6 Income tax (continued)

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax would reduce from 28 per cent to 27 per cent with effect from 1 April 2011. This change was substantively enacted in July 2010 and hence the effect of the change on the deferred tax balances has been included in the figures above.

In addition to this, a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. A resolution passed by Parliament on 29 March 2011 reduced the main rate of corporation tax to 26% from 1 April 2011. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, their effect is not included in these financial statements.

7 Investments

	2011 £
At 22 December 2009	-
Additions	55,570,000
At 19 March 2011	55,570,000

On 8 January 2010, the Company became a partner (together with another related partnership, Sainsbury's Property Scottish Limited Partnership) in a newly formed Scottish partnership, Sainsbury's Property Scottish Partnership. The Company has taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 and has therefore not appended the accounts of this qualifying partnership to these accounts. Separate accounts for this partnership are not required to be, and have not been, filed at Companies House.

8 Other receivables

	2011 £
Current	
Amounts due from parent company	1
Amounts due from Group companies	60,114
	60,115

Amounts due from Group companies are denominated in sterling and are interest bearing at the fixed rate of 0.5 per cent per annum.

Amounts due from Group companies are not considered overdue or impaired.

9 Other payables

	2011 £
Current	
Amounts due to Group companies	55,570,000

Current amounts due to Group entities are non-interest bearing and are repayable on demand.

Tintagel Castle Limited
Notes to the financial statements (continued)
for the period to 19 March 2011

10 Called up share capital

	2011 number	2011 £
Called up share capital		
Allotted and fully paid - £1 ordinary shares	10,000	10,000
Allotted and unpaid - £1 ordinary shares	1	1

11 Retained earnings

	£
At 22 December 2009	-
Profit for the period	50,114
At 19 March 2011	50,114

12 Financial risk management

Interest rate risk

The Company has no exposure to interest rate fluctuations as amounts due to parent company and borrowings carry fixed rates of interest

Sensitivity analysis

Amounts due to parent company and borrowings are at fixed rates of interest and a change in interest rates at the reporting date would not affect the income statement

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

(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 period.

(b) Transactions with parent company

	2011 £
Advances given to parent company	
Unpaid share capital due from parent company	1
Year end balances arising from transactions with parent company	
Receivables	
Amounts due from parent company	1

Tintagel Castle Limited
Notes to the financial statements (continued)
for the period to 19 March 2011

13 Related party transactions (continued)

(c) Transactions with Group companies

	2011
	£
Advances given to Group companies	
Advances given to Group companies	10,000
Interest income in respect of interest bearing loans	114
Distribution income	50,000
Year end balances arising from transactions with Group companies	
Receivables	
Advances due from Group companies	60,114

During the period, distribution income of £50,000 was earned by the Company through distributions made by Group companies

14 Events after the balance sheet date

On 25 March 2011 £100,600,000 was lent to the Company by Sainsbury's Supermarkets Ltd, a Group company, to enable a further capital contribution which was made by the Company to the Partnership totalling £100,600,000 to enable the Partnership to acquire properties which it leased back to another related Group company

On 1 July 2011 a further distribution of £50,000 was made to the Company by Sainsbury's Property Scottish Partnership