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COMPANY NUMBER: 210098
FOREIGN COMPANY NUMBER: FC024449

JS FINANCE CORPORATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS TO 19 MARCH 2011



JS Finance Corporation
Directors' report
for the 52 weeks to 19 March 2011
Foreign company number: FC024449

The Directors present their report and audited financial statements of JS Finance Corporation ('the Company') for the 52 weeks to 19 March 2011

Business review and principal activities

The Company acts as an intermediate holding company on behalf of its ultimate parent undertaking, J Sainsbury plc

The Company has not traded during the year or the preceding financial year. During the year, the Company received no income and incurred no expenditure and therefore the Company's profit for the financial period is £nil (2010: £nil)

The Directors do not recommend payment of a dividend (2010: nil pence per share)

Future developments

The financial position as at 19 March 2011 was deemed satisfactory. No change is planned in the activities of the Company in the next financial period.

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.

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 do not form part of this report.

Books of account

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedure and employment of competent persons. The books of account are kept at 33 Holborn, London EC1N 2HT.

Holding Company

The Company is a subsidiary of J Sainsbury Holdings, incorporated in the Republic of Ireland and Stamford House Investments Limited, incorporated in the United Kingdom. The ultimate parent company is J Sainsbury plc, incorporated in the United Kingdom.

Directors and their interests

The names of the persons who were Directors at any time during the 52 weeks to 19 March 2011 are set out below. Unless otherwise indicated they served as Directors for the entire period.

Richard Learmont	
Richard Fleming	(appointed 28 July 2010)
John Rogers	(resigned 28 July 2010)

JS Finance Corporation
Directors' report (continued)
for the 52 weeks to 19 March 2011

The Directors do not have any interests in the share capital of the Company, or any of its subsidiaries. The beneficial interests of the Directors and their families in the shares of the ultimate parent company J Sainsbury plc and options granted under the J Sainsbury plc employees shares schemes are shown below

	Ordinary shares ⁽¹⁾ at 20 March 2010 or date of appointment if later	Ordinary shares ⁽¹⁾ At 19 March 2011
RJ Learmont	11,943	12,044
R Fleming	11,085	48,407

(1) Ordinary shares are beneficial holdings which include the Directors' personal holdings and those of their spouses and minor children. They also include the beneficial interest in shares which are held in trust under the Sainsbury's Share Purchase Plan

J Sainsbury plc Long-term Incentive Plan 2006

The table below shows the conditional awards granted under this plan, which would be released if the Group achieves maximum vesting

	Date of grant	Maximum share award ¹	Number of shares lapsed	Number of dividend shares allocated 19 May 2010	Number of options released	Share price at date of award (pence)	First exercise date	Last exercise date
RJ Learmont	20 06 07	23,296	4,660	1,230	10,548	583 5	12 05 10	11 05 12
	28 05 08	23,128				352 0	11 05 11	10 05 13
	24 06 09	25,884				314 8	10 05 12	09 05 14
	21 06 10	25,940				329 3	09 05 13	08 05 15
R Fleming	20 06 07	19,712	3,943	1,040	8,924	583 5	12 05 10	11 05 12
	28 05 08	34,724				352 0	11 05 11	10 05 13
	24 06 09	60,904				314 8	10 05 12	09 05 14
	21 06 10	77,824				329 3	09 05 13	08 05 15

(1) The maximum share award, assumes full vesting

(2) The performance conditions attaching to the award are return on capital employed and growth in cash flow per share. Further information can be found in the Annual Report and Accounts of J Sainsbury plc. The performance of the award made in June 2007 was tested in May 2010 and a multiplier of 3.2 was achieved. The number of shares between the maximum multiplier (4.0) and the multiplier achieved have been lapsed. Half of the achieved award vested in May 2010 whilst the remainder of the achieved award will vest in May 2011. The number of dividend shares on the first vesting was determined by a five-day average share price from 13 to 19 May 2010.

	Number of options released during the year	Number of options exercised during the year	Mid market price on date of exercise pence	Lapsed during the year	Number of options held 19 March 2011	Exercise price pence	Date from which exercisable	Date of expiry
RJ Learmont	10,548	-	-	-	-	-	-	-
R Fleming	8,924	8,924	350 41	3,943	-	nil	-	-

JS Finance Corporation
Directors' report (continued)
for the 52 weeks to 19 March 2011

J Sainsbury plc Deferred Share Award

The table below shows the number of deferred shares awarded to participants in May 2010. There are no further performance measures attached to the awards. They will be released in the form of nil-cost options.

	Date of grant	Deferred share award	Share price at date of award pence	First exercise date	Last exercise date
R Fleming	20 05 10	9,288	316 6	10 05 12	09 05 20

Notes

- There were no exercises or lapses under this Plan during the year
- The exercise price is nil

J Sainsbury plc Saving-Related Share Option Plan ("SAYE")

At the end of the year, the Directors' SAYE share options were as follows

	Number of options as at 20 March 2010	Number of options granted during the year	Number of options exercised during the year	Number of options as at 19 March 2011	Exercise price pence	Date from which exercisable	Date of expiry
R Learmont	-	1,212	-	1,212	297 0	01 3 14	31 08 14
R Fleming	2,900	-	-	2,900	331 0	01 03 11	31 08 11

Note

- The SAYE Plan is an all employee share option plan and has no performance conditions as per HMRC Regulations

In the period from 20 March 2010 to 19 March 2011, the highest mid-market price of the Company's shares was 395 0 pence and the lowest mid-market price was 312 9 pence. At 19 March 2011 the Company's share price was 351 0 pence.

Transactions involving Directors

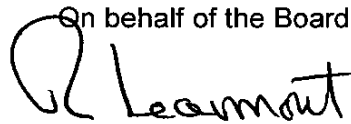
There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 1990, at any time during the 52 weeks to 19 March 2011.


Independent auditors

The auditors, PricewaterhouseCoopers will continue in office in accordance with the provision of section 160 of the Companies Act 1963.

The financial statements were approved by the Board of Directors on 23 September 2011.

On behalf of the Board


 RJ Learmont
 Director


 R Fleming
 Director

23 September 2011

**JS Finance Corporation
for the 52 weeks to 19 March 2011**

Statement of Directors' responsibilities for financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable Irish law and generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland

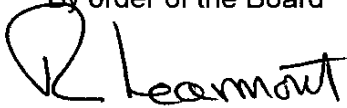
Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Acts, 1963 to 2009. 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



RJ Learmont
Director



R Fleming
Director

23 September 2011

Independent auditors' report to the shareholders of JS Finance Corporation

We have audited the financial statements on pages 7 to 11. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies on page 9.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to

- whether the Company has kept proper books of account,
- whether the Directors' report is consistent with the financial statements, and
- whether at the balance sheet date there existed a financial situation which may require the Company to convene an extraordinary general meeting, such a financial situation may exist if the net assets of the Company, as stated in the balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the shareholders of JS Finance Corporation (continued)

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 19 March, and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' report on pages 1 to 3 is consistent with the financial statements.

The net assets of the Company, as stated in the balance sheet on page 8 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 19 March 2011 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
26 September 2011

JS Finance Corporation
Profit and loss account
for the 52 weeks to 19 March 2011

The Company has not traded during the year or the preceding financial year. During these years, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

Statement of movement in profit and loss account
for the 52 weeks to 19 March 2011

	2011 £	2010 £
Balance at beginning of period	22,616,029	22,616,029
Profit for the financial period	-	-
Retained at end of period	22,616,029	22,616,029

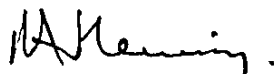
The Company has no recognised gains or losses, and therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial period stated above, and their historical cost equivalents.

On behalf of the Board



RJ Learmont
Director



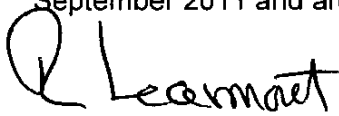
R Fleming
Director

23 September 2011

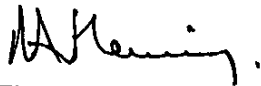
JS Finance Corporation
Balance sheet
at 19 March 2011 and 20 March 2010

	Note	2011 £	2010 £
Current assets			
Amounts owed by parent companies due within one year	5	22,707,641	22,707,641
		22,707,641	22,707,641
Current liabilities			
Amounts due to fellow subsidiary companies due within one year	6	(91,610)	(91,610)
Net current assets		22,616,031	22,616,031
Net assets		22,616,031	22,616,031
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		22,616,029	22,616,029
Total shareholders' funds	8	22,616,031	22,616,031

The financial statements on pages 7 to 11 were approved by the Board of Directors on 23 September 2011 and are signed on its behalf by



RJ Learmont
Director



R Fleming
Director

JS Finance Corporation
Notes to the financial statements
for the 52 weeks to 19 March 2011

1. Accounting policies and estimates

The significant accounting policies and estimates adopted by the Company are as follows

(a) Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

The financial year represents the 52 weeks to 19 March 2011. The previous financial year represents the 52 weeks to 20 March 2010.

(b) Accounting convention

The financial statements have been prepared under the historical cost convention.

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

Foreign currencies

Monetary assets and liabilities in foreign currencies have been translated at the exchange rates in effect at the balance sheet date. All exchange differences are dealt with in arriving at profit before taxation. The reporting currency is the pound sterling ("£").

Taxation

Corporation tax on the profit or loss for the period comprises current tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment for tax payable in respect of previous periods.

2. Administration expenses

Any expenses incurred, including auditors' remuneration, have been borne by the ultimate parent undertaking, J Sainsbury plc, or other Group undertakings.

3. Employees and Directors' remuneration

The average monthly number of persons (including Directors) employed by the Company during the year was nil (2010: nil).

All of the Directors are also Directors or employees of the parent company J Sainsbury plc, and in some cases are Directors of other group undertakings. For those Directors who are also Directors of J Sainsbury plc their emoluments are borne by Sainsbury's Supermarkets Ltd. However, the Directors do not believe it is possible to meaningfully allocate their emoluments between their respective duties. The emoluments of those Directors who are Directors of the ultimate parent company are disclosed in the financial statements of J Sainsbury plc. The Directors do not receive any remuneration from the Company (2010: £nil).

JS Finance Corporation
Notes to the financial statements (continued)
for the 52 weeks to 19 March 2011

4. Tax on profit on ordinary activities

	2011 £	2010 £
Profit before taxation	-	-
Corporation tax at 28% (2010 28%)	-	-
Effects of		
Group relief claimed	(189,975)	(350,820)
Transfer pricing adjustment	189,975	350,820
Tax on profit on ordinary activities	-	-

The Company is incorporated in the Republic of Ireland and is a tax resident in the United Kingdom

5. Advances to parent companies due within one year

	2011 £	2010 £
Amounts owed by parent companies due within one year	2	2
Amounts owed by ultimate parent company due within one year	22,707,639	22,707,639
	22,707,641	22,707,641

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

6. Current liabilities (amounts falling due within one year)

	2011 £	2010 £
Amounts due to fellow subsidiary undertakings	91,610	91,610

Amounts due to fellow subsidiary undertakings are unsecured, interest free and repayable on demand

7. Called up share capital

	2011 £	2010 £
Authorised		
2 ordinary shares of £1 each	2	2
Issued and fully paid		
2 ordinary shares of £1 each	2	2

8. Statement of movement on shareholders' funds – equity interests

	2011 £	2010 £
Profit for period retained	-	-
Opening shareholders' funds	22,616,031	22,616,031
Closing shareholders' funds	22,616,031	22,616,031

JS Finance Corporation
Notes to the financial statements (continued)
for the 52 weeks to 19 March 2011

9. Ultimate parent company

The immediate shareholders are J Sainsbury Holdings, incorporated in the Republic of Ireland, and Stamford House Investments Limited, incorporated in the United Kingdom

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

10. Cash flow statement

The Directors have availed themselves of the exemptions in Financial Reporting Standard No 1 (Revised) which permits greater than 90% owned subsidiaries of an undertaking which itself produces a cash flow statement and whose consolidated financial statements are publicly available, not to produce a cash flow statement

11. Related party disclosures

The controlling parties of the Company are J Sainsbury Holdings and Stamford House Investments Limited which are both controlled by J Sainsbury plc, the ultimate parent company

The Company has availed of the exemption provided in Financial Reporting Standard Number 8 (Amended), "Related Party Disclosures", whereby transactions entered into between two or more members of a group are not required to be disclosed, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group