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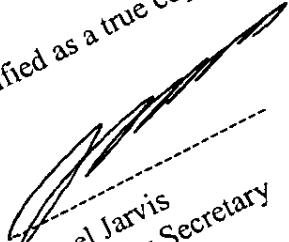
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JS FINANCE CORPORATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS TO 21 MARCH 2009

Certified as a true copy


Hazel Jarvis
Company Secretary

**JS Finance Corporation
Directors' report
For the 52 weeks to 21 March 2009**

The Directors present their report and audited financial statements of JS Finance Corporation ('the Company') for the 52 weeks to 21 March 2009.

Principal activities and review of business

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

The directors do not recommend payment of a dividend (2008: nil pence per share).

Future developments

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 page 22 of the J Sainsbury plc Annual Report and Financial Statements 2009, 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.

Results and dividends

The Company's profit for the financial period is £nil (2008: £22,616,029)
During the year, there were no ordinary dividends paid (2008: £nil).

Directors and their interests

The names of the persons who were Directors at any time during the 52 weeks to 21 March 2009 are set out below. Unless otherwise indicated they served as Directors for the entire period.

R J Learmont
J T Rogers

JS Finance Corporation
Directors' report (continued)
For the 52 weeks to 21 March 2009

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 22 March 2008	Ordinary shares ⁽¹⁾ At 21 March 2009
RJ Learmont	1,168 ⁽²⁾	1,228
JT Rogers	2,294	53,411

(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.

(2) This figure was incorrectly stated in the accounts for the 52 weeks ended 22 March 2008 as 805 Ordinary shares.

J Sainsbury plc Share Plan 2005

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

	Date of grant	Core share award	Personal investment	Maximum share award ¹	Share price at date of award (pence)	First exercise date ²	Last exercise date
RJ Learmont	24.03.05	9,500	nil	47,500	293.0	14.05.08	23.03.10
JT Rogers	15.12.05	27,390	nil	136,950	280.8	14.05.08	23.03.10

(1) The maximum share award excludes the personal investment shares acquired by the Directors, which must be held for the duration of the Plan. It assumes full vesting.

(2) Performance was tested in May 2008 and the awards vested in full, in accordance with the accelerated vesting provisions half of the awards were released.

(3) The J Sainsbury plc Share Plan 2005 is a nil cost option plan.

The following table shows the options that vested in May 2008 as a result of the accelerated performance targets being met in full.

	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 21 March 2009	Exercise price pence	Date from which exercisable	Date of expiry
RJ Learmont	25,663	25,663	344.8	-	-	nil	-	-
JT Rogers	73,991	73,991	350.0	-	-	nil	-	-

JT Rogers retained 43,604 shares arising out of this release; the remainder was used to fund the income tax and national insurance charge relating to the release.

Market price on vesting date 374.5 pence.

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	Share price at date of award pence	First exercise date	Last exercise date
RJ Learmont	13.07.06	34,404 ²	334.0	15.05.09	17.07.11
	20.06.07	23,296	583.5	12.05.10	11.05.12
	28.05.08	23,128	345.6	11.05.11	10.05.13
JT Rogers	13.07.06	55,344 ²	334.0	15.05.09	17.07.11
	20.06.07	56,452	583.5	12.05.10	11.05.12
	28.05.08	144,696	345.6	11.05.11	10.05.13

(1) The maximum share award, assumes full vesting.

(2) Partial vesting occurred following the Preliminary Results announcement in 2009.

JS Finance Corporation
Directors' report (continued)
for the 52 weeks to 21 March 2009

J Sainsbury plc Savings Related Share Option Scheme ("SAYE")

At the end of the year, the Director's SAYE share options were as follows:

	22 March 2008	Number of options			21 March 2009	Range of exercise prices (pence)	Date from which exercisable	Date of expiry
		Granted during the year	Exercised during the year	Lapsed during the year				
RJ Learmont	2,619	-	-	2,619	-	217.0	01.03.08	31.08.08

The SAYE is an all employee share option scheme and has no performance conditions as per HMRC Regulations.

Executive Share Option Plan ("ESOP")

At the end of the year, the Director's ESOP share options were as follows:

	22 March 2008	Number of options			21 March 2009	Range of exercise prices (pence)	Date from which exercisable	Date of expiry
		Granted during the year	Exercised during the year	Lapsed during the year				
RJ Learmont	5,082	-	-	5,082	-	545.0	10.11.98	09.11.08

For further details of the ESOP refer to page 84 of the J Sainsbury plc Annual Report and Financial Statements 2008.

J Sainsbury plc Deferred Annual Bonus Plan

The table below shows the maximum number of shares conditionally allocated to participants and what would be released to them in the form of nil cost options if J Sainsbury plc achieves maximum vesting.

	Date of grant	Deferred bonus share award	Maximum matching share award ¹	Share price at date of award (pence)	First exercise date ²	Last exercise date
JT Rogers	20.06.07	2,294	4,588	583.5	12.05.10	11.05.12
	20.06.08	7,513	15,026	325.75	21.03.11	21.03.13

(1) The maximum matching share award is the maximum award that would become exercisable provided that J Sainsbury plc achieves first position within the comparator group of namely Ahold, Carrefour, Casino, Delhaize, DSG International, Home Retail Group, Kingfisher, Marks & Spencer, Metro, Morrisons, Next and Tesco. J Sainsbury plc's relative performance is determined by reference to total shareholder return.

(2) Depending on performance, partial vesting may occur following the Preliminary Results announcement in 2010.

Transactions involving Directors

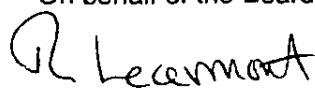
There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 1990, at any time during the 52 weeks to 21 March 2009.

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 ^{19 October}~~September~~ 2009.

On behalf of the Board:



RJ Learmont

Director



JT Rogers

Director

19 October 2009

JS Finance Corporation

Statement of Directors' responsibilities for financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable 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 period 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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 comply with the Irish 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.

On behalf of the Board:



RJ Learmont
Director



JT Rogers
Director

19 October 2009

Independent auditors' report to the shareholders of JS Finance Corporation

We have audited the financial statements on pages 7 to 12 which comprise of the Profit and loss account and Balance sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

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.

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

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.

Opinion

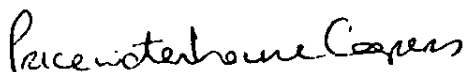
In our opinion the financial statements:

- 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 21 March 2009 and of its results for the period then ended; 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 9 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 21 March 2009 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
Chartered Accountants and Registered Auditors
Dublin

22 October 2009

JS Finance Corporation
Profit and loss account
For the 52 weeks to 21 March 2009

	Note	2009 £	2008 £
Continuing operations			
Other operating income	2	-	22,614,566
Operating profit on ordinary activities before interest and taxation		-	22,614,566
Interest receivable and similar income	2	-	1,463
Operating profit on ordinary activities before tax		-	22,616,029
Tax on profit on ordinary activities	4	-	-
Profit for the financial period		-	22,616,029

JS Finance Corporation
Statement of movement in profit and loss account
For the 52 weeks to 21 March 2009

	2009	2008
	£	£
Balance at beginning of period	22,616,029	-
Profit for the financial period	-	22,616,029
Retained at end of period	22,616,029	22,616,029

The Company has no recognised gains or losses, other than those included in the profits above, 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



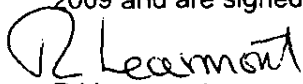
JT Rogers
Director


19 October 2009

JS Finance Corporation
Balance sheet
As at 21 March 2009 and 22 March 2008

	Note	2009 £	2008 £
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
Total 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 12 were approved by the Board of Directors on 19 October 2009 and are signed on its behalf by:


 RJ Learmont
 Director


 JT Rogers
 Director

JS Finance Corporation
Notes to the financial statements
For the 52 weeks to 21 March 2009

1 Accounting policies and estimates

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

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 21 March 2009. In the previous year, the Company extended its accounting period in order to agree with the accounting period of its ultimate parent, J Sainsbury plc. This resulted in the financial statements of the Company being prepared for the 56 weeks to 22 March 2008.

Accounting convention

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

Interest income

Interest income has been credited to the profit and loss account on an accruals basis.

2 Operating profit on ordinary activities before tax

This is stated after crediting:

	2009	2008
	£	£
Interest income on debtor balances	-	1,463
Gain on disposal of investment	-	22,614,566
	-	22,616,029

3 Employees and Directors' remuneration

The average monthly number of persons (including Directors) employed by the Company during the year was nil (2008: 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 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 (2008: £nil).

JS Finance Corporation
Notes to the financial statements (continued)
For the 52 weeks to 21 March 2009

4 Tax on profit on ordinary activities

	2009	2008
	£	£
Profit before taxation	-	22,616,029
Corporation tax at 28.05% (2008: 30%)	-	6,784,809
Effects of:		
Group relief claimed	(176,435)	(6,784,809)
Transfer pricing adjustment	176,435	-
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

	2009	2008
	£	£
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)

	2009	2008
	£	£
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

	2009	2008
Authorised		
2 ordinary shares of US\$1 each	-	-
2 ordinary shares of £1 each	2	2
Issued and fully paid		
2 ordinary shares of US\$1 each	-	-
2 ordinary shares of £1 each	2	2

On the 18 March 2008, the Company repurchased two ordinary shares of US\$1 each for US\$1 each and issued two ordinary shares of £1 each and received consideration of £2.

JS Finance Corporation
Notes to the financial statements (continued)
For the 52 weeks to 21 March 2009

8 Statement of movement on shareholders' funds – equity interests

	2009	2008
	£	£
Profit for period retained	-	22,616,029
Net proceeds from issue of ordinary share capital	-	2
Capital redemption	-	(1)
Net addition to shareholders' funds	-	-
Opening shareholders' funds	22,616,031	1
Closing shareholders' funds	22,616,031	22,616,031

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 itself of the exemptions under Financial Reporting Standard No. 8 "Related Party Disclosures" which allows an undertaking in which 90% or more of its voting rights are controlled within the group and where the consolidated financial statements in which the subsidiary is included are publicly available, not to disclose any transactions with entities that are part of the group.

12 Reporting currency

The currency used in these financial statements is the pound sterling which is denoted by the symbol "£".