

fee paid. N/A.

COMPANY NUMBER: 210098
FOREIGN COMPANY NUMBER: FC024449

JS FINANCE CORPORATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS TO 20 MARCH 2010

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JS Finance Corporation
Directors' report
for the 52 weeks to 20 March 2010
Foreign company number: FC024449

The Directors present their report and audited financial statements of JS Finance Corporation ('the Company') for the 52 weeks to 20 March 2010

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's profit for the financial period is £nil (2009 £nil)

The Directors do not recommend payment of a dividend (2009 nil pence per share)

Future developments

The financial position as at 20 March 2010 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 22 to 23 of the J Sainsbury plc Annual Report and Financial Statements 2010, 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 20 March 2010 are set out below. Unless otherwise indicated they served as Directors for the entire period

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

JS Finance Corporation
Directors' report (continued)
for the 52 weeks to 20 March 2010

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 21 March 2009	Ordinary shares ⁽¹⁾ At 20 March 2010
RJ Learmont	1,228	11,946
JT Rogers	53,411	134,441

(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 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 July 2009 as a result of the 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 20 March 2010	Exercise price pence	Date from which exercisable	Date of expiry
RJ Learmont	26,737	26,737	312.8	-	-	nil	-	-
JT Rogers	77,088	77,088	338.0	-	-	nil	-	-

JT Rogers retained 45,430 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 338.2 pence.

JS Finance Corporation
Directors' report (continued)
for the 52 weeks to 20 March 2010

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	352 0	11 05 11	10 05 13
	24 06 09	25,884	314 8	10 05 12	09 05 14
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	352 0	11 05 11	10 05 13
	24 06 09	137,036	314 8	10 05 12	09 05 14

(1) The maximum share award, assumes full vesting

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

	Date of exercise	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 20 March 2010	Exercise price pence	Date from which exercisable	Date of expiry
RJ Learmont	06 07 09	38,256	17,720	312 8	2,581	-	nil	-	-
	08 03 10		17,955	337 3					
JT Rogers	11 11 09	61,542	28,507	338 2	4,151	-	nil	-	-
	08 03 10		28,884	337 3					

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	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 8	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, Mornons, Next and Tesco J Sainsbury plc's relative performance is determined by reference to total shareholder return

(2) There were no exercises or lapses under this Plan during the year

(3) The 2007 and 2008 deferred bonus share awards were made on a gross basis. The 2009 deferral was made using net income

(4) Since the year end a number of the shares deferred in June 2007 have been sold to fund the participant's income tax and National Insurance liabilities. The remainder were released to participants

(5) The performance of the awards granted in June 2007 was tested following the year end and no matching shares have been awarded

(6) The exercise price is nil

**JS Finance Corporation
Directors' report (continued)
for the 52 weeks to 20 March 2010**

Transactions involving Directors

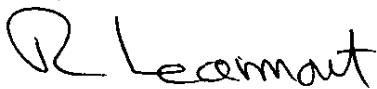
There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 1990, at any time during the 52 weeks to 20 March 2010

Independent auditors

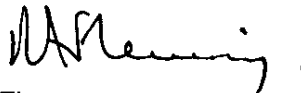
The auditors, PricewaterhouseCoopers will continue in office in accordance with the provision of section 160 of the Companies Act 1963

The financial statements were approved by the Board of Directors on 16 September 2010

By order of the Board



RJ Learmont
Director



R Fleming
Director

16 September 2010

**JS Finance Corporation
for the 52 weeks to 20 March 2010**

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

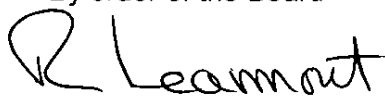
Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to

- 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

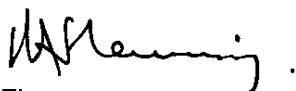
The Directors confirm that they have complied with the above requirements in preparing the financial statements

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 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

16 September 2010

Independent auditors' report to the shareholders of JS Finance Corporation

We have audited the financial statements on pages 8 to 12 which comprise of the Profit and loss account, the Statement of movement in profit and loss, the 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 5.

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 20 March 2010 and of its results for the year 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 4 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 20 March 2010 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

**PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin**

20 September 2010

JS Finance Corporation
Profit and loss account
for the 52 weeks to 20 March 2010

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 20 March 2010

	2010 £	2009 £
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, 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



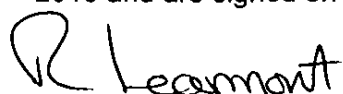
R Fleming
Director

16 September 2010

JS Finance Corporation
Balance sheet
as at 20 March 2010 and 21 March 2009

	Note	2010 £	2009 £
Current assets			
Amounts owed by parent companies due within one year	4	22,707,641	22,707,641
		22,707,641	22,707,641
Current liabilities			
Amounts due to fellow subsidiary companies due within one year	5	(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	6	2	2
Profit and loss account		22,616,029	22,616,029
Total shareholders' funds	7	22,616,031	22,616,031

The financial statements on pages 8 to 12 were approved by the Board of Directors on 16 September 2010 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 20 March 2010

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 20 March 2010. The previous financial year represents the 52 weeks to 21 March 2009.

Accounting convention

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

2 Administration expenses

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

The average monthly number of persons (including Directors) employed by the Company during the year was nil (2009: 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 (2009: £nil).

JS Finance Corporation
Notes to the financial statements (continued)
for the 52 weeks to 20 March 2010

3 Tax on profit on ordinary activities

	2010	2009
	£	£
Profit before taxation	-	-
Corporation tax at 28% (2009 28.05%)	-	-
Effects of		
Group relief claimed	(350,820)	(176,435)
Transfer pricing adjustment	350,820	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

4 Advances to parent companies due within one year

	2010	2009
	£	£
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

5 Current liabilities (amounts falling due within one year)

	2010	2009
	£	£
Amounts due to fellow subsidiary undertakings	91,610	91,610

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

6 Called up share capital

	2010	2009
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

JS Finance Corporation
Notes to the financial statements (continued)
for the 52 weeks to 20 March 2010

7 Statement of movement on shareholders' funds – equity interests

	2010	2009
	£	£
Profit for period retained	-	-
Net addition to shareholders' funds	-	-
Opening shareholders' funds	22,616,031	22,616,031
Closing shareholders' funds	22,616,031	22,616,031

8 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

9 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

10 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

11 Reporting currency

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

12 Approval of financial statements

The members of the Board of Directors' approved the financial statements on 16 September 2010