

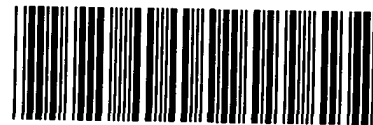
Registered Company number: 2721178

J Sainsbury Pension Scheme Trustees Limited

Annual Report and Financial Statements

For the 52 weeks to 15 March 2014

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J Sainsbury Pension Scheme Trustees Limited
Directors' report
for the 52 weeks to 15 March 2014
Registered company number: 2721178

The Directors present their report and the audited financial statements of J Sainsbury Pension Scheme Trustees Limited (the 'Company') for the 52 weeks to 15 March 2014. The prior financial year's financial statements were for the 52 weeks to 16 March 2013.

Dividends

During the financial year, there were no dividends recommended or paid (2013: £nil).

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The Directors of the Company who held office during the financial year and up to the date of signing the financial statements are shown below:

Michael Merton (Chairman)

Adrian Robins

BES Trustees plc

Beverley Crouch

Jacqueline Connor

Jayne Edwards

Clare Williams

Helen Webb

John Priest

Martyn Burke

Michael Scott

Robert Edwards

Stephen Bradbury

The Law Debenture Pension Trust Corporation p.l.c

Hannah Bernard

Appointed 01 March 2014

Appointed 01 January 2014

Appointed 01 March 2014

Resigned 28 February 2014

Resigned 04 October 2013

Appointed 26 June 2013

Resigned 24 September 2013

Resigned 26 June 2013

Directors' indemnities

The Directors are entitled to be indemnified by the ultimate parent company, J Sainsbury plc, to the extent permitted by law and the Articles of Association in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout 2013/14, which was renewed for 2014/15. The insurance covers all Directors and Officers of companies in the Group. Neither the indemnities nor insurance provide cover in the event that the Director or Officer is proved to have acted fraudulently.

Disclosure of Information to auditors

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

Independent auditors

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

By order of the Board



Michael Merton

Chairman

22 September 2014

J Sainsbury Pension Scheme Trustees Limited
Strategic report
for the 52 weeks to 15 March 2014

Principal activities and review of the business

J Sainsbury Pension Scheme Trustees Limited acts as Corporate Trustee and completes investment activities on behalf of the Sainsbury's Pension Scheme.

The Company's profit for the financial year was £nil (2013: £344). The financial position as at 15 March 2014 is shown in the balance sheet set on page 7.

A full review of the business and the market can be found in the 2014 Annual Report and Financial Statements of J Sainsbury plc, the ultimate parent undertaking, on the following website: www.j-sainsbury.co.uk.

All material operations are carried out in the United Kingdom.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of J Sainsbury plc (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 24 to 27 of the Group's Annual Report and financial statements 2014, which does not form part of this report.

Future developments

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

Key performance indicators ('KPIs')

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

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

By order of the Board



Michael Merton

Chairman

22 September 2014

J Sainsbury Pension Scheme Trustees Limited
Statement of Directors' responsibilities
for the 52 weeks to 15 March 2014

The Directors are responsible for preparing the Directors' report, the Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that 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 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



Michael Merton
Chairman

22 September 2014

Independent auditors' report to the members of J Sainsbury Pension Scheme Trustees Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 15 March 2014 and of its result and cash flows for the 52 weeks then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by J Sainsbury Pension Scheme Trustees Limited, comprise:

- the Balance sheet as at 15 March 2014;
- the Statement of comprehensive income for the 52 weeks then ended;
- the Cash flow statement for the 52 weeks then ended;
- the Statement of changes in equity for the 52 weeks then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (the 'Annual Report') to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of J Sainsbury Pension Scheme Trustees Limited
(continued)**

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, 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 ISAs (UK & 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.



Simon Morley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 September 2014

J Sainsbury Pension Scheme Trustees Limited
Statement of comprehensive income
For the 52 weeks to 15 March 2014

	Note	2014 £	2013 £
Administrative expenses		-	(85)
Operating loss	3	-	(85)
Finance income	5	-	429
Profit before tax		-	344
Income tax expense	6	-	-
Profit after tax for the financial year		-	344

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

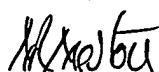
The notes on pages 10 to 15 are an integral part of these financial statements.

J Sainsbury Pension Scheme Trustees Limited
Balance sheet
At 15 March 2014 and 16 March 2013

	Note	2014 £	2013 £
Non-current assets			
Investments	7	1	1
Current assets			
Cash and cash equivalents		10,407	10,407
Other receivables	8	2	2
		10,409	10,409
Total assets		10,410	10,410
Current liabilities			
Other payables	9	(1)	(1)
Net current assets		10,408	10,408
Net assets		10,409	10,409
Equity			
Called up share capital	10	10,002	10,002
Retained earnings	11	407	407
Total equity		10,409	10,409

The notes on pages 10 to 15 are an integral part of these financial statements.

The financial statements on pages 6 to 15 were approved by the Board of Directors on 22 September 2014, and are signed on its behalf by:



Michael Merton
Chairman
 22 September 2014

J Sainsbury Pension Scheme Trustees Limited
Cash flow statement
for the 52 weeks to 15 March 2014

	Note	2014 £	2013 £
Cash flows from operating activities			
Cash used in operations		-	(85)
Net cash outflow from operating activities		-	(85)
Cash flows from investing activities			
Interest received	5	-	429
Net cash generated from investing activities		-	429
Net increase in cash and cash equivalents		-	344
Opening cash and cash equivalents		10,407	10,063
Closing cash and cash equivalents		10,407	10,407

The notes on pages 10 to 15 are an integral part of these financial statements.

J Sainsbury Pension Scheme Trustees Limited
Statement of changes in equity
for the 52 weeks to 15 March 2014

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 17 March 2013	10,002	407	10,409
Profit for the financial year	-	-	-
At 15 March 2014	10,002	407	10,409

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 18 March 2012	10,002	63	10,065
Profit for the financial year	-	344	344
At 16 March 2013	10,002	407	10,409

The notes on pages 10 to 15 are an integral part of these financial statements.

J Sainsbury Pension Scheme Trustees Limited
Notes to the Financial Statements
for the 52 weeks to 15 March 2014

1. General information

J Sainsbury Pension Scheme Trustees Limited (the 'Company') is a private limited company, incorporated and domiciled in England. The Company's registered address is 33 Holborn, London EC1N 2HT. The Company is part of the J Sainsbury's plc group (the 'Group').

The Company's financial year represents the 52 weeks to 15 March 2014 (prior financial year: 52 weeks to 16 March 2013).

2. Accounting policies

a) Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') 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, rounded to the nearest pound (£) unless otherwise stated. They have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is applicable for the preparation of the financial statements.

The preparation of financial statements in conformity with IFRSs 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 Company is a wholly-owned subsidiary of J Sainsbury plc and is included in the consolidated financial statements of J Sainsbury plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

New standards, interpretations and amendments to published standards

Effective for the Company in these financial statements:

The Company has considered the following new standards, interpretations and amendments to published standards that are effective for the Company for the financial year beginning 17 March 2013:

- IAS 19 (revised 2011) 'Employee benefits'
- IFRS 13 'Fair value measurement'
- Amendments to IFRS 7 'Financial instruments asset and liability offsetting'
- Amendment to IAS 1 'Presentation of financial statements' on Other Comprehensive Income
- Amendment to IAS 12 'Income taxes' on deferred tax
- Annual improvements 2011

The Company has concluded that the above new standards, interpretations and amendments are either not relevant to the Company or that they do not have a significant impact on the Company's financial statements, apart from additional disclosure.

J Sainsbury Pension Scheme Trustees Limited
Notes to the Financial Statements (continued)
for the 52 weeks to 15 March 2014

2. Accounting policies (continued)

Effective for the Company for the financial year beginning 16 March 2014:

- IFRS 10 'Consolidated financial statements'*
- IFRS 11 'Joint arrangements'*
- IFRS 12 'Disclosures of interests in other entities'*
- IAS 27 (revised 2011) 'Separate financial statements'*
- IAS 28 (revised 2011) 'Associates and joint ventures'*
- Amendments to IFRS 10, 11 and 12 on transition guidance*
- Amendment to IAS 36 'Impairment of assets' on recoverable amount disclosures*
- Amendments to IAS 32 'Financial instruments: Presentation' on financial instruments asset and liability offsetting*
- Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting*
- IFRIC 21 'Levies'*

* These standards and interpretations have been endorsed by the EU.

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 standards and revisions will be effective for future years:

- IFRS 9 'Financial instruments' (effective 1 January 2018)
- Amendment to IAS 19 'Employee benefits', on defined benefit plans*
- Amendment to IFRS 9 'Financial instruments', on general hedge accounting
- Amendment to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets', on depreciation and amortisation (effective 1 January 2016)
- Amendment to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation', (effective 1 January 2016)
- IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2017)
- Annual improvements 2012*
- Annual improvements 2013*

* These standards are effective for accounting periods starting on or after 1 July 2014.

The Company has considered the impact of the above standards and revisions and has concluded that they will not have a significant impact on the Company's financial statements, apart from additional disclosures. The accounting policies set out below have been applied consistently to all periods presented in the financial statements by the Company, except where noted above.

Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Finance income

Finance income represents interest earned on the cash invested by the Company.

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.

J Sainsbury Pension Scheme Trustees Limited
Notes to the Financial Statements (continued)
for the 52 weeks to 15 March 2014

2. Accounting policies (continued)

Financial instruments

Financial assets

The Company classifies its financial assets into the category of loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company has no intention of trading these loans and receivables. Subsequent to initial recognition, these assets are carried at amortised cost less impairment using the effective interest method. Income from these financial assets is calculated on an effective yield basis and is recognised in the income statement.

Financial liabilities

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

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. The carrying amount of the asset is reduced for any impairment loss and the amount of the loss is recognised in the income statement.

Fair value estimation

The fair values of current receivables and current payables are assumed to be approximate to their book values.

Cash

Cash and cash equivalents comprise cash in hand and at bank.

Called up Share capital

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

Investments

Investments in subsidiary are carried at cost less any impairment loss in the financial statements of the Company.

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.

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

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 financial year when such determination is made. Detail of the tax charge is set out in note 6.

J Sainsbury Pension Scheme Trustees Limited
Notes to the Financial Statements (continued)
for the 52 weeks to 15 March 2014

3. Operating loss

Administrative expenses relate to bank charges in the prior financial year. All other administrative expense in the current and prior financial year, including the auditors' remuneration, have been borne by Sainsbury's Supermarkets Ltd or other Group companies and have not been recharged to the Company.

4. Employees and Directors' remuneration

The average monthly number of persons (including Directors) employed by the Company during the financial year was nil (2013: nil).

All of the Directors, except for the Chairman, BESTrustees plc and The Law Debenture Pension Trust Corporation p.l.c, are employees or retired employees of the parent company, J Sainsbury plc, or other Group companies. The Directors do not receive any remuneration from the Company (2013: nil).

Directors received remuneration from the J Sainsbury Pension Schemes for their services as Directors as follows:

	2014	2013
	£	£
The Law Debenture Pension Trust Corporation p.l.c.	62,684	71,130
BESTrustees plc	25,520	26,910
Individual trustee payments	115,102	117,769

Highest Paid Director

	2014	2013
	£	£
Total amount of emoluments	62,684	71,130

5. Finance income

	2014	2013
	£	£
Interest income	-	429

6. Income tax expense

	2014	2013
	£	£
Current tax expense	-	-

The income tax expense for the financial year was nil (2013: nil). The effective tax rate (2013: nil per cent) is equal to (2013: lower than) the standard rate of corporation tax in the UK. The differences are explained below:

	2014	2013
	£	£
Profit before income tax	-	344
Income tax at UK corporation tax rate of 23.04% (2013: 24.08%)	-	83
Effects of:		
Group relief claimed for nil consideration	-	(83)
Total income tax expense	-	-

On 20 March 2013, the Chancellor announced that the main rate of UK corporation tax would reduce to 21.0 per cent from 1 April 2014, and to 20.0 per cent from 1 April 2015. This was substantively enacted on 2 July 2013.

J Sainsbury Pension Scheme Trustees Limited
Notes to the Financial Statements (continued)
for the 52 weeks to 15 March 2014

7. Investments

	2014	2013
	£	£
Investment	1	1

The Company owns 1 share being 50 per cent of the called up share capital of J Sainsbury Common Investment Fund Limited, the Corporate Trustee of the J Sainsbury Common Investment Fund.

8. Other receivables

	2014	2013
	£	£
Current		
Amounts receivable from parent company	2	2

Amounts due from the parent company are denominated in sterling, carry floating rates of interest, and are payable on demand. The interest income is calculated based on the Bank of England base rate plus 1.5 per cent (2013: 1.5 per cent). Amounts due from the parent company are not considered past due or impaired.

9. Other payables

	2014	2013
	£	£
Current		
Amounts payable to other Group companies	1	1

Amounts due to other Group companies are denominated in sterling, are non-interest bearing and are repayable on demand.

10. Called up Share capital

	2014	2013	2014	2013
	Number	Number	£	£
10,002 ordinary shares of £1 each	10,002	10,002	10,002	10,002

There has been no movement in the called up share capital account during the financial year.

11. Retained earnings

	Total
	£'000
At 17 March 2013	407
profit for the financial year	-
At 15 March 2014	407
At 18 March 2012	63
Profit for the financial year	344
At 16 March 2013	407

J Sainsbury Pension Scheme Trustees Limited
Notes to the Financial Statements (continued)
for the 52 weeks to 15 March 2014

12. Financial risk management

Treasury management

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

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

Interest rate risk

The Company's exposure to interest rate fluctuations are limited to amounts receivable from the parent company. The Company is exposed to interest rate fluctuations as interest receivable is calculated on the Bank of England base rate plus 1.5% (2013: 1.5%).

Liquidity risk

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

Credit risk

The Company's exposure to credit risk is limited to amounts receivable from the parent company. The amounts due do not have a history of default and none of the amounts are past due nor impaired.

Capital risk management

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

13. Related party transactions

The immediate and 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 the Board of Directors. The Directors do not receive any remuneration from the Company (2013: £nil) as their emoluments are borne by other Group companies. The Company did not have any transactions with the Directors during the financial year (2013: nil).

(b) Transactions with parent company

At 15 March 2014 the Company is due £2 from the parent company (2013: £2).

(c) Transactions with other Group companies

There have been no transactions with Group companies. At 15 March 2014 the Company owes other Group companies £1 (2013: £1). The Company has an interest in Sainsbury's Scottish Property Scottish Limited Partnership as part of the funding agreement for the Sainsbury's Pension Scheme signed in 17 June 2010.

(d) Transactions with other related parties

There have been no transactions with other related parties in the financial year (2013: nil).