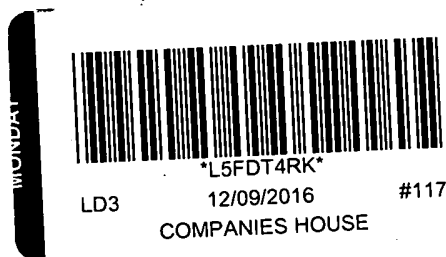


Registered Company number: 01762921

Ramheath Properties Limited
Annual Report and Financial Statements

For the 52 weeks to 12 March 2016



Ramheath Properties Limited
Strategic report
for the 52 weeks to 12 March 2016

Principal activities and review of business

The principal activity of the Company during the financial year was property acquisition and ownership for development and resale.

The Company's profit for the financial year was £4,645,400 (2015: loss of £2,851,743). The financial position as at 12 March 2016 is shown in the balance sheet set out on page 7. As shown in the company's Profit and Loss Account on page 6, the company's turnover increased compared with the prior year due to the sale of a number of property's that occurred during the year.

All material operations are carried out in the United Kingdom.

A full review of the business and the market can be found in the 2016 Annual Report and Financial Statements of J Sainsbury plc, the ultimate parent undertaking, on the following website: www.j-sainsbury.co.uk.

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 and its subsidiaries (the 'Group') 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 38 of the J Sainsbury plc Annual Report and Financial Statements 2016, which does not form part of this report. Further details on the risks relating to the company are set out in note 14 to the financial statements.

Future developments

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

Key performance indicators (KPIs)

The Directors of J Sainsbury plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the Company, are discussed on pages 10 to 11 and 30 to 35 of the Group's annual report, which does not form part of this report.

Financial risk management

The financial risk management policies of the Company are disclosed in note 14 of the financial statements.

By order of the Board:



Tim Fallowfield
Director

2 September 2016

Ramheath Properties Limited
Directors' report
for the 52 weeks to 12 March 2016
Registered Company Number: 01762921

The Directors present their report and the audited financial statements of Ramheath Properties Limited ('the Company') for the 52 weeks to 12 March 2016. The prior financial year's financial statements were for the 52 weeks to 14 March 2015.

Dividends

During the financial year, there were no dividends recommended or paid (2015: £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:

Tim Fallowfield
Sainsburys Corporate Director Limited
Dean Clegg

Company Secretary

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

Hazel Jarvis (resigned 12 April 2016)
Anthony Guthrie (appointed 12 April 2016)

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 2015/16, which was renewed for 2016/17. The insurance covers all Directors and Officers of companies in the J Sainsbury plc 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 has confirmed that, so far as he is aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

During the year, PricewaterhouseCoopers LLP resigned as auditors of the Company. Ernst & Young LLP were appointed as auditors for the year beginning 15 March 2015. Ernst & Young LLP, have indicated their willingness to continue in office.

By order of the Board:



Tim Fallowfield
Director

2 September 2016

Ramheath Properties Limited
Statement of Directors' responsibilities
for the 52 weeks to 12 March 2016

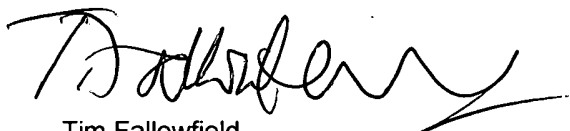
The Directors are responsible for preparing the Directors' report, the Strategic report and the financial statements in accordance with applicable law and regulations.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 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.



Tim Fallowfield

Director

2 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMHEATH PROPERTIES LIMITED

We have audited the financial statements of Ramheath Properties Limited for the 52 week period ended 12 March 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 12 March 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

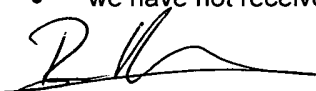
In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMHEATH PROPERTIES LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ben Marles (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

7 September 2016

Ramheath Properties Limited
Statement of comprehensive income
for the 52 weeks to 12 March 2016

	Note	2016 £	2015 £
Revenue		25,640,042	47,972
Cost of sales		(21,868,448)	(3,614,607)
Operating profit/ (loss)		3,771,594	(3,566,635)
Finance income	5	873,806	714,892
Profit/ (loss) before tax		4,645,400	(2,851,743)
Income tax expense	6	-	-
Profit/ (loss) for the financial year		4,645,400	(2,851,743)

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

The notes on pages 9 to 15 are an integral part of these financial statements.

Ramheath Properties Limited
Balance sheet
as at 12 March 2016

	Note	2016 £	2015 £
Non current assets			
Investments in subsidiaries and joint ventures	7	2	2
Trade and other debtors	9	4,976,304	4,470,972
		4,976,306	4,470,974
Current assets			
Inventories	8	9,190,000	934,775
Trade and other debtors	9	15,838,374	23,266,598
Cash and cash equivalents		7,977,864	3,597
		33,006,238	24,204,970
Total assets		37,982,544	28,675,944
Current liabilities			
Trade and other creditors	10	(22,442,518)	(23,181,318)
		(22,442,518)	(23,181,318)
Net current assets		10,563,720	1,023,652
Non-current liabilities			
Trade and other creditors	10	(5,400,000)	-
Net assets		10,140,026	5,494,626
Equity			
Called up share capital	11	1,000,002	1,000,002
Retained earnings	12	9,140,024	4,494,624
Total Equity		10,140,026	5,494,626

The notes on pages 9 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
2 September 2016 and are signed on its behalf by:



Ed Barker
On behalf of Sainsbury's Corporate Director Limited
Director

Ramheath Properties Limited
Statement of changes in equity
for the 52 weeks to 12 March 2016

	Called up share capital £	Retained earnings £	Total equity £
At 15 March 2015	1,000,002	4,494,624	5,494,626
Profit for the financial year	-	4,645,400	4,645,400
At 12 March 2016	1,000,002	9,140,024	10,140,026
At 16 March 2014	1,000,002	7,346,367	8,346,369
Loss for the financial year	-	(2,851,743)	(2,851,743)
At 14 March 2015	1,000,002	4,494,624	5,494,626

The notes on pages 9 to 15 are an integral part of these financial statements.

Ramheath Properties Limited
Notes to the financial statements
for the 52 weeks to 12 March 2016

1. General information

Ramheath Properties Limited is a private limited company (the 'Company') incorporated and domiciled in the United Kingdom. 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 immediate parent company of the Company is Sainsbury's Supermarkets Ltd and the ultimate parent company and controlling party of the Company is J Sainsbury plc. Both companies are registered in the United Kingdom. J Sainsbury plc is the ultimate parent company into which the Company's financial statements are consolidated. Copies of the ultimate parent company's financial statements may be obtained from www.j-sainsbury.co.uk.

The financial year represents the 52 weeks to 12 March 2016 (prior financial year: 52 weeks to 14 March 2015).

2. Accounting policies

a) Statement of compliance

The financial statements are prepared in accordance with United Kingdom Accounting standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the Standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company is a qualifying entity for the purposes of FRS 101. The Company's transition date to FRS 101 is 16 March 2013. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements. The results of the Company are consolidated into the Annual Report and Financial Statements 2016 of J Sainsbury plc, available on the Group's website.

FRS 101 sets out amendments to IFRS as adopted by the European Union that are necessary to achieve compliance with the Companies Act and related regulations. These amendments had no impact on the Statement of comprehensive income, Balance sheet or Statement of changes in equity for the Company for the year ended 12 March 2016.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present a cash flow statement.
- The requirements of paragraph 17 of IAS 24, Related Party Transactions, to disclose information related to key management personnel, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries.
- The requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new standards issued but which are not yet effective.
- The requirements of IFRS 7 and IFRS 13 for disclosure of financial instruments and fair values.

b) Basis of preparation

The financial statements are presented in sterling, rounded to the nearest pound (£) unless otherwise stated and have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 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.

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 12 March 2016

2. Accounting policies (continued)

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.

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.

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 were effective for the Company for the financial year beginning 15 March 2015:

- Amendments to IFRS 2, 'Share-based payments' on the definition of vesting conditions
- Amendments to IFRS 3, 'Business combinations' on scope exclusions for joint ventures and the subsequent measurement of contingent considerations
- Amendments to IFRS 8, 'Operating segments' on aggregation of operating segments and reconciliations of assets
- Amendments to IFRS 13, 'Fair value measurements' on application of the portfolio exception
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' on the proportionate restatement of accumulated depreciation/amortisation
- Amendments to IAS 19, 'Employee benefits' on the recognition of employee contributions to defined benefit plans
- Amendments to IAS 24, 'Related party disclosures' on entities providing key management personnel services
- Amendments to IAS 40, 'Investment property' on the interrelationship between IFRS 3 and IAS 40

The Company has considered the impact of the above standards and revisions and 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.

Revenue

Revenue represents amounts receivable from property-related activity. A sale of property is recognised where there is a legally binding, unconditional and irrevocable, sales agreement in existence at the period end, subject to any provisions necessary to cover residual commitments relating to the property and is stated exclusive of value added tax.

Rental income is accrued on a monthly basis in accordance with lease agreements.

Cost of sales

Cost of sales consists of all costs associated with the property-related activity and rentals.

Current tax

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.

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 12 March 2016

2. Accounting policies (continued)

Finance income

Finance income is recognised in the income statement for financial assets measured at amortised cost using the effective interest rate method.

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are held at cost, less any recognised impairment loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories are holdings of land held for the purpose of property development. Cost includes all direct expenditure and other appropriate attributable costs incurred in bringing inventories to their present condition.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

Payables recorded initially at fair value, which is generally the proceeds received, net of direct issue costs. Subsequently, these liabilities are held at amortised cost using the effective interest method.

Fair value estimation

The fair values of receivables, overdrafts, payables and loans of a maturity of less than one year are approximate to their book values. The fair values of amounts due from other related parties are discounted using current market rates of interest.

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.

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.

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 12 March 2016

2. Accounting policies (continued)

(c) Significant accounting judgements, estimates and assumptions

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. Those which are significant to the Company are discussed separately below: The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Inventories

The principal activity of the Company is property ownership and development. It is deemed that these assets are held for sale in the ordinary course of business and as a result are classified as inventory.

Estimates and assumptions

The areas where assumptions and estimates are significant to the financial statements are as described below. 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.

Provisions

Provisions have been made for remediation costs (disclosed within other payables). These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events and market conditions. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. The carrying amount of provisions will be impacted by changes in the discount rate.

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 provision in the period when such determination is made. Details of the tax charge is set out in note 6.

Property disposals

In accordance with IAS18 revenue should be recognised when the seller has transferred the significant risks and rewards of ownership to the buyer. Management have decided that for property disposals this occurs from the date that sales contracts are exchanged, not from the date of completion. Once contracts are exchanged the company has no further managerial involvement and it is probable that the measurable revenue and costs associated with the sale will be recognised. Therefore at this point it is deemed that the significant risk and rewards are transferred.

3. Employees and directors' remuneration

The average monthly number of persons (including Directors) employed by the Company during the financial year was nil (2015: nil).

All of the Directors are employees of the ultimate parent company, J Sainsbury plc, or other Group companies. The Directors' emoluments are borne by Sainsbury's Supermarkets Ltd a Group company that makes no recharge to the Company. It is not possible to make an accurate apportionment of the Directors emoluments as they serve as Directors to a number of Group companies. Accordingly, the income statement does not include emoluments in respect of the Directors.

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 12 March 2016

4. Operating profit

The auditors' remuneration, in the current and prior year, has been borne by Sainsbury's Supermarkets Ltd, a fellow Group company that makes no recharge to the Company.

5. Finance income

	2016 £	2015 £
Unwind of discount	873,806	714,892

The unwind of discount relates to the difference between the cash proceeds due from Harvest (2), a joint venture between Land Securities plc and Sainsbury's Supermarkets Ltd, and the discounted proceeds.

6. Income tax expense

The income tax expense for the financial year was £nil (2015: £nil).

The effective tax rate of nil per cent (2015: nil per cent) is lower than (2015: lower than) the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit/ (loss) before tax	4,645,400	(2,851,743)
Income tax at UK corporation rate of 20.05% (2015: 21.09%)	931,403	(601,433)
Effects of:		
Disposal of properties	(5,843,199)	-
Transfer pricing adjustment	(17,464)	20,187
Group relief (claimed)/surrendered for £nil consideration	4,929,260	(581,246)
Total income tax credit per income statement	-	-

Reductions in the UK corporation tax rate were substantively enacted in the year. The main rate of corporation tax was reduced from 20% to 19% effective from 1 April 2017 and to 18% from 1 April 2020. A further reduction in the corporation tax rate to 17%, rather than 18%, from 1 April 2020 was announced in the 2016 Budget.

7. Investments in subsidiaries and joint ventures

	2016 £	2015 £
Shares in subsidiaries and joint ventures		
Beginning of the financial year	2	2
End of the financial year	2	2

The Company's subsidiaries and joint ventures held as at 12 March 2016, were:

Name of subsidiary undertaking	Country of registration	Holdings	£	Proportion of voting rights and shares held
JSD (London) Limited	England	2 Ordinary shares	2	100%

The Company holds a 50% investment in Romford Developments Limited (joint venture) being 1 ordinary share with £nil value.

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 12 March 2016

8. Inventories

	2016 £	2015 £
Land held for development and re-sale	9,190,000	934,775

The amount of inventories recognised as an expense and charged to cost of sales for the 52 weeks to 12 March 2016 was £nil (2015: £100,000). In the prior year this related to an inventory write-down.

9. Trade and other debtors

	2016 £	2015 £
Amounts falling due after more than one year		
Other debtors	4,976,304	4,470,972
Amounts falling due within one year		
Amounts due from other Group companies	15,838,374	14,561,491
Other debtors	-	8,705,107
	15,838,374	23,266,598
Total trade and other debtors	20,814,678	27,737,570

Amounts due from other Group companies are denominated in sterling, non-interest bearing and payable on demand. Amounts due from other Group companies are not considered past due or impaired.

Other debtors are non-interest bearing, on commercial terms and not considered past due or impaired.

10. Trade and other creditors

	2016 £	2015 £
Current		
Amounts due to parent company	20,193,450	10,003,450
Other creditors	2,249,068	13,177,868
	22,442,518	23,181,318
Non-current		
Trade and other creditors	5,400,000	-
Total trade and other creditors	27,842,518	23,181,318

Amounts due to the parent company are denominated in sterling, non-interest bearing and are payable on demand.

Other payables are non-interest bearing and on commercial terms.

11. Called up share capital

	2016 £	2015 £
Issued and fully paid		
1,000,002 ordinary shares of £1 each (2015: 1,000,002)	1,000,002	1,000,002

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 12 March 2016

12. Retained earnings

	£
At 15 March 2015	4,494,624
Profit for the financial year	4,645,400
At 12 March 2016	9,140,024
At 16 March 2014	7,346,367
Loss for the financial year	(2,851,743)
At 14 March 2015	4,494,624

13. Financial Risk Management

Treasury management

Treasury policies are reviewed and approved by the ultimate parent company's board, J Sainsbury plc. 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 is exposed to interest rate risk on its deposits with the money market. The Company is exposed to interest rate fluctuations as interest receivable is calculated on the Bank of England base rate.

The Company is not exposed to interest rate risk on amounts payable or receivable from Group companies as the amounts are non-interest bearing.

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 exposures to credit risk arise from cash and cash equivalents and holdings of other receivables (note 9). These are existing related party receivables with no 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.