Registered Company number: 01762921

Ramheath Properties Limited

Annual Report and Financial Statements

For the 52 weeks to 11 March 2017

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Ramheath Properties Limited
Strategic report
for the 52 weeks to 11 March 2017

Principal activities and review of business

The principal activity of Ramheath Properties Limited (the 'Company') during the financial year was property acquisition and ownership for development and resale.

The Company's profit for the financial year was £3,719,274 (2016: profit of £4,645,400). The financial position as at 11 March 2017 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 decreased compared with the prior year because the number of properties sold was less as compared to the prior 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 2017 Annual Report and Financial Statements of J Sainsbury plc, the ultimate parent undertaking, on the following website: www.about.sainsburys.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 42 to 44 of the J Sainsbury plc Annual Report and Financial Statements 2017, which does not form part of this report. Further details on the risks relating to the company are set out in note 13 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 KPIs 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 are discussed on are discussed on pages 15 to 23 and 40 to 41 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 13 of the financial statements.

By order of the Board:

Tim Fallowfield
Director
5 December 2017

Ramheath Properties Limited
Directors' report
for the 52 weeks to 11 March 2017

The Directors present their report and the audited financial statements of Ramheath Properties Limited (the 'Company') for the 52 weeks to 11 March 2017. The prior financial year's financial statements were for the 52 weeks to 12 March 2016.

Dividends
During the financial year, there were no dividends recommended or paid (2016: £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
Sainsbury's Corporate Director Limited
Dean Clegg
Martyn Burke (appointed 5 September 2016)

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 indemnified to the extent permitted by the Articles of Association of the Company in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. The parent company purchased and maintained Directors' and Officers' liability insurance throughout 2016/17, which was renewed for 2017/18. 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 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
Ernst & Young LLP, have indicated their willingness to continue in office.

By order of the Board:

Tim Fallowfield
Director
5 December 2017

Ramheath Properties Limited
Statement of Directors' responsibilities
for the 52 weeks to 11 March 2017

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 judgments 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;
- 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.

Ed Barker
On behalf of Sainsbury's Corporate Director Limited
Director
5 December 2017

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 11 March 2017 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 11 March 2017 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, based on the work undertaken in the course of the audit:

- 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report. 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.

Ernst & Young LLP

Ben Marles ((Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
8 December 2017

Ramheath Properties Limited
Statement of comprehensive income
for the 52 weeks to 11 March 2017

	Note	**2017** £	2016 £
Revenue		**22,114,143**	25,640,042
Cost of sales		**(18,321,670)**	(21,868,448)
Operating profit	4	**3,792,473**	3,771,594
Dividend Income from Subsidiaries		**52,609**	-
Finance income / (expense)	5	**(125,808)**	873,806
Profit before tax		**3,719,274**	4,645,400
Income tax expense	6	**-**	-
Profit for the financial year		**3,719,274**	4,645,400

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 11 March 2017

	Note	2017 £	2016 £
Non-current assets			
Investments in subsidiaries and joint ventures	7	**2**	2
Trade and other debtors	9	**4,844,853**	4,976,304
		4,844,855	4,976,306
Current assets			
Inventories	8	**8,104,500**	9,190,000
Trade and other debtors	9	**21,942,597**	15,838,374
Cash and cash equivalents		**3,560,216**	7,977,864
		33,607,313	33,006,238
Total assets		**38,452,168**	37,982,544
Current liabilities			
Trade and other creditors	10	**(19,192,868)**	(22,442,518)
		(19,192,868)	(22,442,518)
Net current assets		**14,414,445**	10,563,720
Non-current liabilities			
Trade and other creditors	10	**(5,400,000)**	(5,400,000)
Net assets		**13,859,300**	10,140,026
Equity			
Called up share capital	11	**1,000,002**	1,000,002
Retained earnings	12	**12,859,298**	9,140,024
Total Equity		**13,859,300**	10,140,026

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 and are signed on its behalf by:

Ed Barker
On behalf of Sainsbury's Corporate Director Limited
Director
5 December 2017

Ramheath Properties Limited
Statement of changes in equity
for the 52 weeks to 11 March 2017

	Called up share capital £	Retained earnings £	Total equity £
At 13 March 2016	**1,000,002**	**9,140,024**	**10,140,026**
Profit for the financial year	-	**3,719,274**	**3,719,274**
At 11 March 2017	**1,000,002**	**12,859,298**	**13,859,300**
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

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 11 March 2017

1. General information

Ramheath Properties Limited (the 'Company') is a private limited 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 plc (the 'Group').

J Sainsbury plc, registered in the United Kingdom, is the immediate parent company and the controlling party of the Company. The Company's financial statements are consolidated into J Sainsbury plc and its financial statements may be obtained from www.about.sainsburys.co.uk.

The financial year represents the 52 weeks to 11 March 2017 (prior financial year: 52 weeks to 12 March 2016).

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 was 16 March 2013. The results of the Company are consolidated into the Annual Report and Financial Statements 2017 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 11 March 2017.

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.

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 Group and Company in these financial statements:

The Group has considered the following amendments to published standards that are effective for the Group for the financial year beginning 13 March 2016 and concluded that they are either not relevant to the Group or that they do not have a significant impact on the Group's financial statements. These standards and interpretations have been endorsed by the European Union.

- Annual Improvements to IFRSs 2012–2014 Cycle
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' which clarifies acceptable methods of depreciation and amortisation
- Amendments to IFRS 11, 'Joint arrangements' on the accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 and IAS 41, 'Bearer Plants'
- Amendments to IAS 1, 'Presentation of financial statements' which clarifies existing IAS 1 requirements
- Amendments to IAS 27, 'Consolidated and separate financial statements' which allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries
- Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12, 'Disclosure of interests in other entities' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exception

The following standards and revisions will be effective for future periods:

- IFRS 9, 'Financial instruments'
- IFRS 15, 'Revenue from contracts with customers'
- IFRS 16, 'Leases'
- Amendments to IAS 7, 'Statement of cash flows' on the disclosures in the financial statements

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.

2. Accounting policies (continued)

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.

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.

(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.

2. Accounting policies (continued)

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 (2016: 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.

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 / expense

	2017 £	2016 £
Interest income on receivables held at amortised cost	-	873,806
Interest expense on receivables held at amortised cost	**(125,808)**	-

Finance income and expenses relate to a receivable due from Harvest 2 Selly Oak Limited, a joint venture between a J Sainsbury plc Group entity and Land Securities plc which is held at amortised cost.

During the current year, the maturity of the receivable was extended due to a change in the expected store opening date which underpins the loan. The interest expense in the current year is caused by a revaluation of the present value of the receivable following this extension.

6. Income tax expense

The income tax expense for the financial year was £nil (2016: £nil).

The effective tax rate of nil per cent (2016: nil per cent) is lower than (2016: lower than) the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £	2016 £
Profit/ (loss) before tax	**3,719,274**	4,645,400
Income tax at UK corporation rate of 20.0% (2016: 20.05%)	**743,855**	931,403
Effects of:		
Disposal of properties	**(6,245,158)**	(5,843,199)
Non-taxable dividends received	**(10,522)**	-
Transfer pricing adjustment	**14,738**	(17,464)
Group relief surrendered for £nil consideration	**5,497,087**	4,929,260
Total income tax credit per income statement	**-**	-

The main rate of corporation tax was reduced from 20 per cent to 19 per cent effective from 1 April 2017. A further reduction in the corporation tax rate to 17 per cent, rather than 18 per cent, effective from 1 April 2020 was substantively enacted in the year, so its effect is reflected in these financial statements. Deferred tax on temporary differences and tax losses as at the balance sheet date is calculated at the substantively enacted rates at which the temporary differences and tax losses are expected to reverse.

7. Investments in subsidiaries and joint ventures

	2017 £	2016 £
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 11 March 2017, 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.

8. Inventories

	2017 £	2016 £
Land held for development and re-sale	**8,104,500**	9,190,000

The amount of inventories recognised as an expense and charged to cost of sales for the 52 weeks to 11 March 2017 was £nil (2016: £nil).

9. Trade and other debtors

Non-current	2017 £	2016 £
Other debtors	**4,844,853**	4,976,304
Current		
Amounts due from other Group companies	**21,942,597**	15,838,374

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

Current	2017 £	2016 £
Amounts due to parent company	**17,607,950**	20,193,450
Other creditors	**1,584,918**	2,249,068
	19,192,868	22,442,518
Non-current		
Trade and other creditors	**5,400,000**	5,400,000

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

	2017 £	2016 £
Issued and fully paid		
1,000,002 ordinary shares of £1 each (2016: 1,000,002)	**1,000,002**	1,000,002

12. Retained earnings

	£
At 13 March 2016	**9,140,024**
Profit before tax	**3,719,274**
At 11 March 2017	**12,859,298**
At 15 March 2015	4,494,624
Profit before tax	4,645,400
At 12 March 2016	9,140,024

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 debtors (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.