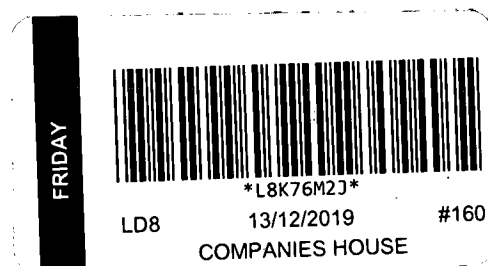


Registered Company number: 01762921

Ramheath Properties Limited

Annual Report and Financial Statements

For the 52 weeks to 9 March 2019



Ramheath Properties Limited
Strategic report
for the 52 weeks to 9 March 2019

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 re-sale.

The Company's profit for the financial year was £41,717 (2018: £1,051,073). The financial position as at 9 March 2019 is shown in the Balance sheet set out on page 7.

All material operations are carried out in the United Kingdom.

A full review of the business and the market can be found in the 2019 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 30 to 36 of the J Sainsbury plc Annual Report and Financial Statements 2019, 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)

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 pages 3 to 27 and 28 to 29 of the Group's Annual Report, which does not form part of this report.

Financial risk management

The financial risk management policies of the Group, which include those of the Company, are disclosed in note 24 on pages 130 to 140 of the Group's Annual Report.

By order of the Board:



Bruce Richardson
On behalf of Sainsburys Corporate Director Limited
Director
12 December 2019

Ramheath Properties Limited
Directors' report
for the 52 weeks to 9 March 2019

The Directors present their report and the audited financial statements of Ramheath Properties Limited (the 'Company') for the 52 weeks to 9 March 2019. The prior financial year's financial statements were for the 52 weeks to 10 March 2018.

Dividends

During the financial year, there were no dividends recommended or paid (2018: £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	(Resigned 14 June 2019)
Sainsbury's Corporate Director Limited	
Dean Clegg	(Resigned 26 June 2019)
Martyn Burke	(Resigned 3 December 2019)
Geraint Cowen	(Appointed 26 June 2019)

Company Secretary

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

Julia Foo	(Appointed 14 June 2019)
Timothy Fallowfield	(Appointed 3 May 2018 and resigned 14 June 2019)
Anthony Guthrie	(Resigned 3 May 2018)

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 2018/19, which was renewed for 2019/20. 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 they are aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken all steps that they ought to have taken as a Director in order to make themselves 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:


Julia Foo
Company Secretary
12 December 2019

Ramheath Properties Limited
Statement of Directors' responsibilities
for the 52 weeks to 9 March 2019

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.



Bruce Richardson
On behalf of Sainsburys Corporate Director Limited
Director
12 December 2019

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

Opinion

We have audited the financial statements of Ramheath Properties Limited for the 52 week period ended 9 March 2019 which comprise of the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 9 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinions on other matters 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

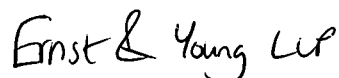
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Ben Marles (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
13 December 2019

Ramheath Properties Limited
Statement of comprehensive income
for the 52 weeks to 9 March 2019

	Note	2019 £	2018 £
Revenue	3	-	784,606
Cost of sales		(46,963)	-
Gross (loss)/profit		(46,963)	784,606
Operating (loss)/profit	5	(46,963)	784,606
Finance income	6	88,680	266,467
Profit before tax		41,717	1,051,073
Income tax expense	7	-	-
Profit for the financial year		41,717	1,051,073

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 9 March 2019

	Note	2019 £	2018 £
Non-current assets			
Investments in subsidiaries and joint ventures	8	2	2
Trade and other receivables	10	-	5,111,320
		2	5,111,322
Current assets			
Inventories	9	8,104,500	8,104,500
Trade and other receivables	10	22,258,159	17,226,360
Cash and cash equivalents		1,000	1,000
		30,363,659	25,331,860
Total assets		30,363,661	30,443,182
Current liabilities			
Trade and other payables	11	(15,411,571)	(15,532,809)
Net current assets		14,952,088	9,799,051
Net assets		14,952,090	14,910,373
Equity			
Called up share capital	12	1,000,002	1,000,002
Retained earnings	13	13,952,088	13,910,371
Total equity		14,952,090	14,910,373

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:



Bruce Richardson
On behalf of Sainsburys Corporate Director Limited
Director
12 December 2019

Ramheath Properties Limited
Statement of changes in equity
for the 52 weeks to 9 March 2019

	Note	Called up share capital £	Retained earnings £	Total equity £
At 11 March 2018		1,000,002	13,910,371	14,910,373
Profit for the year	13	-	41,717	41,717
At 09 March 2019		1,000,002	13,952,088	14,952,090

At 12 March 2017		1,000,002	12,859,298	13,859,300
Profit for the year	13	-	1,051,073	1,051,073
At 10 March 2018		1,000,002	13,910,371	14,910,373

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 9 March 2019

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 9 March 2019 (prior financial year: 52 weeks to 10 March 2018).

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 2019 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 52 weeks to 9 March 2019.

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. They have been prepared on a 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 9 March 2019

2. Accounting policies (continued)

b) Basis of preparation (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. J Sainsbury plc address is 33 Holborn, London, EC1N 2HT.

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 considered the following amendments to published standards that are effective for the Company for the financial year beginning 11 March 2018 and concluded that they are either not relevant to the Company or that they do not have a significant impact on the Company's financial statements other than disclosures. These standards and interpretations have been endorsed by the European Union.

- Amendments to IFRS 2 'Share-based Payment' on the classification and measurement of share-based payment transactions
- Amendments to IAS 40 'Investment Property' on the transfers of investment property
- IFRIC Interpretation 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements Cycle 2014-2016 (issued in December 2016)
- IFRS 4 'Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts'
- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'

Standards and revisions effective for future periods:

- IFRS 16 'Leases'
- IFRIC Interpretation 23 'Uncertainty over Income Tax Treatments'
- Amendments to IFRS 9 'Financial Instruments' on prepayment features with negative compensation
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' on the definition of material
- Amendments to IAS 19 'Employee Benefits' on plan amendments, curtailments or settlements
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' on long-term interests in associates and joint ventures
- Annual Improvements Cycle 2015-2017 (issued in December 2017)

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.

Cost of sales

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

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 9 March 2019

2. Accounting policies (continued)

b) Basis of preparation (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

From 11 March 2018, the Company classifies all of its financial assets at amortised cost in accordance with IFRS 9. Before 11 March 2018, the Company classified its financial assets as loans and receivables in accordance with IAS 39.

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For the Company, these are financial assets that are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and where the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company initially measures these financial assets at fair value plus transaction costs. Subsequently 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.

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 9 March 2019

2. Accounting policies (continued)

c) Significant accounting judgements, estimates and assumptions (continued)

Impairment of financial assets

The adoption of IFRS 9 has fundamentally changed the Company's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a 3 stage forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECL for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company establishes provisions against trade receivables to reflect the lifetime expected credit loss, consistent with the simplified approach under IFRS 9.

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.

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.

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 are set out in note 7.

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 9 March 2019

2. Accounting policies (continued)

c) Significant accounting judgements, estimates and assumptions (continued)

Property disposals

Revenue is recognised when the relevant performance obligations have been satisfied. For property disposals this occurs on the date that transaction completes, marked by receipt of a completion notice.

3. Revenue

	2019	2018
	£	£
Deferred consideration	-	720,000
Disposal costs reversal	-	64,606
Total revenue	-	784,606

In the prior year comparative the deferred consideration of £720,000 arose following the settlement of a liability attaching to the site for less than the agreed value when the site was transferred to the company in 2015/16. Furthermore, the reversal of disposal costs of £64,606 relate to previously provided costs of disposal that will no longer be incurred.

4. Employees and directors' remuneration

The average monthly number of persons (including Directors) employed by the Company during the financial year was nil (2018: 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.

5. Operating loss

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

6. Finance income

	2019	2018
	£	£
Interest income on receivables held at amortised cost	88,680	266,467
Finance income	88,680	266,467

Finance income relates 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.

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 9 March 2019

7. Income tax expense

The income tax expense for the financial year was £nil (2018: £nil).

The effective tax rate of nil per cent (2018: nil per cent) is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2019 £	2018 £
Profit before tax	41,717	1,051,073
Income tax at UK corporation rate of 19.00% (2018: 19.06%)	7,926	200,335
Effects of:		
Transfer pricing adjustment	12,008	10,296
Group relief claimed for £nil consideration	(19,934)	(210,631)
Total income tax expense per income statement	-	-

The main rate of UK corporation tax reduced from 20 per cent to 19 per cent 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 a prior period, 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.

8. Investments in subsidiaries and joint ventures

	2019 £	2018 £
Beginning of the year	2	2
End of the year	2	2

The Company's subsidiaries and joint ventures held as at 9 March 2019 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 also holds a 50% investment in Romford Developments Limited (joint venture) being 1 ordinary share with £nil value.

9. Inventories

	2019 £	2018 £
Land held for development and re-sale	8,104,500	8,104,500
	8,104,500	8,104,500

The amount of inventories recognised as an expense and charged to cost of sales for the 52 weeks to 9 March 2019 was £nil (2018: £nil).

Ramheath Properties Limited
Notes to the financial statements (continued)
for the 52 weeks to 9 March 2019

10. Trade and other receivables

	2019 £	2018 £
Non-current		
Other receivables	-	5,111,320
	-	5,111,320
Current		
Amounts owed by Group entities	17,058,159	17,226,360
Other receivables	5,200,000	-
	22,258,159	17,226,360

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

11. Trade and other payables

	2019 £	2018 £
Current		
Amounts owed to Parent company	14,048,734	14,048,734
Other payables	1,362,837	1,484,075
	15,411,571	15,532,809

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.

12. Called up share capital

	2019 Number	2018 Number	2019 £	2018 £
Called up share capital				
Allotted and fully paid ordinary shares of £1 each	1,000,002	1,000,002	1,000,002	1,000,002

13. Retained earnings

	Profit and loss account £
At 11 March 2018	13,910,371
Profit for the year	41,717
At 9 March 2019	13,952,088
At 12 March 2017	12,859,298
Profit for the year	1,051,073
At 10 March 2018	13,910,371