Registered Company number: 07111226

Flint Castle Limited

Annual Report and Financial Statements

For the 52 weeks to 6 March 2021

Flint Castle Limited
Strategic report
for the 52 weeks to 6 March 2021

Principal activities and review of business
The principal activity of Flint Castle Limited (the 'Company') is to act as a Limited Partner in Sainsbury's Property Scottish Limited Partnership (the 'Partnership'). The role of Limited Partner as laid out by the Limited Partnership Agreement (dated 12 May 2010) gives the Company no part in the management or control of the business and affairs of the Partnership.

The Company's profit for the financial year is £12 (2020: £78). The financial position as at 6 March 2021 is shown in the balance sheet set out on page 10.

All material operations are carried out in the United Kingdom.

A full review of the business and the market can be found in the 2021 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') and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 32 to 45 of the Group's Annual Report and financial statements 2021, which does not form part of this report.

Future developments
It is management's intention to wind up the Company within 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, which includes the Company, are discussed on pages 1 to 31 of the Group's Annual Report, which does not form part of this report.

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

Flint Castle Limited
Strategic report (continued)
for the 52 weeks to 6 March 2021

Section 172 statement and stakeholder engagement

All directors are collectively responsible for the success of the Company and take their duties and responsibilities, including those set out in Section 172(1) of the Companies Act 2006, seriously. When making decisions, the board of directors seek to take the course of action that it considers best leads to the success of the Company over the long term, and this includes considering the Company's stakeholders.

The Company is a subsidiary of J Sainsbury plc and its stakeholder engagement is integrated within the governance framework of J Sainsbury plc and its subsidiaries (the 'Group'). During the year, the Directors continued to focus on engagement with the Company's stakeholders, most notably the Group. The Directors primarily used finance meetings to consider and engage with the Group. These interactions informed key decisions that the Directors made during the year, such as approving the Company's financial statements.

Further details on how the Group engaged with its stakeholders, can be found in the 2021 Annual Report for J Sainsbury plc on pages 19-22.

By order of the Board:

Katherine Kinch
Katherine Kinch (Sep 21, 2021 19:52 GMT+1)

Katherine Kinch
On behalf of Sainsburys Corporate Director Limited
21 September 2021

Flint Castle Limited
Directors' report
for the 52 weeks to 6 March 2021

The Directors present their report and the audited financial statements of Flint Castle Limited (the 'Company') for the 52 weeks to 6 March 2021. The prior financial year's financial statements were for the 52 weeks to 7 March 2020.

Dividends

During the financial year, there were no dividends recommended or paid (2020: £nil).

Going concern

During the prior financial year, J Sainsbury plc, announced that it had reached agreement with the Company's Pension Scheme Trustees on the terms of the triennial actuarial valuation as at 30 September 2018 and related funding plan. Under the revised funding plan, J Sainsbury plc established a new property partnership (Sainsbury's Thistle Scottish Limited Partnership) with the Pension Scheme (the "New Partnership") on 17 July 2019.

As the Company was created to act as a partner in the Sainsbury's Property Scottish Limited Partnership which is to be wound up, it was management's intention to also wind up the Company this year. As this did not occur, the financial statements have not been prepared on a going concern basis. All carrying amounts are reflective of their recoverable amounts.

Directors

The names of the persons who were Directors at any time during the financial year and up to the date of signing the financial statements are set out below. Unless otherwise indicated they served as Directors for the entire financial year.

Bruce Richardson
Sainsbury's Corporate Director Limited

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:

Julia Foo	(Resigned 7 May 2021)
Sainsburys Corporate Secretary Limited	(Appointed 7 May 2021)

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 2020/21, which was renewed for 2021/22. 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.

Flint Castle Limited
Directors' report (continued)
for the 52 weeks to 6 March 2021

Disclosure of information to auditors

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

Independent auditors

Ernst & Young LLP, have indicated their willingness to continue in office.

By order of the Board:

Katherine Kinch
Katherine Kinch (Sep 21, 2021 19:52 GMT+1)

Katherine Kinch
On behalf of Sainsburys Corporate Director Limited
21 September 2021

Flint Castle Limited
Statement of Directors' responsibilities
for the 52 weeks to 6 March 2021

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006. In preparing these financial statements, the Directors are required to:

- state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IASs 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
Director
21 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLINT CASTLE LIMITED

Opinion

We have audited the financial statements of Flint Castle Limited for the 52 week period ended 6 March 2021 which comprise the Statement of comprehensive income, Balance sheet, Cash flow statement, 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 6 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 2(b) of the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2(b). Our opinion is not modified in respect of this matter.

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.

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 course of 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 themselves. 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 FLINT CASTLE 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 Statement of directors' responsibilities set out on page 5, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLINT CASTLE LIMITED continued

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are International Accounting Standards, the Companies Act 2006 and the relevant UK tax compliance regulations.
- We understood how Flint Castle Limited is complying with those frameworks by making enquiries of management; internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, internal audit reports and through consideration of the results of our audit procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of those responsible for legal and compliance procedures, internal audit and management. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and financial statements with all applicable reporting requirements.

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.

Ernst & Young LLP

Ben Marles (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
24 September 2021

Flint Castle Limited
Statement of comprehensive income
for the 52 weeks to 6 March 2021

	Note	2021 £	2020 £
Revenue	3	-	-
Operating profit		-	-
Finance income	5	12	78
Profit before tax		12	78
Income tax expense	6	-	-
Profit for the financial year		12	78

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

The notes on pages 12 to 19 are an integral part of these financial statements.

Flint Castle Limited
Balance sheet
As at 6 March 2021

	Note	2021 £	2020 £
Current assets			
Investments	7	**100**	100
Other receivables	8	**10,565**	10,553
Total assets		**10,665**	10,653
Current liabilities			
Other payables	9	**(100)**	(100)
Net current assets		**10,565**	10,553
Net assets		**10,565**	10,553
Equity			
Called up share capital	10	**10,001**	10,001
Retained earnings	11	**564**	552
Total equity		**10,565**	10,553

The notes on pages 12 to 19 are an integral part of these financial statements.

The financial statements on pages 9 to 19 were approved by the Board of Directors and were signed on its behalf by:

Bruce Richardson
Director
21 September 2021

Flint Castle Limited
Cash flow statement
for the 52 weeks to 6 March 2021

There were no cash flows arising in the Company in the current or prior financial year.

The notes on pages 12 to 19 are an integral part of these financial statements.

Statement of changes in equity
for the 52 weeks to 6 March 2021

	Note	Called up share capital £	Retained earnings £	Total equity £
At 7 March 2020		**10,001**	**552**	**10,553**
Profit for the financial year	10 & 11	**-**	**12**	**12**
At 6 March 2021		**10,001**	**564**	**10,565**

At 10 March 2019		10,001	474	10,475
Profit for the financial year	10 & 11	-	78	78
At 7 March 2020		10,001	552	10,553

The notes on pages 12 to 19 are an integral part of these financial statements.

1 General information

Flint Castle Limited (the 'Company') is a private limited company incorporated and domiciled in England and Wales. The Company's registered address is 33 Holborn, London EC1N 2HT, United Kingdom. The Company is part of J Sainsbury plc (the 'Group').

The Company's financial year represents the 52 weeks to 6 March 2021 (prior financial year: 52 weeks to 7 March 2020).

The ultimate parent company and controlling party of the Company is J Sainsbury plc, which is registered in England and Wales, and forms the only Group into which the financial statements of the Company are consolidated. Copies of the parent company's financial statements may be obtained from www.about.sainsburys.co.uk.

2 Accounting policies

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006.

(b) Basis of preparation

The financial statements are presented in sterling, rounded to the nearest pound (£) unless otherwise stated. It is the Directors' intention to wind up the Company within the next twelve months. As a result the financial statements have not been prepared on a going concern basis. Accordingly, investments are carried at their estimated realisable amount, and all assets and liabilities are classified as current.

The preparation of financial statements in conformity with IASs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2c.

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

Going concern

During the prior financial year, J Sainsbury plc, announced that it had reached agreement with the Company's Pension Scheme Trustees on the terms of the triennial actuarial valuation as at 30 September 2018 and related funding plan. Under the revised funding plan, J Sainsbury plc established a new property partnership (Sainsbury's Thistle Scottish Limited Partnership) with the Pension Scheme (the "New Partnership") on 17 July 2019.

As the Company was created to act as a partner in the Sainsbury's Property Scottish Limited Partnership which is to be wound up, it was management's intention to also wind up the Company this year. As this did not occur, the financial statements have not been prepared on a going concern basis. All carrying amounts are reflective of their recoverable amounts.

2. Accounting policies (continued)

Amendments to published standards
Effective for the Company in these financial statements:
The Company has considered the following amendments to published standard that are effective for the Company for the financial year beginning 8 March 2020 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.

— Amendments to References to Conceptual Framework in IFRS Standards
— Amendments to IFRS 3 'Business Combinations' on the definition of a business
— 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 IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' on the Interest Rate Benchmark Reform

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

— Amendments to IFRS 3 'Business Combinations' with reference to the Conceptual Framework
— Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts – Cost of Fulfilling a Contract
— Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use
— Amendments to IAS 1 'Presentation of Financial Statements' on the classification of liabilities as current or non-current
— IFRS 17 'Insurance Contracts'

The Company has considered the impact of the remaining above standards and revisions and have concluded that they will not have a significant impact on the Company's financial statements.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Revenue
Revenue is earned by means of a distribution of profits from the Company's investment in Sainsbury's Property Scottish Limited Partnership, of which the Company is a Limited Partner.

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

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.

Investments
Investments in partnerships are held at cost, less any recognised impairment loss.

2. Accounting policies (continued)

Financial instruments

Financial assets

The Company classifies all of its financial assets at amortised cost in accordance with IFRS 9.

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

Bank loans and payables are 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, payables and loans of a maturity of less than one year are approximate to their book values.

Impairment of financial assets

Loan Loss impairments are accounted for using 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 contract.

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.

2. Accounting policies (continued)

(c) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IASs 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:

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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Impairment of assets

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

Income taxes

The Company recognises expected liabilities for tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the year when such determination is made. Detail of the tax charge is set out in note 6.

3 Operating profit

The auditors' remuneration, in the current financial year was £1,863 (2020: £1,863).

4 Employee Costs

The average monthly number of persons (including Directors) employed by the Company during the financial year was nil (2020: nil).

All of the Directors are also 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 Finance income

	2021	2020
	£	£
Interest receivable from Group companies	**12**	78

6 Income tax expense

The income tax expense for the financial year was £nil (2020: £nil).

The effective tax rate of nil per cent (2020: nil per cent) is lower than (2020: lower than) the standard rate of corporation tax in the UK. The differences are explained below:

	2021	2020
	£	£
Profit before tax	**12**	78
Income tax at UK corporation tax rate of 19.00% (2020: 19.00%)	**2**	15
Effects of:		
Non-taxable dividends received		
Group relief claimed for £nil consideration	**(2)**	(15)
Total income tax expense in income statement	**-**	-

The main rate of UK corporation tax is reducing 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

	2021	2020
	£	£
At start of financial year	**100**	100
At end of financial year	**100**	100

7 Investments (continued)

On 6 January 2010, the Company became the General Partner of a newly formed partnership, Sainsbury's Property Scottish Limited Partnership (the 'Partnership'). The Partnership is registered in Scotland and limited under the Limited Partnerships Act 1907. The Company has taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 and has therefore not appended the financial statements of this qualifying partnership to these financial statements.

8 Other receivables

	2021 £	2020 £
Current		
Amounts due from parent company	**1**	1
Amounts due from Group companies	**10,564**	10,552
	10,565	10,553

Amounts due from parent and Group companies are denominated in sterling and are interest bearing at Bank of England's base rate of 0.10 (2020: 0.75) per cent per annum.

Amounts due from parent and Group companies are not considered overdue or impaired.

9 Other payables

	2021 £	2020 £
Current		
Amounts due to Group companies	**100**	100

Amounts due to Group companies are non-interest bearing and are payable on demand.

10 Called up share capital

	2021 number	2021 £	2020 Number	2020 £
Authorised, allotted and fully paid - £1 ordinary shares	**10,001**	**10,001**	10,001	10,001
Called up share capital	**10,001**	**10,001**	10,001	10,001

11 Retained earnings

	2021 £	2020 £
At start of financial year	**552**	474
Profit for the financial year	**12**	78
At end of financial year	**564**	552

12 Financial risk management

Treasury management

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

12 Financial risk management (continued)

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 has no exposure to interest rate risk fluctuations as amounts due to and from the parent and group companies carry fixed rates of interest or 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 exposure to credit risk is limited to amounts receivable from the parent and Group companies. 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.

13 Related party transactions

The ultimate parent company and controlling party of the Company is J Sainsbury plc, which is registered in England and Wales, and forms the only group into which the financial statements of the Company are consolidated. Copies of the parent company's financial statements may be obtained from www.about.sainsburys.co.uk. The company does not have a bank account; all transactions are settled on an intercompany account.

(a) Key management personnel
The key management personnel of the Company comprise of the Board of Directors. The Directors do not receive any remuneration from the Company as their emoluments are borne by Group companies. The Company did not have any transactions with the Directors during the financial year.

(b) Transactions with Parent company

	2021	2020
	£	£
Year end balances arising from transactions with parent company		
Receivables		
Amounts due from Parent company	**1**	1

13 Related party transactions (continued)

(c) Transactions with Group companies

	2021 £	2020 £
Advances given to Group companies		
Interest income in respect of interest bearing loans	**12**	78

Year end balances arising from transactions with Group companies		
Receivables		
Amounts due from Group companies	**10,564**	10,552
Payables		
Amounts due to Group companies	**100**	100

(d) Transactions with other related parties

There have been no transactions with other related parties during the financial year.