

COMPANY NUMBER: 1762921

RAMHEATH PROPERTIES LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 1 APRIL 2000



Ramheath Properties Limited
Report of the Directors
for the 52 weeks to 1st April 2000

Review of the Business

The principal activity of the Company is property development. The Directors are satisfied with the trading result for the period and continue to pursue opportunities in respect of the development land held by the Company.

During the period no further properties were sold. Rental income from the joint venture at Merton Abbey Mills ceased in the previous year following the sale of that property.

The financial period is for the 52 weeks to 1 April 2000, compared with the previous financial period which was for the 56 weeks to 3 April 1999.

Future Developments

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

Results and Dividend

The Directors do not recommend the payment of a dividend for the period under review and propose to transfer the loss after tax of £800,110 to reserves.

Impact of Year 2000

As expected, the Year 2000 computer issue did not have a significant impact on the Company's activities. Any costs associated with this issue were not material.

Euro

The Directors have assessed the impact of the Euro on the operations of the Company. No costs have been incurred to date, and future costs will be expensed to the profit and loss account as incurred.

Directors and their Interests

The Directors of the Company at 1st April 2000 and throughout the period were as follows:-

I D Coull
B K Bartram
N F Matthews

I D Coull is also a Director of J Sainsbury plc. The Directors do not have any interests in the share capital of the Company.

Ramheath Properties Limited
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According to the register required to be kept under Section 325 Companies Act 1985, the Directors' shareholdings and options to purchase, under share option schemes, in the ultimate parent company, J Sainsbury plc, required to be disclosed are as follows:

<u>Ordinary shares at 25p each</u>					
	1st April 2000				4th April 1999
B K Bartram	11,156				10,277
N F Matthews	83,170				80,554
<u>Options</u>					
	1st April 2000	Granted during period	Lapsed during period	Exercised during period	4th April 1999
B K Bartram	73,489	14,900	-	-	58,589
N F Matthews	135,324	35,340	2,126	1,558	103,668

There is one Ramheath Properties Limited Director who is also Director of J Sainsbury plc. The interests of this Director and details of the share options exercised are disclosed in the Annual Accounts of J Sainsbury plc

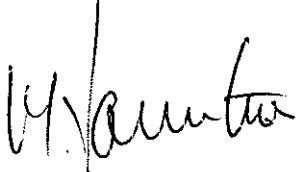
Excluding the Director of J Sainsbury plc, one Director exercised options in J Sainsbury plc shares during the period and the options of one Director lapsed. Disclosure of the J Sainsbury plc Director who exercised share options during the period is set out in the Annual Accounts of J Sainsbury plc.

Ramheath Properties Limited
Report of the Directors
for the 52 weeks to 1st April 2000

Auditors

In accordance with the Provisions of Section 379A of the Companies Act 1985 (as amended) the Company has elected pursuant to section 386 of the Act to dispense with the obligation to appoint auditors annually.

By Order of the Board

A handwritten signature in black ink, appearing to read 'W Hamilton', is written over a vertical line.

W Hamilton
Secretary

Ramheath Properties Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company at the end of the period, and of the profit or loss of the Company for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention of fraud and other irregularities.

AUDITORS' REPORT to the members of Ramheath Properties Limited

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 1 April 2000 and of its loss for the period then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
London

3 NOVEMBER 2000

Ramheath Properties Limited
Profit and Loss Account
for the period ended 1st April 2000

	<u>Note</u>	2000 £	1999 £
Turnover		0	11,425,690
Cost of sales		<u>(882,905)</u>	<u>(11,190,396)</u>
Gross (loss)/profit		<u>(882,905)</u>	235,294
Administrative expenses	2	<u>38,489</u>	<u>(152,262)</u>
Operating (loss)/profit		<u>(844,416)</u>	83,032
Interest receivable and similar income	3	<u>18,813</u>	<u>3,539</u>
(Loss)/Profit on ordinary activities before tax	4	<u>(825,603)</u>	86,571
Tax on (loss)/profit on ordinary activities	5	<u>25,493</u>	<u>(27,000)</u>
(Loss)/Profit for financial period	11	<u>(800,110)</u>	<u>59,571</u>

All of the above amounts relate to continuing operations.

The Company has no recognised gains or losses other than the loss for the period above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before tax and the retained loss for the period stated above and their historical cost equivalents.

The notes on pages 8 to 11 form part of these financial statements.

Ramheath Properties Limited

Balance Sheet

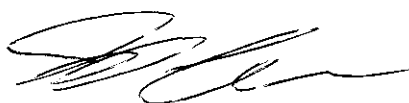
1st April 2000

	Note	2000 £	1999 £
Current assets			
Development in progress	6	3,500,000	4,124,044
Debtors	7	31,719	420,155
Cash at bank and in hand		<u>797,273</u>	<u>1,151,156</u>
		4,328,992	5,695,355
Creditors: amounts falling due within one year	8	(100,400)	(693,483)
Net current assets		4,228,592	5,001,872
Creditors: amounts falling due after more than one year			
	9	<u>(7,200,636)</u>	<u>(7,173,807)</u>
		<u>(2,972,044)</u>	<u>(2,171,935)</u>
Capital and reserves			
Called up share capital	10	1,000,002	1,000,002
Profit and loss account	11	<u>(3,972,047)</u>	<u>(3,171,937)</u>
Equity shareholders' funds	12	<u>(2,972,045)</u>	<u>(2,171,935)</u>

Approved by the Board on
and signed on its behalf

27/4/ 2000

Director



The notes on pages 8 to 11 form part of these financial statements.

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 1st April 2000

1. ACCOUNTING POLICIES

a) **Basis of accounts**

These financial statements have been prepared under the historical cost convention and comply with all applicable Accounting and Financial Reporting Standards.

b) **Developments in progress**

Developments in progress are stated at the lower of cost or net realisable value.

c) **Rental income**

Rental income received in respect of properties held for development has been offset against the cost of developments in progress.

2. ADMINISTRATIVE EXPENSES

Net administrative expenses are stated after crediting £45,980 which represents an adjustment to an over provision relating to the former joint venture at Merton Abbey Mills.

All of the Directors are also Directors or employees of the parent company J Sainsbury plc, and in some cases are directors of other group undertakings. For those Directors who are also directors of J Sainsbury plc their emoluments are borne by J Sainsbury plc. However, the Directors do not believe it is possible to meaningfully allocate these emoluments between their respective duties. The emoluments of those directors who are directors of the parent company are disclosed in the accounts of J Sainsbury plc. The Directors do not receive any remuneration from the Company (1999 : nil).

The Company had no employees during the period (1999 : none).

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000	1999
	£	£
Interest receivable:		
Other interest receivable	<u>18,813</u>	<u>3,539</u>

4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	2000	1998
	£	£
This is stated after charging:		
Auditors' remuneration	<u>3,100</u>	<u>3,000</u>

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 1st April 2000

5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
UK Corporation tax for the period at 30% (1999 : 31%)	(25,014)	27,000
Over provision in prior periods	<u>(479)</u>	<u>-</u>
	<u>(25,493)</u>	<u>27,000</u>

6. DEVELOPMENTS IN PROGRESS

	2000	1999
	£	£
Site purchases	6,149,511	6,118,608
Provision for impairment in value	<u>(5,582,905)</u>	<u>(4,700,000)</u>
Site purchases net of provision	566,606	1,418,608
Building costs, fees and expenses	6,221,902	6,001,941
Less accumulated rental income	<u>(3,288,508)</u>	<u>(3,296,505)</u>
	<u>3,500,000</u>	<u>4,124,044</u>

7. DEBTORS

	2000	1999
	£	£
Trade debtors	2,022	110,532
Amount due from parent undertaking	2	2
Corporation tax recoverable	25,226	298,331
Other debtors	<u>4,469</u>	<u>11,290</u>
	<u>31,719</u>	<u>420,155</u>

8. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Amount due to group undertaking	-	35,980
Corporation tax	-	27,000
Accruals & Deferred Income	<u>100,400</u>	<u>630,503</u>
	<u>100,400</u>	<u>693,483</u>

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 1st April 2000

9. CREDITORS: amounts due in more than one year

	2000	1999
	£	£
Amount owed to group undertakings	<u>7,200,636</u>	<u>7,173,807</u>

10. CALLED UP SHARE CAPITAL

	2000	1999
	£	£
Authorised ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>
	£	£
Allotted, called up and fully paid	<u>1,000,002</u>	<u>1,000,002</u>

11. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Balance at beginning of the period	(3,171,937)	(3,231,508)
(Loss)/Profit for the period	<u>(800,110)</u>	<u>59,571</u>
Balance at end of period	<u>(3,972,047)</u>	<u>(3,171,937)</u>

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2000	1999
	£	£
(Loss)/Profit for Financial Period	(800,110)	59,571
Equity Shareholder's Funds brought forward	<u>(2,171,935)</u>	<u>(2,231,506)</u>
Equity Shareholder's Funds carried forward	<u>(2,972,045)</u>	<u>(2,171,935)</u>

13. FINANCIAL SUPPORT

The parent undertaking has indicated its willingness to provide financial support to enable the Company to continue its operations.

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 1st April 2000

14. ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent undertaking is J Sainsbury plc, which is registered in England and Wales. Copies of the parent's consolidated accounts may be obtained from The Secretary, J Sainsbury plc, Stamford House, Stamford Street, London, SE1 9LL.

15. CASH FLOW STATEMENT

The Company has adopted Financial Reporting Standard 1 (revised) and under the exemptions allowed for subsidiary companies has not prepared a Cash Flow Statement.

16. RELATED PARTY TRANSACTIONS

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the J Sainsbury plc group.