

COMPANY NUMBER: 1762921

RAMHEATH PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2001



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Ramheath Properties Limited
Report of the Directors
for the 52 weeks to 31st March 2001

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.

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 (2000 : £nil) and propose to transfer the profit after tax of £1,624 to reserves (2000 : loss £800,110).

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 31st March 2001 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
Report of the Directors
for the 52 weeks to 31st March 2001

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</u>			
		31 st March		2 nd April	
		2001		2000	
B K Bartram		12,258		11,156	
N F Matthews		82,138		83,170	

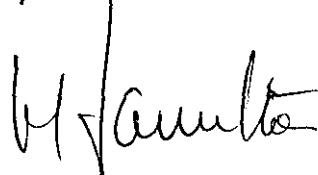
		<u>Options</u>			
		Granted	Lapsed	Exercised	
		during	during	during	2 nd April
		period	period	period	2000
		31 st March			
		2001			
B K Bartram	94,170	21,783	-	(1,102)	73,489
N F Matthews	186,377	51,053	-	-	135,324

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 Report and Financial Statements of J Sainsbury plc.

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



W Hamilton
 Secretary

Ramheath Properties Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements 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 financial statements, 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 financial statements;
- prepare the financial statements 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 financial statements 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 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 3, 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 31 March 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

London

29 August 2001

Ramheath Properties Limited
Profit and Loss Account
for the period ended 31st March 2001

	<u>Note</u>	52 weeks ending 31 st March 2001 £	52 weeks ending 1 st April 2000 £
Turnover		0	0
Cost of sales		<u>3,730</u>	<u>(882,905)</u>
Gross profit/(loss)		3,730	(882,905)
Administrative expenses	2	<u>(3,082)</u>	<u>38,489</u>
Operating profit/(loss)		648	(844,416)
Interest receivable and similar income	3	<u>590</u>	<u>18,813</u>
Profit/(loss) on ordinary activities before tax	4	<u>1,238</u>	<u>(825,603)</u>
Tax on profit/(loss) on ordinary activities	5	<u>386</u>	<u>25,493</u>
Profit/(loss) for financial period	11	<u>1,624</u>	<u>(800,110)</u>

All of the above amounts relate to continuing operations.

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

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

The notes on pages 7 to 10 form part of these financial statements.

Ramheath Properties Limited
Balance Sheet
as at 31st March 2001

	<u>Note</u>	31 st March 2001 £	1 st April 2000 £
Current assets			
Stock - Development in progress	6	3,500,000	3,500,000
Debtors	7	2,567	31,719
Cash at bank and in hand		<u>747,181</u>	<u>797,273</u>
		4,249,748	4,328,992
Creditors: amounts falling due within one year	8	(19,551)	(100,400)
Net current assets		4,230,197	4,228,592
Creditors: amounts falling due after more than one year	9	(7,200,618)	(7,200,637)
Net liabilities		<u>(2,970,421)</u>	<u>(2,972,045)</u>
Capital and reserves			
Called up share capital	10	1,000,002	1,000,002
Profit and loss account	11	(3,970,423)	(3,972,047)
Equity shareholders' funds	12	<u>(2,970,421)</u>	<u>(2,972,045)</u>

Approved by the Board on 16th August 2001 and signed on its behalf

Director

Nigel F. M...

The notes on pages 7 to 10 form part of these financial statements.

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 31st March 2001

I. ACCOUNTING POLICIES

a) **Basis of financial statement**

These financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting 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

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 (2000 : nil).

The Company had no employees during the period (2000 : none).

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £	2000 £
Interest receivable:		
Other interest receivable	<u>590</u>	<u>18,813</u>

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

	2001 £	2000 £
This is stated after charging:		
Auditors' remuneration for audit services	<u>3,100</u>	<u>3,100</u>

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 31st March 2001

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

	2001	2000
	£	£
UK Corporation tax for the period at 30% (2000 : 30%)	200	(25,014)
Over provision in prior periods	<u>(586)</u>	<u>(479)</u>
	<u>(386)</u>	<u>(25,493)</u>

6. DEVELOPMENTS IN PROGRESS

	2001	2000
	£	£
Site purchases	6,149,511	6,149,511
Provision for impairment in value	<u>(5,579,175)</u>	<u>(5,582,905)</u>
Site purchases net of provision	570,336	566,606
Building costs, fees and expenses	6,218,172	6,221,902
Less accumulated rental income	<u>(3,288,508)</u>	<u>(3,288,508)</u>
	<u>3,500,000</u>	<u>3,500,000</u>

7. DEBTORS

	2001	2000
	£	£
Trade debtors	2,022	2,022
Amount due from parent undertaking	2	2
Corporation tax recoverable	-	25,226
Other debtors	<u>543</u>	<u>4,469</u>
	<u>2,567</u>	<u>31,719</u>

8. CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Trade creditors	3,643	-
Corporation tax	200	-
Accruals and Deferred Income	<u>15,708</u>	<u>100,400</u>
	<u>19,551</u>	<u>100,400</u>

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 31st March 2001

9. CREDITORS: amounts due in more than one year

	2001	2000
	£	£
Amount owed to group undertakings	<u>7,200,618</u>	<u>7,200,637</u>

10. CALLED UP SHARE CAPITAL

	2001	2000
	£	£
Authorised ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>
	£	£
Allotted, called up and fully paid shares of £1 each	<u>1,000,002</u>	<u>1,000,002</u>

11. PROFIT AND LOSS ACCOUNT

	£
Balance at 2 April 2000	(3,972,047)
Profit for the period	<u>1,624</u>
Balance at 31 March 2001	<u>(3,970,423)</u>

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2001	2000
	£	£
Profit/(loss) for Financial Period	1,624	(800,110)
Equity Shareholder's Funds brought forward	<u>(2,972,045)</u>	<u>(2,171,935)</u>
Equity Shareholder's Funds carried forward	<u>(2,970,421)</u>	<u>(2,972,045)</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 31st March 2001

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 financial statements 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.