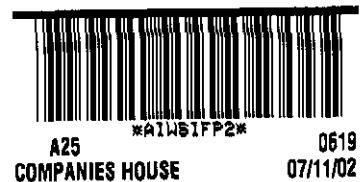


COMPANY NUMBER: 1762921

RAMHEATH PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 30 MARCH 2002



**Ramheath Properties Limited
Report of the Directors
for the 52 weeks to 30 March 2002**

The Directors present their report and the audited financial statements of the Company for the 52 weeks ended 30 March 2002.

Principal activity

The principal activity of the Company is property development.

Review of business and future developments

The Directors are satisfied with the trading result for the year and continue to pursue opportunities in respect of the development land held by the Company. No change is planned in the activities of the Company in the next financial year.

Results and dividends

The Company's loss for the financial year is £277,024 (2001 : profit £1,624). The directors do not recommend payment of a dividend (2001 : nil).

Directors and their interests

The Directors of Ramheath Properties Limited during the year are shown below:

I D Coull	
B K Bartram	(resigned 9 October 2001)
N F Matthews	(resigned 21 November 2001)
T Fallowfield	(appointed 21 November 2001)
B Henderson	(appointed 9 October 2001)

The Directors do not have any interests in the share capital of the Company.

The number of 25p ordinary shares and options over 25p ordinary shares of J Sainsbury plc held by Directors who were not also Directors of the ultimate parent company, and their immediate families, were:

		<u>Ordinary shares</u>			
		30 March 2002	On appointment		
T Fallowfield		-	-		
B Henderson		5,473	5,473		
		<u>Share options</u>			
	30 March 2002	Granted during year	Lapsed during year	Exercised during year	On appointment
T Fallowfield	36,855	-	-	-	36,855
B Henderson	108,595	-	-	-	108,595

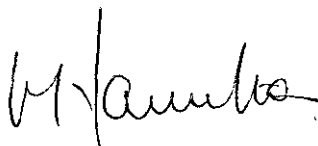
**Ramheath Properties Limited
Report of the Directors
for the 52 weeks to 30 March 2002**

Ian Coull is also Director of J Sainsbury plc and his interests and details of his share options 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

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

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 year, and of the profit or loss of the Company for that year. 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.

Ramheath Properties Limited
Independent auditors' report to the members of Ramheath Properties Limited.

We have audited the financial statements on pages 5 to 9 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' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 Companies Act 1985. 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.

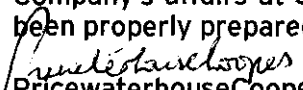
Basis of audit opinion

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 30 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
13 September 2002

Ramheath Properties Limited
Profit and Loss Account
for the 52 weeks to 30 March 2002

	<u>Note</u>	2002 £	2001 £
Turnover		-	-
Cost of sales		<u>(276,174)</u>	<u>3,730</u>
Gross (loss)/profit		<u>(276,174)</u>	<u>3,730</u>
Administrative expenses		<u>(900)</u>	<u>(3,082)</u>
Operating (loss)/profit	2	<u>(277,074)</u>	648
Interest receivable	4	-	<u>590</u>
(Loss)/profit on ordinary activities before taxation		<u>(277,074)</u>	<u>1,238</u>
Tax on (loss)/profit on ordinary activities	5	<u>50</u>	<u>386</u>
(Loss)/profit for financial year		<u>(277,024)</u>	<u>1,624</u>
Retained (loss)/profit for financial year	11	<u>(277,024)</u>	<u>1,624</u>

All of the above amounts relate to continuing operations.

The Company has no recognised gains or losses other than the loss for the year 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 financial year stated above and their historical cost equivalents.

The notes on pages 7 to 9 form part of these financial statements.

Ramheath Properties Limited
Balance Sheet
as at 30 March 2002

	<u>Note</u>	30 March 2002 £	31 March 2001 £
Current assets			
Stock	6	3,250,000	3,500,000
Debtors	7	5,210	2,567
Cash at bank and in hand		<u>735,712</u>	<u>747,181</u>
		3,990,922	4,249,748
Creditors: amounts falling due within one year	8	<u>(37,599)</u>	<u>(19,551)</u>
Net current assets		3,953,323	4,230,197
Creditors: amounts falling due after more than one year	9	<u>(7,200,768)</u>	<u>(7,200,618)</u>
Net liabilities		<u>(3,247,445)</u>	<u>(2,970,421)</u>
Capital and reserves			
Called up share capital	10	1,000,002	1,000,002
Profit and loss account	11	<u>(4,247,447)</u>	<u>(3,970,423)</u>
Equity shareholder's funds	12	<u>(3,247,445)</u>	<u>(2,970,421)</u>

Approved by the Board on 13 September 2002 and signed on its behalf

Director



The notes on pages 7 to 9 form part of these financial statements.

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 30 March 2002

1. PRINCIPAL 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. The financial year represents the 52 weeks ended 30 March 2002 (prior year the 52 weeks ended 31 March 2001).

Financial Reporting Standard (FRS) 19 'Deferred Tax' has been adopted in the current year and did not have any financial impact. Financial Reporting Standard (FRS) 18 'Accounting Policies' has also been adopted in the current year but this did not require any change in accounting policy. Accounting policies are periodically reviewed to ensure that they continue to be the most appropriate for the Company.

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. OPERATING (LOSS)/PROFIT

	2002 £	2001 £
Operating (loss)/profit is stated after charging:		
Auditors' remuneration for audit services	<u>900</u>	<u>3,100</u>

3. EMPLOYEES AND DIRECTORS' REMUNERATION

The average monthly number of persons (including Executive Directors) employed by the Company during the year was Nil (2001: Nil).

All of the Directors are also Directors or employees of the parent company J Sainsbury plc or other group undertakings. For the Director who is also a Director of J Sainsbury plc, his 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 the Director who is a Director of the parent company are disclosed in the financial statements of J Sainsbury plc. The Directors do not receive any remuneration from the Company (2001: Nil).

4. INTEREST RECEIVABLE

	2002 £	2001 £
Other interest	<u>-</u>	<u>590</u>

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 30 March 2002

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

	2002	2001
	£	£
UK Corporation tax for the year at 30% (2001: 30%)	-	200
Over provision in prior years - UK	<u>(50)</u>	<u>(586)</u>
Tax on (loss)/profit on ordinary activities	<u>(50)</u>	<u>(386)</u>

The effective tax rate differs from the standard tax rate because of the incidence of tax losses and prior year items.

6. DEVELOPMENTS IN PROGRESS

	2002	2001
	£	£
Site purchases	6,149,511	6,149,511
Building costs, fees and expenses	6,244,346	6,218,172
Provision for impairment in value	(5,855,349)	(5,579,175)
Less accumulated rental income	<u>(3,288,508)</u>	<u>(3,288,508)</u>
	<u>3,250,000</u>	<u>3,500,000</u>

7. DEBTORS

	2002	2001
	£	£
Trade debtors	2,022	2,022
Amount due from parent undertaking	2	2
Other debtors	<u>3,186</u>	<u>543</u>
	<u>5,210</u>	<u>2,567</u>

8. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	3,995	3,643
Corporation tax	-	200
Accruals and deferred income	<u>33,604</u>	<u>15,708</u>
	<u>37,599</u>	<u>19,551</u>

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 30 March 2002

9. CREDITORS: amounts due after more than one year

	2002 £	2001 £
Amount owed to group undertakings	<u>7,200,768</u>	<u>7,200,618</u>

10. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>
	£	£
Allotted and fully paid shares of £1 each	<u>1,000,002</u>	<u>1,000,002</u>

11. PROFIT AND LOSS ACCOUNT

	£
Balance at 1 April 2001	(3,970,423)
Loss retained for the year	<u>(277,024)</u>
Balance at 30 March 2002	<u>(4,247,447)</u>

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2002 £	2001 £
(Loss)/profit for financial year	(277,024)	1,624
Opening equity shareholder's funds	<u>(2,970,421)</u>	<u>(2,972,045)</u>
Closing equity shareholder's funds	<u>(3,247,445)</u>	<u>(2,970,421)</u>

13. 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, 33 Holborn, London, EC1N 2HT.

14. CASH FLOW STATEMENT

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 a cash flow statement under the terms of FRS 1 (revised 1996).

15. 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.