COMPANY NUMBER: 1762921

RAMHEATH PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 27 March 2004

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Ramheath Properties Limited
Report of the Directors
for the 52 weeks to 27 March 2004

The Directors present their report and the audited financial statements of the Company for the 52 weeks ended 27 March 2004.

Principal activity
The principal activity of the Company is property development.

Review of business and future developments
The Company acquired a number of properties from JS Developments during the year. It sold a number of the newly acquired properties to Kier Property Development Ltd on the 26th of March 2004 for a consideration of £21,583,337.

Results and dividends
The Company's loss for the financial year of £4,492,530 (2003: loss £14,524), has been taken to reserves. The directors do not recommend payment of a dividend (2003:£ nil).

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

T Fallowfield	
B Henderson	- Resigned 10/12/03
R Chadwick	- Appointed 07/08/03, Resigned 10/12/03
D Taljaard	- Appointed 27/10/03
G Saunders	- Appointed 05/01/04, Resigned 01/06/2004
M Anderson	- Appointed 01/06/04

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:

Ordinary shares

	27 March 2004	30 March 2003
T Fallowfield	**377**	320
G Saunders	**923**	803*
D Taljaard	**7,400**	7,400*

Share options

	27 March 2004	Granted during year	Lapsed during year	Exercised during year	30 March 2003
T Fallowfield	**245,590**	113,338	-	-	132,252
G Saunders	**277,611**	-	-	-	277,611*
D Taljaard	**233,918**	-	-	-	233,918*

* No of shares at date of appointment

Ramheath Properties Limited
Report of the Directors
for the 52 weeks to 27 March 2004

Auditors

In accordance with the Provision of S379A of the Companies Act 1985 (as amended) the company has elected pursuant to S386 of the act to dispense with the obligation to reappoint auditors annually.

By Order of the Board

H Jarvis - Secretary
October 2004

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; and
- 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 and detection of fraud and other irregularities.

Independent auditors' report to the members of Ramheath Properties Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies 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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 report of the directors 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.

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 27 March 2004 and of its loss for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

Date: 1/9/04

Ramheath Properties Limited
Profit and Loss Account
for the 52 weeks to 27 March 2004

	Note	2004 £	2003 £
Turnover		**21,953,978**	**3,500,000**
Cost of sales		(26,356,059)	(3,513,424)
Gross loss		**(4,402,081)**	**(13,424)**
Administrative expenses	2	(73,529)	(1,100)
Operating loss		**(4,475,610)**	**(14,524)**
Interest payable and similar charges	4	(16,920)	-
Loss on ordinary activities before taxation		**(4,492,530)**	**(14,524)**
Tax on loss on ordinary activities	5	-	-
Retained loss for the financial year	12	(4,492,530)	(14,524)

All of the above amounts relate to continuing operations.

The Company has no recognised gains or losses other than the retained loss for the financial 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 10 form part of these financial statements.

Ramheath Properties Limited
Balance Sheet
as at 27 March 2004

	Note	27 March 2004 £	29 March 2003 £
Fixed Assets			
Investments	6	**335,264**	-
Current assets			
Stock	7	**9,233,165**	-
Debtors	8	**344,414**	2,024
Cash at bank and in hand		**116,888**	4,213,379
		9,694,467	4,215,403
Creditors: *amounts falling due within one year*	9	**(3,500,890)**	(276,604)
Net current assets		**6,193,577**	3,938,799
Creditors: amounts falling due after more than one year	10	**(14,283,340)**	(7,200,768)
Net liabilities		**(7,754,499)**	(3,261,969)
Capital and reserves			
Called up share capital	11	**1,000,002**	1,000,002
Profit and loss account	12	**(8,754,501)**	(4,261,971)
Equity shareholder's funds	13	**(7,754,499)**	(3,261,969)

The financial statements on pages 5 to 10 were approved by the Board on 1st October 2004 and are signed on its behalf by:

Dermad Taljaard

D Taljaard
Director

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 27 March 2004

1. ACCOUNTING POLICIES

a) **Basis of financial statement**

These financial statements have been prepared on the going concern basis, under the historical cost convention, the accounting policies set out below, and in accordance with the Companies Act 1985. The financial year represents the 52 weeks ended 27 March 2004 (prior year the 52 weeks ended 29 March 2003).

Accounting policies are periodically reviewed to ensure that they continue to be the most appropriate for the Company.

b) **Turnover**

Turnover represents amounts receivable for properties sold. A sale is recognised where there is a legally binding sale agreement in existence at the period end which has become unconditional and irrevocable by the date of signing the financial statements, subject to any provisions necessary to cover residual commitments relating to the property. Turnover is stated exclusive of VAT.

c) **Developments in progress**

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

d) **Rental income**

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

e) **Capitalisation of interest**

Interest is expensed through the profit and loss account as incurred and is not capitalised into stock.

2. ADMINISTRATIVE EXPENSES

	2004	2003
	£	£
Operating loss is stated after charging:		
Auditors' remuneration for audit services	-	1,100

Any other expenses incurred, not related to properties sold, have been borne by the ultimate parent undertaking, J Sainsbury plc or other group undertakings. Audit fees for 2004 have been borne by the ultimate parent undertaking, J Sainsbury plc.

3. EMPLOYEES AND DIRECTORS' REMUNERATION

The average monthly number of persons (including Executive Directors) employed by the Company during the year was Nil (2003: Nil).

All of the Directors are also Directors or employees of the parent company J Sainsbury plc or other group undertakings.

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 27 March 2004

4. NET INTEREST PAYABLE

	2004	2003
	£	£
Interest receivable and other income	890	-
Interest payable and similar charges	(17,810)	-
Net interest payable	(16,920)	-

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Over provision in prior years – UK	-	-
Tax on loss on ordinary activities	-	-

The tax assessed differs from the standard rate of corporation tax in the UK (30%) as tax losses will be surrendered for nil consideration to other group companies.

6. INVESTMENTS

	£
At 30 March 2003	-
£1 share in Romford Developments Ltd	335,207
50 'A' ord shares Beckton Gateway Retail	50
1 ord share Kingsmead Venture Ltd	1
62,346 pref shares Kingsmead Venture Ltd	1
1 ord share in Telford Forge Retail Park	1
1 ord share East Wall Nominees 1	1
1 ord share East Wall Nominees 2	1
2 £1 shares JSD London Ltd	2
At 27 March 2004	335,264

7. STOCK - DEVELOPMENTS IN PROGRESS

	2004	2003
	£	£
Land held for and in the course of development	9,233,165	-

8. DEBTORS

	2004	2003
	£	£
Trade debtors	341,723	-
Amount due from group undertaking	-	2,024
Other debtors	2,691	-
	344,414	2,024

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 27 March 2004

9. CREDITORS: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	**648,186**	-
Amounts due to group undertakings	**250,000**	-
Taxation and social security	**1,111,611**	-
Other creditors	**66,822**	-
Accruals and deferred income	**1,424,271**	276,604
	3,500,890	276,604

10. CREDITORS: amounts due after more than one year

	2004	2003
	£	£
Amount owed to group undertakings	**14,283,340**	7,200,768

11. CALLED UP SHARE CAPITAL

	2004	2003
	£	£
Authorised ordinary shares of £1 each	**1,000,100**	1,000,100
	£	£
Allotted and fully paid shares of £1 each	**1,000,002**	1,000,002

12. PROFIT AND LOSS ACCOUNT

	£
Balance at 30 March 2003	(4,261,971)
Retained loss for the financial year	(4,492,530)
Balance at 27 March 2004	**(8,754,501)**

13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2004	2003
	£	£
Loss for the financial year	**(4,492,530)**	(14,524)
Opening equity shareholder's funds	**(3,261,969)**	(3,247,445)
Closing equity shareholder's funds	**(7,754,499)**	(3,261,969)

14. ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent undertaking and controlling party 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's consolidated financial statements may be obtained from The Secretary, J Sainsbury plc, 33 Holborn, London, EC1N 2HT.

15. 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).

Ramheath Properties Limited
Notes to the Financial Statements
for the 52 weeks to 27 March 2004

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 or investees of the J Sainsbury plc group.

17. **PARENT SUPPORT**

The parent company has indicated its willingness to provide, or arrange the provision of, such financial support as may be necessary to enable Ramheath Properties Limited to meet any liabilities as they fall due until at least 1st October 2005, at which time the decision will be reviewed.