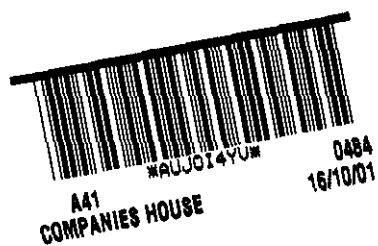


COMPANY NUMBER: 3896030

**STAMFORD PROPERTIES THREE LIMITED
(FORMERLY INTERCEDE 1517 LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2001



Stamford Properties Three Limited
Report of the Directors
for the period from 17 December 1999 to 31 March 2001

Review of business

The Company was incorporated in England on 17 December 1999. The principal activity of the Company is to act as an intermediate holding Company on behalf of its ultimate parent undertaking, J Sainsbury plc. The position as at 31st March 2001 is shown in the balance sheet on page 6.

The Company changed its name from Intercede 1517 Limited to Stamford Properties Three Limited on 17 January 2000.

The financial period is from 17 December 1999 to 31 March 2001.

Future developments

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

Results and Dividends

The Company made a profit after tax of £3,445. The Directors do not recommend the payment of a dividend.

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 during the financial period were as follows:

R A Chadwick	(appointed 24 January 2000)	
I D Coull	(appointed 24 January 2000)	
J S Lavelli	(appointed 24 January 2000)	
N F Matthews	(appointed 24 January 2000)	
M W Rich	(appointed 17 December 1999)	(resigned 24 January 2000)
J P Satyadeva	(appointed 24 January 2000)	(resigned 24 January 2000)
W Warner	(appointed 17 December 1999)	(resigned 24 January 2000)

I D Coull is also a Director of J Sainsbury plc.

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

Stamford Properties Three Limited
Report of the Directors
for the period from 17 December 1999 to 31 March 2001

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

<u>Ordinary shares</u>					
	31 March 2001				On appointment
R A Chadwick	15,122				10,406
J S Lavelli	5,703				5,176
N F Matthews	82,138				82,470

<u>Options</u>					
	31 March 2001	Granted during Period	Exercised during period	Lapsed during period	On appointment
R A Chadwick	197,617	50,223	(16,873)	-	164,267
J S Lavelli	111,172	27,055	-	(1,397)	85,514
N F Matthews	186,377	51,053	-	(2,126)	137,450

There is one Director of Stamford Properties Three Limited who is also a Director of J Sainsbury plc. The interests of this Director are disclosed in the Annual Report and Financial Statements of J Sainsbury plc.

Auditors

The Company has appointed PricewaterhouseCoopers as auditors.



H D Jarvis
Secretary

Stamford Properties Three Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period 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 hence for taking reasonable steps for the prevention of fraud and other irregularities.

Stamford Properties Three Limited

REPORT OF THE AUDITORS to the members of Stamford Properties Three Limited

We have audited the financial statements on pages 5 to 8 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 as 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

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

15 October 2001

Stamford Properties Three Limited

Profit and Loss Account

for the period from 17th December 1999 to 31st March 2001

	<u>Note</u>	17 th December 1999 to 31 st March 2001 £
Other Operating Income		<u>4,938</u>
Profit on ordinary activities before interest		4,938
Interest receivable from parent undertaking		<u>7</u>
Profit on ordinary activities before taxation		4,945
Tax on profit on ordinary activities	3	<u>(1,500)</u>
Profit on ordinary activities after taxation		<u>3,445</u>
Dividends		<u>-</u>
Retained profit for the period		<u>3,445</u>

All activities of the Company are continuing.

The Company has no recognised gains or losses other than the profit 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 and their historical cost equivalents.

The notes on pages 7 and 8 form part of these financial statements

Stamford Properties Three Limited

Balance sheet

31st March 2001

	<u>Note</u>	31 March 2001 £
Current assets		
Debtors: amount due from holding company		8
Cash at bank and in hand		<u>4,938</u>
		4,946
Current liabilities : amounts falling due within one year	4	<u>(1,500)</u>
Net current assets and total net assets		<u>3,446</u>
Capital and Reserves		
Called up share capital	5	1
Profit and loss account	6	<u>3,445</u>
Total shareholder's funds	7	<u>3,446</u>

The financial statements were approved by the Board of Directors on 11 October 2001 and are signed on its behalf by:-

Director

N. J. Khan

The notes on page 7 and 8 form part of these financial statements

Stamford Properties Three Limited
Notes to the Financial Statements
for the period from 17 December 1999 to 31 March 2001

1. Accounting policies

Basis of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Expenses

Any expenses incurred, including auditors' remuneration, have been borne by the ultimate parent undertaking, J Sainsbury plc. The average monthly number of persons (including executive Directors) employed by the Company during the period was Nil.

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 financial statements of J Sainsbury plc. The Directors do not receive any remuneration from the Company.

3. Taxation

**Period from 17 December 1999
to 31 March 2001**

	£
Corporation tax charge at 30%	<u>1,500</u>

4. Creditors: amounts falling due within one year

31 March 2001

	£
Corporation tax	<u>1,500</u>

5. Called Up Share Capital

The authorised share capital comprises 100 Ordinary shares of £1 each. The issued fully paid share capital comprises 1 Ordinary share of £1.

On incorporation, the Company issued one ordinary share of aggregate nominal value £1 for consideration of £1.

Stamford Properties Three Limited
Notes to the Financial Statements
for the period from 17 December 1999 to 31 March 2001

6. Profit and Loss Account

	Profit and Loss £
Retained profit for period	<u>3,445</u>
At 31st March 2001	<u>3,445</u>

7. Reconciliation of Shareholder's Funds

	2001 £
Profit for the financial year	3,445
Net proceeds of issue of ordinary share capital	<u>1</u>
Net additions to shareholders' funds	<u>3,446</u>
Closing shareholder's funds	<u>3,446</u>

8. Ultimate Parent Undertaking and Controlling Party

The immediate and ultimate parent undertaking and controlling party is J Sainsbury plc which is registered in England and Wales. Copies of the parent undertaking's consolidated financial statements may be obtained from The Secretary, J Sainsbury plc, 33 Holborn, London EC1N 2HT.

9. 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.

10. 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