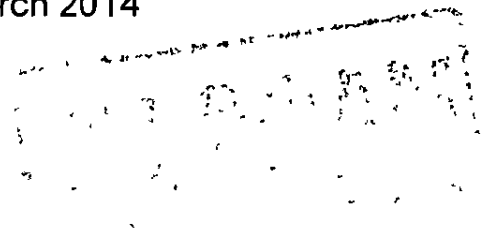


Registered Company number: 07111248

Braemar Castle Limited
Annual Report and Financial Statements
For the 52 weeks to 15 March 2014



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Braemar Castle Limited
Directors' report
for the 52 weeks to 15 March 2014
Registered company number: 07111248

The Directors present their report and the audited financial statements of Braemar Castle Limited ('the Company') for the 52 weeks to 15 March 2014. The prior financial year's financial statements were for the 52 weeks to 16 March 2013.

Dividends

During the financial year, there were no dividends recommended or paid (2013: £nil).

Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent company, J Sainsbury plc, has confirmed its present intention to provide financial support such that the Company is able to repay its liabilities as they fall due. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The Directors of Braemar Castle Limited during the financial year and up to the date of signing the financial statements are shown below:

Ed Barker
Sainsburys Corporate Director Limited

Company Secretaries

The Company Secretaries of the Company who held office during the financial year and up to the date of signing the financial statements are shown below:

Philip Davies	(resigned 25 February 2014)
Hazel Jarvis	(appointed 25 February 2014)

Directors' indemnities

The Directors are entitled to be indemnified by the ultimate parent company, J Sainsbury plc, to the extent permitted by law and the Articles of Association in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout 2013/14, which was renewed for 2014/15. The insurance covers all Directors and Officers of companies in the Group. Neither the indemnities nor insurance provide cover in the event that the Director or Officer is proved to have acted fraudulently.

Disclosure of information to auditors

Each of the Directors confirms that, so far as he is aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By order of the Board



Tim Fallowfield
On behalf of
Sainsburys Corporate Director Limited
15 September 2014

Braemar Castle Limited
Strategic report
for the 52 weeks to 15 March 2014

Principal activities and review of business

The principal activity of the Company is to act as the General Partner of Sainsbury's Property Scottish Limited Partnership (the 'Partnership'). The role of General Partner as laid out by the Limited Partnership Agreement (dated 12 May 2010) gives the Company the exclusive responsibility for the management and control of the business of the Partnership and the management of the assets of the Partnership.

The Company's profit for the financial year was £101,645 (2013: £146,337). The financial position as at 15 March 2014 is shown in the balance sheet set out on page 8.

All material operations are carried out in the United Kingdom.

A full review of the business and the market can be found in the 2014 Annual Report and Financial Statements of J Sainsbury plc, the ultimate parent undertaking, on the following website: www.j-sainsbury.co.uk

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of J Sainsbury plc and its subsidiaries (the 'Group') and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 24 to 27 of the Group's Annual Report and financial statements 2014, which does not form part of this report.

Future developments

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

Key performance indicators (KPIs)

The Directors of J Sainsbury plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Braemar Castle Limited. The development, performance and position of the retail division of J Sainsbury plc, which includes the Company, are discussed on page 22 to 23 of the Group's annual report, which does not form part of this report.

Financial risk management

The financial risk management and policies of the Company are disclosed in note 12 of the financial statements.

Events after balance sheet date

On 27 June 2014, a further distribution of £4,730 was made to the Company by the Partnership.

By order of the Board



Tim Fallowfield

On behalf of

Sainsburys Corporate Director Limited

15 September 2014

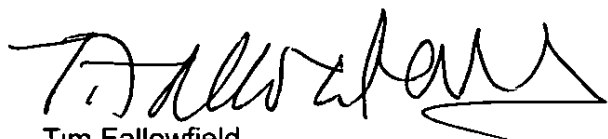
Braemar Castle Limited
Statement of Directors' responsibilities
for the 52 weeks to 15 March 2014

The Directors are responsible for preparing the Directors' report, Strategic and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union 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 presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Tim Fallowfield

On behalf of

Sainsburys Corporate Director Limited

15 September 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAEMAR CASTLE LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs as at 15 March 2014 and of its profit and cash flows for the 52 weeks then ended,
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Braemar Castle Limited, comprise

- the Balance sheet as at 15 March 2014,
- the Statement of comprehensive income for the 52 weeks then ended,
- the Cash flow statement for the 52 weeks then ended,
- the Statement of changes in equity for the 52 weeks then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the Directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (the 'Annual Report') to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAEMAR CASTLE LIMITED (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.



Simon Morley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 September 2014

Braemar Castle Limited
Statement of comprehensive income
for the 52 weeks to 15 March 2014

	Note	2014 £	2013 £
Revenue		100,000	145,273
Operating profit	3	100,000	145,273
Finance income	5	1,645	1,064
Profit before taxation		101,645	146,337
Income tax expense	6	-	-
Profit for the financial year		101,645	146,337

There was no other comprehensive income or expense during the financial year or the prior financial year

The notes on pages 10 to 16 are an integral part of these financial statements

Braemar Castle Limited
Balance sheet
as at 15 March 2014

	Note	2014 £	2013 £
Non-current assets			
Investments	7	60,000,000	60,000,000
Current assets			
Other receivables	8	403,213	301,568
Total assets		60,403,213	60,301,568
Current liabilities			
Other payables	9	(60,000,000)	(60,000,000)
Net current liabilities		(59,596,787)	(59,698,432)
Net assets		403,213	301,568
Equity			
Called up share capital	10	10,001	10,001
Retained earnings	11	393,212	291,567
Total equity		403,213	301,568

The notes on pages 10 to 16 are an integral part of these financial statements

The financial statements on pages 7 to 16 were approved by the Board of Directors on 15 September 2014, and are signed on its behalf by



Ed Barker
Director

Braemar Castle Limited
Cash flow statement
for the 52 weeks to 15 March 2014

There were no cash flows arising in the Company during the current or prior financial year

The notes on pages 10 to 16 are an integral part of these financial statements

Statement of changes in equity
for the 52 weeks to 15 March 2014

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 17 March 2013	10,001	291,567	301,568
Profit for the financial year	-	101,645	101,645
At 15 March 2014	10,001	393,212	403,213

At 18 March 2012	10,001	145,230	155,231
Profit for the financial year	-	146,337	146,337
At 16 March 2013	10,001	291,567	301,568

The notes on pages 10 to 16 are an integral part of these financial statements

Braemar Castle Limited
Notes to the financial statements
for the 52 weeks to 15 March 2014

1 General information

Braemar Castle Limited is a private limited company incorporated and domiciled in the United Kingdom. The Company's registered address is 33 Holborn, London EC1N 2HT. The Company is part of the J Sainsbury's plc group ('the Group').

The Company's financial year represents the 52 weeks to 15 March 2014 (prior financial year 52 weeks to 16 March 2013).

2 Accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union and International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

(b) Basis of preparation

The financial statements are presented in sterling, to the nearest pound (£) unless otherwise stated. They have been prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2c.

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 consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent company, J Sainsbury plc, will continue to support the Company. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Amendments to published standards

Effective for the Company in these financial statements:

The Company has considered the following new standards, interpretations and amendments to published standards that are effective for the Company for the financial year beginning 17 March 2013:

- IAS 19 (revised 2011) 'Employee benefits'
- IFRS 13 'Fair value measurement'
- Amendments to IFRS 7 'Financial instruments asset and liability offsetting'
- Amendment to IAS 1 'Presentation of financial statements' on Other Comprehensive Income
- Amendment to IAS 12 'Income taxes' on deferred tax
- Annual improvements 2011

The Company has concluded that the above new standards, interpretations and amendments are either not relevant to the Company or that they do not have a significant impact on the Company's financial statements, apart from additional disclosure.

Braemar Castle Limited
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

2. Accounting policies (continued)

Effective for the Company for the financial year beginning 16 March 2014:

- IFRS 10, 'Consolidated financial statements'*
- IFRS 11, 'Joint arrangements'*
- IFRS 12, 'Disclosures of interests in other entities'*
- IAS 27 (revised 2011) 'Separate financial statements'*
- IAS 28 (revised 2011) 'Associates and joint ventures'*
- Amendments to IFRS 10, 11 and 12 on transition guidance*
- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures*
- Amendments to IAS 32 'Financial instruments Presentation' on financial instruments asset and liability offsetting*
- Amendment to IAS 39 'Financial instruments Recognition and measurement', on novation of derivatives and hedge accounting*
- IFRIC 21, 'Levies'*

* These standards and interpretations have been endorsed by the EU

The Company has considered the impact of the above amendments to published standards and new standards that are not yet effective and concluded that they are either not relevant to the Company or that they would not have a significant impact on the Company's financial statements, apart from additional disclosures

The following standards and revisions will be effective for future periods:

- IFRS 9, 'Financial instruments'*
- Amendment to IAS 19, 'Employee benefits', on defined benefit plans*
- Amendment to IFRS 9, 'Financial instruments', on general hedge accounting*
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation*
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation*
- IFRS 15, 'Revenue from contracts with customers'*
- Annual improvements 2012*
- Annual improvements 2013*

* These standards are effective for accounting periods starting on or after 1 July 2014

The Company has considered the impact of the above standards and revisions and has concluded that they will not have a significant impact on the Company's financial statements, apart from additional disclosures. The accounting policies set out below have been applied consistently to all periods presented in the financial statements by the Company, except where noted above

Revenue

Revenue is earned by means of a distribution of profits from the Company's investment in Sainsbury's Property Scottish Limited Partnership of which the Company is the General Partner

Braemar Castle Limited
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

2. Accounting policies (continued)

Finance income

Finance income is recognised in the income statement for financial assets and liabilities measured at amortised cost using the effective interest method

Investments

Investments in partnerships are carried at cost in the financial statements of the Company

Financial instruments

Financial assets

Loans and receivables are non-derivative financial assets, initially recognised at fair value, plus transaction costs, then subsequently carried at amortised cost

Financial liabilities

Bank loans and payables are initially recorded at fair value net of direct issue costs, which are generally the proceeds received. They are then subsequently carried at amortised cost

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. The carrying amount of the asset is reduced for any impairment loss and the amount of the loss is recognised in the income statement

Called up Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds

Current taxation

Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the balance sheet date. Current tax is charged or credited to the income statement, except when it relates to items charged to equity or other comprehensive income, in which case the current tax is also dealt with in equity, or other comprehensive income, respectively

(c) Judgements and estimates

The Company makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below

Income taxes

The Company recognises expected liabilities for tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made. Detail of the tax charge is set out in note 6

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance

Braemar Castle Limited
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

3 Operating profit

The auditors' remuneration, in the current period, has been borne by Sainsbury's Supermarkets Ltd, a Group company that makes no recharge to the Company

4 Employees and Directors' remuneration

The average monthly number of persons (including Directors) employed by the Company during the financial year was nil (2013 nil)

All of the Directors are also employees of the ultimate parent company, J Sainsbury plc, or other Group companies. The Directors' emoluments are borne by Sainsbury's Supermarkets Ltd, a Group company that makes no recharge to the Company. It is not possible to make an accurate apportionment of the Directors' emoluments as they serve as Directors to a number of Group companies. Accordingly, the income statement does not include emoluments in respect of the Directors.

5 Finance income

	2014 £	2013 £
Interest receivable from Group companies	1,645	1,064
Finance income	1,645	1,064

6 Income tax expense

The income tax expense for the financial year was £nil (2013 £nil)

The effective tax rate of nil per cent (2013 nil per cent) is lower than (2013 lower than) the standard rate of corporation tax in the UK. The differences are explained below.

	2014 £	2013 £
Profit before taxation	101,645	146,337
Income tax at UK corporation tax rate of 23.04% (2013 24.08%)	23,419	35,238
Effects of		
Transfer pricing adjustment	(345,600)	(361,200)
Group relief claimed for £nil consideration	322,181	325,962
Total income tax expense in income statement	-	-

On 20 March 2013, the Chancellor announced that the main rate of UK corporation tax would reduce to 21.0 per cent from 1 April 2014 and to 20.0 per cent from 1 April 2015. This was substantively enacted on 2 July 2013.

Braemar Castle Limited
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

7 Investments

	2014	2013
	£	£
At start of financial year	60,000,000	60,000,000
At end of financial year	60,000,000	60,000,000

On 6 January 2010, the Company became the General Partner of a newly formed partnership, Sainsbury's Property Scottish Limited Partnership (the 'Partnership'). On 12 May 2010 the Company made a capital contribution of £16,000,000 to the Partnership. On 25 March 2011, the Company made a second capital contribution of £44,000,000 to the Partnership. The Partnership is registered in Scotland and limited under the Limited Partnerships Act 1907. The Company has taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 and has therefore not appended the financial statements of this qualifying partnership to these financial statements.

8 Other receivables

	2014	2013
	£	£
Current		
Amounts due from parent company	1	1
Amounts due from Group companies	403,212	301,567
	403,213	301,568

Amounts due from Group companies are denominated in sterling and are interest bearing at the fixed rate of 0.5 per cent per annum.

Amounts due from Group and parent companies are not considered overdue or impaired.

9 Other payables

	2014	2013
	£	£
Current		
Amounts due to Group companies	60,000,000	60,000,000

Current amounts due to Group companies are non-interest bearing and are payable on demand.

10 Called up share capital

	2014	2014	2013	2013
	number	£	number	£
Called up share capital				
Allotted and fully paid - £1 ordinary shares	10,000	10,000	10,000	10,000
Allotted and unpaid - £1 ordinary shares	1	1	1	1

Braemar Castle Limited
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

11 Retained earnings

	2014 £	2013 £
At start of financial year	291,567	145,230
Profit for the financial year	101,645	146,337
At end of financial year	393,212	291,567

12 Financial risk management

Treasury management

Treasury policies are reviewed and approved by the ultimate parent company's board. The J Sainsbury plc Chief Executive and Chief Financial Officer have joint delegated authority from the ultimate parent company's board to approve finance transactions.

The Group operates a central treasury function which is responsible for managing the Company's liquid resources, funding requirements and interest rate and currency exposures.

Interest rate risk

The Company has no exposure to interest rate risk fluctuations as amounts due to and from group companies carry fixed rates of interest or are non-interest bearing.

Liquidity risk

The Company's exposure to liquidity risk is managed by funding cash flow requirements from the parent company.

Credit risk

The Company's exposure to credit risk is limited to amounts receivable from Group companies. These are existing related party receivables with no history of default and none of the amounts are past due nor impaired.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide services to the Group and to maintain an optimal capital structure.

13 Related party transactions

The parent company and ultimate controlling party of the Company 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 company's financial statements may be obtained from www.j-sainsbury.co.uk. The company does not have a bank account, all transactions are settled on an intercompany account.

(a) Key management personnel

The key management personnel of the Company comprise of the Board of Directors. The Directors do not receive any remuneration from the Company as their emoluments are borne by Group companies. The Company did not have any transactions with the Directors during the financial year.

(b) Transactions with parent company

	2014 £	2013 £
Year end balances arising from transactions with parent company		
Receivables		
Amounts due from parent company	1	1

Braemar Castle Limited
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

13. Related party transactions (continued)

(c) Transactions with Group companies

	2014	2013
	£	£
Advances given to Group companies		
Interest income in respect of interest bearing loans	1,645	1,064
Distribution of profits from Sainsbury's Property Scottish Limited Partnership	100,000	145,273
Year end balances arising from transactions with Group companies		
Receivables		
Amounts due from Group companies	403,212	301,567
Payables		
Amounts due to Group companies	60,000,000	60,000,000

(d) Transactions with other related parties

There have been no transactions with other related parties during the financial year

14 Events after the balance sheet date

On 27 June 2014, a further distribution of £4,730 was made to the Company by the Partnership

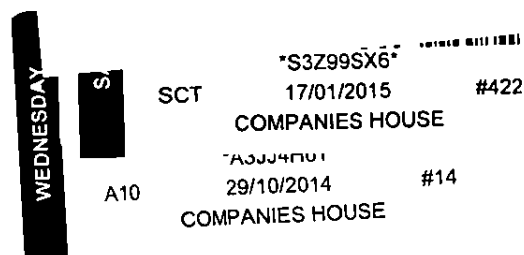
To be appended to
Annual report of
Braemar Castle
Limited
(Company Number:
07111248)

Registered Number SL007628

Sainsbury's Property Scottish Limited Partnership

Annual Report and Financial Statements

For the 52 weeks to 15 March 2014



Sainsbury's Property Scottish Limited Partnership
Partners' report
for the 52 weeks to 15 March 2014

The Partners present the report and the audited financial statements of Sainsbury's Property Scottish Limited Partnership (the 'Partnership') for the 52 weeks to 15 March 2014. The prior year's financial statements were for the 52 weeks to 16 March 2013.

Dividends

The Partners do not recommend the payment of a dividend (2013: £nil).

Going concern

The Partners have, at the time of approving the financial statements, a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Partners

The names of the partners who were Partners at any time during the financial year and up to the date of signing the financial statements are set out below. Unless otherwise indicated they served as Partners for the entire financial year.

Flint Castle Limited (Limited Partner)
J Sainsbury Pension Scheme Trustees Limited (Limited Partner)
Braemar Castle Limited (General Partner)

Disclosure of information to auditors

Each of the Partners confirms that, so far as he is aware, there is no relevant audit information of which the auditors are unaware. Each Partner has taken all steps that he ought to have taken as a Partner in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

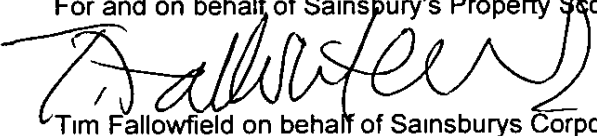
Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Events after the balance sheet date

On 27 June 2014 a further distribution of £16,331,949 was made to the Partnership by Sainsbury's Property Scottish Partnership. The Partnership distributed funds to its partners in accordance with the provisions of the Partnership Agreement.

For and on behalf of Sainsbury's Property Scottish Limited Partnership,



Tim Fallowfield on behalf of Sainsbury's Corporate Director Limited on behalf of
Braemar Castle Limited
15 September 2014

**Sainsbury's Property Scottish Limited Partnership
Strategic Report
for the 52 weeks to 15 March 2014**

Principal activities and review of business

The principal activity of the Partnership is to act as a holding company. The Partnership is a partner in Sainsbury's Property Scottish Partnership (together with Tintagel Castle Limited).

The Partnership's profit for the financial year is £35,385,901 (2013: £32,743,998). The financial position as at 15 March 2014 is shown in the balance sheet set out on page 8.

A full review of the business and the market can be found in the 2014 Annual Report and Financial Statements of J Sainsbury plc, the ultimate parent undertaking, on the following website: www.j-sainsbury.co.uk

All material operations are carried out in the United Kingdom.

Principal risks and uncertainties

From the perspective of the Partnership, the principal risks and uncertainties are integrated with the principal risks of J Sainsbury plc and its subsidiaries (the 'Group') and are not managed separately. Accordingly, the principal risks and uncertainties of J Sainsbury plc, which include those of the Partnership, are discussed on pages 24 and 27 of the J Sainsbury plc Annual Report and Financial Statements 2014, which does not form part of this report.

Future developments

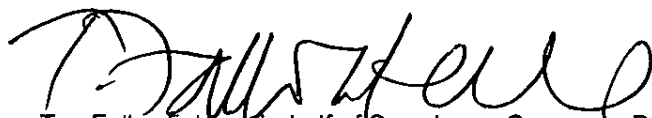
No change is planned in the activities of the Partnership in the next financial year.

Key performance indicators (KPIs)

The directors of J Sainsbury plc manage the Group's operations on a divisional basis. For this reason, the Partners believe that analysis using key performance indicators for the Partnership is not necessary or appropriate for an understanding of the development, performance or position of the business.

Financial risk management

The financial risk management and policies of the Partnership are disclosed in note 8 of the financial statements.



Tim Fallowfield on behalf of Sainsbury's Corporate Director Limited on behalf of

Braemar Castle Limited

15 September 2014

Sainsbury's Property Scottish Limited Partnership
Statement of Partners' responsibilities
for the 52 weeks to 15 March 2014

The Partners are responsible for preparing the non-statutory financial statements in accordance with the basis of preparation and accounting policies in note 2 for management purposes. The Partners must not approve the non-statutory financial statements unless they are satisfied that they have been properly prepared, in all material respects, in accordance with the basis of preparation and accounting policies in note 2 to the non-statutory financial statements. In preparing these non-statutory financial statements, the Partners have

- selected suitable accounting policies and then applied them consistently,
- made judgements and accounting estimates that are reasonable and prudent,
- stated the basis of preparation and accounting policies applied,
- prepared the non-statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Partners are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Tim Fallowfield on behalf of Sainsbury's Corporate Director Limited on behalf of

Braemar Castle Limited

15 September 2014

Independent auditors' report to the Partners of Sainsbury's Property Scottish Limited Partnership

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the qualifying partnership's affairs as at 15 March 2014 and of its profit and cash flows for the period then ended, and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The non-statutory financial statements (the "financial statements"), which are prepared by Sainsbury's Property Scottish Limited Partnership, comprise

- the Balance sheet as at 15 March 2014,
- the Statement of comprehensive income for the period then ended,
- the Cash flow statement for the period then ended,
- the Statement of changes in partners' equity for the period then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union

In applying the financial reporting framework, the partners have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the partners; and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Partners

As explained more fully in the Statement of Partners' responsibilities set out on page 4, the partners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinion, has been prepared for and only for the partners of the qualifying partnership as a body for management purposes 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, including without limitation under any contractual obligations of the qualifying partnership, save where expressly agreed by our prior consent in writing

**Independent auditors' report to the partners of Sainsbury's Property Scottish Limited Partnership
(continued)**

Other matter

We draw attention to the fact that these financial statements have not been prepared under section 394 of the Companies Act 2006 and are not the qualifying partnership's statutory financial statements



PricewaterhouseCoopers LLP
Chartered Accountants
London
15 September 2014

Sainsbury's Property Scottish Limited Partnership
Statement of comprehensive income
for the 52 weeks to 15 March 2014

		2014	2013
	Note	£	£
Revenue		35,385,901	36,743,998
Profit before taxation	3	35,385,901	36,743,998
Income tax	2	-	-
Profit for the financial year		35,385,901	36,743,998

There was no other comprehensive income or expense during the financial year or the prior financial year

The notes on pages 11 to 14 are an integral part of these financial statements

Sainsbury's Property Scottish Limited Partnership
Statement of changes in partners' equity
for the 52 weeks to 15 March 2014

	Available for distribution among partners £
At 17 March 2013	-
Profit for the financial year	35,385,901
Profit distributed in financial year	(35,385,901)
At 15 March 2014	-
At 18 March 2012	-
Profit for the financial year	36,743,998
Profit distributed in financial year	(36,743,998)
At 16 March 2013	-

The notes on pages 11 to 14 are an integral part of these financial statements

Sainsbury's Property Scottish Limited Partnership
Cash flow statement
for the 52 weeks to 15 March 2014

	Note	2014 £	2013 £
Cash flows from operating activities			
Cash generated from operations		35,385,901	36,743,998
Net cash from operating activities		35,385,901	36,743,998
Cash flows from financing activities			
Distribution paid	9	(35,385,901)	(36,743,998)
Net cash from financing activities		(35,385,901)	(36,743,998)
Net increase in cash and cash equivalents		-	-
Opening cash and cash equivalents		-	-
Closing cash and cash equivalents		-	-

The notes on pages 11 to 14 are an integral part of these financial statements

Sainsbury's Property Scottish Limited Partnership
Statement of changes in partners' equity
for the 52 weeks to 15 March 2014

	Available for distribution among partners £
At 17 March 2013	-
Profit for the financial year	35,385,901
Profit distributed in financial year	(35,385,901)
At 15 March 2014	-
At 18 March 2012	-
Profit for the financial year	36,743,998
Profit distributed in financial year	(36,743,998)
At 16 March 2013	-

The notes on pages 11 to 14 are an integral part of these financial statements

Sainsbury's Property Scottish Limited Partnership
Notes to the financial statements
for the 52 weeks to 15 March 2014

1 General information

Sainsbury's Property Scottish Limited Partnership is a qualifying Scottish partnership which was registered in Scotland and is limited under the Limited Partnerships Act 1907

The financial year represent the 52 weeks to 15 March 2014 (prior financial year 52 weeks to 16 March 2013)

2 Accounting policies

(a) Statement of compliance

The Partnership's financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS

(b) Basis of preparation

The financial statements are presented in sterling, to the nearest pound (£) unless otherwise stated. They have been prepared on a going concern basis under the historical cost convention, except for derivative financial instruments that have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2c.

Going concern

After making enquiries, the Partners have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Partnership has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

Amendments to published standards

Effective for the Partnership in these financial statements.

The Partnership has considered the following new standards, interpretations and amendments to published standards that are effective for the Partnership for the financial year beginning 17 March 2013:

- IAS 19 (revised 2011) 'Employee benefits'
- IFRS 13 'Fair value measurement'
- Amendments to IFRS 7 'Financial instruments: asset and liability offsetting'
- Amendment to IAS 1 'Presentation of financial statements' on Other Comprehensive Income
- Amendment to IAS 12 'Income taxes' on deferred tax
- Annual improvements 2011

The Partnership has concluded that the above new standards, interpretations and amendments are either not relevant to the Partnership or that they do not have a significant impact on the Partnership's financial statements, apart from additional disclosure.

Sainsbury's Property Scottish Limited Partnership
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

2 Accounting policies (continued)

Effective for the Partnership for the financial year beginning 16 March 2014:

- IFRS 10, 'Consolidated financial statements'*
- IFRS 11, 'Joint arrangements'*
- IFRS 12, 'Disclosures of interests in other entities'*
- IAS 27 (revised 2011) 'Separate financial statements'*
- IAS 28 (revised 2011) 'Associates and joint ventures'*
- Amendments to IFRS 10, 11 and 12 on transition guidance*
- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures*
- Amendments to IAS 32 'Financial instruments Presentation' on financial instruments asset and liability offsetting*
- Amendment to IAS 39 'Financial instruments Recognition and measurement', on novation of derivatives and hedge accounting*
- IFRIC 21, 'Levies'

* These standards and interpretations have been endorsed by the EU

The Partnership has considered the impact of the above amendments to published standards and new standards that are not yet effective and concluded that they are either not relevant to the Partnership or that they would not have a significant impact on the Partnership's financial statements, apart from additional disclosures

The following standards and revisions will be effective for future periods:

- IFRS 9, 'Financial instruments'*
- IFRS 15, 'Revenue from contracts with customers'*
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation*
- Amendment to IAS 19, 'Employee benefits', on defined benefit plans*
- Amendment to IFRS 9, 'Financial instruments', on general hedge accounting*
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation**
- Annual improvements 2012*
- Annual improvements 2013*

* These standards are effective for accounting periods starting on or after 1 July 2014

The Partnership has considered the impact of the above standards and revisions and has concluded that they will not have a significant impact on the Partnership's financial statements, apart from additional disclosures. The accounting policies set out below have been applied consistently to all periods presented in the financial statements by the Partnership, except where noted above.

Revenue

Revenue is earned by means of a distribution of profits from the Partnership's investment in Sainsbury's Property Scottish Partnership, an unincorporated Scottish Partnership, of which the Partnership is a partner. This income is determined via the provisions detailed in the Partnership Agreement.

Sainsbury's Property Scottish Limited Partnership
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

2 Accounting policies (continued)

Investments

Investments in partnerships are carried at cost

Taxation

No tax is recorded in the financial statements of the Partnership, as all tax liabilities are liabilities of the Partners, not the Partnership

c) Judgements and estimates

The Partnership makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

3 Operating profit

The auditors' remuneration, in the current and prior financial year, has been borne by Sainsbury's Supermarkets Ltd, a Group company that makes no recharge to the Partnership.

4 Employee Costs

The average monthly number of persons (including Partners) employed by the Partnership during the current and previous financial year was nil (2013: nil)

5 Investments

	2014	2013
	£	£
Beginning and end of financial year	600,000,100	600,000,100

6 Partners' current account

	General Partner	Limited Partners	Total
	£	£	£
Balance at beginning of financial year	-	-	-
Share of profit	100,000	35,285,901	35,385,901
Distributions	(100,000)	(35,285,901)	(35,385,901)
Balance at end of financial year	-	-	-

Sainsbury's Property Scottish Limited Partnership
Notes to the financial statements (continued)
for the 52 weeks to 15 March 2014

7 Partners' capital

	General Partner £	Limited Partners £	Total £
At 17 March 2013	(60,000,000)	(540,000,100)	(600,000,100)
Contribution by the Partners	-	-	-
At 15 March 2014	(60,000,000)	(540,000,100)	(600,000,100)
At 18 March 2012	(60,000,000)	(540,000,100)	(600,000,100)
Contribution by the Partners	-	-	-
At 16 March 2013	(60,000,000)	(540,000,100)	(600,000,100)

8. Financial risk management

Treasury management

Treasury policies are reviewed and approved by the ultimate parent company's board. The J Sainsbury plc Chief Executive and Chief Financial Officer have joint delegated authority from the ultimate parent company's board to approve finance transactions.

The Group operates a central treasury function, which is responsible for managing the Partnership's liquid resources, funding requirements and interest rate and currency exposures.

Interest rate risk

The Partnership has no exposure to interest rate fluctuations.

Liquidity risk

The Partnership's exposure to liquidity risk is managed by funding cash flow requirements from the parent company.

Capital risk management

The Partnership's objectives when managing capital are to safeguard the Partnership's ability to continue as a going concern in order to provide services to the Group and to maintain an optimal capital structure.

9. Related party transactions

The Partnership is managed by three partners, Flint Castle Limited, Braemar Castle Limited and J Sainsbury Pension Scheme Trustees Limited. The Partners share control over the operation of the Partnership as set out in the Partnership Agreement. The Partners do not receive any remuneration from the Partnership. The Partnership did not have any transactions with the partners other than by way of the receipt and subsequent re-distribution of income as per the Partnership Agreement.

(a) Transactions with Partners

	2014 £	2013 £
Distribution of profits from Sainsbury's Property Scottish Partnership	35,385,901	36,743,998
Distribution of profits to the Partners	(35,385,901)	(36,743,998)

(b) Transactions with other related parties

There have been no transactions with other related parties during the year.

10. Events after the balance sheet date

On 27 June 2014 a further distribution of £16,331,949 was made to the Partnership by Sainsbury's Property Scottish Partnership. The Partnership distributed funds to its Partners in accordance with the provisions of the Partnership Agreement.