

SAC GP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2001

Registered No: 3934576



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## **SAC GP Limited**

### **Company Information**

**Registered Number** 3934576

### **Directors**

Instant Companies Limited (appointed 28 February 2000, resigned 6 April 2000)  
Michael Ewing Howard (appointed 3 May 2000, resigned 1 December 2000)  
✓ Richer Charles Cross (appointed 3 May 2000, resigned 1 December 2000)  
Phil Monaghan (appointed 1 December 2000, resigned 1 March 2001)  
Paul Shenton (appointed 1 December 2000, resigned 1 March 2001)  
Stephen Bradbury (appointed 1 December 2000, resigned 1 March 2001) alternate  
Frederick David Richard Coupe (appointed 1 December 2000)  
Andrew John Martin (appointed 1 December 2000)  
Richard Andrew Chadwick (appointed 1 March 2001)  
Barry Henderson (appointed 1 March 2001)

### **Secretary**

Swift Incorporations Limited (appointed 28 February 2000, resigned 3 May 2000)  
Michael Howard Ewing (appointed 3 May 2000, resigned 14 June 2000)  
Charles Patrick Hovell (appointed 14 June 2000, resigned 8 September 2000)  
Andrew John Lattaney Peake (appointed 8 September 2000)

### **Auditors**

PricewaterhouseCoopers  
Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

### **Company Address**

SAC GP Limited  
7 Stratford Place  
London W1C 1ST

## **SAC GP Limited**

### **Directors' Report**

The directors present their annual report and the audited financial statements for the period ended 31 March 2001

The company was incorporated on 28 February 2000 as Timesgold Limited, and changed its name to SAC GP Limited on 13 April 2000.

### **Activities**

The company is entitled to the first available of the profits of The HSPUT - Homebase Limited Partnership which is engaged in the business of commercial property development and investment. The profit share of the company is limited to a maximum of £5,000 per annum.

During the period, the company has acted solely as the General Partner of The HSPUT - Homebase Limited Partnership and under the terms of the partnership agreement, dated 4 July 2000, all the costs incurred in acting as the General Partner are to be met by the partnership. These costs have been reflected within the partnership accounts.

### **Results**

The company received no income and incurred no costs during the period.

### **Dividend**

The directors do not recommend the payment of a dividend.

### **Directors**

The directors who served on the board during the period were as follows:

Instant Companies Limited (Appointed 28 February 2000, resigned 6 April 2000)

2 Michael Ewing Howard (Appointed 3 May 2000, resigned 1 December 2000)

Richer Charles Cross (Appointed 3 May 2000, resigned 1 December 2000)

Phil Monaghan (Appointed 1 December 2000, resigned 1 March 2001)

Paul Shenton (Appointed 1 December 2000, resigned 1 March 2001)

Stephen Bradbury alternate (Appointed 1 December 2000, resigned 1 March 2001)

Frederick David Richard Coupe (Appointed 1 December 2000)

Andrew John Martin (Appointed 1 December 2000)

Richard Andrew Chadwick (Appointed 1 March 2001)

Barry Henderson (Appointed 1 March 2001)

None of the directors held any beneficial or family interest in the company during the period.

No director was paid a fee for their services during the period.

## **SAC GP Limited**

### **Directors' Report (Cont'd)**

#### **Outlook**

The directors consider that the company will move into profit in the next financial period given a favourable economic climate.

#### **Auditors**

PricewaterhouseCoopers have been appointed as auditors to the company. A resolution to reappoint PricewaterhouseCoopers will be proposed at the forthcoming Annual General Meeting.

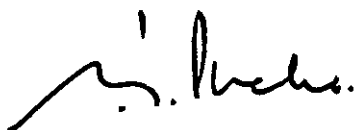
#### **Statement of Directors' Responsibilities**

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 and of the results of the Company 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 accounts;
- ☐ Prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and that the accounts 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.

**Approved by the Board of Directors  
and signed on behalf of the Board**



**A J L PEAKE**  
Secretary  
31 May 2001

## **SAC GP Limited**

### **Report of the Auditors to the members of SAC GP Limited**

We have audited the accounts on pages 5 to 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 accounts 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 accounts 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 accounts, 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.

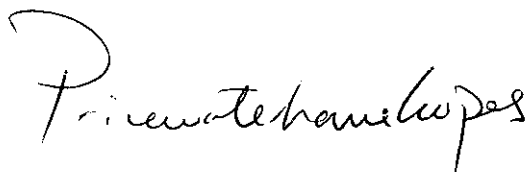
#### **Basis of audit opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 accounts 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 accounts.

#### **Opinion**

In our opinion the accounts 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 year then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**London**

31 May 2001

**SAC GP Limited**

**Profit and loss account for the period ended 31 March 2001**

	Note	£
Turnover		-
Gross Profit		<u>-</u>
Administrative expenses		(1,000)
Operating Loss	2	<u>(1,000)</u>
Income from other fixed asset investments	3	1,000
Profit on ordinary activities before tax		<u>-</u>
Taxation		-
Profit for the year retained		<u><u>-</u></u>

**SAC GP Limited**

**Balance Sheet as at 31 March 2001**

	Note	£
<b>Fixed Assets</b>		
Investment	4	1
<b>Current Assets</b>		
Debtors	5	500
Creditors falling due within one year	4	(1)
<b>Net Assets</b>		<u>£ 500</u>
<b>Capital &amp; Reserves</b>		
Called up Share Capital	5	500
Reserves		-
<b>Equity Shareholders' Funds</b>		<u>£ 500</u>

Approved by the board on 31 May 2001  
and signed on its behalf by:



**A J Martin**  
**Director**

## SAC GP Limited

### Notes to the accounts for the period ended 31 March 2001

#### 1 Accounting Policies

##### *Accounting convention*

The accounts are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### 2 Profit on Ordinary Activities Before Taxation

Operating loss is stated after charging:

	£
Auditors' remuneration for audit services	<u>1,000</u>

#### 3 Income from fixed asset investments

Income from fixed asset investments represents the distribution receivable from the HSPUT - Homebase Limited Partnership, in which the company has an investment, as described below.

#### 4 Investments

The company has an investment in the HSPUT - Homebase Limited Partnership of £1. To date this amount remains unpaid.

#### 5 Share Capital

	£
Authorised:	
Ordinary "A" Shares of £1 each	£ 500
Ordinary "B" Shares of £1 each	£ 500
	<u>£ 1,000</u>
Allotted and issued	
Ordinary "A" Shares of £1 each	£ 250
Ordinary "B" Shares of £1 each	£ 250
	<u>£ 500</u>

The company was incorporated on 28th February 2000 with an authorised share capital of £1000. On 30th June 2000 the company redesignated its shares into 500 "A" shares and 500 "B" shares. During the period the company issued 250 £1 ordinary "A" shares and 250 £1 ordinary "B" shares at par. To date, the share capital remains unpaid.



**THE HSPUT-HOMEBASE LIMITED PARTNERSHIP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**PERIOD ENDED 31 MARCH 2001**

**Registered No: LP6986**

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No.....3934576.....

## **The HSPUT - Homebase Limited Partnership**

### **Partnership Information**

#### **General Partner**

SAC (General Partner) Limited  
7 Stratford Place  
London W1C 1ST

#### **Operator**

King Sturge Financial Services Limited  
7 Stratford Place  
London W1C 1ST

#### **Auditors**

PricewaterhouseCoopers  
Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

#### **Solicitors**

S J Berwin & Co  
222 Gray's Inn Road  
London  
WC1X 8HB

## **The HSPUT - Homebase Limited Partnership**

### **General Partner's Report**

The HSPUT - Homebase Limited Partnership is regulated by a partnership agreement dated 4 July 2000.

The objective of the partnership is to carry on the business of acquiring, developing, holding, managing and investing in commercial properties in the United Kingdom, with a view to maximising the total investment returns from such properties.

The General Partner presents its report and the audited financial statements for the period ending 31 March 2001.

### **Structure of the Partnership**

The capital of the partnership has been provided by the partners in the following amounts:

#### **General Partner**

SAC GP Limited	£1
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#### **Limited Partners**

Homebase Ltd	£2,440
Hermes Property Unit Trust	£2,441

Under the terms of the partnership agreement, the General Partner is entitled to receive a profit share of up to £5,000 per annum. Thereafter, the profit share of the partnership is split equally between the Limited Partners. Under the partnership agreement, only income arising from the operation or disposal of investment properties is treated as distributable profits.

### **Activities**

The principal activity of the partnership is to acquire, develop, hold, manage and otherwise deal with commercial property with a view to maximising the total investment return from the properties.

### **Results**

The results for the period are set out in the profit and loss account on page 6

### **Duration**

The partnership will continue in force until 4 July 2005. This is subject to (a) dissolution, insolvency or liquidation of the General Partner; (b) the agreement of the General Partner and the Limited Partners to terminate the Partnership, (c) the Partnership having completed the disposal of all its right, title and interest in the Properties owned at the time and the General Partner providing confirmation that no further Properties will be acquired on behalf of the Partnership, (d) one or more non-affected parties holding Agreed Proportions representing in aggregate 20% of the Agreed Proportions, after the occurrence of an Event of Default, serve notice that they wish to terminate the Partnership, (e) the Chelmsford Property Development Agreement failing to become unconditional in all respects by the cut off date.

At any time prior to termination the partnership can be extended by such period as is agreed by all the Partners in writing. If the Partnership would otherwise be terminated, the Partnership may be reconstituted and its business continued if the Limited Partners elect to continue the Partnership and appoint a new general partner.

## **The HSPUT - Homebase Limited Partnership**

### **General Partner's Report (Cont'd)**

#### **Investment Properties**

The partnership currently holds assets that are properties and sites undergoing, or being held for, development.

#### **Auditors**

PricewaterhouseCoopers, Registered Auditor, having consented to act, have been appointed auditors of the partnership to hold office until the General Partner determines otherwise.

#### **Statement of the General Partner's and Operator's Responsibilities**

The partnership agreement requires the General Partner to prepare financial statements for each financial year, which present the state of affairs and profit or loss of the Limited Partnership for that year. In preparing these financial statements, the General Partner is required to:

- ☐ Select suitable accounting policies which conform with generally accepted accounting practice in the United Kingdom and apply them consistently;
- ☐ Make judgements and estimates that are reasonable and prudent;
- ☐ Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Limited Partnership will continue in business.

The General Partner is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Limited Partnership and enable it to ensure that the financial statements comply with the Limited Partnership Agreement. It is also responsible for safeguarding the assets of the Limited Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner confirms that the financial statements comply with the above requirements.

Approved by the General Partner on 31 May 2001,  
and signed on its behalf by:



A J Martin  
For SAC GP Limited

## **The HSPUT - Homebase Limited Partnership**

### **Report of the Auditors to the Partners of the HSPUT - Homebase Limited Partnership**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

#### **Respective responsibilities of the General Partner and auditors**

The General Partner is responsible for preparing the report and financial statements. 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 the Limited Partnership Agreement, 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 Partnership Agreement. We also report to you if, in our opinion, the General Partner of the Partnership 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 the Partnership Agreement regarding transactions is not disclosed.

We read the other information contained in the report and financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

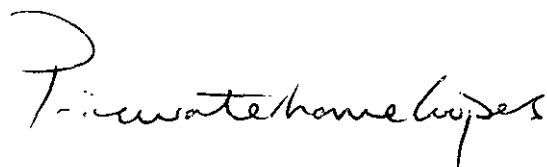
#### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board in the United Kingdom. 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 General Partner in the preparation of the financial statements, and of whether the accounting policies are in accordance with the terms of the Partnership Agreement and are appropriate to the circumstances of the Partnership, 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 affairs of the Partnership as at 31 March 2001, and of its net income and cash flows for the period then ended and have been properly prepared in accordance with the Partnership Agreement dated 4th July 2000.



PricewaterhouseCoopers  
Chartered Accountants  
London

31 May 2001

**The HSPUT - Homebase Limited Partnership**

**Profit and Loss Account**

**For the period from 4 July 2000 to 31 March 2001**

	Notes	4 July 2000 to 31 March 2001 £
<b>Turnover</b>		818,359
Property outgoings	2	(22,117)
Administrative expenses	3	(65,141)
<b>Operating profit</b>		<u>731,101</u>
Bank interest receivable		12,597
<b>Profit on ordinary activities</b>		<u>743,698</u>
Distribution payable to General Partner	7	(1,000)
Distributions paid and payable to Limited Partners	7	(589,981)
<b>Retained profit for the period</b>	7	<u>£ 152,717</u>

There is no difference between profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

**Statement of Recognised Gains and Losses**

**For the period from 4 July 2000 to 31 March 2001**

	Notes	4 July 2000 to 31 March 2001 £
Profit for the period		743,698
Unrealised surplus on revaluation of properties		397,012
Formation expenses	7	(100,000)
<b>Total gains and losses during the period</b>		<u>£ 1,040,710</u>

**The HSPUT - Homebase Limited Partnership**

**Balance Sheet as at 31 March 2001**

	Notes	£	£
<b>Fixed Assets</b>			
Investment property	4		39,131,520
<b>Current Assets</b>			
VAT recoverable		171,999	
Debtors	5	369,486	
Cash at bank		169,924	
		<u>711,409</u>	
<b>Creditors due within one year</b>	6	<u>(586,661)</u>	
<b>Net Current Assets</b>			£124,748
<b>Total Assets less Current Liabilities</b>			<u>£ 39,256,268</u>
<b>Capital and Reserves</b>			
Partnership capital	7		4,882
Partner loans	7		38,701,657
Income accounts	7		152,717
Revaluation reserve	4		397,012
			<u>£ 39,256,268</u>

The financial statements were approved by the Board of Directors of SAC GP Limited, the General Partner, on 31 May 2001 and were signed on its behalf by:



**A J Martin**  
**Director**

**The HSPUT - Homebase Limited Partnership**

**Cashflow Statement**

**For the period from 4 July 2000 to 31 March 2001**

	<b>Notes</b>	<b>4 July 2000 to 31 March 2001 £</b>
<b>Net cash inflow from operating activities</b>	<b>8</b>	<b>686,954</b>
<b>Returns on investments and servicing of finance</b>		
Interest received		12,597
		<hr/> 699,551
<b>Capital expenditure and financial investment</b>		
Purchase of properties and capital additions		(38,734,508)
<b>Distributions paid</b>		(501,657)
<b>Net cash outflow before financing</b>		<hr/> (38,536,614)
<b>Financing</b>		
Capital contributions		4,881
Partners' loan drawdowns		38,701,657
<b>Increase in cash representing net funds carried forward</b>		<hr/> <hr/> £ 169,924



## The HSPUT - Homebase Limited Partnership

### Notes to the Financial Statements

For the period from 4 July 2000 to 31 March 2001

#### 1 Accounting Policies

##### *Accounting Convention*

The partnership commenced on 4 July 2000 and these are its first accounts. The profit and loss covers the period from 4 July 2000 to 31 March 2001 and there are no comparatives. The accounts have been prepared on the historical cost basis in accordance with applicable accounting standards.

##### *Turnover*

Turnover represents property rental income, accrued to 31 March 2001.

##### *Interest*

No interest is payable in respect of any credit balance on the Partners' loan accounts. Bank interest receivable and payable is accrued to 31 March 2001.

##### *Investments*

The investment properties are included in the balance sheet at open market value in accordance with SSAP 19: Accounting for Investment Properties. They were revalued on 25 March 2001. Transaction costs are also capitalised. No depreciation has been provided on property assets in accordance with SSAP 19: Accounting for Investment Properties.

##### *Purchases and Sales*

Purchases are recognised on unconditional exchange. No sales were made during the period.

##### *Partnership set up costs*

Partnership set up costs are charged to the profit and loss account.

#### 2 Property Outgoings

	£
Property management charge	3,713
Property irrecoverable costs	18,404
	<u>£ 22,117</u>

#### 3 Administrative Expenses

The Operating Profit is stated after charging the following administrative expenses:

	£
Establishment/administration and filing fee for beneficial owners	2,630
Auditors' remuneration for audit services	9,000
Operator's fee	22,011

Service charge expenses of £16,362 have not been included in the operating profit. The majority of these costs will be recoverable, but there may remain a small sum, yet to be confirmed, which is irrecoverable.

**The HSPUT - Homebase Limited Partnership**

**Notes to the Financial Statements**

**For the period from 4 July 2000 to 31 March 2001, (Cont'd)**

**4 Investment Property**

	<b>Total £</b>
<b>Valuation</b>	
Acquired during the period	38,734,508
Revaluation surplus	397,012
<b>As at 31 March 2001</b>	<b><u>£39,131,520</u></b>

**5 Debtors**

	<b>£</b>
Tenant's variations debtor	103,971
Unpaid share capital	1
IT recoverable	124
Rent receivable	287,485
Provision for bad debts	(31,500)
Service charge debtor	5,806
Service charge prepayment on empty units	3,599
	<b><u>£ 369,486</u></b>

**6 Creditors: amounts falling due within one year**

	<b>£</b>
Operator's fee	7,500
Property management fee	3,713
Property irrecoverable costs	3,089
Rents received in advance	75,058
Service charge creditor	7,886
Audit creditor	9,000
Sundry creditors	391,091
Distribution payable	89,324
	<b><u>£ 586,661</u></b>

The HSPUT - Homebase Limited Partnership

Notes to the Financial Statements

For the period from 4 July 2000 to 31 March 2001, (Cont'd)

7 Partners' Accounts

	General Partner	Limited Partners		Total
	SAC (GP) Ltd £	Hermes Property Unit Trust £	Homebase £	£
<b>Capital Accounts</b>				
Contributions during the period	1	2,440	2,441	4,882
Balance at 31 March 2001	<u>£ 1</u>	<u>£ 2,440</u>	<u>£ 2,441</u>	<u>£ 4,882</u>
<b>Loan Accounts</b>				
Advanced during the period	-	19,400,828	19,400,829	38,801,657
Capitalised formation costs	-	(50,000)	(50,000)	(100,000)
Balance at 31 March 2001	<u>£ -</u>	<u>£ 19,350,828</u>	<u>£ 19,350,829</u>	<u>£ 38,701,657</u>
<b>Income Accounts</b>				
Profit for the period	1,000	371,349	371,349	743,698
Distribution paid	-	(250,828)	(250,829)	(501,657)
Distribution payable	(1,000)	(44,162)	(44,162)	(89,324)
Balance at 31 March 2001	<u>£ -</u>	<u>£ 76,359</u>	<u>£ 76,358</u>	<u>£ 152,717</u>

The loans are interest free. They are repayable at the latest on the termination of the partnership or at such later dates following completion of disposal of any properties in such proportions as to retain the loan share. If a loan is repaid it is not then available for subsequent drawdowns unless it is repayment of a drawdown for a partnership expense not subsequently requiring satisfaction.

8 Reconciliation of operating profit to operating cash flows

	£
Operating profit	731,101
(Increase) in debtors (VAT)	(171,999)
(Increase) in debtors	(369,485)
Increase in creditors	497,337
Net cash outflow from operating activities	<u>£686,954</u>