

Report of the Designated Members and
Financial Statements
for the Year Ended
30 September 2006
for
St Andrews Property Investment Fund LLP

50300241



St Andrews Property Investment Fund LLP

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for the Year Ended 30 September 2006

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St Andrews Property Investment Fund LLP

General Information
for the Year Ended 30 September 2006

DESIGNATED MEMBERS.

K G Grainger Esq
D M Thomson Esq
A E R Bell Esq

REGISTERED OFFICE:

30 31 Queen Street
Edinburgh
Midlothian
EH2 1JX

REGISTERED NUMBER:

SO300241

AUDITORS:

Chiene+Tait
Chartered Accountants and Registered Auditors
61 Dublin Street
Edinburgh
EH3 6NL

St Andrews Property Investment Fund LLP

Report of the Designated Members
for the Year Ended 30 September 2006

The members present their report with the financial statements of the LLP for the year ended 30 September 2006

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of residential property investment

DESIGNATED MEMBERS

The designated members during the year under review were

K G Grainger Esq
D M Thomson Esq
A E R Bell Esq

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The loss for the year available for division among members was £92,970 (2005 £71,727 loss)

MEMBERS' INTERESTS

The LLP drawings policy is subject to the requirements of the business and to regulatory requirements

STATEMENT OF DESIGNATED MEMBERS' RESPONSIBILITIES

The designated members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Legislation applicable to limited liability partnerships requires the designated members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing those financial statements, the designated members are required to

select suitable accounting policies and then 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 LLP will continue in business

The designated members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 1985 as applied by the Limited Liability Partnerships Regulations 2001. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the designated members are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the LLP's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information

AUDITORS

The auditors, Chiene+Tait, will be proposed for re appointment in accordance with Section 385 of the Companies Act 1985

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 as applied by the Limited Liability Partnerships Regulations 2001 relating to small LLPs

ON BEHALF OF THE DESIGNATED MEMBERS:


K G Grainger Esq Designated Member

Date

4/12/6

Independent Auditors' Report to the Members of
St Andrews Property Investment Fund LLP

We have audited the financial statements of St Andrews Property Investment Fund LLP for the year ended 30 September 2006 on pages four to eleven. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Section 235 of the Companies Act 1985 as applied by the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of designated members and auditors

As described in the statement of Designated Members' Responsibilities the LLP's members are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 as applied by the Limited Liability Partnerships Regulations 2001. We also report to you if, in our opinion, the Report of the Designated Members is consistent with the financial statements.

In addition we report to you if, in our opinion, the LLP 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 designated members' remuneration and other transactions is not disclosed.

We read the Report of the Designated Members and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Designated members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP'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.

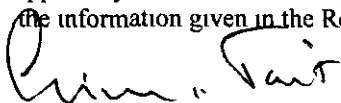
Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the LLP's affairs as at 30 September 2006 and of its loss for the year then ended, and

the financial statements have been properly prepared in accordance with Part VII of the Companies Act 1985 as applied by the Limited Liability Partnerships Regulations 2001, and

the information given in the Report of the Designated Members is consistent with the financial statements.



CHIENE + TAIT

Chartered Accountants and Registered Auditors

61 Dublin Street

Edinburgh EH3 6NL

6 November 2006

St Andrews Property Investment Fund LLP

Profit and Loss Account
for the Year Ended 30 September 2006

	Notes	30 9 06 £	30 9 05 £
TURNOVER		66,402	39,742
Administrative expenses		<u>81,841</u>	<u>68,862</u>
 OPERATING LOSS	 2	 (15,439)	 (29,120)
Interest receivable and similar income		<u>1,168</u>	<u>17,453</u>
		(14,271)	(11,667)
Interest payable and similar charges		<u>78,699</u>	<u>60,060</u>
 LOSS FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	 10	 (92,970)	 (71,727)
Salaried remuneration of members	3	—	—
 LOSS FOR THE FINANCIAL YEAR AVAILABLE FOR DIVISION AMONG MEMBERS	 10	 <u>(92,970)</u>	 <u>(71,727)</u>

The notes form part of these financial statements (pages 7 to 11)

St Andrews Property Investment Fund LLP

Statement of Total Recognised Gains and Losses
for the Year Ended 30 September 2006

	30 9 06	30 9 05
	£	£
LOSS FOR THE FINANCIAL YEAR		
AVAILABLE FOR DIVISION AMONG MEMBERS	(92,970)	(71,727)
Revaluation of investment properties	<u>138,906</u>	<u>139,334</u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>45,936</u>	<u>67,607</u>

The notes form part of these financial statements (pages 7 to 11)

St Andrews Property Investment Fund LLP

Balance Sheet
30 September 2006

	Notes	30 9 06 £	£	30 9 05 £	£
FIXED ASSETS					
Tangible assets	4		72,838		77,513
Investments	5		<u>2,110,000</u>		<u>1,605,000</u>
			2,182,838		1,682,513
CURRENT ASSETS					
Debtors	6	11,705		7,741	
Cash at bank		<u>73,809</u>		<u>20,789</u>	
		85,514		28,530	
CREDITORS					
Amounts falling due within one year	7	<u>38,803</u>		<u>35,430</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>46,711</u>		<u>(6,900)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,229,549		1,675,613
CREDITORS					
Amounts falling due after more than one year	8		<u>1,450,000</u>		<u>1,050,000</u>
NET ASSETS			<u>779,549</u>		<u>625,613</u>
Represented by:					
MEMBERS' OTHER INTERESTS					
Equity					
Capital accounts	10		648,003		540,003
Revaluation reserve	10		332,110		193,204
Other reserves	10		<u>(200,564)</u>		<u>(107,594)</u>
			<u>779,549</u>		<u>625,613</u>
TOTAL MEMBERS' INTERESTS					
Members' other interests	10		<u>779,549</u>		<u>625,613</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 as applied by the Limited Liability Partnerships Regulations 2001 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the members of the LLP on

4/12/6

and were signed


K G Grainger Esq Designated member

The notes form part of these financial statements (pages 7 to 11)

Notes to the Financial Statements
for the Year Ended 30 September 2006

1 **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'

Members' interests and members' remuneration

In accordance with Financial Reporting Standard 25 "Financial instruments Disclosure and presentation" and Urgent Issues Task Force Abstract 39 "Members' shares in co operative entities and similar instruments", members' interests in limited liability partnerships are analysed between financial liabilities and equity Under the terms of the LLP agreement, Members' interests in the LLP, whether capital or income, are classified as equity and accordingly no restatement is required

The treatment of Members' remuneration, defined under the SORP as any outflow of benefits to Members, has also changed Under the provisions of the SORP automatic division of profits between Members so that the LLP does not have an unconditional right to refuse payment falls to be treated as an expense to be charged against profits Under the terms of the LLP agreement, no Member shall have the right to withdraw profits credited to its income account until the dissolution of the LLP, and accordingly no restatement is required

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Setup costs	amortised over 7 years
Furniture & equipment	25% on cost

Investment properties

In accordance with standard accounting practice investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve unless a deficit, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year

No depreciation is provided in respect of investment properties The designated members believe that this accounting policy is necessary for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified

Turnover

Turnover represents rental income receivable during the year No turnover arises outwith the United Kingdom

2 **OPERATING LOSS**

The operating loss is stated after charging

	30 9 06	30 9 05
	£	£
Depreciation owned assets	24,827	19,785
Auditors' remuneration	<u>2,820</u>	<u>2,820</u>

St Andrews Property Investment Fund LLP

Notes to the Financial Statements
for the Year Ended 30 September 2006

3 INFORMATION IN RELATION TO MEMBERS

	30 9 06	30 9 05
The average number of members during the year was	<u>29</u>	<u>29</u>

4 TANGIBLE FIXED ASSETS

	Setup costs £	Furniture & equipment £	Totals £
COST			
At 1 October 2005	72,345	37,800	110,145
Additions	<u>20,152</u>	<u>20,152</u>	<u>20,152</u>
At 30 September 2006	<u>72,345</u>	<u>57,952</u>	<u>130,297</u>
DEPRECIATION			
At 1 October 2005	20,670	11,962	32,632
Charge for year	<u>10,335</u>	<u>14,492</u>	<u>24,827</u>
At 30 September 2006	<u>31,005</u>	<u>26,454</u>	<u>57,459</u>
NET BOOK VALUE			
At 30 September 2006	<u>41,340</u>	<u>31,498</u>	<u>72,838</u>
At 30 September 2005	<u>51,675</u>	<u>25,838</u>	<u>77,513</u>

St Andrews Property Investment Fund LLP

Notes to the Financial Statements continued
for the Year Ended 30 September 2006

5 FIXED ASSET INVESTMENTS

	Property investments £
COST OR VALUATION	
At 1 October 2005	1,605,000
Additions	366,094
Revaluations	<u>138,906</u>
At 30 September 2006	<u>2,110,000</u>
NET BOOK VALUE	
At 30 September 2006	<u>2,110,000</u>
At 30 September 2005	<u>1,605,000</u>

The investment properties are included in the accounts at market value

The investment properties were valued by a firm of independent valuers, Hardies Property & Construction Consultants, St Andrews on 25th and 26th September 2006, on the basis of market value with vacant possession

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 09 06 £	30 9 05 £
Other Debtors	1,414	
Prepayments	<u>10,291</u>	<u>7,741</u>
	<u>11,705</u>	<u>7,741</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 9 06 £	30 9 05 £
Trade creditors	15,045	10,430
Other creditors	<u>23,758</u>	<u>25,000</u>
	<u>38,803</u>	<u>35,430</u>

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 9 06 £	30 9 05 £
Bank loans	<u>1,450,000</u>	<u>1,050,000</u>
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Bank loans more than 5 years	<u> </u>	<u>1,050,000</u>

St Andrews Property Investment Fund LLP

Notes to the Financial Statements continued
for the Year Ended 30 September 2006

9 SECURED DEBTS

The following secured debts are included within creditors

	30 9 06	30 9 05
	£	£
Bank loans	<u>1,450,000</u>	<u>1,050,000</u>

Standard security is held by the Dunfermline Building Society over investment properties at 3b Hope Street, St Andrews, 16 Nelson Street, St Andrews, numbers 11, 14 and 15 Southfield, St Andrews and 49b Spylaw Street, Edinburgh

10 MEMBERS' INTERESTS

Members' other interests

	Members' capital £	Revaluation Reserve (see note 11) £	Other Reserves £	Total £
Amount due to members / (Amount due from members)				
Members' interests at 1 October 2005	540,003	193,204	(107,594)	625,613
Loss for the financial year available for division among members	<u> </u>	<u> </u>	<u>(92,970)</u>	<u>(92,970)</u>
Members' interests after loss for the year	540,003	193,204	(200,564)	532,643
Allocated loss				
Revaluation		138,906		138,906
Introduced by members	<u>108,000</u>	<u> </u>	<u> </u>	<u>108,000</u>
 Members' interests at 30 September 2006	 <u>648,003</u>	 <u>332,110</u>	 <u>(200,564)</u>	 <u>779,549</u>

11 RESERVES

	Revaluation reserve £
At 1 October 2005	193,204
Revaluation	<u>138,906</u>
At 30 September 2006	<u>332,110</u>

St Andrews Property Investment Fund LLP

Notes to the Financial Statements continued
for the Year Ended 30 September 2006

12 RELATED PARTY DISCLOSURES

Transactions with related parties during the year and balances outstanding at the year end were as follows

Related Party	Type of transaction	(Incl VAT) Transaction	Balance receivable / (payable by the LLP) at 30/09/06
(1) Andrew Hamilton & Co	Accountancy Fees	£5,523	(£5,405)
(2) Morton Fraser LLP	Legal Fees	£3,536	(£1,795)
(3) Clatto Ltd	Property management fees, Tenancy Management Fees & Annual lease Fees	£26,854	£143

(1) David M Thomson, designated member, is a partner in Andrew Hamilton & Co

(2) Adrian Bell, designated member, is a member of Morton Fraser LLP

(3) Kevin Grainger, designated member, is a 20% shareholder in Clatto Ltd

All the above transactions were carried out on normal commercial terms

St Andrews Property Investment Fund LLP

Profit and Loss Account
for the Year Ended 30 September 2006

	30 9 06		30 9 05
	£	£	£
Income		66,402	39,742
Other income			
Deposit account interest	<u>1,168</u>	<u>67,570</u>	<u>57,195</u>
		67,570	57,195
Expenditure			
Property insurance	2,102		1,175
Keyman insurance	390		328
Property running costs	6,210		5,954
Website and computer costs			100
Tenancy Management Fee	4,453		2,540
Compliance fee	2,686		5,635
Accountancy	5,523		5,523
Annual lease fees	676		353
Surveyors fees	357		294
Property asset management fees	22,402		16,647
Legal fees	4,540		3,904
Auditors' remuneration	2,820		2,820
Depreciation of tangible fixed assets			
Set up costs	10,335		10,335
Fixtures and fittings	14,492		9,450
	<u>76,986</u>		<u>65,058</u>
		(9,416)	(7,863)
Finance costs			
Bank charges	211		82
Loan arrangement fee	4,644		3,341
Bank interest			381
Bank loan interest	<u>78,699</u>	<u>83,554</u>	<u>63,864</u>
NET LOSS		<u>(92,970)</u>	<u>(71,727)</u>

This page does not form part of the statutory financial statements