

**THE MACKMAN & SCORZIELLO LLP
UNAUDITED ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 OCTOBER 2006**



Registered Number SO300736

Tenon Limited
Accountants and Business Advisers
160 Dundee Street
Edinburgh
EH11 1DQ

THE MACKMAN & SCORZIELLO LLP

ABBREVIATED ACCOUNTS

PERIOD FROM 11 OCTOBER 2005 TO 31 OCTOBER 2006

CONTENTS	PAGES
Designated member and advisor	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 to 5

THE MACKMAN & SCORZIELLO LLP
DESIGNATED MEMBERS AND ADVISERS
PERIOD ENDED 31 OCTOBER 2006

Designated member	G Scorziello
Business address	6 Queen Street Edinburgh EH2 1JE
Registered office	6 Queen Street Edinburgh EH2 1JE
Accountants	Tenon Limited Accountants and Business Advisers 160 Dundee Street Edinburgh EH11 1DQ
Bankers	Bank of Scotland 6 Picardy Place Edinburgh EH1 3JT

THE MACKMAN & SCORZIELLO LLP

ABBREVIATED BALANCE SHEET

31 OCTOBER 2006

	Note	£	31 Oct 06 £
Fixed assets	2		
Tangible assets			495,027
Current assets			
Debtors		42,200	
Cash at bank and in hand		151	
		<u>42,351</u>	
Creditors: Amounts falling due within one year		<u>(8,068)</u>	
Net current assets			<u>34,283</u>
Total assets less current liabilities			<u>529,310</u>
Creditors: Amounts falling due after more than one year			<u>(359,226)</u>
Net assets attributable to members			<u>170,084</u>
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability under FRS 25	4		250,000
Other amounts	4		<u>(79,916)</u>
			<u>170,084</u>
Total members' interests			
Loans and other debts due to members	4		170,084
Amounts due from members			<u>(42,200)</u>
			<u>127,884</u>

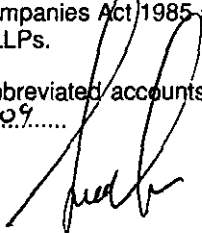
The member is satisfied that the LLP is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001 for the period ended 31 October 2006.

The member acknowledges his responsibility for:

- (i) ensuring that the LLP keeps proper accounting records which comply with section 221 of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the LLP as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001 relating to financial statements, so far as applicable to the LLP.

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001 relating to small LLPs.

These abbreviated accounts were approved and signed by the member and authorised for issue on 6.17.09



G Scorziello Designated member

THE MACKMAN & SCORZIELLO LLP
NOTES TO THE ABBREVIATED ACCOUNTS
PERIOD FROM 11 OCTOBER 2005 TO 31 OCTOBER 2006

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in March 2006 (SORP 2006).

Turnover

The turnover shown in the profit and loss account represents the value of all rents receivable on the LLP's property during the period. Rental income is recognised on an accruals basis.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

The LLP's investment property is shown at market value in the financial statements with any surplus over the cost being transferred to a revaluation reserve; where revaluation is less than cost and is considered to be permanent in nature, the shortfall is charged to the profit and loss account. Where the fall in value is considered to be temporary, any adjustment is taken to the revaluation reserve.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities in the Balance Sheet.

THE MACKMAN & SCORZIELLO LLP

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 11 OCTOBER 2005 TO 31 OCTOBER 2006

1. Accounting policies *(continued)*

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

2. Fixed assets

	Tangible Assets £
Cost or valuation	
Additions	495,027
At 31 October 2006	<u>495,027</u>
Depreciation	<u>—</u>
Net book value	
At 31 October 2006	<u>495,027</u>
At 10 October 2005	<u>—</u>

In the opinion of the designated members, the carrying value of the investment property at 31 October 2006 was not materially different from its open market value.

3. Related party transactions

Included within turnover are amounts of £8,552 from SA.com Limited and £6,511 from City Centre Apartments Limited, companies of which D S Mackman is a director.

Bad debts written off relates wholly to a loan made to City Centre Apartments Limited, a company in which D S Mackman is a director.

Both D S Mackman and G Scorziello have each provided a personal guarantee of £25,000 to the LLP's bankers.

THE MACKMAN & SCORZIELLO LLP
NOTES TO THE ABBREVIATED ACCOUNTS
PERIOD FROM 11 OCTOBER 2005 TO 31 OCTOBER 2006

4. Loans and other debts due to members

	31 Oct 06
	£
Members' capital classified as a liability under FRS 25	250,000
Amounts owed to members in respect of losses	(79,916)
	<u>170,084</u>

5. Secured creditors

Included in creditors due within one year is £4,230 and creditors due after more than one year is £359,226 relating to secured bank loans. The bank loans are secured by a standard security over the LLP's investment property and a floating charge.