

Registration No. SO300708 (Scotland)

THE FORESTRY PARTNERSHIP LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2006



THE FORESTRY PARTNERSHIP LLP

PARTNERSHIP INFORMATION

Members	J Brownrigg	(Appointed 2 September 2005)
	Enga Limited	(Appointed 31 December 2005)
	N Ferguson	(Appointed 2 September 2005)
	A Stakis	(Appointed 2 September 2005)
	A Cameron	(Appointed 1 June 2006)
LLP number	SO300708	
Registered office	Deargacha Glenmassan Sandbank Dunoon Argyll PA23 8RB	
Auditors	Wylie & Bisset 160 Argyll Street, Dunoon PA23 7NA	

THE FORESTRY PARTNERSHIP LLP

MEMBERS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2006

The members present their report and financial statements for the period ended 30 September 2006

Principal activities

The limited liability partnership was incorporated on 2 September 2005

The principal activity of the limited liability partnership is the ownership of forests

Designated members

The following designated members have held office since 2 September 2005

J Brownrigg	(Appointed 2 September 2005)
W Cameron	(Appointed 30 November 2005 and deceased 20 May 2006)
Enga Limited	(Appointed 31 December 2005)
N Ferguson	(Appointed 2 September 2005)
A Stakis	(Appointed 2 September 2005)
A Koskull	(Appointed 2 September 2005 and resigned 31 December 2005)
A Cameron	(Appointed 1 June 2006)

Members' drawings and the subscription and repayment of capital

Except as determined by the members, no member shall be entitled to draw any amounts

New members may be admitted to the LLP as determined by the members. The value of their member's share to subscribe shall be determined by the members

Members leaving will be repaid their capital based on a valuation of the balance sheet at that date

THE FORESTRY PARTNERSHIP LLP

MEMBERS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2006

Members' responsibilities

Company law (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001) requires us as members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing those financial statements, we 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 company will continue in business

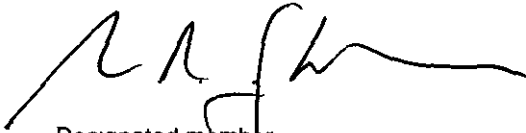
We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable us to ensure that the financial statements comply with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001). We are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware, and

(b) the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

On behalf of the designated members



Designated member
23 March 2007

THE FORESTRY PARTNERSHIP LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE FORESTRY PARTNERSHIP LLP

We have audited the financial statements of The Forestry Partnership LLP for the period ended 30 September 2006 set out on pages 5 to 9. 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, as a body, in accordance with Section 235 of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001). Our audit work has been undertaken so that we might state to the limited liability 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 limited liability partnership's members, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditors

As described in the Statement of Members' Responsibilities on page 2, the members are responsible for the preparation of the 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 to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001). We also report to you if, in our opinion, the members' report is not consistent with the financial statements, if the limited liability partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the members' report 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 members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership'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.

THE FORESTRY PARTNERSHIP LLP

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF THE FORESTRY PARTNERSHIP LLP

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 limited liability partnership's affairs as at 30 September 2006 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001),

The information given in the members' report is consistent with the financial statements



Wylie & Bisset

23 March 2007

Chartered Accountants

Registered Auditor

160 Argyll Street,
Dunoon
PA23 7NA

THE FORESTRY PARTNERSHIP LLP

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2006

	Notes	Period ended 30 September 2006 £
Administrative expenses		(363,916)
Operating loss		(363,916)
Interest receivable and similar income	2	64,386
Interest payable and similar charges		(76,417)
Loss for the financial year before members' remuneration and profit shares		(375,947)
Members remuneration charged as an expense		
Loss for the financial year available for discretionary division among members	8	(375,947)

THE FORESTRY PARTNERSHIP LLP

BALANCE SHEET AS AT 30 SEPTEMBER 2006

	Notes	2006 £	£
Fixed assets			
Tangible assets	4		6,550,716
Current assets			
Debtors	5	1,553,688	
Cash at bank and in hand		63,777	
		<u>1,617,465</u>	
Creditors amounts falling due within one year	6	<u>(2,776,973)</u>	
Net current liabilities			<u>(1,159,508)</u>
Total assets less current liabilities			<u>5,391,208</u>
Creditors amounts falling due after more than one year	7		<u>(2,828,134)</u>
			<u>2,563,074</u>
Members' other interests			
Members' capital	8		<u>2,563,074</u>
Total members interests			
Members other interests	8		<u>2,563,074</u>
Amounts due from members	8		<u>(1,535,750)</u>
			<u>1,027,324</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001) relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Members for issue on 23 March 2007



Designated Member

THE FORESTRY PARTNERSHIP LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2005) and the Statement of Recommended Practice, Accounting by Limited Liability Partnerships

1.2 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Cefn ystrad ffin	No depreciation
Raera forest	No depreciation

No depreciation is provided in respect of freehold land

2 Investment income 2006 £

Bank interest	64,386
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3 Taxation

The taxation payable on the limited liability partnership results is the personal liability of the members during the period and consequently neither taxation nor deferred taxation is accounted for in the financial statements

4 Tangible fixed assets

	Land and buildings £
Cost or revaluation	
At 2 September 2005	
Additions	5,947,445
Revaluation	603,271
At 30 September 2006	6,550,716
Depreciation	
At 2 September 2005 & at 30 September 2006	
Net book value	
At 30 September 2006	6,550,716

THE FORESTRY PARTNERSHIP LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2006

	2006
5 Debtors	£
Trade debtors	17,938
Amounts due from members	1,535,750
	<u>1,553,688</u>
	<u><u>1,553,688</u></u>
6 Creditors, amounts falling due within one year	2006
	£
Bank loans	230,000
Taxation and social security	438
Other creditors	46,535
Amount due to former member	2,500,000
	<u>2,776,973</u>
	<u><u>2,776,973</u></u>
7 Creditors, amounts falling due after more than one year	2006
	£
Bank loans	2,828,134
	<u>2,828,134</u>
Analysis of loans	
Not wholly repayable within five years by instalments	3,058,134
Included in current liabilities	(230,000)
	<u>2,828,134</u>
	<u><u>2,828,134</u></u>
Instalments not due within five years	1,583,134
	<u>1,583,134</u>
The bank loans are secured over the land and by personal guarantees made by the following members up to £100,000 each, A Stakis, N Ferguson, J Brownngg, A Koskull and A Cameron	

THE FORESTRY PARTNERSHIP LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2006

8	Members' interests	Members' capital	Revaluation reserve	Other reserves	Total members' other interests	Loans and other debts due to/(from) members	Total members' interests
		£	£	£	£	£	£
	Members' interests At 2 September 2005						
	Introduced by members	4,835,750			4,835,750	(1,535,750)	3,300,000
	Capital withdrawn	(2,500,000)			(2,500,000)		(2,500,000)
	Loss for the financial period available for division among members			(375,947)	(375,947)		(375,947)
	Members interests after loss for the period	2,335,750		(375,947)	1,959,803	(1,535,750)	2,563,074
	Surplus arising on revaluation of land		603,271		603,271		603,271
	Allocated losses	(375,947)		375,947			
	Members' interests at 30 September 2006	1,959,803	603,271		2,563,074	(1,535,750)	1,027,324