

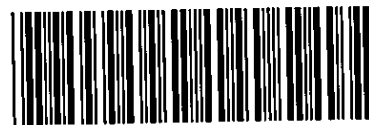
THE FORESTRY PARTNERSHIP 2008 LLP

Registered number: SO300708

Members' Report and Financial Statements

For the year ended 30 September 2009

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THE FORESTRY PARTNERSHIP 2008 LLP

Financial Statements

For the year ended 30 September 2009

Contents	Page
LLP Information	1
Members' Report	2 - 3
Independent Auditors' Report	4 - 5
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9 -13

THE FORESTRY PARTNERSHIP 2008 LLP

LLP Information

Designated members

Arch Global Forestry IC Limited
Arch Sustainable Opportunities IC Limited
Victor Beamish
Terence Brownrigg
Anthony Cameron
Richard Davidson
Jane Ferguson
Nicholas Ferguson
Guy Nominees Limited (D C Guy & D C Guy SIPP)
Margaret Haughton
Thomas Hogg
PFP General Partner Limited
Reo Stakis Limited (Reo Stakis Charitable Foundation)
Alexandros Stakis (Himself & Nina Stakis)
Stakis SIPP Nominee Co Limited (Andros Stakis SIPP)
The Shareholding & Investment (Property) Limited (Stakis siblings, excluding Stasia)
The Shareholding & Investment Trust Limited (Lady Stakis beneficiaries)
Gudrun Von Tevenar
William Weston

Registered office

Deargacha
Glenmassan
Sandbank, Dunoon
Argyll
PA23 8RA

Registered number

SO300708

Auditors

Scott-Moncrieff
Chartered Accountants
Registered Auditor
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Solicitor

Gillespie MacAndrew
5 Atholl Crescent
Edinburgh
EH3 8EJ

Principal bankers

Adam & Company
22 Charlotte Square
Edinburgh
EH2 4DF

THE FORESTRY PARTNERSHIP 2008 LLP

Report of the Members

For the year ended 30 September 2009

The members present their report and the audited financial statements for the year ended 30 September 2009.

Principal activity

The principal activity and core business of the LLP continues to be the ownership and commercial operation of forests.

Change of name

On 16 April 2009 the LLP changed its name from The Forestry Partnership LLP to The Forestry Partnership 2008 LLP.

Business combination

On 12 February 2009 the LLP acquired the trade and assets of two other entities, PFP Partnership Limited and Greenchip No.2 Forestry Syndicate, both of whom were forestry owners, in exchange for the admittance to the LLP of the owners of those entities.

Designated members

The designated members during the year were:

Terence Brownrigg
Anthony Cameron
Richard Davidson
Nicholas Ferguson
Margaret Haughton
Alexandros Stakis
Gudrun Von Tevenar

The following members were appointed on 16 April 2009:

Arch Global Forestry IC Limited
Arch Sustainable Opportunities IC Limited
Victor Beamish
Jane Ferguson
Guy Nominees Limited
Thomas Hogg
PFP General Partner Limited
Reo Stakis Limited
Stakis SIPP Nominee Co Limited
The Shareholding & Investment (Property) Limited
The Shareholding & Investment Trust Limited
William Weston

Members' drawings and capital policy

Except as determined by the members, members are not entitled to draw any amounts from the LLP.

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 2008 LLP

Report of the Members

For the year ended 30 September 2009

Statement of members' responsibilities

The Limited Liability Partnerships (LLP) Regulations 2001 made under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the LLP as at the end of the financial year and of the profit or loss of the LLP for that period. In preparing those financial statements the 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 members are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with The Limited Liability Partnerships (LLP) Regulations 2001 made under the Limited Liability Partnerships Act 2000. It is also their responsibility to safeguard the assets of the LLP and hence to take reasonable steps to prevent and detect fraud and other irregularities.

Disclosure of information to auditors

To the knowledge and belief of the members, there is no relevant information that the LLP's auditors are not aware of, and the members have taken all the steps necessary to ensure the members are aware of any relevant information, and to establish that the LLP's auditors are aware of the information.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

This report was approved by the members on 24 February 2010 and signed on their behalf by


.....
Terence Brownrigg
Designated member

THE FORESTRY PARTNERSHIP 2008 LLP

Independent Auditors' Report to the Members of The Forestry Partnership 2008 LLP

We have audited the financial statements of The Forestry Partnership 2008 LLP for the year ended 30 September 2009 which are set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice: Accounting by Limited Liability Partnership (SORP).

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 as required by Paragraph 3 of the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's 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 and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the statement of members' responsibilities set out on page 3 the members 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 13 to the financial statements.

Scope of the audit of the financial statements

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 LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 30 September 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

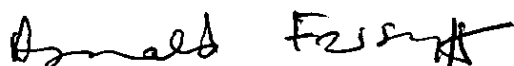
THE FORESTRY PARTNERSHIP 2008 LLP

Independent Auditors' Report to the Members of The Forestry Partnership 2008 LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements and the members' report in accordance with the small companies regime.



Donald Forsyth (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Registered Auditors
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 24 February 2010

THE FORESTRY PARTNERSHIP 2008 LLP

Profit and Loss Account

For the year ended 30 September 2009

	Note	2009 £	2008 £
Turnover		413,165	497,150
Administrative expenses		(970,218)	(259,884)
Other operating income		86,769	-
Operating (loss)/profit	2	(470,284)	237,266
Gain on disposal of fixed assets	3	5,326,329	-
		4,856,045	237,266
Interest receivable		18,011	709
Interest payable and similar charges		(166,272)	(281,995)
Profit/(loss) for the financial year before members' remuneration and profit shares		4,707,784	(44,020)
Profit/(loss) attributable to members		4,707,784	(44,020)
Profit/(loss) for the financial year available for discretionary division among members	10	-	-

The notes on pages 9 to 13 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP

Statement of Total Recognised Gains and Losses

For the year ended 30 September 2009

	2009 £	2008 £
Retained profit for the year	4,707,784	(44,020)
Revaluation of forests	1,032,175	4,883,324
Total recognised gains and losses relating to the year	<u>5,739,959</u>	<u>4,839,304</u>

The notes on pages 9 to 13 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP

Balance Sheet

At 30 September 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	5	20,322,175	11,500,000
Investments	6	1	1
		<u>20,322,176</u>	<u>11,500,001</u>
Current assets			
Debtors	7	9,609,256	91,779
Cash at bank and in hand		6,232,496	404
		<u>15,841,752</u>	<u>92,183</u>
Creditors: amounts falling due within one year	8	<u>(4,319,390)</u>	<u>(471,934)</u>
Net current assets/(liabilities)		11,522,362	(379,751)
Total asset less current liabilities		31,844,538	11,120,250
Creditors: amounts falling due after more than one year	9	<u>(4,548,751)</u>	<u>(4,081,957)</u>
Net assets attributable to members		<u>27,295,787</u>	<u>7,038,293</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability under FRS 25	10	24,062,055	7,921,776
Other amounts	10	3,233,732	(883,483)
		<u>27,295,787</u>	<u>7,038,293</u>
Total members' interests			
Loans and other debts due to members		<u>27,295,787</u>	<u>7,038,293</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were authorised for issue by the members on 24 February 2010 and signed on their behalf by:


Terence Brownrigg
 Designated member

Registered number: SO300708

The notes on pages 9 to 13 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2009

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, the Financial Reporting Standards for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice: Accounting by Limited Liability Partnerships (SORP).

As a small entity the LLP is exempt from preparing consolidated accounts under section 398 of the Companies Act 2006.

Cash flow statement

The financial statements do not include a cash flow statement as it is exempt under the Financial Reporting Standards for Smaller Entities (effective April 2008).

Turnover

Turnover represents the total amount estimated to be receivable by the LLP for services rendered and disbursements incurred on behalf of clients during the year, excluding VAT.

Tangible fixed assets

Tangible fixed assets consist of forests, which are revalued at open market value in accordance with Financial Reporting Standards for Smaller Entities (effective April 2008). These are considered to have a useful life of more than 50 years and therefore are not depreciated.

Tax provisions

The taxation payable on profits is the personal liability of the members during the year. A retention from profits is made to fund payments of taxation on behalf of the members. The retention is reflected in loans and other debts due from members and payments are charged against this retention.

Investments

Fixed asset investments are stated at cost, less any provisions required where there has been a permanent diminution in their value.

Government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2 Operating profit/(loss)

	2009 £	2008 £
Operating profit/(loss) is stated after charging:		
Auditors' remuneration - audit	4,600	4,500
Auditors' remuneration - other	18,275	16,425
and after crediting:		
Grants received	86,769	-

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2009

3 Exceptional items

Included within administrative expenses is an exceptional item of £460,084 relating to costs associated with the merger and associated refinancing.

The gain on the disposal of fixed assets of £5,326,329 relates to the sale of land during the year.

4 Members' share of profits and losses

Profits and losses are shared among the members after the end of the year in accordance with agreed profit and loss sharing arrangements and fixed remuneration payments.

	2009 No.	2008 No.
Average number of members	15	7

5 Tangible fixed assets

	Forests £
Valuation	
At 1 October 2008	11,500,000
Additions	10,465,000
Revaluation	1,032,175
Disposals	(2,675,000)
At 30 September 2009	20,322,175
Depreciation	
At 1 October 2008 and 30 September 2009	-
Net book value	
At 30 September 2009	20,322,175
At 30 September 2008	11,500,000

The forests were last valued on 30 November 2007 by John Clegg & Co, qualified surveyors, on the basis of market value as part of the merger. The current valuation reflects the designated members' valuation. The historical cost of the forests at the 30 September is £13,703,405.

6 Fixed asset investments

	2009 £	2008 £
Shares in group undertakings	1	1

Fixed assets investments is one £1 ordinary share in TFP Company Nominee Limited, a company registered in Scotland and a wholly owned subsidiary of the LLP. The aggregate share capital and reserves of TFP Company Nominee Limited at 31 May 2009 is £1 (2008: £1) reflecting the entire issued ordinary share capital, and its profit for the year ended 31 May 2009 is £nil (2008: £nil).

Exemption from preparation of group accounts is claimed on the basis of the group qualifying as a small group.

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2009

7 Debtors

	2009 £	2008 £
Trade debtors	15,071	-
Other debtors	9,523,749	6,534
Prepayments and accrued income	70,436	85,245
	<u>9,609,256</u>	<u>91,779</u>

8 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	1,943,953	214,169
Trade creditors	254,663	56,485
Amounts owed to group undertakings	1	1
Other creditors	1,767,938	98,819
Accruals and deferred income	352,835	102,460
	<u>4,319,390</u>	<u>471,934</u>

Details of the security over the bank loans and overdraft are disclosed in note 9.

9 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Bank loans	<u>4,548,751</u>	<u>4,081,957</u>
Amounts are due within the following periods:		
Between two and five years	3,547,500	-
In five years or more	<u>1,001,251</u>	<u>4,081,957</u>
	<u>4,548,751</u>	<u>4,081,957</u>

Bank loans and overdrafts are secured by a standard security over the LLP's forests. The loan is repayable in fixed and variable instalments over the 10 year term of the loan.

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2009

10 Members' interests

	Members' capital £	Revaluation reserve £	Total £	Other loans and debts due to/from members £ A	Total members' interests £
Members' interests at 1 October 2008	2,335,181	5,586,595	7,921,776	(883,483)	7,038,293
Profit for the financial year attributable to members	-	-	-	4,707,784	4,707,784
Members' interests after profit for the year	2,335,181	5,586,595	7,921,776	3,824,301	11,746,077
Surplus arising on revaluation of fixed assets	-	1,032,175	1,032,175	-	1,032,175
Capital introduced by members	14,517,535	-	14,517,535	-	14,517,535
Transfer from other loans and debts due from members	590,569	-	590,569	-	590,569
Transfer to members capital	-	-	-	(590,569)	(590,569)
At 30 September 2009	<u>17,443,285</u>	<u>6,618,770</u>	<u>24,062,055</u>	<u>3,233,732</u>	<u>27,295,787</u>

A - Other loans and debts due to/from members represents members' current accounts.

Profits and losses for the year are allocated to the members based on the profit and loss sharing ratio applying for the period. For the year ended 30 September 2009, profits were allocated in proportion to the capital provided by each member.

In the event of a winding up, members' capital and other interests rank after unsecured creditors when discharging the liabilities of the LLP. The amount of capital each equity member is required to subscribe is determined by the members and under the LLP agreement of The Forestry Partnership 2008 LLP, a member can only withdraw capital when he or she ceases to be a member.

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2009

11 Related parties

At 30 September 2009 the company owed £1 (2008: £1) to TFP Company Nominee Limited a wholly-owned subsidiary. This loan is interest free and has no fixed terms for repayment.

During the year interest was charged to and received from members in respect of late submission of capital on entrance to the LLP as follows:

	2009 £	2008 £
Arch Global Forestry IC Limited	3,463	-
Arch Sustainable Opportunities IC Limited	910	-
Richard Davidson	388	-
Stakis SIPP Nominee Co Limited	110	-
The Shareholding & Investment (Property) Limited	95	-
	<u>4,966</u>	<u>-</u>

12 Controlling party

There is no overall controlling party.

13 Non-audit services

In common with many other entities of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.