

THE FORESTRY PARTNERSHIP 2008 LLP

Registered number: SO300708

Members' Report and Financial Statements

For the year ended 30 September 2010

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THE FORESTRY PARTNERSHIP 2008 LLP

Financial Statements

For the year ended 30 September 2010

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THE FORESTRY PARTNERSHIP 2008 LLP

LLP Information

Designated members

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)
SPL Global Forestry (NR3) IC Limited
SPL Sustainable Opportunities (SO2) IC Limited
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

Suite G, Riverview House
Friarton Road
Perth
PH2 8DF

Registered number

SO300708

Auditors

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

Solicitor

Gillespie Macandrew LLP
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 2010

The members present their report and the audited financial statements for the year ended 30 September 2010.

Principal activity

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

Designated members

The designated members during the year were:

Victor Beamish
Terence Brownrigg
Anthony Cameron
Richard Davidson
Jane Ferguson
Nicholas Ferguson
Guy Nominees Limited
Margaret Haughton
Thomas Hogg
PFP General Partner Limited
Reo Stakis Limited
SPL Global Forestry (NR3) IC Limited (formerly Arch Global Forestry IC Limited)
SPL Sustainable Opportunities (SO2) IC Limited (formerly Arch Sustainable Opportunities IC Limited)
Alexandros Stakis
Stakis SIPP Nominee Co Limited
The Shareholding & Investment (Property) Limited
The Shareholding & Investment Trust Limited
Gudrun Von Tevenar
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.

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.

THE FORESTRY PARTNERSHIP 2008 LLP

Report of the Members

For the year ended 30 September 2010

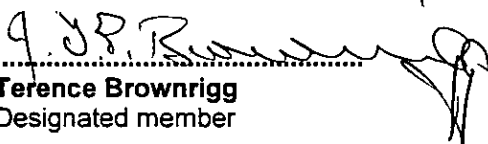
Disclosure of information to auditors

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 28 February 2011 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 2010 which comprise the profit and loss account, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 members and auditors

As explained more fully in the 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 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

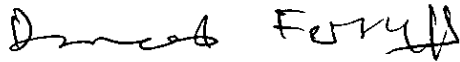
THE FORESTRY PARTNERSHIP 2008 LLP

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
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 28 February 2011

THE FORESTRY PARTNERSHIP 2008 LLP

Income and Expenditure Account

For the year ended 30 September 2010

	Note	2010 £	2009 £
Turnover		1,001,747	413,165
Administrative expenses	3	(581,410)	(970,218)
Other operating income		15,658	86,769
Operating income	2	435,995	(470,284)
(Loss)/gain on disposal of fixed assets	3	(5,124)	5,326,329
		430,871	4,856,045
Interest receivable		65,891	18,011
Interest payable and similar charges		(123,622)	(166,272)
Net income for the financial year before members' remuneration and profit shares		373,140	4,707,784
Members' remuneration charged as an expense		(373,140)	(4,707,784)
Net income 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 2010

	2010 £	2009 £
Net income for the financial year before members' remuneration and profit shares	373,140	4,707,784
Revaluation of forests	926,927	1,032,175
Total recognised gains and losses relating to the year	<u>1,300,067</u>	<u>5,739,959</u>

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

THE FORESTRY PARTNERSHIP 2008 LLP

Balance Sheet

At 30 September 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	5	31,455,000	20,322,175
Investments	6	-	1
		<u>31,455,000</u>	<u>20,322,176</u>
Current assets			
Debtors	7	709,107	9,609,256
Cash at bank and in hand		1,508,467	6,232,496
		<u>2,217,574</u>	<u>15,841,752</u>
Creditors: amounts falling due within one year	8	(879,073)	(4,319,390)
Net current assets		<u>1,338,501</u>	<u>11,522,362</u>
Total asset less current liabilities		<u>32,793,501</u>	<u>31,844,538</u>
Creditors: amounts falling due after more than one year	9	(4,297,647)	(4,548,751)
Net assets attributable to members		<u><u>28,495,854</u></u>	<u><u>27,295,787</u></u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability under FRS 25	10	24,988,982	24,062,055
Other amounts	10	3,506,872	3,233,732
		<u><u>28,495,854</u></u>	<u><u>27,295,787</u></u>
Total members' interests			
Loans and other debts due to members		<u><u>28,495,854</u></u>	<u><u>27,295,787</u></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 28 February 2011 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 2010

1 Accounting policies

Basis of accounting

The financial statements have been prepared on the historic cost basis as modified by the revaluation of certain assets and 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.

Government grants

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

2 Operating income

	2010 £	2009 £
Operating income is stated after charging:		
Auditors' remuneration - audit	4,600	4,600
Auditors' remuneration - other	13,325	18,275
and after crediting:		
Grants received	15,658	86,769

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2010

3 Exceptional items

Included within administrative expenses is an exceptional item of £nil (2009: £460,084) relating to costs associated with the merger and associated refinancing.

The gain on the disposal of fixed assets in the year ended 30 September 2009 of £5,326,329 relates to the sale of land during the year.

4 Members' share of net income

Net income is shared among the members after the end of the year in accordance with agreed net income sharing arrangements and fixed remuneration payments.

	2010 No.	2009 No.
Number of members	19	19

5 Tangible fixed assets

	Forests £
Valuation	
At 1 October 2009	20,322,175
Additions	10,205,898
Revaluation	926,927
At 30 September 2010	31,455,000
Depreciation	
At 1 October 2009 and 30 September 2010	-
Net book value	
At 30 September 2010	31,455,000
At 30 September 2009	20,322,175

The forests were last valued independently on 30 November 2007 by John Clegg & Co, qualified surveyors, on the basis of market value as part of the merger. The current valuation was provided by Aitchesse Limited, the LLP's forestry managers. The historical cost of the forests at 30 September 2010 is £23,913,603 (2009: £13,703,405).

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2010

6 Fixed asset investments

	2010 £	2009 £
Shares in group undertakings	-	1

Fixed assets investments is one £1 ordinary share in TFP Company Nominee Limited, a company which until its dissolution in January 2010 was registered in Scotland and a wholly owned subsidiary of the LLP. This company was dormant and its aggregate share capital and reserves at 31 May 2009 was £1 reflecting the entire issued ordinary share capital. Its profit for the period to dissolution and the year ended 31 May 2009 was £nil.

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

7 Debtors

	2010 £	2009 £
Trade debtors	245,584	15,071
Other debtors	267,851	9,523,749
Prepayments and accrued income	195,672	70,436
	<u>709,107</u>	<u>9,609,256</u>

8 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loan	399,223	1,943,953
Trade creditors	421,194	254,663
Amounts owed to group undertakings	-	1
Other creditors	2,938	1,767,938
Accruals and deferred income	55,718	352,835
	<u>879,073</u>	<u>4,319,390</u>

Details of the security over the bank loan are disclosed in note 9.

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2010

9 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Bank loan	<u>4,297,647</u>	<u>4,548,751</u>
Amounts are due within the following periods:		
Between two and five years	1,600,000	3,547,500
In five years or more	<u>2,697,647</u>	<u>1,001,251</u>
	<u>4,297,647</u>	<u>4,548,751</u>

The bank loan is 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.

10 Members' interests

	Members' capital £	Revaluation reserve £	Total £	Members' current accounts £	Total members' interests £
Members' interests at 1 October 2009	17,443,285	6,618,770	24,062,055	3,233,732	27,295,787
Net income for the financial year attributable to members	-	-	-	373,140	373,140
Members' interests after net income for the year	17,443,285	6,618,770	24,062,055	3,606,872	27,668,927
Surplus arising on revaluation of fixed assets	-	926,927	926,927	-	926,927
Members' drawings	-	-	-	(100,000)	(100,000)
At 30 September 2010	<u>17,443,285</u>	<u>7,545,697</u>	<u>24,988,982</u>	<u>3,506,872</u>	<u>28,495,854</u>

Members' current accounts represents other loans and debts due to/from members.

Net income for the year is allocated to the members based on the net income sharing ratio applying for the period. For the year ended 30 September 2010, net income was 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 or when it is agreed by the members, from time to time, that a partial return of capital may be made.

THE FORESTRY PARTNERSHIP 2008 LLP

Notes to the Accounts

For the year ended 30 September 2010

11 Related parties

At 30 September 2010 the LLP owed £nil (2009: £1) to TFP Company Nominee Limited a wholly-owned subsidiary, which was struck off at Companies House during the year. This loan was interest free and had no fixed terms for repayment.

During the prior year, the LLP paid interest to members in relation to capital introduced on entrance to the LLP as follows:

	2010 £	2009 £
SPL Global Forestry (NR3) IC Limited (formerly Arch Global Forestry IC Limited)	-	3,463
SPL Sustainable Opportunities (SO2) IC Limited (formerly Arch Sustainable Opportunities IC Limited)	-	910
Richard Davidson	-	388
Stakis SIPP Nominee Co Limited	-	110
The Shareholding & Investment (Property) Limited	-	95
	-	4,966

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.