

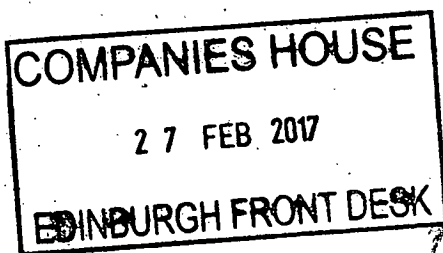


Scott-Moncrieff
business advisers and accountants

THE FORESTRY PARTNERSHIP 2008 LLP

**Limited Liability Partnership registration number
S0300708**

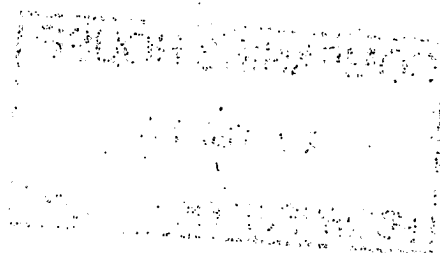
**MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**



THE FORESTRY PARTNERSHIP 2008 LLP

CONTENTS

	Page
Members, officers and advisors	1
Report of the Investment Committee	2 - 3
Independent Auditor's Report	4 - 5
Income and Expenditure Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8 - 9
Notes to the Financial Statements	10 - 14
The following pages do not form part of the statutory financial statements:	
Detailed Income and Expenditure Account and Summaries	15 - 17



THE FORESTRY PARTNERSHIP 2008 LLP

DESIGNATED MEMBERS, OFFICERS AND ADVISORS

Designated Members

Baronloch Limited
Victor Beamish
Terence Brownrigg *
Anthony Cameron
Richard Davidson
Jane Ferguson
Nicholas Ferguson *
Guy Nominees Limited (D C Guy & D C Guy SIPP)
Thomas Hogg
John Keogan *
Patricia Keogan
PFP General Partner Limited
Reo Stakis Limited (Reo Stakis Charitable Foundation)
Alexandros Stakis (himself and Nina Stakis) *
Niki Stakis-Stylianides
Stakis SIPP Nominee Co Limited (Andros Stakis SIPP)
Madeleine Gantley (appointed 11 July 2016)
Gudrun Von Tevenar
Paul Webb
Louisa Webb
Ronnie Hanna *
Jeremey Darroch (appointed 19 May 2016)
Samuel Gerald Moss (appointed 8 July 2016)

* Member of Investment Committee

Registered number

S0300708

Registered office

Suite G, Riverside House
Friarton Road
Perth
PH2 8DF

Auditor

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers

Adam & Company Plc
25 St Andrew Square
Edinburgh
EH2 1AF

Solicitors

Gillespie Macandrew LLP
5 Atholl Crescent
Edinburgh
EH3 8EJ

THE FORESTRY PARTNERSHIP 2008 LLP

INVESTMENT COMMITTEE'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 SEPTEMBER 2016

The Investment Committee present their annual report together with the audited financial statements of The Forestry Partnership 2008 LLP (the LLP) for the year ended 30 September 2016.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal object of the LLP continues to be the ownership and commercial operation of forests and associated activities. This involves sustainable land management, harvesting tree crops under FSC certification and replanting to maximise commercial and environmental benefits.

Income in 2016 was similar to 2015, at £1.06 million (*2015 £1.26 million*), both years the result of decisions taken by the Investment Committee, after appropriate advice from the Managers. The drop in timber prices in 2015 continued into 2016 and it was judged that these were unlikely to recover and cutting was scaled back accordingly.

Current timber prices (January 2017) are strengthening, following the sustained weakness of sterling against the Euro and more importantly, the Swedish Krona. The 2017 budget has been set cautiously and at a similar level to 2016 but this will be reviewed in the light of the timber price recovery and adjusted upwards if the strong rise in prices is sustained.

In March 2016 two of the partnership's smaller adjacent forests Clachaig and Glenlean Hill Park, a total of 200 ha, were sold at around the 2015 year-end valuation.

The total return for the year, after forest revaluation and accounting for income and all costs and distributions was 10.83%. It is also of note that £2.5 million of debt was repaid.

Three new members were admitted during the year, including Madeleine Gantley in her own right, having previously represented the executory of W Weston.

A further two new members have been appointed since the Balance Sheet date, and an existing member has increased his investment resulting in a funds inflow of £4.5 million.

A further forest and an area of planting land has been purchased at a price of approximately £3 million.

DESIGNATED MEMBERS

A full list of designated members is shown on page 1.

MEMBERS' DRAWINGS AND CAPITAL POLICY

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

Details of changes in members' capital in the year ended 30 September 2016 are set out in the financial statements.

New members may be admitted to the LLP as determined by the members.

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The members have delegated the authority for the preparation of the report and the financial statements to the Investment Committee.

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year.

THE FORESTRY PARTNERSHIP 2008 LLP

INVESTMENT COMMITTEE'S REPORT TO THE MEMBERS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2016

Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, as applied to LLPs, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the surplus or deficit of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and 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 Companies Act 2006. 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.

DISCLOSURE OF INFORMATION TO AUDITOR

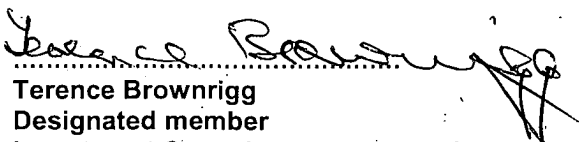
To the best knowledge and belief of the designated members, there is no relevant information of which the limited liability partnership's auditor is not aware, and the Investment Committee members have taken all the steps necessary to ensure the designated members are aware of any relevant information, and to establish that the limited liability partnership's auditor is aware of the information.

AUDITOR

The auditor, Scott-Moncrieff, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions relating to limited liability partnerships subject to the small limited liability partnerships' regime within Part 15 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

This report was approved by the members and signed on their behalf by:


Terence Brownrigg
Designated member
Investment Committee representative

Date: 10/02/2017

THE FORESTRY PARTNERSHIP 2008 LLP

INDEPENDENT AUDITOR'S 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 2016, which comprise the Income and Expenditure account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITOR

As explained more fully in the Members' responsibilities statement set out on page 2 and 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors, including "APB Ethical Standards - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 14 to the financial statements.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its results 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

THE FORESTRY PARTNERSHIP 2008 LLP

INDEPENDENT AUDITOR'S 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 (as applied by the Limited Liability Partnerships) (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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
- the members were not entitled to prepare the financial statements and the investment committee's report in accordance with the small limited liability partnerships regime.

Michael Harkness

Michael Harkness (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Exchange Place 3
Sempole Street
Edinburgh
EH3 8BL

Date: 10 February 2017

THE FORESTRY PARTNERSHIP 2008 LLP

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 £	2015 £
TURNOVER	1,2	1,057,303	1,260,187
Forestry and other expenses		(1,046,235)	(1,376,859)
Other operating income	3	157,949	59,939
Net operating income/(expenditure)		169,017	(56,733)
(Loss)/profit on sale of fixed assets in continued operations		(43,236)	827,880
Net income on ordinary activities before interest		125,781	771,147
Interest receivable and similar income		5,979	5,173
Interest payable and similar charges		(353,517)	(326,900)
Net (expenditure)/income for the financial year available for division among members		(221,757)	449,420
Net (expenditure)/income for the financial year available for division among members		(221,757)	449,420
Allocation of net expenditure/(income)		221,757	(449,420)
Net income for the financial year after division among members		-	-

The notes on pages 10 to 14 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 £	2015 £
Net income for the financial year		-	-
Unrealised surplus on revaluation of forests		5,290,125	2,486,616
Total gains recognised in the year		5,290,125	2,486,616

The notes on pages 10 to 14 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP
REGISTERED NUMBER: S0300708

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

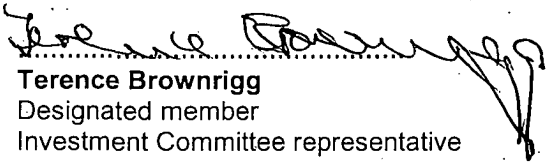
	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	6		54,970,125		51,240,000
CURRENT ASSETS					
Debtors	7	187,599		1,005,207	
Cash at bank		2,707,544		3,028,372	
		<u>2,895,143</u>		<u>4,033,579</u>	
CREDITORS: amounts falling due within one year	8	(305,756)		(438,674)	
NET CURRENT ASSETS			2,589,387		3,594,905
TOTAL ASSETS LESS CURRENT LIABILITIES			57,559,512		54,834,905
CREDITORS: amounts falling due after more than one year	9		(8,725,000)		(11,225,000)
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>48,834,512</u>		<u>43,609,905</u>
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts	10		10,929,718		10,402,136
Members' other interests					
Members' capital classified as equity		12,424,808		12,174,808	
Revaluation reserve		<u>25,479,986</u>		<u>21,032,961</u>	
			37,904,794		33,207,769
			<u>48,834,512</u>		<u>43,609,905</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members			10,929,718		10,402,136
Members' other interests			<u>37,904,794</u>		<u>33,207,769</u>
	11		<u>48,834,512</u>		<u>43,609,905</u>

The financial statements have been prepared in accordance with the special provisions applicable to small LLPs within Part 15 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

THE FORESTRY PARTNERSHIP 2008 LLP

BALANCE SHEET (continued)
AS AT 30 SEPTEMBER 2016

The financial statements were approved and authorised for issue by the Investment Committee and were signed on their behalf by:


Terence Brownrigg
Designated member
Investment Committee representative

Date: 10/02/2017

The notes on pages 10 to 14 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES

1.1 Going concern

The LLP has a strong balance sheet and no liquidity issues. The Investment Committee is of the opinion that the LLP can continue to meet its obligations as they fall due for the foreseeable future and considers it appropriate to prepare these financial statements on a going concern basis.

1.2 Basis of preparation of financial statements

The financial statements are prepared on the historical cost convention as modified by the revaluation of certain fixed assets and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

1.3 Cash flow statement

The financial statements do not include a Cash Flow Statement because the LLP, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.4 Turnover

Turnover represents the total amount receivable by the LLP for forestry income during the year, excluding VAT.

1.5 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 January 2015). These are considered to have a useful life of more than 50 years, and therefore are not depreciated.

1.6 Government grants

Revenue grants are credited to the income and expenditure account in the period in which they are earned.

1.7 Allocation of net income

A member's entitlement to a share of the net income for the year, as defined by the LLP agreement, or other net income sharing agreement, is accounted for as an allocation of net income. Unallocated surpluses and deficits are included within "other reserves".

1.8 Tax provisions

The taxation payable on profits is the personal liability of the members during the year.

2. TURNOVER

The turnover and net operating income are attributable to the principal activity of the limited liability partnership.

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

3. OTHER OPERATING INCOME

	2016 £	2015 £
Government grants received	157,949	59,939

4. AUDITOR'S REMUNERATION

	2016 £	2015 £
Auditor's remuneration - Audit fee	7,500	5,700
Auditor's remuneration - Fees for non audit services	9,600	7,600

5. INFORMATION IN RELATION TO MEMBERS

	2016 Number	2015 Number
The number of members at the year end	23	21
	£	£
Net (expenditure)/income allocated to members under the terms of the LLP agreement	(221,757)	449,420

6. TANGIBLE FIXED ASSETS

	Forests £
Cost or valuation	
At 1 October 2015	51,240,000
Disposals	(1,560,000)
Revaluation	5,290,125
At 30 September 2016	54,970,125
Net book value	
At 30 September 2016	54,970,125
At 30 September 2015	51,240,000

The last independent valuation of the forest portfolio was carried out by John Clegg & Co, Chartered Surveyors as at 30 September 2016.

Although it is a requirement to disclose the historic cost of the forests under the Companies Act 2006, it is the opinion of the Investment Committee that it is not a meaningful figure given that forests grow and are being harvested as they become mature.

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

7. DEBTORS

	2016 £	2015 £
Trade debtors	187,110	254,825
Other debtors	489	750,382
	<u>187,599</u>	<u>1,005,207</u>

8. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	163,928	299,750
Other taxation and social security	26,957	7,346
Other creditors	114,871	131,578
	<u>305,756</u>	<u>438,674</u>

9. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	<u>8,725,000</u>	<u>11,225,000</u>

Included within the above are amounts falling due as follows:

	2016 £	2015 £
Between two and five years		
Bank loans	<u>8,725,000</u>	<u>11,225,000</u>

The LLP has three bank loans which are each secured by a standard security over the LLP's forests.

The capital of the first loan, £0.725m, is repayable in one instalment on 30 September 2019, although amounts can be repaid earlier.

The capital of the second loan, £5.5m, is repayable in one instalment on 30 September 2019, although amounts can be repaid earlier.

The capital of the third loan, £2.5m, is repayable in one instalment on 30 September 2019, although amounts can be repaid earlier.

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

10. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2016 £	2015 £
Amounts due to members	<u>10,929,718</u>	<u>10,402,136</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

11. MEMBERS' INTERESTS

	Members' capital (classified as equity) £	Revaluation reserve £	Total £	Members' Current Accounts £	Total members' interests £
Members' interests: balance at 1 October 2015	12,174,808	21,032,961	33,207,769	10,402,136	43,609,905
Net loss allocated to members	-	-	-	(221,757)	(221,757)
Surplus on revaluation of fixed assets	-	5,290,125	5,290,125	-	5,290,125
Amounts withdrawn by members	-	-	-	(93,761)	(93,761)
Capital amounts introduced by members	250,000	-	250,000	-	250,000
Realised revaluation gains on disposal	-	(843,100)	(843,100)	843,100	-
Members' interests at 30 September 2016	<u>12,424,808</u>	<u>25,479,986</u>	<u>37,904,794</u>	<u>10,929,718</u>	<u>48,834,512</u>

12. CONTROLLING INTERESTS

In the opinion of the members there is no controlling party.

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

13. RELATED PARTIES

Gresham House Forestry Limited (formerly Aitchesse Limited) is the company's forestry manager and are participators in the LLP. Digby Guy, a former director of Gresham House Forestry Limited, is also a member of the LLP.

All transactions are on an arms-length basis. The following transactions and balances relate to the year:

Services acquired:

	2016 £	2015 £
Annual forestry manager fees	497,707	457,180
Other consultancy and ad hoc fees	-	24,640
Total fees	<u>497,707</u>	<u>481,820</u>

Year-end creditors:

	2016 £	2015 £
Trade creditors	<u>-</u>	<u>164,533</u>

14. NON-AUDIT SERVICES

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

THE FORESTRY PARTNERSHIP 2008 LLP

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Page	2016 £	2015 £
TURNOVER	16	1,057,303	1,260,187
Government grants	16	157,949	59,939
		1,215,252	1,320,126
DEDUCT: EXPENSES			
Forestry and other expenses	16	(1,046,235)	(1,376,859)
OPERATING INCOME/(EXPENDITURE)		169,017	(56,733)
Interest receivable	16	5,979	5,173
Interest payable	16	(353,517)	(326,900)
(Loss)/profit on sale of fixed assets in continued operations	17	(43,236)	827,880
NET (EXPENDITURE)/INCOME FOR THE YEAR AVAILABLE FOR DIVISION AMONG MEMBERS		(221,757)	449,420
Allocation of net (expenditure)/income		221,757	(449,420)
NET INCOME FOR THE FINANCIAL YEAR AFTER DIVISION AMONG MEMBERS			

THE FORESTRY PARTNERSHIP 2008 LLP

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	2016 £	2015 £
TURNOVER		
Standing clearfell income	1,019,017	1,189,297
Wayleaves	538	3,110
Windfarm income	2,114	4,940
Communications mast income	19,450	39,395
Sporting rents	11,409	11,152
Sundry income	4,775	12,293
	<u>1,057,303</u>	<u>1,260,187</u>

	2016 £	2015 £
OTHER OPERATING INCOME		
Government grants receivable	<u>157,949</u>	<u>59,939</u>

	2016 £	2015 £
FORESTRY AND OTHER EXPENSES		
Additional Management fees	-	24,640
Operator fees	7,169	7,077
Management fees	497,707	457,180
Subscriptions	5,864	2,250
Legal and professional	30,527	23,381
Bank charges	132	60,142
Accountancy charges	9,600	7,600
Audit fees	7,500	5,700
Insurances	67,220	71,587
Forestry costs	420,516	717,302
	<u>1,046,235</u>	<u>1,376,859</u>

	2016 £	2015 £
INTEREST RECEIVABLE		
Bank interest receivable	<u>5,979</u>	<u>5,173</u>

	2016 £	2015 £
INTEREST PAYABLE		
Bank loan interest payable	<u>353,517</u>	<u>326,900</u>

THE FORESTRY PARTNERSHIP 2008 LLP

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016 £	2015 £
(Loss)/profit on sale of fixed assets in continued operations	<u>(43,236)</u>	<u>827,880</u>