



Scott-Moncrieff
business advisers and accountants

THE FORESTRY PARTNERSHIP 2008 LLP

**Limited Liability Partnership registration number
SO300708**

**MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**



THE FORESTRY PARTNERSHIP 2008 LLP

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THE FORESTRY PARTNERSHIP 2008 LLP

Designated Members, Officers and Advisors

Designated Members

Baronloch Limited
Victor Beamish
Rosamond Brown (appointed 1/9/2017)
Terence Brownrigg*
Anthony Cameron
Jeremy Darroch
Richard Davidson
Jane Ferguson
Nicholas Ferguson*
Madeleine Gantley
Gresham House Forestry Limited (appointed 24/11/2016)
Guy Nominees Limited (resigned 4/8/2017)
Ronnie Hanna*
Thomas Hogg
John Keogan*
Patricia Keogan
Samuel Gerald Moss
Reo Stakis Limited(Reo Stakis Charitable Foundation)
Lord Nathaniel Charles Jacob Rothschild (appointed 7/6/2017)
Charles Sherwood (appointed 10/1/2017)
Alexandros Stakis*
Stakis SIPP Nominee Co Limited(Andros Stakis SIPP)
Niki Stakis-Stylianides
Jon Strickland (appointed 8/3/2017)
TCCI Nominees Limited (appointed 8/6/2017)
Gudrun Von Tevenar
Louisa Webb
Paul Webb
Graham Wrigley (appointed 10/1/2017)

* Member of Investment Committee

Registered number

SO300708

Registered office

Suite G, Riverview House
Friarton Road
Perth
PH2 8DF

THE FORESTRY PARTNERSHIP 2008 LLP

Designated Members, Officers and Advisors (continued)

Auditor

Scott-Moncrieff
Exchange Place 3
Sempie 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 REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 2017.

Review of business

Timber sales income increased by almost 75% in the year, following a decision to take advantage of strong prices and continued demand. In 2016/17 77,000 tonnes were harvested compared with 2015/16, when 58,000 tonnes were cut. Net operating income was £239,000 after all costs and after spending £430,000 on roads. The overall result after interest was a deficit of £13,344, essentially the break-even position which was budgeted.

In early 2017 a further forest, Heathpool, and a planting site, Succothmore, were acquired on the open market. Succothmore is adjacent to the forest at Strachur and brings our combined area to 2077ha in that vicinity. The planning process is well underway at Succothmore, the planting scheme is currently out to public consultation and it is hoped to start actual tree planting this spring.

At 30 September 2017 the valuation of the portfolio was £63 million. Net assets, after debt, were £69.6 million. Further details can be found on page 9.

New and existing Members' subscriptions have resulted in a healthy bank figure in excess of £13 million at the year-end. During the year £2.5 million of debt was repaid and since the year-end a further £6.125 million was repaid, leaving only a nominal amount of £100k remaining to keep the loan account open, sufficient to enable the LLP to draw down fresh debt should the opportunity arise to buy further forests.

In November 2017, Acharn forest was purchased, together with a smaller forest from the same ownership. In addition, the 1645ha solum at Glen Shira was acquired from Argyll Estates. The Glen Shira trees hitherto were held on lease so this acquisition reunites land and trees and is a valuable addition to the portfolio.

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 2017 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 annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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.

THE FORESTRY PARTNERSHIP 2008 LLP

INVESTMENT COMMITTEE REPORT TO THE MEMBERS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). 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

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

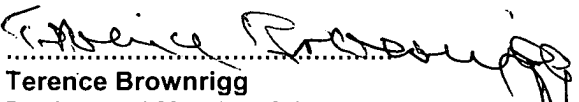
- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditor is aware of that 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 on 9/2/18 and signed on their behalf by:


Terence Brownrigg
Designated Member & Investment Committee
representative

THE FORESTRY PARTNERSHIP 2008 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FORESTRY PARTNERSHIP 2008 LLP

Opinion

We have audited the financial statements of The Forestry Partnership 2008 LLP for the year ended 30 September 2017, set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including section 1A "Small Entities" of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 30 September 2017 and of its result 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.

This report is made solely to the LLP's members 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 for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions available for small entities in the circumstances set out in note 14 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE FORESTRY PARTNERSHIP 2008 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FORESTRY PARTNERSHIP 2008 LLP (CONTINUED)

Other information

The members are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the LLP and its environment obtained in the course of the audit, we have not identified material misstatements in the Investment Committee's report.

We have nothing to report in respect of the following matters in relation to which 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 in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Investment Committee's report and from the requirement to prepare a Strategic Report.

THE FORESTRY PARTNERSHIP 2008 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FORESTRY PARTNERSHIP 2008 LLP (CONTINUED)

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement 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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditor's report.

Michael Harkness

Michael Harkness (Senior Statutory Auditor)

for and on behalf of

Scott-Moncrieff, Statutory Auditor

Chartered Accountants

Exchange Place 3

Seample Street

Edinburgh

EH3 8BL

Date:

9 February 2018

THE FORESTRY PARTNERSHIP 2008 LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	2017 £	2016 £
Turnover		1,835,609	1,057,303
Forestry and other expenses		(1,620,256)	(1,089,471)
Other operating income	3	23,922	157,949
Net operating income/(expenditure)		239,275	125,781
Interest receivable and similar income		3,947	5,979
Interest payable and expenses		(256,566)	(353,517)
Net (expenditure)/income for the financial year available for division among members		(13,344)	(221,757)
Net (expenditure)/income for the financial year available for division among members		(13,344)	(221,757)
Allocation of net expenditure/(income)		13,344	221,757
Net Income for the financial year after division among members		-	-
Unrealised surplus on revaluation of tangible fixed assets		4,648,194	5,290,125
Other comprehensive income for the year		4,648,194	5,290,125
Total comprehensive income for the year		4,648,194	5,290,125

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 12 to 18 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP
REGISTERED NUMBER: SO300708

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

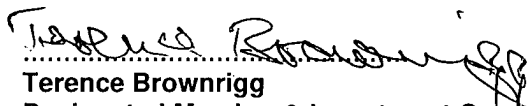
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	63,000,000	54,970,125
		<u>63,000,000</u>	<u>54,970,125</u>
Current assets			
Debtors: amounts falling due within one year	7	355,795	187,599
Cash at bank and in hand		13,107,277	2,707,544
		<u>13,463,072</u>	<u>2,895,143</u>
Creditors: Amounts falling due within one year	8	(632,761)	(305,756)
Net current assets		<u>12,830,311</u>	<u>2,589,387</u>
Total assets less current liabilities		<u>75,830,311</u>	<u>57,559,512</u>
Creditors: amounts falling due after more than one year	9	(6,225,000)	(8,725,000)
		<u>69,605,311</u>	<u>48,834,512</u>
Net assets		<u><u>69,605,311</u></u>	<u><u>48,834,512</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	11	10,439,546	10,929,718
		<u>10,439,546</u>	<u>10,929,718</u>
Members' other interests			
Members' capital classified as equity		29,037,585	12,424,808
Revaluation reserve classified as equity		30,128,180	25,479,986
		<u>59,165,765</u>	<u>37,904,794</u>
		<u><u>69,605,311</u></u>	<u><u>48,834,512</u></u>
Total members' interests			
Loans and other debts due to members	11	10,439,546	10,929,718
Members' other interests		59,165,765	37,904,794
		<u>69,605,311</u>	<u>48,834,512</u>
		<u><u>69,605,311</u></u>	<u><u>48,834,512</u></u>

THE FORESTRY PARTNERSHIP 2008 LLP
REGISTERED NUMBER:SO300708

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2017

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime and in accordance with the provisions of section 1A 'Small Entities' of Financial Reporting Standard 102.

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


Terence Brownrigg
Designated Member & Investment Committee representative

Date: 9/2/18

The notes on pages 12 to 18 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	EQUITY			DEBT	Total
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	members' interests
	Members' capital (classified as equity) £	Revaluation reserve £	Total £	Current accounts £	Total £
Balance at 1 October 2015	12,174,808	21,032,961	33,207,769	10,402,136	43,609,905
Net expenditure allocated to members	-	-	-	(221,757)	(221,757)
Surplus on revaluation of fixed assets	-	4,447,025	4,447,025	-	4,447,025
Capital amounts introduced by members	250,000	-	250,000	-	250,000
Realised revaluation gains on disposal	-	-	-	843,100	843,100
Amounts withdrawn by members	-	-	-	(93,761)	(93,761)
Amounts due to members				10,929,718	
Balance at 30 September 2016	12,424,808	25,479,986	37,904,794	10,929,718	48,834,512
Members' interests after net income for the year	12,424,808	25,479,986	37,904,794	10,929,718	48,834,512
Net expenditure allocated to members	-	-	-	(13,344)	(13,344)
Movement in reserves	-	4,648,194	4,648,194	-	4,648,194
Capital amounts introduced by members	16,900,000	-	16,900,000	-	16,900,000
Member buy out	(287,223)	-	(287,223)	-	(287,223)
Member buy out	-	-	-	(476,828)	(476,828)
Amounts due to members				10,439,546	
Balance at 30 September 2017	29,037,585	30,128,180	59,165,765	10,439,546	69,605,311

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 FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. General information

These financial statements are presented in Pounds Sterling (GBP) as that is the currency in which the majority of the LLP's transactions are denominated. They comprise the financial statements of the LLP drawn up for the year ended 30 September 2017.

The principal activity of The Forestry Partnership 2008 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.

The Forestry Partnership 2008 LLP is registered in Scotland and has its registered office at Suite G, Riverview House, Friarton Road, Perth, PH2 8DF and the LLP's registration number is SO300708.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law, the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (SORP) issued in January 2017 and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

Before 1 October 2016 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 13. The date of transition is 1 October 2015.

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies.

The following principal accounting policies have been applied:

2.2 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.

2.3 Cash flow statement

The financial statements do not include a cashflow statement because the partnership, as a small reporting entity is exempt from the requirements to prepare such a statement under FRS102.

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the LLP has transferred the significant risks and rewards of ownership to the buyer;
- the LLP retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the LLP will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income in the year in which it is incurred.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.8 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.

2.9 Tax provisions

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

2.10 Tangible fixed assets

Tangible fixed assets consist of various forests which are valued at open market value in accordance with FRS102. As the forests are to be revalued on an annual basis depreciation is not provided on those properties.

2.11 Revaluation of tangible fixed assets

The forests are carried at current year open market value at the balance sheet date. A full valuation was obtained at the year-end.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.14 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the balance sheet date.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Other operating income

	2017 £	2016 £
Government grants receivable	23,922	157,949
	<u>23,922</u>	<u>157,949</u>

4. Auditor's remuneration

	2017 £	2016 £
Auditor's remuneration - Audit fee	6,300	7,500
Fees payable to the LLP's auditor and its associates in respect of:		
Non-audit services	9,285	9,600
	<u>9,285</u>	<u>9,600</u>

5. Employees

The average monthly number of employees, including directors, during the year was 0 (2016 - 0).

THE FORESTRY PARTNERSHIP 2008 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

6. Tangible fixed assets

	Forests £
Cost or valuation	
At 1 October 2016	54,970,125
Additions	3,381,681
Revaluations	4,648,194
	<u>63,000,000</u>
At 30 September 2017	<u>63,000,000</u>
Net book value	
At 30 September 2017	<u>63,000,000</u>
At 30 September 2016	<u>54,970,125</u>

The last independent valuation of the forest portfolio was carried out by John Clegg & Co, Chartered Surveyors as at 30 September 2017.

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 the forests grow and are being harvested as they become mature.

7. Debtors

	2017 £	2016 £
Trade debtors	355,234	187,110
Prepayments and accrued income	561	489
	<u>355,795</u>	<u>187,599</u>

THE FORESTRY PARTNERSHIP 2008 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	429,684	163,928
Other taxation and social security	67,322	26,957
Accruals and deferred income	135,755	114,871
	<u>632,761</u>	<u>305,756</u>

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

	2017 £	2016 £
Bank loans	6,225,000	8,725,000
	<u>6,225,000</u>	<u>8,725,000</u>

Secured loans

The LLP has two 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.

10. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due 2-5 years		
Bank loans	6,225,000	8,725,000
	<u>6,225,000</u>	<u>8,725,000</u>
	<u>6,225,000</u>	<u>8,725,000</u>

THE FORESTRY PARTNERSHIP 2008 LLP

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11. Loans and other debts due to members

	2017 £	2016 £
Other amounts due to members	10,439,546	10,929,718
	<u>10,439,546</u>	<u>10,929,718</u>

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

12. Related party transactions

Gresham House Forestry Limited is the company's forestry manager and is a participator in the LLP. All transactions are on an arms length basis.

Annual forestry manager fees of £567,498 (2016: £497,707) were charged by Gresham House Forestry Limited in the year. There were additional ad hoc fees of £66,988 (2016: £ nil).

There was a balance of £170,265 (2016: £ nil) due to Gresham House Forestry Limited included in trade creditors at the year-end.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

14. Non-audit services

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