



Scott-Moncrieff
business advisers and accountants

THE FORESTRY PARTNERSHIP 2008 LLP

Limited Liability Partnership registration number
SO300708

**FILING FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**COMPANIES HOUSE
EDINBURGH**

07 FEB 2019

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COMPANIES HOUSE

THE FORESTRY PARTNERSHIP 2008 LLP

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REGISTERED NUMBER: SO300708

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	92,030,000	63,000,000
		<u>92,030,000</u>	<u>63,000,000</u>
Current assets			
Debtors: amounts falling due within one year	5	852,475	355,795
Cash at bank and in hand		3,122,551	13,107,277
		<u>3,975,026</u>	<u>13,463,072</u>
Creditors: Amounts falling due within one year	6	(993,412)	(632,761)
Net current assets		<u>2,981,614</u>	<u>12,830,311</u>
Total assets less current liabilities		<u>95,011,614</u>	<u>75,830,311</u>
Creditors: amounts falling due after more than one year	7	-	(6,225,000)
		<u>95,011,614</u>	<u>69,605,311</u>
Net assets		<u><u>95,011,614</u></u>	<u><u>69,605,311</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	9	10,394,508	10,439,546
		<u>10,394,508</u>	<u>10,439,546</u>
Members' other interests			
Members' capital classified as equity		39,937,585	29,037,585
Revaluation reserve classified as equity		44,679,521	30,128,180
		<u>84,617,106</u>	<u>59,165,765</u>
		<u><u>95,011,614</u></u>	<u><u>69,605,311</u></u>
Total members' interests			
Loans and other debts due to members	9	10,394,508	10,439,546
Members' other interests		84,617,106	59,165,765
		<u>95,011,614</u>	<u>69,605,311</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to

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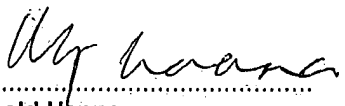
BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2018

the small LLPs regime.

The financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The entity has opted not to file the statement of comprehensive income in accordance with the provisions applicable to entities subject to the small LLPs regime.

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


.....
Ronald Hanna
Designated Member & Investment Committee representative

Date: 10/1/19

The notes on pages 4 to 9 form part of these financial statements.

THE FORESTRY PARTNERSHIP 2008 LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital (classified as equity) £	Revaluation reserve £	Total £	Current accounts £	Total £
Balance at 1 October 2016	12,424,808	25,479,986	37,904,794	10,929,718	48,834,512
Net expenditure allocated to members	-	-	-	(13,344)	(13,344)
	-	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
Members' interests after net income for the year	29,037,585	30,128,180	59,165,765	10,439,546	69,605,311
Net income allocated to members	-	-	-	58,695	58,695
Movement in reserves	-	14,551,341	14,551,341	-	14,551,341
Capital amounts introduced by members	10,900,000	-	10,900,000	-	10,900,000
Distributions	-	-	-	(103,733)	(103,733)
Amounts due to members				10,394,508	
Balance at 30 September 2018	39,937,585	44,679,521	84,617,106	10,394,508	95,011,614

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 2018

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 2018.

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).

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 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.4 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.

2.5 Interest income

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

2.6 Borrowing costs

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

2.7 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.

2.8 Tax provisions

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

2.9 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.

During the year the LLP has changed its capitalisation policy with the impact being that planting costs, having previously been expensed, are now capitalised.

2.10 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 other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.12 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.

2.13 Financial instruments

The LLP only enters into basic financial instrument 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.

2.14 Creditors

Short term creditors are measured at the transaction price.

3. Employees

The entity has no employees.

The average monthly number of employees, including directors, during the year was 0 (2017 - 0).

4. Tangible fixed assets

	Land £	Timber £	Total £
Cost or valuation			
At 1 October 2017	63,000,000	-	63,000,000
Additions	14,478,659	-	14,478,659
Revaluations	14,551,341	-	14,551,341
Transfers between classes	(69,295,000)	69,295,000	-
At 30 September 2018	<u>22,735,000</u>	<u>69,295,000</u>	<u>92,030,000</u>
Net book value			
At 30 September 2018	<u>22,735,000</u>	<u>69,295,000</u>	<u>92,030,000</u>
At 30 September 2017	<u>63,000,000</u>	<u>-</u>	<u>63,000,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. Tangible fixed assets (continued)

An independent valuation of the forest portfolio was carried out by John Clegg & Co, Chartered Surveyors as at 30 September 2018.

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.

Biological assets have been disclosed separately as "Timber" as set out in section 34 of FRS 102.

5. Debtors

	2018 £	2017 £
Trade debtors	837,914	355,234
Other debtors	2,740	-
Prepayments and accrued income	11,821	561
	<u>852,475</u>	<u>355,795</u>

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	100,000	-
Trade creditors	861,575	429,684
Other taxation and social security	-	67,322
Accruals and deferred income	31,837	135,755
	<u>993,412</u>	<u>632,761</u>

Secured loans

The LLP has one bank loan which is secured by a standard security over the LLP's forests.

The capital of the loan is £100,000, repayable in one installment on 30 September 2019, although amounts can be repaid earlier.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

	2018 £	2017 £
Bank loans	-	6,225,000
	<u>-</u>	<u>6,225,000</u>
	<u><u>-</u></u>	<u><u>6,225,000</u></u>

8. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	100,000	-
	<u>100,000</u>	<u>-</u>
	<u><u>100,000</u></u>	<u><u>-</u></u>
Amounts falling due 2-5 years		
Bank loans	-	6,225,000
	<u>-</u>	<u>6,225,000</u>
	<u><u>-</u></u>	<u><u>6,225,000</u></u>
	<u><u>100,000</u></u>	<u><u>6,225,000</u></u>

9. Loans and other debts due to members

	2018 £	2017 £
Other amounts due to members	10,394,508	10,439,546
	<u>10,394,508</u>	<u>10,439,546</u>
	<u><u>10,394,508</u></u>	<u><u>10,439,546</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

10. Related party transactions

Gresham House Forestry Limited is the company's forestry manager and is a participator in the LLP.

Annual forestry manager fees of £717,893 (2017: £567,498) were charged by Gresham House Forestry Limited in the year. There were additional ad hoc fees in relation to the purchase of forests of £330,000 (2017:£66,988).

There was a balance of £222,310 (2017:£170,265) due to Gresham House Forestry Limited included in trade creditors at the year-end.

11. 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.

12. Auditors' information

The audit report for these financial statements was unqualified and did not include any matter to which the auditor drew attention by way of emphasis. The senior statutory auditor who signed the audit report was Michael Harkness and the auditor was Scott-Moncrieff.