

29 July 2009

**Cambium Global Timberland Limited (the "Company")
Annual Report and Audited Financial Statements for the year ended 30 April 2009**

The Company announces that the Annual Report and Audited Financial Statements for the year ended 30 April 2009 are available and attached hereto.

For more information:

Investment Manager

CP Cogent Asset Management
Rich Standeven / Matt Haertzen
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Broker

Matrix Corporate Capital LLP
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Nominated Adviser

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Ends

Cambium Global Timberland Limited
Annual Report and Audited Financial Statements
For the year ended 30 April 2009

Cambium Global Timberland Limited

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Chairman's Statement

I am pleased to present our audited results for Cambium Global Timberland Limited (the 'Company' or 'Cambium') and entities under its control (the 'Group') for the year ended 30 April 2009.

Although a difficult year with a number of closed-ended funds including Cambium trading at a discount to net asset value ('NAV') we are pleased that we achieved full investment with ten properties in the portfolio (including the New Zealand investment post yearend). In addition, market conditions appear to be stabilizing in a number of key areas as evidenced by a decrease in the rate of decline in housing prices, stabilization in energy prices, and positive returns in the calendar year for the equity markets. These improving economic indicators combined with the characteristics of the assets class should improve shareholder returns.

As mentioned in the interim reports, shareholders should note the accounting treatment of the foreign exchange hedging activities, which are undertaken to reduce foreign exchange risk, has resulted in a substantial deficit appearing in the consolidated income statement. This is substantially balanced by the currency translation reserve numbers in the consolidated statement of changes in equity. The Board views the NAV progression as being a more accurate method of assessing the performance of the Group.

Total return for the Company was negative 1.2% on the year after adding back the 3p dividend that was paid in August. NAV gains experienced through land appreciation during the first half of the year and weakening land markets primarily in the United States led to NAV declines during the second half of the year. Timber markets in the United States remain soft and we could see further NAV deterioration though the timberland asset class has continued to exhibit lower levels of volatility.

Like many other closed-ended listed investment companies the stock has traded at a significant discount to NAV throughout most of the period. The Board and its advisers take the matter seriously and consideration continues to be given to the use of buy-back powers while paying attention to the investment plans for the portfolio and the dividend objectives of the Company as set out in the prospectus.

Strategy and Implementation

The Group is now fully invested in a portfolio of 10 assets that are diversified by geography, species, age and markets. The current exposure to North America is higher than originally anticipated, though the overall percentage invested in developed and emerging markets is as was originally estimated.

Investment Policy

On 1st June 2009, the Rules for AIM Companies were amended and in particular Investment Companies are now required to adopt an "investment policy" that sets out certain listed investment parameters by which the Company will manage its business. The Company's investment policy, which is set out in the notice of the AGM, reflects, although reworded, the investment objective and strategy as set out in the Admission document of the Company.

Share Buy Backs

Directors are seeking to renew the authority to buy back up to 14.99% of the issued ordinary shares as at 29 July 2009, subject to the restrictions referred to in the notice of the annual general meeting. As required by the Admission document, all shares bought back by the Company will be cancelled.

Dividend

The Board is proposing an annual dividend of 3 pence per share. The target dividend, after the portfolio matures, will be at the annual rate of 5 pence per ordinary share.

Outlook

The Board and the Investment Manager are optimistic that timberland is and will remain an attractive asset class. Our next scheduled update will come when the interim financials for the period ending 31 October 2009 are available. Current information about the Company is available on our website: www.cambiumfunds.com.

Donald Adamson
Chairman
28 July 2009

Investment Manager's Report

CP Cogent Asset Management LP is pleased with the performance of the current investments and remains focused on actively managing the existing portfolio. After the May 2009 acquisition of the Renwick property in New Zealand the company is fully invested in ten timberland properties diversified by geography, species, age class and markets.

The Renwick property is comprised of approximately 3,200 acres of mid-rotation pine located on the south island of New Zealand, acquired after yearend, for about £2.3 million. The property, within 50 kilometres of a shipping port, is positioned to serve the log markets of Asia via the export market with harvest to begin in 2020. This property was purchased after 30 April 2009 and is not reflected in the financial statements of this annual report.

We continue to make progress executing on our management plans. Brief outlines for each region are provided below:

As we stated in our last report we completed the planting of approximately 1,500 acres on the Tarrangower property in New South Wales, Australia. The young tree crop has achieved above-expectation survival and vigor due to diligent site preparation and plentiful rains.

In Brazil, we completed the planting of the first 900 acres of the green-field properties we acquired. These seedlings have achieved excellent survival rates and abundant moisture. We will continue to update you as we plant the remainder of these highly productive lands.

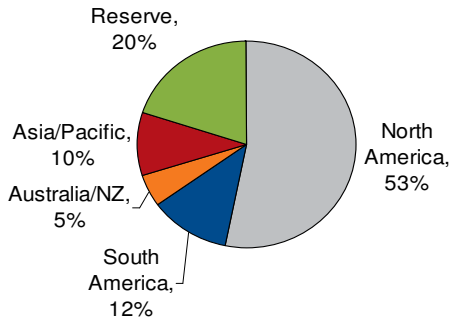
Year-over-year pine log prices are down about 20% due to the downturn in the U.S. housing markets. We have continued to be disciplined in our harvesting approach and have curtailed the saw log harvest from the southern U.S. properties. This timber volume is being stored on the stump and will continue to benefit from biological growth until markets recover. We are on target with our pulpwood harvest primarily from the thinning of mid-rotation pine plantations as prices for this material have remained favourable. We continue to receive hunting and recreational lease income from these properties.

For the year revenue was generated from the harvest of pulpwood, hunting leases and from our salinity credit project at Tarrangower as detailed in the financial statements. Although less than forecast this revenue result reflects our operational choice to store logs on the stump given market conditions during the period.

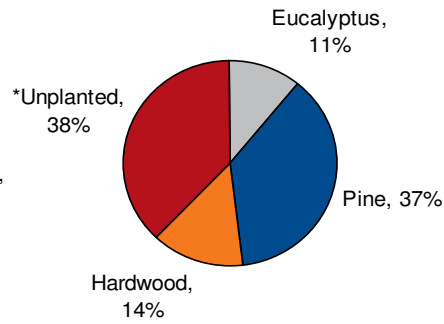
During the period weakening values for land in the United States impacted the NAV. The portfolio experienced a NAV decline of 5.5% since the last reporting date of 31 January 2009. The land market in the U.S. remains weak and we believe there could be some further softening which would impact the NAV; however on a long term basis we still expect the investments to have a similar return profile as we initially anticipated.

Environmental markets continued to develop during the period. In Australia the carbon pollution reduction scheme that was set to be implemented in 2010 has been postponed until July, 2011. When implemented the scheme will include a mandatory cap and trade system and the government proposes to include forestry on an "opt-in" basis. The government proposes that forestry activities that are in line with Kyoto Protocol rules will be eligible to participate in the scheme. The Tarrangower plantation in the Cambium portfolio meets these Kyoto protocol rules, and we are actively monitoring developments with an eye toward generating revenue for the portfolio during calendar year 2011.

Geography as a % of NAV

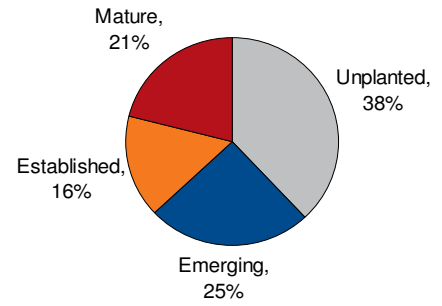


Species – Plantable Acres



*Unplanted to be planted with Eucalyptus

% by Age Class – Plantable Acres



We look forward to updating you on the further development of the portfolio in future reports.

CP COGENT ASSET MANAGEMENT LP
28 July 2009

Cambium Global Timberland Limited

Board of Directors

Donald Lindsay Adamson (aged 50), Independent Non-executive Chairman

Donald Adamson has twenty eight years experience in fund management, corporate finance and private equity. He acts as director or chairman of a number of listed and privately held investment companies including The Lindsell Train Investment Trust Plc, Invesco Leveraged High Yield Fund Limited, F&C Commercial Property Trust Limited, JP Morgan Progressive Multi-Strategy Fund Limited, and other companies. He holds a MA (Hons) from University College, Oxford in History and Economics and carried out postgraduate research at Nuffield College, Oxford in private equity investment. He is a member of the Securities & Investment Institute and Chairman of the Offshore Committee of the Association of Investment Companies.

Martin Willaume Richardson (aged 60), Independent Non-executive Director

Martin Richardson has been a partner of the Jersey practice of Rawlinson & Hunter since 1987, specialising in trust and mutual fund administration services to the financial services sector. He is a Director of Diversified Portfolios Fund Limited, The Equity Partnership Investment Company Plc, Real Estate Opportunities Limited and a number of other companies. He has a BA in Science Engineering from the Royal Military College of Science, Shrivenham and served in the Royal Engineers between 1968 and 1977. On leaving the army, he qualified as a Chartered Accountant with Coopers & Lybrand, Jersey for whom he worked from 1977 to 1981.

Colin Sean McGrady (aged 38), Non-executive Director

Colin McGrady is a founding partner of Cogent and is head of its asset management business. Colin is a Director of Cogent GP, LLC and Cogent Partners Investment, LLC. Prior to co-founding Cogent, Colin was a member of the eight person investment team at The Crossroads Group, a US\$2 billion private equity fund of funds in Dallas, Texas. Prior to Crossroads, Colin spent three years at Bain & Company in the USA and Japan. Colin earned an MBA from Harvard Business School, received a BA in Economics from Brigham Young University, and is a Chartered Financial Analyst.

Robert James Rickman (aged 51), Independent Non-executive Director

Robert Rickman is a director of and adviser to a number of forestry and forest industry companies in the UK and internationally. He is a founding partner of the Rockley Group, making and managing technology based investments worldwide. From 2001 until 2007 he was a Director and latterly Chairman of the AIM quoted Highland Timber Plc, with forestry operations in the UK and New Zealand. Robert was a non-executive Director of Bookham Technology Plc from 1994 to 2004 during which time the company was listed on the LSE and NASDAQ. He has held various Non-executive and executive positions with a number of forestry companies (including until 1999, FIM Services Limited) and was an economist for the Government of St. Lucia. He is a current member of the UK Institute of Chartered Foresters. Robert has a MA in Agriculture and Forest Science and a MSc in Forestry and its relation to Land Management from the University of Oxford.

Cambium Global Timberland Limited

Board of Directors (continued)

William Taylor Spitz (aged 58), Independent Non-executive Director

William Spitz is a Principal and Director of Diversified Trust Company and is also Vice-Chancellor for Investments Emeritus for Vanderbilt University. Prior to his retirement after twenty two years of service, he was responsible for the management of the University's US\$3.5 billion endowment as well as its treasury and technology transfer operations. During that period, he served on a number of advisory committees for timber, private equity and real estate funds and was the recipient of several significant awards given to prominent members of the endowment community. In addition to Cambium Global Timberland Limited, William serves as a Director of MassMutual Financial Group and Acadia Realty. Previously, he served as a Director of the Bradford Fund and was Chair of the Board of The Common Fund. Prior to joining Vanderbilt University in 1985, he was an officer of several investment management firms in New York. William is a Chartered Financial Analyst and holds an MBA from the University of Chicago.

Cambium Global Timberland Limited

Directors' Report

The Directors present their annual report and the audited financial statements of Cambium Global Timberland Limited (the 'Company') and entities under its control (the 'Group') for the year ended 30 April 2009.

Business of the Company

The Company was incorporated as a closed-ended Jersey registered investment company with limited liability on 19 January 2007. The ordinary shares were successfully admitted to the Alternative Investment Market ('AIM'), a market of the London Stock Exchange, with a dual listing on the Channel Islands Stock Exchange ('CISX').

The Company aims to establish a portfolio comprising geographically diverse assets located both in mature markets and in developing markets where potentially higher returns may be generated but with commensurately higher risks. The Company will initially target investments in North and South America and the Asia-Pacific region (including Australia and New Zealand), but may invest in other regions on an opportunistic basis, as determined by the Investment Manager with the approval of the Board. The Company's strategy is to generate superior total returns to investors by establishing an optimised portfolio of timberland properties and timberland-related investments diversified by location, age class and species. The Company will invest in a global portfolio of forestry-based properties which can be managed on an environmentally and socially sustainable basis. Assets will be managed for timber production, environmental credit production or both.

A review of business during the year and future developments is contained in the Chairman's Statement and Investment Manager's Report.

Results and dividends

The results of the Group are stated on page 15. The Company paid a final dividend totalling £3,130,500 (2008: £Nil) in respect of the period ended 30 April 2008. The Directors proposed a dividend of 3 pence per share in regards to the year ended 30 April 2009.

Directors

The Directors of the Company are detailed below:

	<i>Appointed</i>
Colin McGrady	13 February 2007
Donald Adamson	19 January 2007
Martin Richardson	19 January 2007
Robert Rickman	13 February 2007
William Spitz	13 February 2007

No directors resigned during the year.

Cambium Global Timberland Limited

Directors' Report

Directors' interests

The following Directors had interests in the shares of the Company at 30 April 2009:

	<i>Number of shares</i>	<i>% held</i>
Colin McGrady	50,000	0.02
Donald Adamson	50,000	0.02
Martin Richardson	50,000	0.02
William Spitz	50,000	0.02

Colin McGrady is a founding partner of CP Cogent Asset Management LP who acts as Investment Manager.

Directors' remuneration

During the year/period the Directors received the following remuneration in the form of fees from the Company:

	<i>2009 £</i>	<i>2008 £</i>
Donald Adamson	40,000	49,753
Martin Richardson	25,000	31,096
Robert Rickman	25,000	31,096
William Spitz	25,000	31,096
	<u>115,000</u>	<u>143,041</u>

Colin McGrady waived his director's fees for the year (2008: £Nil).

Substantial shareholdings

Shareholders with holdings of more than 3 per cent of the issued shares of the Company as at 17 July 2009 were as follows:

<i>Name of investors</i>	<i>Number of shares</i>	<i>% held</i>
Baillie Gifford	16,450,000	15.76
Rensburg Sheppards Investment Management	11,417,407	10.94
British Steel Pensions	10,000,000	9.58
Deutsche Bank Private Wealth Management	6,235,697	5.98
SVM Asset Management	6,200,000	5.94
Artemis Investment Management	5,000,000	4.79
AXA Framlington Investment Managers	4,618,500	4.43
Speirs & Jeffrey, stockbrokers	4,485,256	4.30
Ashcourt Asset Management	4,344,960	4.16
Rathbones	4,198,170	4.02
JP Morgan Asset Management	3,481,517	3.34
West Yorkshire PF	3,150,000	3.02
	<u>79,581,507</u>	<u>76.26</u>

Cambium Global Timberland Limited

Directors' Report

Corporate governance

As a Jersey incorporated company and under the AIM Rules for companies, the Company is not required to comply with the Combined Code published by the Financial Reporting Council (the "2006 FRC Code"). However, it is the Company's policy to comply with best practice on good corporate governance that is applicable to investment companies.

The Board has therefore considered the principles and recommendations of the AIC's Code of Corporate Governance (the 'AIC Code') by reference to the AIC Corporate Governance Guide for Investment Companies (the 'AIC Guide'). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues specific to investment companies.

The Board considers that it is appropriate to report against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Combined Code) and that the Company has complied with the principles and recommendations throughout the accounting period, except where indicated below. The following statement describes how the relevant principles of governance are applied to the Company.

The Board

The Board currently consists of five non-executive Directors, the Chairman is Donald Adamson. The Directors consider that the Chairman is independent for the purposes of the AIC Code. The Board considers that, with the exception of Colin McGrady, the Directors are independent of the Investment Manager.

The Company has no executive directors and no employees. However, the Board has engaged external companies to undertake the investment management, administrative activities of the Company and the production of the Annual Report and Financial Statements which are independently audited. Clear documented contractual arrangements are in place between these firms that define the areas where the Board has delegated responsibility to them. Whilst the Board delegates responsibility, it retains accountability for the functions it delegates and is responsible for the systems of internal control.

The Board meets at least four times a year and between these formal meetings there is regular contact with the Investment Manager, Nomad and Broker. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company and should be brought to the attention of the Directors. The Directors also have access to the Secretary and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

The Board has a breadth of experience relevant to the Company and they have access to independent professional advice at the Company's expense where they deem it necessary to discharge their responsibility as Directors. The Directors believe that any changes to the Board's composition can be managed without undue disruption. With any new appointment of a Director to the Board, consideration will be given as to whether a formal induction process is appropriate and if any relevant training is to be offered.

The Board considers agenda items laid out in the notice and agenda which are formally circulated to the Board in advance of a meeting as part of the Board papers and therefore Directors may request any agenda items to be added that they consider appropriate for Board discussion. Additionally, each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

Cambium Global Timberland Limited

Directors' Report

The Board (continued)

All members of the Board are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance is unavoidable in certain circumstances.

The number of meetings of the full Board and the Audit Committee attended by each Director is set out below:

	Board Meetings		Audit Committee Meetings		Other Meetings	
	Held	Attended	Held	Attended	Held	Attended
Colin McGrady	5	5	NA	NA	4	2
Donald Adamson	5	5	2	2	4	4
Martin Richardson	5	5	2	2	4	4
Robert Rickman	5	5	2	1	4	2
William Spitz	5	5	2	1	4	2

The Board has been continuously engaged in a review of the Company's strategy with the Investment Manager and Broker to ensure the employment of appropriate strategies under prevailing market, political and economic conditions at any particular time, within the overall investment restrictions of the Company.

To support the review of the strategy, the Board has focused at Board Meetings on a review of individual investments and returns, country exposure, the overall portfolio performance and associated matters such as gearing and pipeline investment opportunities. Additionally a strong focus of attention is given to marketing/investor relations, risk management and compliance, peer group information and industry issues.

The Board evaluates each Directors own performance on an annual basis and believes that the mix of skills, experience, ages and length of service are appropriate to the requirements of the Company and in accordance with the AIC Code. Directors shall retire and stand for re-election at intervals of no more than three years. Colin McGrady as the only non-independent Director will stand for re-election every year. Each Director is appointed subject to the provisions of the Articles of Association in relation to retirement.

Board Responsibilities

The Directors meets at least four times a year to consider, as appropriate, such matters as:-

- The overall objectives for the Company;
- Risk assessment and management, including reporting, monitoring, governance and control;
- Any shifts in strategy that may be appropriate in light of changes in market conditions;
- The appointment, and ongoing monitoring, through regular reports and meetings of the Investment Manager, administrator and other service providers;
- Review of the Company's investment performance;
- Share price performance;
- Statutory obligations and public disclosure;
- The shareholder profile of the Company; and
- Transactional and other general matters affecting the Company

These matters are discussed by the Board to clearly demonstrate the seriousness with which the Directors take their fiduciary responsibilities and as an ongoing means of measuring and monitoring the effectiveness of their actions.

Cambium Global Timberland Limited

Directors' Report

Committees of the Board

The Board has not deemed it necessary to appoint a nomination or remuneration committee as, being comprised wholly of non-executive Directors, the whole Board considers these matters.

Audit Committee

The Board operates an Audit Committee which comprises of Donald Adamson, Martin Richardson, Robert Rickman and William Spitz. Martin Richardson serves as Chairman of the Committee. The Audit Committee operates within defined terms of reference as agreed by the Board which are available from the Company Secretary upon request. The Audit Committee function is to ensure the Company's financial performance is properly reported on and monitored and the Committee review the following:

- the annual and interim financial statements
- results
- internal control systems and procedures
- accounting policies of the Company
- the auditor's effectiveness and independence
- announcements
- the auditor's remuneration and engagement, as well as any non-audit services provided by them.

When required the Audit Committee meetings are also attended by the Administrator and the Company's Auditors. The number of meetings of the Audit Committee attended by each Director is set in the table detailed above.

Internal Controls

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. In line with general market practice for investment companies, the Directors do not conduct a formal annual review of the internal controls. However, the Board does conduct an annual review of the financial reporting procedures and corporate governance controls and feels that the procedures employed by the service providers adequately mitigate the risks to which the Company is exposed.

The key procedures which have been established to provide effective internal controls are as follows:

- Praxis Property Fund Services Limited, under a delegation agreement dated 24 March 2009 is responsible for the provision of administration and company secretarial duties.
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts.
- The Board reviews financial information produced by the Investment Manager on a regular basis.
- The Company does not have an internal audit department. All of the Company's management functions are delegated to independent third parties and it is therefore felt that there is no need for the Company to have an internal audit facility.
- On an ongoing basis, independently prepared compliance reports are provided at each board meeting.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Cambium Global Timberland Limited

Directors' Report

Relations with Shareholders

The Broker and Investment manager maintain a regular dialogue with major shareholders, the feedback from which is reported to the Board. In addition, Board members will be available to respond to shareholders' questions at the Annual General Meeting.

The Board monitors the trading activity and shareholder profile on a regular basis and maintains contact with the Company's Broker to ascertain the views of Shareholders.

Shareholder sentiment is also ascertained by the careful monitoring of the premium/discount that the shares are traded in the market when compared to those experienced by similar companies. Major shareholders are contacted directly by the Broker on a regular basis.

The Company reports formally to shareholders twice a year and a proxy voting card is sent to shareholders with the Annual Report and Financial Statements. Additionally, current information is provided to shareholders on an ongoing basis through the Company's website. The Secretary monitors the voting of the shareholders and proxy voting is taken into consideration when votes are cast at the Annual General Meeting. Shareholders may contact the Directors via the Company Secretary.

Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and IFRS. Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financials statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Auditors

The auditors of the Company, KPMG Channel Islands Limited, have expressed their willingness to continue in office and a resolution giving authority to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Donald Adamson
28 July 2009

Martin Richardson
28 July 2009

Cambium Global Timberland Limited

Independent auditor's report to the members

We have audited the Group and Company financial statements (the "financial statements") of Cambium Global Timberland Limited for the year ended 30 April 2009 which comprise the Consolidated and Company Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statement, the Consolidated and Company Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 12, the Company's Directors are responsible for preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and other information accompanying the financial statements and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Cambium Global Timberland Limited

Independent auditors' report to the members (continued)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group's and Company's affairs as at 30 April 2009 and of the Group's and Company's loss for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Chartered Accountants
KPMG Channel Islands Limited
5 St Andrews Place
Charing Cross
St Helier
Jersey
JE4 8WQ
28 July 2009

Cambium Global Timberland Limited

Consolidated Income Statement

for the year ended 30 April 2009

	Notes	30 April 2009 £	For the period from 19 January 2007 to 30 April 2008 £
Revenue	6	872,880	699,828
Cost of sales		<u>(542,453)</u>	<u>(354,140)</u>
Gross profit		<u>330,427</u>	<u>345,688</u>
Increase in fair value of investment property and plantations	19	2,735,810	2,862,320
Administrative expenses	7	(2,158,873)	(2,654,022)
Other operating forestry expenses		(1,668,500)	(118,371)
Revaluation on buildings, plant and equipment	20	(11,320)	(43,277)
Establishment expenses		-	(3,391,375)
		<u>(3,838,693)</u>	<u>(6,207,045)</u>
Operating loss		<u>(772,456)</u>	<u>(2,999,037)</u>
Gain/(losses) on available-for-sale assets	12	25,150	(30,035)
Finance income	8	1,952,737	5,659,705
Finance costs	10	(2,827)	(70)
Net finance income		<u>1,975,060</u>	<u>5,629,600</u>
Net foreign exchange losses		<u>(17,898,045)</u>	<u>(62,933)</u>
(Loss)/profit before taxation		<u>(16,695,441)</u>	<u>2,567,630</u>
Taxation	14	<u>(1,153,145)</u>	<u>(1,295,985)</u>
(Loss)/profit for the year/period attributable to shareholders		<u><u>(17,848,586)</u></u>	<u><u>1,271,645</u></u>
Basic and diluted (loss)/earnings per share	16	<u><u>(17.10) pence</u></u>	<u><u>1.22 pence</u></u>

All items in the above statement derive from continuing operations. All income is attributable to the equity holders of the parent company. There are no minority interests.

The notes on pages 23 to 48 form an integral part of these annual financial statements.

Cambium Global Timberland Limited

Consolidated Balance Sheet

At 30 April 2009

	Notes	30 April 2009 £	30 April 2008 £
Non-current assets			
Investment property and plantations	19	81,428,366	23,807,920
Buildings, plant and equipment	20	500,227	461,120
Intangible assets	21	122,650	123,164
Deferred tax assets	14	219,143	630,005
		82,270,386	25,022,209
Current assets			
Trade and other receivables	23	179,162	774,630
Available for sale investments	25	-	8,964,000
Forward exchange currency contracts	26	356,895	43,106
Cash and cash equivalents	27	23,689,389	73,757,639
		24,225,446	83,539,375
Total assets		106,495,832	108,561,584
Current liabilities			
Trade and other payables	28	1,159,414	471,674
		1,159,414	471,674
Non-current liabilities			
Deferred tax liabilities	14	3,340,386	1,920,265
		3,340,386	1,920,265
Total liabilities		4,499,800	2,391,939
Net assets		101,996,032	106,169,645
Equity			
Stated capital	29	2,000,000	2,000,000
Distributable reserve	30	102,350,000	102,350,000
Revaluation reserve	30	65,344	52,292
Translation reserve	30	17,288,130	495,708
Retained (loss)/earnings		(19,707,442)	1,271,645
Total equity		101,996,032	106,169,645
Net asset value per share	17	0.98	1.02

These financial statements were approved and authorised for issue on 28 July 2009 by the Board of Directors.

Donald Adamson

Martin Richardson

The notes on pages 23 to 48 form an integral part of these annual financial statements.

Cambium Global Timberland Limited

Consolidated Statement of Changes in Equity

For the year ended 30 April 2009

	Stated capital £	Distributable reserve £	Translation reserve £	Revaluation reserve £	Retained earnings £	Total £
At 19 January 2007	-	-	-	-	-	-
Currency translation differences	-	-	495,708	-	-	495,708
Increase in fair value of intangible assets	-	-	-	69,942	-	69,942
Decrease in fair value of available for sale investments	-	-	-	(17,650)	-	(17,650)
Total income recognised directly in equity	-	-	495,708	52,292	-	548,000
Net profit for the period	-	-	-	-	1,271,645	1,271,645
Total recognised income and expenses for the period	-	-	495,708	52,292	1,271,645	1,819,645
Issue of ordinary share capital	104,350,000	-	-	-	-	104,350,000
Reduction of stated capital account (note 29)	(102,350,000)	102,350,000	-	-	-	-
At 30 April 2008	2,000,000	102,350,000	495,708	52,292	1,271,645	106,169,645
Currency translation differences	-	-	16,792,422	-	-	16,792,422
Decrease in fair value of intangible assets	-	-	-	(4,598)	-	(4,598)
Realisation of available for sale investments	-	-	-	17,650	-	17,650
Total income recognised directly in equity	-	-	16,792,422	13,052	-	16,805,474
Loss for the year	-	-	-	-	(17,848,586)	(17,848,586)
Total recognised income and expenses for the year	-	-	16,792,422	13,052	(17,848,586)	(1,043,112)
Dividend (note 15)	-	-	-	-	(3,130,500)	(3,130,500)
At 30 April 2009	2,000,000	102,350,000	17,288,130	65,344	(19,707,442)	101,996,032

The notes on pages 23 to 48 form an integral part of these annual financial statements.

Cambium Global Timberland Limited

Consolidated Cash Flow Statement

For the year ended 30 April 2009

	30 April 2009	30 April 2008
	£	£
Cash flows from operating activities		
Operating loss for the year/period	(772,456)	(2,999,037)
Adjustments for:		
Increase in fair value of investment property and plantations	(2,735,810)	(2,862,320)
Depreciation	1,483	880
Revaluation on buildings, plant and equipment	11,320	43,277
Decrease/(increase) in trade and other receivables	389,652	(563,077)
Increase in trade and other payables	472,466	464,107
	<u>(1,860,889)</u>	<u>(2,917,133)</u>
Net cash used in operating activities	<u>(2,633,345)</u>	<u>(5,916,170)</u>
Cash flows from investing activities		
Purchase of buildings, plant and equipment	(34,248)	(469,679)
Purchase of land and plantations	(42,743,530)	(19,688,534)
Cost capitalised to plantations	(1,597,677)	(559,827)
Purchase of intangible assets	-	(43,714)
Purchase of available for sale investments	(1,993,200)	(8,981,650)
Disposal of available for sale investments	11,000,000	-
Loss on foreign exchange contracts	(18,197,277)	-
Net cash used in investing activities	<u>(53,565,932)</u>	<u>(29,743,404)</u>
Cash flows from financing activities		
Net proceeds from the issue of shares	-	104,350,000
Dividend paid	(3,130,500)	-
Finance income	1,951,799	5,464,549
Finance costs	(2,827)	(70)
Net cash (used)/from financing activities	<u>(1,181,528)</u>	<u>109,814,479</u>
Net (decrease)/increase in cash and cash equivalents	<u>(57,380,805)</u>	<u>74,154,905</u>
Foreign exchange movements	7,312,555	(397,266)
Balance at the beginning of the year	73,757,639	-
Balance at the end of the year/period	<u><u>23,689,389</u></u>	<u><u>73,757,639</u></u>

The notes on pages 23 to 48 form an integral part of these annual financial statements.

Cambium Global Timberland Limited

Company Income Statement for the year ended 30 April 2009

		30 April 2009	For the period from 19 January 2007 to 30 April 2008
	Notes	£	£
Administrative expenses	7	(1,794,157)	(2,580,212)
Establishment expenses		-	(3,391,375)
		<u>(1,794,157)</u>	<u>(5,971,587)</u>
Operating loss		(1,794,157)	(5,971,587)
Gains/losses on available-for-sale assets	12	25,150	(30,035)
Finance income	8	1,787,251	5,791,060
Net finance income		<u>1,812,401</u>	<u>5,761,025</u>
Net foreign exchange (loss)/gain		<u>(3,164,409)</u>	<u>31,137</u>
Loss for the year/period		<u><u>(3,146,165)</u></u>	<u><u>(179,425)</u></u>

All items in the above statement derive from continuing operations.

The notes on pages 23 to 48 form an integral part of these annual financial statements.

Cambium Global Timberland Limited

Company Balance Sheet

At 30 April 2009

	Notes	30 April 2009 £	30 April 2008 £
Non-current assets			
Investment in subsidiary undertakings	18	2,017,808	1,191,867
Loans to subsidiary undertakings	24	77,686,122	20,600,477
		<u>79,703,930</u>	<u>21,792,344</u>
Current assets			
Trade and other receivables	23	176,758	599,517
Available-for-sale investments	25	-	8,964,000
Forward exchange currency contracts	26	356,895	43,106
Cash and cash equivalents	27	18,673,009	72,928,781
		<u>19,206,662</u>	<u>82,535,404</u>
Total assets		<u>98,910,592</u>	<u>104,327,748</u>
Current liabilities			
Trade and other payables	28	1,016,682	174,823
Total liabilities		<u>1,016,682</u>	<u>174,823</u>
Net assets		<u>97,893,910</u>	<u>104,152,925</u>
Equity			
Stated capital	29	2,000,000	2,000,000
Distributable reserve	30	102,350,000	102,350,000
Revaluation reserve	30	-	(17,650)
Retained loss		(6,456,090)	(179,425)
Total equity		<u>97,893,910</u>	<u>104,152,925</u>

The notes on pages 23 to 48 form an integral part of these annual financial statements.

Cambium Global Timberland Limited

Company Statement of Changes in Equity

For the year ended 30 April 2009

	Stated capital £	Distributable reserve £	Revaluation reserve £	Retained Loss £	Total £
At 19 January 2007	-	-	-	-	-
Issue of ordinary share capital	104,350,000	-	-	-	104,350,000
Reduction of stated capital account (note 29)	(102,350,000)	102,350,000	-	-	-
Revaluation of available for sale investments (directly in equity)	-	-	(17,650)	-	(17,650)
Net loss for the period	-	-	-	(179,425)	(179,425)
Total recognised income and expenses for the period	-	-	(17,650)	(179,425)	(197,075)
At 30 April 2008	2,000,000	102,350,000	(17,650)	(179,425)	104,152,925
Net loss for the year	-	-	-	(3,146,165)	(3,146,165)
Realisation of available for sale investments (directly in equity)	-	-	17,650	-	17,650
Total recognised income and expenses for the year	-	-	17,650	(3,146,165)	(3,128,515)
Dividend	-	-	-	(3,130,500)	(3,130,500)
At 30 April 2009	2,000,000	102,350,000	-	(6,456,090)	97,893,910

The notes on pages 23 to 48 form an integral part of these annual financial statements.

Cambium Global Timberland Limited

Company Cash Flow Statement

For the year ended 30 April 2009

	30 April 2009	30 April 2008
	£	£
Cash flows from operating activities		
Operating loss for the year/period	(1,794,157)	(5,971,587)
Adjustments for:		
Decrease/(increase) in trade receivables	422,759	(599,517)
Increase in trade and other payables	841,859	174,823
	<u>1,264,618</u>	<u>(424,694)</u>
Net cash used in operating activities	<u>(529,539)</u>	<u>(6,396,281)</u>
Cash flows from investing activities		
Subsidiaries acquired	(825,941)	(1,191,867)
Available for sale investments purchased	(1,993,200)	(8,981,650)
Disposal of available for sale investments	11,000,000	(30,035)
Increase in loans to subsidiary undertakings	(42,423,952)	(20,600,477)
Net cash used in investing activities	<u>(34,243,093)</u>	<u>(30,804,030)</u>
Cash flows from financing activities		
Net proceeds from the issue of shares	-	104,350,000
Dividends paid	(3,130,500)	-
Finance income	1,981,470	5,791,060
Loss on foreign exchange contracts	(18,197,277)	-
Net cash (used)/from financing activities	<u>(19,346,307)</u>	<u>110,141,060</u>
Foreign exchange loss	<u>(136,833)</u>	<u>(11,968)</u>
Net (decrease)/increase in cash and cash equivalents for the year/period	<u>(54,255,772)</u>	<u>72,928,781</u>
Balance at the beginning of the year	72,928,781	-
Balance at the end of the year/period	<u><u>18,673,009</u></u>	<u><u>72,928,781</u></u>

The notes on pages 23 to 48 form an integral part of these annual financial statements.

Notes to the Financial Statements

For the year ended 30 April 2009

1 General Information

The Company and its subsidiaries, including special purpose vehicles ('SPVs') controlled by the Company, was established to invest in a global portfolio of forestry based properties which can be managed on an environmentally and socially sustainable basis. Assets may be managed for timber production, environmental credit production or both. At the yearend the Group currently owned forestry assets located in Australia, Hawaii, Brazil and the southern United States.

The Company is a closed-ended company with limited liability, incorporated in Jersey, Channel Islands on 19 January 2007. The address of its registered office is 5 Castle Street, St Helier, Jersey, JE2 3RT.

The financial statements were approved and authorised for issue on 28 July 2009 and signed by Martin Richardson and Donald Adamson on behalf of the Board.

The Company has its primary listing on AIM, a market of the London Stock Exchange and a dual listing on the Channel Islands Stock Exchange.

2 Basis of preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), and International Accounting Standards and Standards Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect.

The financial statements have been prepared in sterling pounds, which is the presentational currency of the Group and under the historical cost convention, except for investment property, plantations, buildings, intangible assets and certain financial instruments which are carried at fair value.

Standards and interpretations in issue and not yet effective

At the date of authorisation of these financials statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective: -

New standards

IFRS 8: Operating Segments – for accounting periods commencing on or after 1 January 2009

Revised and amended standards

IFRS 1: First time Adoption of International Financial Reporting Standards – Amendments relating to cost of an investment on first-time adoption – for accounting periods commencing on or after 1 January 2009

IFRS 2: Share-based Payment – Amendment relating to vesting conditions and cancellations – for accounting periods commencing on or after 1 January 2009

IFRS 3: Business Combinations – Comprehensive revision on applying the acquisition method – for accounting periods commencing on or after 1 July 2009

IFRS 5: Non-current Assets Held for sale and Discontinued Operations – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 July 2009

IAS 1: Presentation of Financial Statements – Comprehensive revision including requiring a statement of comprehensive income – for accounting periods commencing on or after 1 January 2009

IAS 1: Presentation of Financial Statements – Amendments relating to disclosure of puttable instruments and obligations arising on liquidation – for accounting periods commencing on or after 1 January 2009

IAS 1: Presentation of Financial Statements – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 16: Property, Plant and Equipment Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 19: Employee Benefits Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

IAS 20: Government Grants and Disclosure of Government Assistance Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

Notes to the Financial Statements

For the year ended 30 April 2009

Revised and amended standards (continued)

- IAS 23: Borrowing Costs – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 27: Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3 – for accounting periods commencing on or after 1 July 2009
- IAS 27: Consolidated and Separate Financial Statements – Amendments relating to cost of an investment on first time adoption – for accounting periods commencing on or after 1 January 2009
- IAS 27: Consolidated and Separate Financial Statements – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 28: Investments in Associates – Consequential amendments arising from amendments to IFRS 3 – for accounting periods commencing on or after 1 July 2009
- IAS 28: Investments in Associates – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 29: Financial Reporting in Hyperinflationary Economies – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 31: Interests in Joint Ventures – Consequential amendments arising from amendments to IFRS 3 – for accounting periods commencing
- IAS 31: Interests in Joint Ventures – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 32: Financial Instruments: Presentation – Amendments relating to puttable instruments and obligations arising on liquidation – for accounting periods commencing on or after 1 January 2009
- IAS 36: Impairment of assets – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 38: Intangible Assets – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 39: Financial Instruments: Recognition and Measurement – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 39: Financial Instruments: Recognition and Measurement – Amendments for eligible hedged items – for accounting periods commencing on or after 1 July 2009
- IAS 40: Investment Property – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009
- IAS 41: Agriculture – Amendments resulting from May 2008 Annual Improvements to IFRS – for accounting periods commencing on or after 1 January 2009

Interpretations

IFRIC

- 13: Customer Loyalty Programmes – for accounting periods commencing on or after 1 July 2008
- IFRIC 15: Agreements for the Construction of Real Estate – for accounting periods commencing on or after 1 January 2009
- IFRIC 16: Hedges of a Net investment in a Foreign Operation – for accounting periods commencing on or after 1 October 2008
- IFRIC 17: Distributions of Non-cash Assets to Owners – for accounting periods commencing on or after 1 July 2009
- IFRIC 18: Transfers of Assets from Customers – for accounting periods commencing on or after 1 July 2009

The Directors anticipate that with the exception of IAS 1 and IFRS 8 as discussed below, the adoption of these standards and interpretations in future periods will not have material impact on the financial statements of the Group.

IAS 1 (revised), 'Presentation of Financial Statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expense (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group and Company will apply IAS 1 (revised) from 1 January 2009. It is likely that both the income statement and statement of comprehensive income will be presented as performance statements.

Notes to the Financial Statements

For the year ended 30 April 2009

Revised and amended standards (continued)

IFRS 8 - Operating segments - (effective for accounting periods beginning on or after 1 January 2009). This standard requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet. The standard also requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognised in the income statement and balance sheet.

3 Significant accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

The preparation of Financial Statements in conformity with IFRS requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving high degree of judgement or complexity, or areas where the assumptions and estimates are significant to Financial Statements are disclosed in note 4.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, including SPVs controlled by the Company, made up to 30 April 2009. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities.

When necessary, adjustments are made to the financial statements of subsidiaries and SPVs to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue and other income

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably. Revenues are accounted for on an accruals basis.

Revenue comprises:

- a) Sales - harvested timber or right of way

Where revenue is obtained by the sale of harvested timber or right of way, it is recognised when the significant risks and returns have been transferred to the buyer. In the case of harvested timber, this is generally on unconditional exchange except where payment on completion is expected to occur significantly after exchange. For conditional exchanges, sales are recognised when the conditions are satisfied.

- b) Lease income

Lease income is recognised over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which benefit use derived from the leased asset is diminished.

- d) Grant income

Government grants are recognised on receipt of funds or earlier if there is reasonable assurance that the conditions of the grant will be met. They are accounted for in the income statement at fair value.

Finance income

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

Notes to the Financial Statements

For the year ended 30 April 2009

Foreign currencies*a) Functional and presentational currency*

Items included in the financial statements of each of the Group entities are measured in the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Sterling Pounds, which is the Company's functional and presentational currency.

b) Transactions and balances

Transactions in currencies other than Sterling Pounds are recorded at the rates of exchange prevailing on the dates of transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities that are carried at fair value and denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentational currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- (ii) income and expenses for the income statement are translated at the average exchange rate prevailing in the period; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, the exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Rates applied at year end to convert to Sterling Pound:

	2009	2009	2008	2008
	Closing rate	Average rate	Closing rate	Average rate
Australian Dollar	2.0383	2.1747	2.1110	2.2876
Brazilian Real	3.2381	3.3199	na	na
Hungarian Forint	324.6552	386.0726	322.0830	347.1827
New Zealand Dollar	2.6168	2.6574	na	na
United States Dollar	1.4790	1.6769	1.9714	2.0107

The average rate was calculated from the date the subsidiary was acquired to 30 April 2009.

Operating profit/loss

Operating profit or loss includes net gains and losses on revaluation of investment property and plantations, as reduced by administrative expenses and operating costs and excludes finance costs and income.

Expenses

All expenses are accounted for on an accruals basis and include fees and other expenses paid to the administrators, the Investment Manager and the Directors. Expenses which are incidental to the acquisition of an investment property or plantation are included within the cost of that property and plantation, for example this will include legal fees, stamp duty, founders fees, initial valuation fees, due diligence fees.

Notes to the Financial Statements

For the year ended 30 April 2009

Establishment expenses

Establishment expenses incurred on the launch of the Company have been recognised in the income statement when incurred.

Impairment

The carrying amount of the Group's non-financial assets, other than investment property and plantations, buildings, improvements and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists the asset's recoverable amount is estimated. Any impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount, after the reversal, does not exceed the amount that have been determined, net of applicable depreciation, if no impairment loss had been recognised.

Taxation

The Company is registered as a Jersey tax exempt company. The Company was exempt from Jersey taxation on income derived from outside of Jersey and bank interest earned in Jersey under the Income Tax (Jersey) Ordinance, 1961. This law was amended for assessment periods starting 1 January 2008 under Income Tax (Amendment 28) (Jersey) Law 2007. The Company will no longer be exempt from tax, it will be taxed at a corporate rate of zero per cent. A fixed annual fee of £600 was paid to the States of Jersey in respect of the exemption up to 31 December 2007. No charge to Jersey taxation arises on capital gains. The Group is liable to foreign tax arising on activities in the overseas subsidiaries. The Company has subsidiary operations in Australia, Texas (USA), Delaware (USA), Brazil, British Virgin Islands and Hungary.

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit or net loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years or that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax arising on differences on the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the near future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Investment property and plantations

a) Investment property

Land is classified as investment property as it is held for capital appreciation. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the property will flow to the enterprise, and the cost of the property can be reliably measured. Investment property is initially measured at cost, including transaction costs.

Investment property is remeasured at fair value, which is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair values are determined by professional valuations on a six monthly basis. Gains or losses arising from changes in the fair value of investment property are included in the income statement.

b) Plantations

Plantations are recognised as biological assets when the Group controls the asset as a result of past events, it is probable that future economic benefits will flow to the Group, and the fair value or cost of the asset can be measured reliably. Plantations are measured on initial recognition and at each balance sheet date at fair value. Fair value is determined by professional valuers on a six monthly basis. Any changes in fair values are recognised in the income statement. Agricultural produce harvested from plantations are classified as harvested timber. Plantations can be divided in two classifications:

i) Pre-merchantable timber

Agricultural produce that has not matured to an age and class to be sold as harvested product is classified within this asset class. Once the pre-merchantable trees mature they are transferred to merchantable timber at fair value.

ii) Merchantable timber

Plantations are classified as merchantable timber when they mature to an age that the trees can be traded actively in the markets. This asset class does not include harvested trees. The age at which trees are transferred into this class can differ by type of tree. Currently the majority of trees owned by the Group are transferred at the age of 15 years.

c) Harvested timber

Plantations harvested are transferred at fair value less point of sale costs as at the date of harvest and are reclassified to inventory if the harvest has not been sold at date of reporting. Inventory is carried at the lower of the fair value on which it was transferred or net realisable value.

Buildings, plant and equipment

Buildings and improvements are initially recognised at purchase price plus any directly attributable costs and subsequently revalued to fair value. The fair value of property is determined on a six monthly basis by independent external appraisal. Revaluation gains are recognised in equity through the revaluation reserve with revaluation losses, to value lower than cost, are recognised in the income statement.

Subsequent costs are included in the carrying amount of buildings, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they incurred.

Motor vehicles and furniture and fittings are recognised at purchase cost less accumulated depreciation and any recognised impairment losses. Depreciation is provided at the rate of 12.5 per cent per annum on motor vehicles on a diminishing balance basis. Depreciation is provided at the rate of 10 per cent per annum on furniture on a straight line basis.

Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Notes to the Financial Statements

For the year ended 30 April 2009

Intangible assets (continued)

Intangible assets are initially recognised at cost and subsequently measured to fair value. Any resultant gains are recognised in equity through the revaluation reserve. Any resultant losses are recognised directly in the income statement unless there has been previous gains on that asset which have been taken through the revaluation reserve, in which case these are cleared before the balance is taken to the income statement.

Investment in subsidiaries

Investments in subsidiaries are initially recognised and subsequently carried at cost in the Company's financial statements less, where appropriate, provisions for impairment.

Financials instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group offsets financial assets and financial liabilities if the Group has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

Financial assets

The Group's financial assets fall into the categories below, with the allocation depending to an extent on the purpose for which the asset was acquired. Although the Group uses derivative financial instruments in economic hedges of currency, it does not hedge account for these transactions. The Group has not classified any of its financial assets as held to maturity.

Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise through deposits on new acquisitions and also incorporate other types of contractual monetary assets. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, such impairments directly reduce the carrying amount of the impaired asset and are recognised against the relevant income category in the income statement.

b) Cash and cash equivalents

Cash and cash equivalents are carried at cost and comprise cash in hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

For the year ended 30 April 2009

c) Available-for-sale investments

All quoted investments have been designated as available for sale. Available for sale investments are initially recognised on the date of purchase at cost being the fair value of purchase consideration paid plus any incremental transaction costs incurred as part of the purchase. They are subsequently adjusted to fair value with any unrealised gains or losses being recognised in equity, through the statement of changes in equity. Realised gains and losses on sale of quoted investments are recognised in the income statement.

d) Fair value through profit or loss

This category comprises only forward foreign currency contracts. The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). Forward currency contracts are recorded as an asset and liability at the forward contract rate. The asset or liability is subsequently measured to fair value with the resulting gain or loss being recognised in the income statement, as part of foreign exchange gains/losses.

e) De-recognition of financial assets

A financial asset (in whole or in part) is de-recognised either:

- when the Group has transferred substantially all the risks and rewards of ownership; or
- when the Group has transferred substantially all the risks and rewards of ownership and when it no longer has control over the asset or a portion of the asset; or
- when the contractual right to receive cash flow from the asset has expired.

Financial liabilities

a) Financial liabilities at amortised cost

Trade payables and other short term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. The effect of discounting on these financial instruments is not considered to be material.

b) De-recognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

c) Stated capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments. For the purposes of the disclosures given in note 29 the Group considers all its stated capital and all other reserves as equity. The Company is not subject to any externally imposed capital requirements.

d) Effective interest method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income and expense over relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability or where appropriate, a shorter period.

Dividends

Dividends are recognised as a liability in the Group's financial statements in the period in which it becomes an obligation of the Company.

Notes to the Financial Statements

For the year ended 30 April 2009

4 Significant accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuation of investment property and plantations

The Group normally uses the valuation performed by its independent valuers as the fair value of its property and plantations. The valuation is based on assumptions. The valuers also make reference to market evidence of transaction prices for similar transactions (refer to note 19).

Valuation of buildings

The Group normally uses the valuation performed by its independent valuers as the fair value of its buildings. The valuation is based on assumptions. The valuers also make reference to market evidence of transaction prices for similar transactions (refer to note 20).

Income and deferred taxes

The Group is subject to income and capital gains taxes in numerous jurisdictions. Significant judgement is required in determining the total provision for income and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment are uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the income and deferred tax provisions in the period in which the determination is made.

Fair value of derivative contracts

The Group estimates fair values of derivative contracts by reference to current market conditions compared to the terms of contracts using the results of an appraisal process carried out by the counterparty.

Valuation of intangible asset

The water licence has initially been recognised at purchase cost and is revalued to a value calculated by URS Australia Pty Ltd, an external valuer. These calculations are based on assumptions (refer to note 21).

5 Segmental information

The Group operates in five distinctly separate geographical locations, with timberlands located in New South Wales (Australia), Texas (United States), north-western Florida and south-western Georgia (United States), Hawaii and Brazil.

2009	Jersey £	Australia £	United States £	Hawaii £	Brazil £
Total assets	19,046,838	6,215,684	55,328,992	10,370,745	15,533,573
Total liabilities	185,599	419,887	2,892,178	648,341	353,794
Segment revenue	-	222,997	649,854	30	-
Segment gross profit	-	222,997	107,401	30	-

Notes to the Financial Statements

For the year ended 30 April 2009

5 Segmental information (continued)

2009	Jersey £	Australia £	United States £	Hawaii £	Brazil £
Increase in fair value of investment property and plantations	-	1,764,644	527,162	466,543	(22,539)
Forestry expenses	-	211,157	663,523	291,742	502,079
2008	Jersey £	Australia £	United States £	Hawaii £	Brazil £
Total assets	84,744,721	4,966,789	15,743,240	3,106,834	-
Total Liabilities	149,857	145,909	1,954,658	141,514	-
Segment revenue	-	253,152	446,676	-	-
Segment gross profit	-	-	229,810	115,878	-
Increase in fair value of investment property and plantations	-	(1,944,965)	4,807,285	-	-
Forestry expenses	-	112,099	3,313	2,959	-

The Group owns nine distinct parcels of land across four main investment strategies.

The first strategy is a hybrid timber/environmental market focused investment in New South Wales, Australia, called "Tarrangower." For this investment the Group owns approximately 21,163 acres in Ashford, New South Wales, Australia. This land was previously being used for cattle grazing and is now being planted with high value commercial and non-commercial species with a view to longer term revenue from plantations and short term revenue from carbon credits. In addition to this, the Group has managed to secure a grant from the local Catchments Management Authority for biodiversity conservation and salinity control services provided by Tarrangower as a timber and carbon estate.

The second strategy consists of buying established plantations in the southern United States. Established plantations with a balanced age class distribution are suitable for long and short term sustainable yield. Marketable products include sawtimber and pulp, which can be sold into healthy forest product markets that exist in this geography. These properties also generate revenue from hunting leases. The Group owns 21,853 acres of land in Texas and another 29,900 acres of land spread across north-western Florida and south-western Georgia dedicated to this strategy.

The third investment strategy involves the development of fast growth eucalyptus plantations to serve either export log markets in Asia or developing log markets for veneer or bio-energy in Hawaii. The Group has a leasehold interest in two plantations on the Big Island of Hawaii dedicated to this strategy. Pahala consists of 3,700 acres and Pinnacle is approximately another 4,500 acres of maturing Eucalyptus trees.

The group has a fourth investment strategy of converting bare land to eucalyptus plantation for conversion to charcoal to serve pig-iron markets or for emerging pulp and paper markets in Brazil. The Group owns one property in Tocantins, Brazil of approximately 25,700 acres and three properties in Minas Geras, Brazil totalling 29,377 acres dedicated to this strategy. It is anticipated that the eucalyptus will be grown on a rotation length of seven years.

Notes to the Financial Statements

For the year ended 30 April 2009

6 Revenue	Group 2009	Group 2008
	£	£
Sales - harvested timber	526,880	291,227
Sales - right of way	-	106,012
Lease income	182,760	105,876
Grant income	163,240	196,713
	<u>872,880</u>	<u>699,828</u>

The grant income was received from Border Rivers-Gwydir Catchment Management Authority (an Australian Government Authority) on signature of a Property Vegetation Plan ('PVP') in connection with the Tarrangower property. The PVP covers conservation management, regeneration of the area, natural revegetation and plantation and allows for income receipts of up to a total of AU\$960,000 (£471,050) on certification of certain milestones having been achieved by the landholder. The PVP is for a term of 15 years and is governed by the laws of New South Wales.

7 Administrative expenses	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Investment Manager's fees	1,064,857	1,064,857	1,207,676	1,207,676
Directors' fees	115,000	115,000	143,041	143,041
Auditors' fees	52,889	52,889	38,000	38,000
Other professional fees	561,411	561,411	1,191,495	1,191,495
Administration of subsidiaries	364,715	-	73,810	-
	<u>2,158,873</u>	<u>1,794,157</u>	<u>2,654,022</u>	<u>2,580,212</u>

Administration of subsidiaries include statutory fees, accounting fees and administrative expenses in regards to asset holding subsidiaries.

8 Finance income	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Interest from subsidiary undertakings	-	-	-	159,632
Bank interest	1,608,070	1,442,584	5,344,454	5,316,177
Bond interest	344,667	344,667	315,251	315,251
	<u>1,952,737</u>	<u>1,787,251</u>	<u>5,659,705</u>	<u>5,791,060</u>

The classification of finance income per financial asset class is listed in notes 9 and 13.

9 Net gains on loans and receivables	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Interest from subsidiary undertakings	-	-	-	159,632
Bank interest received	1,608,070	1,442,584	5,344,454	5,316,177
	<u>1,608,070</u>	<u>1,442,584</u>	<u>5,344,454</u>	<u>5,475,809</u>

No impairment was recognised on loans and receivables.

10 Finance costs	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Bank interest	2,827	-	70	-

11 Net gains and losses on financial assets and liabilities at fair value through profit and loss

	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Net change in unrealised appreciation on financial assets held at fair value through profit or loss:				
Forward exchange currency contracts	356,895	356,895	43,106	43,106

Notes to the Financial Statements

For the year ended 30 April 2009

12 Net gains and losses on available-for-sale financial assets and liabilities

	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Gain/(loss) on bond recognised directly in equity	17,650	17,650	(17,650)	(17,650)
Gain/(loss) on bond recognised in income	25,150	25,150	(30,035)	(30,035)
	<u>42,800</u>	<u>42,800</u>	<u>(47,685)</u>	<u>(47,685)</u>

13 Total interest income and total interest expense on financial assets and financial liabilities not at fair value through profit and loss

	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Interest from subsidiary undertakings	-	-	-	159,632
Bank interest received	1,608,070	1,442,584	5,344,454	5,316,177
Bond interest	344,667	344,667	315,251	315,251
	<u>1,952,737</u>	<u>1,787,251</u>	<u>5,659,705</u>	<u>5,791,060</u>

14 Taxation**Taxation on profit on ordinary activities****Company**

The Company was exempt from taxation up to 31 December 2007 under the provisions of the Income Tax (Jersey) Law, 1961. This law was amended for assessment periods starting 1 January 2008 under Income Tax (Amendment 28) (Jersey) Law 2007. The Company will no longer be exempt from tax, it will be taxed at a corporate rate of 0%.

Group

The Group's tax expenses for the year/period comprises:

	Group 2009	Group 2008
Deferred taxation		
Australia at 30%	743,424	(495,542)
Brazil at 33.29%	50,944	-
United States at 15% - 35% *	358,777	1,791,527
	<u>1,153,145</u>	<u>1,295,985</u>

* Marginal corporate income taxes in the United States vary between 15% and 39% depending on the size of the profits.

	Group 2009	Group 2008
	£	£
Tax expense reconciliation:		
(Loss)/profit for the year/period	(16,695,441)	2,567,630
Less: income non-taxable	(2,003,359)	(5,791,060)
Add: expenditure non-taxable	20,280,342	6,224,027
Add: deferred tax assets not provided	2,163,091	475,404
Less: utilising tax assets not provided in 2008	(50,106)	-
Taxable profit for the year	<u>3,694,526</u>	<u>3,476,001</u>

At the balance sheet date the Group has unused tax losses. No deferred tax asset has been recognised in respect these losses due to the unpredictability of future taxable profits.

	Group 2009	Group 2008
	£	£
Tax losses not recognised in the financial statements		
Balance at beginning	475,404	-
Prior year tax losses utilised	(69,351)	-
Tax losses not provided	2,120,411	475,404
Exchange movements	220,391	-
Balance at the end of the year	<u>2,746,855</u>	<u>475,404</u>

Notes to the Financial Statements

For the year ended 30 April 2009

14 Taxation (continued)

The value of deferred tax assets not recognised in regard to the above mentioned losses amounted to £879,123 (2008: £144,436).

Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon:

2009	Assets 2009 £	Liabilities 2009 £	Balance 2009 £
At the beginning of the year	630,005	(1,920,265)	1,290,260
Reclassification from assets to liabilities	(23,717)	23,717	-
Restated at the beginning of the year/period	606,288	(1,896,548)	(1,290,260)
Movements:			
Increase in fair value of investment property and plantations	115,775	(533,727)	(417,952)
Revaluation on buildings, land, plant and equipment	(570,226)	(55,801)	(626,027)
Accelerated tax depreciation	-	(4,745)	(4,745)
Capitalised assets deducted	-	(206,075)	(206,075)
Capitalised liabilities taxed	66,693	-	66,693
Establishment expense written for tax	1,097	-	1,097
Other	(899)	34,762	33,863
Total movements for the year	(387,560)	(765,586)	(1,153,145)
Exchange differences	415	(678,252)	(677,837)
Balance at the end of the year	219,143	(3,340,386)	(3,121,243)

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon:

2008	Assets 2008 £	Liabilities 2008 £	Balance 2008 £
Increase in fair value of investment property and plantations	109,726	(1,884,183)	(1,774,457)
Accelerated tax depreciation	477,397	(833)	476,564
Capitalised assets deducted	958	-	958
Capitalised liabilities taxed	2,658	(1,708)	950
Foreign exchange effect	39,266	(33,541)	5,725
Balance at the end of the period	630,005	(1,920,265)	1,290,260

15 Dividend

Dividend reference period	Shares	Dividend per share £	Paid £	Date
2008	104,350,000	0.03	3,130,500	24/09/2008

16 Basic and diluted (loss)/earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Group 2009 £	Group 2008 £
(Loss)/profit for the purposes of basic and diluted earnings per share being net profit for the year/period as per income statement	(17,848,586)	1,271,645

Notes to the Financial Statements

For the year ended 30 April 2009

16 Basic and diluted earnings per share (continued)**Number of ordinary shares**

Number of ordinary shares for basic and diluted earnings per share:

Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share

104,350,000 104,350,000

Basic and diluted earnings per share

(17.10) pence 1.22 pence

17 Net Asset Value

	Group 2009	Group 2008
	£	£
Total assets	106,495,832	108,561,584
Total liabilities	4,499,800	2,391,939
Net Asset Value	<u>101,996,032</u>	<u>106,169,645</u>
Number of shares in issue	104,350,000	104,350,000
Net Asset Value per share	<u>0.98</u>	<u>1.02</u>

18 Investment in subsidiaries

A list of the significant investments in direct and indirect subsidiaries, including the name, country of incorporation and the proportion of ownership interest is given below.

Name of subsidiary undertaking	% of voting rights	Country of incorporation	Principal activity
Cambium Tarrangower Holdings Limited	100%	Jersey	Holding company
Cambium Australia Trust	100%	Australia	Forestry
Cambium Pahala Holdings Limited	100%	British Virgin Islands	Holding company
Cambium Pahala Hungary Holdings Kft	100%	Hungary	Holding company
Cambium Hawaii Hungary Holdings Kft	100%	Hungary	Holding company
Cambium Pahala Inc. (Delaware)	100%	Delaware, US	Forestry
Cambium Pinnacle Holdings Limited	100%	British Virgin Islands	Holding company
Cambium Pinnacle Hungary Holdings Kft	100%	Hungary	Holding company
Cambium Pinnacle Inc. (Delaware)	100%	Delaware, US	Forestry
Cambium Holdings Limited	100%	British Virgin Islands	Holding company
Corrigan Holdings Limited	100%	British Virgin Islands	Holding company
Cambium Hungary Holdings Kft	100%	Hungary	Holding company
Corrigan Hungary Holdings Kft	100%	Hungary	Holding company
Cambium Corrigan Limited Partnership	100%	Texas, US	Forestry

Notes to the Financial Statements

For the year ended 30 April 2009

18 Investment in subsidiaries (continued)

Name of subsidiary undertaking	% of voting rights	Country of incorporation	Principal activity
Cambium Minas Geras Holdings Limited	100%	British Virgin Islands	Holding company
Cambium MG Holdings Limited	100%	British Virgin Islands	Holding company
Cambium MG Investments Florestais Ltda.	100%	Brazil	Forestry
3R Tocantins Investments Florestais Ltda.	100%	Brazil	Forestry
Cambium New Zealand Holdings Limited	100%	Jersey	Forestry
Cambium Uruguay Holdings Limited	100%	Jersey	Holding company
Cambium South Atlantic Holdings Limited	100%	British Virgin Islands	Holding company
Cambium South Atlantic Hungary Holdings Kft	100%	Hungary	Holding company
Cambium South Atlantic Inc	100%	Delaware, US	Forestry

	Company 2009	Company 2008
	£	£
Cambium Tarrangower Holdings Limited	1,191,567	1,191,567
Cambium Pahala Holdings Limited	49	49
Cambium Pinnacle Holdings Limited	49	49
Cambium Holdings Limited	51	51
Corrigan Holdings Limited	51	51
Cambium Minas Geras Holdings Limited	51	51
Cambium MG Holdings Limited	51	49
Cambium New Zealand Holdings Limited	825,887	-
Cambium South Atlantic Holdings Limited	51	-
Cambium Uruguay Holdings Limited	2	-
	2,017,808	1,191,867

19 Investment property and plantations

2009	Merchantable timber Group £	Pre- merchantable timber Group £	Land Group £	Total Group £
Fair value opening balance of plantations at 1 May 2008	5,893,291	6,318,343	11,596,286	23,807,920
Land acquired in the year	-	-	31,038,908	31,038,908
Plantations acquired in the year	5,590,158	6,114,464	-	11,704,622
Acquisition costs capitalised	27,786	1,003,829	566,062	1,597,677
Harvested timber	(542,453)	-	-	(542,453)
Transfer to pre-merchantable timber	-	115,823	(115,823)	-
Transfer to merchantable timber	630,464	(630,464)	-	-
	11,599,246	12,921,995	43,085,433	67,606,674
Fair value adjustments on price gains/(losses) on land and plantation	(264,283)	1,001,729	1,710,682	2,448,128
Fair value adjustments on growth gains/(losses) on land and plantation	499,742	-	-	499,742
Fire, hazardous weather and other damages (impairment)	(212,060)	-	-	(212,060)
Increase in fair value of investment property and plantations	23,399	1,001,729	1,710,682	2,735,810
Foreign exchange effect	2,624,053	2,785,139	5,676,690	11,085,882
Fair value as at 30 April 2009	14,246,698	16,708,863	50,472,805	81,428,366

Notes to the Financial Statements

For the year ended 30 April 2009

19 Investment property and plantations (continued)

2008	Merchantable timber Group £	Pre- merchantable timber Group £	Land Group £	Total Group £
Land acquired in the period	-	-	6,940,340	6,940,340
Plantations acquired in the period	-	-	12,748,194	12,748,194
Acquisition costs capitalised	-	-	559,827	559,827
Gains on growth	-	537,978	-	537,978
Harvested timber	(437,588)	-	-	(437,588)
Transfer to merchantable timber	6,207,140	-	(6,207,140)	-
Transfer to pre-merchantable timber	-	5,660,615	(5,660,615)	-
	5,769,552	6,198,593	8,380,606	20,348,751
Fair value adjustments on plantations	-	-	1,270,859	1,270,859
Fair value adjustments on land	-	-	1,591,461	1,591,461
Increase in fair value of investment property and plantations	-	-	2,862,320	2,862,320
Foreign exchange effect	123,739	119,750	353,360	596,849
Fair value as at 30 April 2008	5,893,291	6,318,343	11,596,286	23,807,920

No harvested timber was held at the year end (2008: Nil).

The land and plantations are carried at their fair value as at 30 April 2009, as measured by external independent valuers Day Forest Management and Appraisal Inc, James W. Sewall Company, URS Australia Pty Ltd ('URS'), Holtz Consultoria LTDA, and Sandro Al-Alam Elias. Each of the valuers use similar methodologies though this can vary depending on the type of investment and the local practices.

The appraisals for the "Corrigan" and "South Atlantic States" properties in the United States were undertaken by Day Forest Management and Appraisal Inc and James W. Sewall Company respectively. These appraisals conform to Uniform Standards of Professional Appraisal Practice in the United States. For these valuations three valuation approaches were considered - the cost approach, the sales comparison approach and the income approach. Each approach selected as being applicable and necessary to produce credible results is believed to have been applied appropriately.

The properties in Hawaii, "Pahala" and "Pinnacle" are leasehold interests without any ownership of the underlying land. These investments were valued by URS in accordance with IFRS using a discounted cash flow approach. The discount rate, of 8% for both plantations, was established using the capital asset pricing model and were applied to future cash flows from the harvest of trees. About 374.5 ha of the "Pahala" plantation was affected by volcanic vog and this reduced the value of the plantation by 4%.

URS additionally valued the "Tarrangower" investment in Australia consistent with the local equivalent of IFRS. There is little comparable transaction evidence to determine the value of land for forestry purposes in the region. Therefore, URS has applied a discounted cash flow analysis to determine the value of the land for forestry purposes. A discount rate, of 8.2%, was derived using a capital asset pricing model and applied to anticipated cash flows. URS then engaged the licensed land appraiser Steven Broun & Associates to value the land that is not used for forestry purposes on Tarrangower South.

The 3R Tocantins property in Brazil was valued by Holtz Consultoria LTDA. The method applied for the bare land appraisal, was the sales comparison approach. The analysis considered the bare land price from comparable transactions, soil quality, topography of the land, access and distance from cities, and the proportion of the property which could be used for cultivation.

The three properties in Minas Geras were valued by Sandro Al-Alam Elias by first determining the highest and best use of the subject property. This analysis helps the appraiser identify comparable properties and identify the use that would produce the maximum income to the property. After determining the best use of the subject property, the appraiser analyzed the value of the property using the cost approach, the sales comparison approach and the income capitalisation approach.

Notes to the Financial Statements

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20 Buildings, plant and equipment

	Furniture and fittings Group	Buildings Group	Improvements Group	Motor vehicles Group	Total Group
	£	£	£	£	£
2009					
<i>Cost</i>	-	351,493	97,692	12,815	462,000
Accumulated depreciation	-	-	-	(880)	(880)
Balance as at 30 April 2008	-	351,493	97,692	11,935	461,120
<i>Depreciation and fair value movements</i>					
Assets acquired in year	690	-	33,558	-	34,248
Revaluation	-	(5,518)	(5,802)	-	(11,320)
Depreciation for the year	(35)	-	-	(1,448)	(1,483)
Foreign exchange effect	16	12,163	5,154	329	17,662
	671	6,645	32,910	(1,119)	39,107
<i>Carrying value</i>					
Balance as at 30 April 2009	671	358,138	130,602	10,816	500,227
2008					
<i>Cost</i>					
Assets acquired in period	-	365,886	91,899	11,894	469,679
Balance as at 30 April 2008	-	365,886	91,899	11,894	469,679
<i>Depreciation and fair value movements</i>					
Revaluation	-	(41,528)	(1,749)	-	(43,277)
Foreign exchange effect	-	27,135	7,542	921	35,598
Depreciation for the period	-	-	-	(880)	(880)
	-	(14,393)	5,793	41	(8,559)
<i>Carrying value</i>					
Balance as at 30 April 2008	-	351,493	97,692	11,935	461,120

The buildings and improvements are carried at their fair value as at 30 April 2009, as measured by external independent valuers URS Australia Pty Ltd and Day Forest Management and Appraisal Inc. (in conjunction with the external valuation of plantations). The valuations have been prepared using techniques approved under IFRS. The motor vehicles and furniture and fittings are carried at cost less accumulated depreciation.

21 Intangible assets

	Group 2009	Group 2008
	£	£
Valuation/cost - water licence	123,164	43,714
Revaluation	(4,598)	69,942
Foreign exchange effect	4,084	9,508
	122,650	123,164

The Tarrangower property has approximately 4km of frontage to the Severn River and has attached to it a water licence administered by the Department of Natural Resources in Australia (DNR). The 105 mega litre surface irrigation license (Number 90SL100620) has rights attached to it allowing an annual allocation of 48 mega litres A class and 57 mega litres B class from Pindari Dam which is located 11km further up stream. The licence is renewable on a 5 yearly basis and at a small administration cost to the Group.

The licence is measured at fair value as at 30 April 2009, as measured by external independent valuers URS Australia Pty Ltd. The valuation is been made with reference to market values of water prices trading currently in this area. The price per mega litre, as valued per URS Australia Pty Ltd, was approximately AUD\$ 2,380 per mega litre.

Notes to the Financial Statements

For the year ended 30 April 2009

22 Categories of financial assets and financial liabilities

	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Current financial assets:				
<i>Financial assets through profit or loss</i>				
Forward exchange currency contracts	356,895	356,895	43,106	43,106
<i>Loans and receivables</i>				
Trade and other receivables	142,136	161,337	742,994	575,765
Cash and cash equivalents	23,689,389	18,673,009	73,757,639	72,928,781
<i>Available-for-sale investments</i>				
Available-for-sale investments	-	-	8,964,000	8,964,000
Non-current financial assets:				
<i>Loans and receivables</i>				
Loans to subsidiary undertakings	-	77,686,122	-	20,600,477
Current financial liabilities:				
<i>Financial liabilities measured at amortised cost</i>				
Trade and other payables	1,159,414	1,016,682	471,674	174,823

23 Trade and other receivables

	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Accrued interest on bonds	-	-	53,565	53,565
Bank interest receivable	937	937	141,591	141,591
Goods and Services Tax receivable	24,685	-	8,985	-
Intercompany receivables	-	159,825	-	-
Trade receivables	116,514	575	199,940	41,696
Deposit paid	-	-	251,572	251,572
Deferred costs	-	-	87,341	87,341
Prepaid expenses	37,026	15,421	31,636	23,752
	<u>179,162</u>	<u>176,758</u>	<u>774,630</u>	<u>599,517</u>

Deposit paid was on the Pinnacle forest and deferred costs consisted of prospective investment in forests.

24 Loans to subsidiary undertakings

	Company 2009	Company 2009	Company 2008	Company 2008
	US \$	£	US \$	£
Cambium Corrigan Holdings Limited	13,812,037	9,307,442	13,734,808	6,967,033
Corrigan Holdings Limited	13,620,129	9,208,987	13,589,129	6,893,136
Cambium South Atlantic Holdings Limited	44,789,645	30,278,518	-	-
Cambium Pinnacle Holdings Limited	8,150,366	5,489,783	-	-
Cambium Pahala Holdings Limited	8,313,987	4,089,390	5,816,881	2,950,635
	<u>88,686,165</u>	<u>58,374,120</u>	<u>33,140,818</u>	<u>16,810,804</u>
	AU \$	£	AU \$	£
Cambium Tarrangower Holdings Limited	9,257,260	4,541,613	8,000,000	3,789,673
	NZ \$	£	NZ \$	£
Cambium New Zealand Holdings Limited	154,180	60,222	-	-
		£		£
Cambium MG Holdings Limited		14,408,635		-
Cambium Minas Holdings Limited		301,532		-
		<u>14,710,167</u>		<u>-</u>
		<u>77,686,122</u>		<u>20,600,477</u>

All inter-company loans are interest free and have no fixed terms of repayment. The Directors do not anticipate that payment on these loans will be demanded during the next 12 months.

Notes to the Financial Statements

For the year ended 30 April 2009

25 Available-for-sale investments	Company 2009	Group 2009	Company 2008	Group 2008
	£	£	£	£
UK Treasury stock 4% 7 March 2009	-	-	8,964,000	8,964,000

The fair value of the UK Treasury stock was determined with standard terms and conditions and traded on the London Stock Exchange determined with reference to quoted market prices.

26 Forward exchange currency contracts	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Forward foreign currency contracts:				
at forward rate	86,567,884	86,567,884	26,690,135	26,690,135
at market rate	(86,210,989)	(86,210,989)	(26,647,029)	(26,647,029)
Gain	356,895	356,895	43,106	43,106

The above gains on forward exchange currency contracts represents the total net unrealised gain.

Forward exchange currency contracts are used to hedge against foreign exchange exposure arising from investing in foreign operations and foreign currency transactions. The Group incurred a loss of £17,898,586 in the year when the foreign exchange currency contracts lapsed. It is not the policy of the Group to perform hedge accounting under the terms of IAS 39 and therefore the effect of changes in exchange rates for foreign operations are recognised directly in equity. The gain on exchange differences recognised directly into equity for the year amounted to £16,792,422.

As at 30 April 2009 there were 6 forward foreign currency contracts in place.

Forward exchange currency contracts held by the Company and the Group at their forward exchange rates are listed below. All of the contracts have a strike date of 30 April 2010.

	2009 US \$	2009 £	2008 US \$	2008 £
Forward exchange currency contracts for United States dollar	127,000,000	86,407,311	42,250,000	21,870,721
	AU \$	£	AU \$	£
Forward exchange currency contracts for Australian dollar	11,000,000	5,195,296	10,500,000	4,819,414
	BRL	£	BRL	£
Forward exchange currency contracts for Brazilian Real	30,000,000	8,579,518	-	-
Forward exchange currency contracts for Pounds Sterling	13,614,241	20,000,000	-	-

27 Cash and cash equivalents	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Cash held at bank	14,939,567	9,923,187	73,737,574	72,908,716
Cash held at broker	8,749,822	8,749,822	20,065	20,065
	23,689,389	18,673,009	73,757,639	72,928,781

Cash at broker is held with MF Global (United Kingdom) Limited and an amount of £5,685,100 is held as security for the forward exchange contracts. The Company has a forward exchange currency facility with UBS AG to the amount of £1,800,000. The term date of this facility is 25 December 2050, however this facility will be reviewed by UBS on 5 April 2012. An amount of £635,715 is held on deposit with UBS AG as security for this facility.

Included in cash at bank was an amount of BRL 7,381,440 (approximately £2,279,590) kept on escrow in regards to the acquisition of the Agua Santa property, the money will clear the account once the deeds are released.

Notes to the Financial Statements

For the year ended 30 April 2009

28 Trade and other payables	Group	Company	Group	Company
	2009	2009	2008	2008
	£	£	£	£
Accruals	207,275	-	187,068	174,823
Intercompany payables	-	832,750	-	-
Trade creditors	288,159	183,932	70,444	-
Retentions held	298,858	-	-	-
Advances held	365,123	-	214,162	-
	<u>1,159,414</u>	<u>1,016,682</u>	<u>471,674</u>	<u>174,823</u>

3R Tocantins Florestais Ltda. retained approximately 6% of the purchase price of the 3R Tocantins property for a maximum of 5 years, to support any hidden liability associated with the previous ownership. This amount is in the process of being released in exchange of a land guarantee of superior value.

Advances held comprise of timber sales received in advance.

29 Stated capital	Group	Company	Group	Company
	2009	2009	2008	2008
	£	£	£	£
Balance at the beginning of the year	2,000,000	2,000,000	-	-
Net proceeds from issue of shares	-	-	104,350,000	104,350,000
Less: reduction in share capital	-	-	(102,350,000)	(102,350,000)
	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

The total authorised share capital of the Company is 250 million ordinary shares of no par value with 104,350,000 shares issued at 100 pence each on initial placement. Ordinary shares carry no automatic rights to fixed income but the Company may declare dividends from time to time to which ordinary shareholders are entitled. Each share is entitled to one vote at meetings of the Company.

On 22 February 2007 a special resolution was passed by the Company to reduce the stated capital account from £104,350,000 to £2,000,000. Approval was sought from the Royal Court of Jersey and was granted on 29 June 2007. The balance of £102,350,000 was transferred to a distributable reserve on that date.

30 Reserves

The movements in the reserves for the Group and the Company are shown on pages 17 and 21 respectively.

Translation reserve

The translation reserve contains exchange differences arising on consolidation of the Group's foreign operations.

Revaluation reserve

The revaluation reserve arises from the revaluation of available for sale investments, intangible assets and buildings plant and equipment.

Distributable reserve

The company reduced its stated capital account and a balance of £102,350,000 was transferred to distributable reserves.

31 Operating leases

The maturity of prepaid operating leases is as follows:

	Group	Group
	2009	2008
	£	£
Between 1 and 2 years	233,222	83,380
Between 2 and 5 years	245,074	-
Over 5 years	74,884	-
	<u>553,180</u>	<u>83,380</u>

Leases are on the Hawaiian plantations.

Notes to the Financial Statements

For the year ended 30 April 2009

32 Financial instruments risk exposure and management

In common with other businesses, the Group is exposed to risks that arise from use of financial instruments. The notes below describe the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

The principal financial instruments used by the Group and Company, from which financial instrument risk arises, are as follows:

- Amounts receivable from subsidiary undertakings
- Available for sale investments
- Forward exchange currency contracts
- Cash and cash equivalents
- Trade and other payables
- Trade and other receivables

The Board of Directors and Investment Manager are responsible for overseeing the measurement and control of all aspects of risk management and hold regular meetings in order to do so.

Various risk management models are in place which help to identify and monitor key risks both at individual investment level and at a group level. The risk management policies apply equally to the Group and the Company. Further details regarding these policies are set out below.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet obligations, causing a loss to the Group.

a) Group

Cash and cash equivalents represent the majority of the Group's financial assets. The credit risk associated with the holding of cash and cash equivalents is managed under the Group's cash management policy. The cash management policy states that the Group must have a minimum of 5 bankers with each banker permitted to hold approximate maximum of £20,000,000 so as to spread the risk of default. The cash management policy will be reviewed on an annual basis by the Board of Directors and the Investment Manager.

b) Company

The Company's credit risk mainly arises from cash and cash equivalents and amounts receivable from subsidiaries and SPV's. The Company follows the same Group policy with regards to diversification of banking arrangements. Amounts receivable from subsidiaries are mainly long term in nature and the loans are monitored on a regular basis.

The table below shows the maximum exposure to risk of the major counterparties at the balance sheet date:

2009

Counterparty	Credit rating agency	Rating	Carrying Amount £
Investec Bank (Channel Islands) Limited	Fitch	F3	1,420,787
AIB Bank (Channel Islands) Limited	Fitch	F1+	1,000,000
Royal Bank of Scotland International PLC	Fitch	F1+	720,338
UBS AG	Fitch	F1+	3,111,098
MF Global (United Kingdom) Limited	Fitch	F2	8,749,822
Deutsche Bank AG	S & P	AAA	1,667,204
BNP Paribas	S & P	AA -	2,003,761
National Australia Bank Limited	S & P	A 1+	403,381
Regions Bank	S & P	A -	4,291,935
Bank of America Corporation	S & P	A 1	313,735
Citibank	S & P	A 1	343,075

Notes to the Financial Statements

For the year ended 30 April 2009

32 Financial instruments risk exposure and management (continued)

Maturities of these financial assets:	< 1 month	1 - 3 months
	£	£
Investec Bank (Channel Islands) Limited	1,420,787	-
AIB Bank (Channel Islands) Limited	1,000,000	-
Royal Bank of Scotland International PLC	720,338	-
MF Global (United Kingdom) Limited	8,749,822	-
UBS AG	3,111,098	-
Deutsche Bank AG	1,667,204	-
BNP Paribas	2,003,761	-
National Australia Bank Limited	403,381	-
Regions Bank	4,291,935	-
Bank of America Corporation	313,735	-
Citibank	343,075	-

2008

Counterparty	Credit rating	Rating	Carrying Amount
	agency		£
Investec Bank (Channel Islands) Limited	Fitch	F2	8,107,779
AIB Bank (Channel Islands) Limited	Fitch	F1+	20,736,996
Bank of Scotland International PLC	Fitch	F1+	17,715,974
Royal Bank of Scotland International PLC	Fitch	F1+	21,636,894
UBS AG	Fitch	F1+	4,854,865
MF Global (United Kingdom) Limited	Fitch	F2	20,065
New South Wales Treasury Corporation	S & P	A 1+	198,357
National Australia Bank Limited	S & P	A 1+	388,961
Regions Bank	S & P	A 1+	409,153

Maturities of these financial assets:	< 1 month	1 - 3 months
	£	£
Investec Bank (Channel Islands) Limited	3,330,464	4,777,315
AIB Bank (Channel Islands) Limited	15,961,174	4,775,822
Bank of Scotland International PLC	13,148,126	4,567,848
Royal Bank of Scotland International PLC	16,861,451	4,775,443
UBS AG	82,470	4,772,395
MF Global (United Kingdom) Limited	20,065	-
New South Wales Treasury Corporation	-	198,357
National Australia Bank Limited	388,961	-
Regions Bank	409,153	-

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet financial liability obligations as they fall due. The Group's liquidity risk is managed by the Investment Manager in accordance with policies and procedures established by the Board.

Foreign exchange contracts have been put in place so as to manage the potential foreign exchange exposure arising from investing in assets in foreign jurisdictions.

Under the Group's hedging policy, hedging will only be employed once timber assets are acquired. Therefore all hedging liabilities are matched with an associated asset so as to keep risk to a minimum. The hedging policy is reviewed quarterly by the Board.

The table below analyses the Group's financial liabilities and derivative assets and liabilities, which will be settled on a net basis, into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Financial Statements

For the year ended 30 April 2009

32 Financial instruments risk exposure and management (continued)

2009

Contract maturities of financial liabilities:

	< 1 month £	1 - 3 months £	3 months - 1 year £
Forward exchange currency contracts	-	-	(113,343,899)
Trade and other payables	(860,556)	-	(298,858)
	(860,556)	-	(113,642,758)

2008

Contract maturities of financial liabilities:

	< 1 month £	1 - 3 months £	3 months - 1 year £
Forward exchange currency contracts	-	-	(26,647,029)
Trade and other payables	(471,674)	-	-
	(471,674)	-	(26,647,029)

The forward exchange currency contracts have a strike date of 30 April 2010. The Company has a forward exchange currency facility with UBS AG to the amount of £1,800,000. The term date of this facility is 25 December 2050, however this facility will be reviewed by UBS on 5 April 2012. An amount of £635,715 is held on deposit with UBS AG held as security for this facility.

Market risk

Foreign exchange currency risk

The Group is exposed to currency risk through investing in assets held in currencies other than the functional currency. As a result, the Group is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may fluctuate and have an adverse affect on the Group performance. The Group operates in various parts of the world and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to pound sterling, Australian dollar, Brazilian Real and United States dollar. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

The Group safeguards foreign currency operations against adverse movements between Pound sterling, Australian dollar, Brazilian Real and US dollar through the use of forward foreign currency contracts. The forward foreign currency contracts are established and monitored in accordance with the Group's hedging policy.

At reporting date the Group had the following currency exposure in regards to foreign operations:

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Australian Dollar	5,795,797	4,538,051	4,941,376	3,789,673
Brazilian Real	15,179,779	14,532,794	-	-
United States Dollar	62,159,218	58,114,873	4,904,164	16,810,804
Hungarian Forint	42,308	-	23,865	-

The table below summarises the Group's and Company's exposure to foreign currency risk at 30 April. The Group's and Company's monetary assets and monetary liabilities at carrying amounts are included in the table, categorised by the currency at their carrying amount and the underlying principle amount of the forward exchange contracts.

2009	Monetary Assets £	Monetary liabilities £	Forward exchange contracts £	Net exposure £
Australian Dollar	450,127	41,039	5,296,507	(4,887,419)
Brazilian Real	3,505,736	301,563	8,597,205	(5,393,032)
United States Dollars	1,224,128	631,213	72,317,277	(71,724,362)
Hungarian Forint	64,801	22,493	-	42,308

Notes to the Financial Statements

For the year ended 30 April 2009

32 Financial instruments risk exposure and management (continued) 2008	Monetary	Monetary	Forward	Net exposure
	Assets	liabilities	exchange	
	£	£	contracts	£
Australian Dollar	599,808	34,688	4,863,058	(4,297,938)
United States Dollars	422,091	271,095	21,783,971	(21,632,975)
Hungarian Forint	23,868	11,762	-	12,106

The table above summarise only exposure to financial assets and financial liabilities the Group uses foreign currency exchange contracts to minimise exposure to foreign currency fluctuations in its foreign operations. The table below summarises the Group's and Company's exposure to foreign currency due to all foreign operations which include all assets and liabilities. The exposure is a measure of the net asset value exposed to specific currencies. These are shown only for hedged operations.

Group 2009	Net asset value	Forward	Net exposure
	£	exchange	£
Australian Dollar	5,795,797	contracts	499,290
Brazilian Real	15,179,779	£	6,582,573
United States Dollars	62,159,218	72,317,277	(10,158,059)
Group 2008	Net asset value	Forward	Net exposure
	£	exchange	£
Australian Dollar	4,941,376	contracts	(9,804,434)
United States Dollars	4,904,164	£	(26,688,135)

The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with cash generated from their own operations in that currency.

Due to the significant falls in the markets over the period the sensitivity analysis has been increased to 15% from 5% last year. At 30 April 2009, had the Sterling Pound strengthened by 15 per cent in relation to all currencies, with all other variables held constant, the Net Asset Value would have decreased by the amounts shown below:

	Group 2009	Company 2009	Group 2008	Company 2008
	£	£	£	£
Australian Dollar	(756,073)	(591,919)	(235,349)	(180,461)
Brazilian Real	(1,979,971)	-	-	-
United States Dollar	(8,278,736)	(7,580,236)	(890,295)	(793,143)
Hungarian Forint	(5,518)	-	(1,136)	-
	<u>(11,020,298)</u>	<u>(8,172,155)</u>	<u>(1,126,780)</u>	<u>(973,604)</u>

A 15% weakening of the Sterling Pound against the above currencies would have resulted in an equal but opposite effect on the net asset value, on the basis that all other variables remain constant.

The sensitivity analyses above, both interest and exchange rates, are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated, for example, change in interest rates and change in market values.

Price risk

Price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The majority of the Group's financial instruments are carried at fair value with fair value changes recognised in the income statement or the statement of changes in equity, changes in market prices will directly affect these statements. Price risk is reviewed and managed by the Board on a quarterly basis.

The available-for-sale investments is the only financial asset that expose the Group to price risk. The Group disposed of this asset during the year and is no longer exposed to price risk on any of their financials assets and liabilities.

Notes to the Financial Statements

For the year ended 30 April 2009

32 Financial instruments risk exposure and management (continued)**Cash flow and fair value interest rate risk**

Interest rate risk arises in the Group predominantly from the holding of cash and cash equivalents. The Board have established a cash management policy to ensure the best return from the Group's bankers and to mitigate interest rate risk arising from the holding of cash. Cash is predominantly held on short term deposit and the Board reviews interest rates on a quarterly basis.

The Group's and Company's interest rate profile is shown in the table below:

Interest Rate Profile	Group	Group	Company	Company
As at 30 April 2009	%	£	%	£
<i>Weighted average interest rate</i>				
Loans and receivables				
Non-interest bearing	0.00%	179,162	0.00%	16,933
Cash and cash equivalents				
Variable	1.30%	23,689,389	0.30%	18,673,009
Amounts receivable from subsidiaries				
Non-interest bearing	0.00%	-	0.00%	77,845,947
Financial assets through profit and loss				
Foreign exchange contracts				
Fixed - payable	0.00%	(86,210,989)	0.00%	(86,210,989)
Fixed - receivable	0.00%	86,567,884	0.00%	86,567,884
Financial liabilities at amortised cost - trade and payables				
Non-interest bearing	0.00%	1,159,414	0.00%	1,016,682
Interest Rate Profile				
As at 30 April 2008				
<i>Weighted average interest rate</i>				
Loans and receivables				
Non-interest bearing	0.00%	774,630	0.00%	599,517
Cash and cash equivalents				
Variable	4.93%	73,757,639	5.38%	72,928,781
Amounts receivable from subsidiaries				
Non-interest bearing	0.00%	-	0.00%	20,459,175
Financial assets through profit and loss				
Foreign exchange contracts				
Fixed - payable	0.00%	(26,647,029)	0.00%	(26,647,029)
Fixed - receivable	0.00%	26,690,135	0.00%	26,690,135
Available for sale investments				
Interest bearing				
Variable	4.00%	8,964,000	4.00%	8,964,000
Financial liabilities at amortised cost - trade and other payables				
Non-interest bearing	0.00%	(471,674)	0.00%	(174,823)

Notes to the Financial Statements

For the year ended 30 April 2009

32 Financial instruments risk exposure and management (continued)

For the Group, an increase in 100 basis points in interest yields would result in a pre-tax profit of £16,080(2008: £735,693). A decrease in 100 basis points in interest yields would result in a pre-tax loss for the year of £16,080(2008: £735,693).

For the Company, an increase in 100 basis points in interest yields would result in a pre-tax profit of £14,425 (2008: £727,404). A decrease in 100 basis points in interest yields would result in a pre-tax loss for the period of £14,425 (2008: £727,404).

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost to capital.

In order to maintain or adjust the capital structure the Group may adjust amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell net assets to reduce debt.

In order to ensure that the Group will be able to continue as a going concern, management continuously monitor forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Group has no external borrowings.

33 Events after the Balance Sheet date

The Company has acquired approximately 3,200 acres of mid-rotation radiata pine plantation on the south island of New Zealand, for approximately £2,255,000. The property is positioned to serve the high-growth log markets of Asia via the export market with harvest to begin in 2020. The property will be managed on an environmentally and socially sustainable manner and FSC certification will be sought. With this acquisition Cambium is fully invested in a portfolio diversified across geography, age class, and species.

Other than the above, the Company had no significant post balance sheet events.

34 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. CP Cogent Asset Management LP is the Investment Manager to the Company under the terms of the Investment Management Agreement and is thus considered a related party of the Company.

During the year 1,026,613 (2008: £1,207,676) was paid to CP Cogent Asset Management LP in respect of management fees. Amounts of £38,244 was still due to CP Cogent as at 30 April 2009 (2008: £Nil).

Transactions between the Company and its subsidiaries, which are related parties, have been disclosed in notes 23 and 24.

Colin McGrady is a Director of CP Cogent Asset Management LP, who act as Investment Manager. He is also a Director of the Company and has waived his Director's fees for the period.

The Directors of the Company received fees for their services and further details are provided in the Directors' Report and note 7.

Cambium Global Timberland Limited

Key Parties

Directors

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Robert Rickman
William Spitz
Martin Richardson
Colin McGrady

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Key Parties

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