3 August 2010

Cambium Global Timberland Limited (the "Company")
Annual Report and Audited Financial Statements for the year ended 30 April 2010

The Company announces that the Annual Report and Audited Financial Statements for the year ended 30 April 2010 are available and attached hereto.

An electronic copy of the Financial Statements is available on the Company's website at www.cambiumfunds.com.

For more information:

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Chairman's Statement

I am pleased to present the audited consolidated results for Cambium Global Timberland Limited (the "Company" or "Cambium") for 30 April 2010.

Since inception of Cambium the vehicle has delivered on the promise of a diversified timberland portfolio, low correlation and stable values. The period covered by the results saw the stabilisation of timberland markets and timber prices generally at higher price levels than they were a year ago. The total return from the Company was negative 3.8% on the year, after adding back the 3 pence dividend that was paid in August 2009. The NAV deterioration was again largely attributable to weakening land markets in the United States in the first part of the year, though the last quarter of the year saw a NAV increase of 2.2%, pointing to the stabilization of timberland prices.

Many closed-ended funds continue to trade at a discount to NAV. Cambium traded at a discount to the NAV during the period and continues to do so. The Board believes the market value of the Company's assets is accurately reflected in the NAV and instructed the Company to purchase 220,000 of its own shares which were then cancelled. The Board will consider future buybacks subject to the liquidity position of the Company and the ongoing investment program.

After the period covered by these financials, the Company borrowed $20,000,000 from MetLife Timberland Finance Group. The loan is secured by the properties in the United States and non-recourse to the Company. Given the Company's hedging program and the general weakening of Sterling versus the United States Dollar and Brazilian Real since the time of investment, the Company is in an over-invested position. The proceeds of the loan will be used to fund the ongoing investment program and working capital requirements. More details about the loan are found in note 32 of the consolidated financial statements.

Cambium has also embarked on a land sales program in an effort to rebalance the geographical portfolio and since the year end has sold a small tract of land in the United States for $470,000 representing a 25% premium to NAV. Cambium will continue to sell land on an opportunistic basis in order to retire debt, rebalance the portfolio, and provide capital to fund the ongoing investment program.

As noted previously the Company has a currency hedging program to reduce risk. The Company has changed the instruments it uses in order to enact the program. Cambium has used foreign exchange forward contracts to fix exchange rates in advance and provide a low-cost way to hedge. The contracts have a daily mark-to-market and margin requirements resulting in cash outflows as Sterling depreciates. Given the present investment level of the Company we are now also incorporating foreign exchange options to protect our currency exposure. They provide the benefit of retaining the potential NAV increases as Sterling depreciates while limiting NAV deterioration with Sterling appreciation. With options we pay a fee for these benefits and potential NAV losses are equal to the fee we pay plus the level at which cap the exchange rate.

As we have mentioned with our previous interim and annual reports, shareholders should note that the accounting treatment of the foreign exchange hedging activities, which are undertaken to reduce foreign exchange risk, have contributed to the loss for the year. The foreign exchange losses are substantially balanced by the currency translation reserve numbers in the other comprehensive income on the statement of comprehensive income.

Share buy backs
Directors are seeking to renew the authority to buy back up to 14.99% of the issued ordinary shares as at 28 July 2010, subject to the restrictions referred to in the notice of the AGM. As required by the Admission document, all shares bought back by the Company will be cancelled.

Dividend
The Board is proposing a final dividend of 3 pence per share. The ex-dividend date will be 11 August 2010 and the record date associated with this dividend will be 13 August 2010. The proposed payment date for the dividend is 20 October 2010 subject to shareholder approval.

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 2010 are available. Current information about the Company is available on our website: www.cambiumfunds.com

Donald Adamson
Chairman
02 August 2010

Investment Manager's Report

CP Cogent Asset Management LP is pleased to report on the progress that has been made with the diversified forest investments that comprise the Cambium portfolio. The portfolio is well positioned to achieve its long term objective through the combination of our strategic focus and active management. One critical objective to achieve long term results is the ongoing plantation establishment investment program. In fiscal year 2010 we successfully established 5.2 million seedlings on 11,650 acres in Brazil and Australia on target with our annual plan. Biological growth continues to add value across the portfolio as the various age classes of the forests advance towards harvest. Valuations for the portfolio of timber holdings demonstrated the low volatility that would be anticipated from diversified timberland investments.

The global business environment for timber and timber lands is improving. The valuations for the Company's assets have stabilised and are beginning to reverse the downward trend we have experienced. Log prices in some regions such as softwood logs in New Zealand have increased 22% when compared to last year. Charcoal prices in Brazil have increased 35% year over year. Pulpwood end use markets in the US remain healthy and provide a ready outlet for our U S south pulpwood thinnings. The portfolio remains generally uncorrelated to other asset classes as our forests continued to benefit from biological growth during the economic slowdown. We are optimistic that as wood markets recover, the value of the biological growth that has taken place will add significant value to the portfolio.

In fiscal year 2010, we met our plan by establishing 7,900 acres on our two greenfield investments in the states of Minas Gerais and Tocantins, Brazil. This represents approximately one third of the acres to be established with the remaining acres to be established over the next three years. We planted approximately 3.5 million high quality eucalyptus seedlings and both regions received abundant moisture during the planting season and experienced excellent survival. Trees planted 10 months ago have attained heights of 20 feet. The biological growth rates in Brazil for eucalyptus are some of the highest documented rates in the world and as these forests continue to grow we anticipate that this biological growth will add significant value to the portfolio.

During 2010 we also met our plan by establishing 3,750 acres on the Tarrangower property in New South Wales Australia. We planted approximately 1.7 million high quality eucalyptus seedlings. Since the inception of the project we have planted a total of 5,700 acres containing approximately 2.5 million young trees. The area established to date represents approximately two thirds of the acres to be planted and the remainder will be established over the next two years. The year was excellent for planting due to greater than average rainfall in the region. Additionally, the Tarrangower project received the final salinity credit payment from the Gwydir Catchment Authority bringing the life to date amount received to AUD $1.0 million.

Revenue generated from the US South properties was primarily from pulpwood thinning sales and recreational lease income. Thinning remained the harvest of choice as we were able to capitalise on historically high pulpwood prices. Log harvest was curtailed as we preserve larger saw timber for better markets. While log prices have stabilised they remain at low levels due to historically low housing starts in the United States. In the fourth quarter of fiscal 2010 we put into place a small tract/non-strategic land sales program. This program will generate operating cash flow to be used for the repayment of debt and our planting program.

As of 30 April we changed the valuation firm for the US South property known as Corrigan which is located in South East Texas. This is consistent with our policy of rotating the valuers on a periodic basis to ensure that no systematic biases are present in the independent valuation of the properties.

The properties in Hawaii continued to add value to the portfolio increasing in value by 7.5% when compared to the 31 October 2009 appraisal. Although these trees have not reached maturity we continue to assess the timber market opportunities which include veneer production, biomass and pulpwood.

We received Forest Stewardship Council certification for the Renwick property located in New Zealand. Being FSC certified demonstrates Cambium's compliance with the highest social and environmental standards available in the market.

Environmental markets continue to develop with biomass energy experiencing an upswing driven by energy policy and incentive programs, creating new demand in wood markets. Wood pellets are used increasingly in co-firing plants to meet renewable energy standards. In 2009, nearly a third of Sweden's energy came from biomass generation, displacing oil as the country's top energy source. We remain optimistic that over time the environmental options associated with timberland ownership will add value to the portfolio.

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

CP Cogent Asset Management
Investment Manager
02 August 2010

Board of Directors

Donald Lindsay Adamson (aged 51), Independent Non-executive Chairman

Donald Adamson has many 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 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 Chartered Institute for Securities & Investment and Chairman of the Offshore Committee of the Association of Investment Companies.

Martin Willaume Richardson (aged 62), Independent Non-executive Director

Martin Richardson was a partner of the Jersey practice of Rawlinson & Hunter between 1987 and 2009 and continues as a consultant to the firm, 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 1976 to 1981.

Colin Sean McGrady (aged 39), 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 52), 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.

William Taylor Spitz (aged 59), 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.

Directors' Report

The Directors present their annual report and the audited financial statements of the Group, which comprises Cambium Global Timberland Limited (the 'Company') and entities under its control (the 'Group'), for the year ended 30 April 2010.

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 has initially targeted 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 16. The Directors proposed a final dividend of 3 pence per share (2009: 3 pence per share) in regards to the year ended 30 April 2010. The ex-dividend date will be 11 August 2010 and the record date associated with this dividend will be 13 August 2010. The proposed payment date for the dividend is 20 October 2010 subject to shareholder approval.

Directors

The Directors of the Company, who held office during the year and at the date of this report, are detailed below:

	Appointed
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.

Directors' interests

The following Directors had interests in the shares of the Company at 30 April 2010:

	Number of shares	*% held*
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 the Directors received the following remuneration in the form of fees from the Company:

	2010	*2009*
	£	*£*
Donald Adamson	*40,000*	*40,000*
Martin Richardson	*25,000*	*25,000*
Robert Rickman	*25,000*	*25,000*
William Spitz	*25,000*	*25,000*
	115,000	*115,000*

Colin McGrady waived his director's fees for the year (2009: £Nil).

Substantial shareholdings
Shareholders with holdings of more than 3 per cent of the issued shares of the Company as at 7 July 2010 were as follows:

Name of investors	*Number of shares*	*% held*
Baillie Gifford	*16,450,000*	*15.80*
Rensburg Sheppards Investment Management	*10,061,397*	*9.66*
British Steel Pensions	*10,000,000*	*9.60*
SVM Asset Management	*6,200,000*	*5.95*
Deutsche Bank Private Wealth Management	*5,877,768*	*5.64*
Artemis Investment Management	*5,125,575*	*4.92*
Speirs & Jeffrey, stockbrokers	*4,426,006*	*4.25*
Ashcourt Asset Management	*3,997,610*	*3.84*
AXA Framlington Investment Managers	*3,723,000*	*3.58*
Rathbones	*3,698,176*	*3.55*
Co-operative Asset Management	*3,465,000*	*3.33*
West Yorkshire PF	*3,150,000*	*3.03*
JP Morgan Asset Management	*3,124,164*	*3.00*
	79,298,696	*76.15*

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 "2008 FRC Code"). In May 2010 the FRC issued a new edition of the code which will apply for financial years ending 30 June 2010, the 2008 edition code continues to apply for the year ended 30 April 2010. 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 (continued)
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.

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	*7*	*6*	*NA*	*NA*	*NA*	*NA*
Donald Adamson	*7*	*7*	*3*	*3*	*1*	*1*
Martin Richardson	*7*	*7*	*3*	*3*	*1*	*1*
Robert Rickman	*7*	*6*	*3*	*3*	*1*	*1*
William Spitz	*7*	*5*	*3*	*3*	*1*	*1*

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 meet 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.

Committees of the Board
The Board has appointed a Remuneration Committee which comprises wholly of all non-Executive Directors. The committee operates within defined terms of reference agreed by the Board which are available from the Company Secretary upon request. The committee meets at least once a year and is responsible for reviewing annually the remuneration of the Directors and reviewing the performance and remuneration of the Investment Manager and other engaged third party service providers. The committee met once in March 2010.

Audit Committee
The Board operates an Audit Committee which comprises 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. The Committee reviews the following:

- the annual and interim financial statements;
- internal control systems and procedures;
- accounting policies of the Company;
- the auditor's effectiveness and independence;
- announcements; and
- 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 out 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; and

- 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.

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 International Financial Reporting Standards. 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 Group and of the profit or loss of the Group 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 financial 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 Group 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 Group 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	**Martin Richardson**
02 August 2010	02 August 2010

Independent auditor’s report

to the members of Cambium Global Timberland Limited

We have audited the group financial statements of Cambium Global Timberland Limited (the “Company”) for the year ended 30 April 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, 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 113A 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
The directors’ responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards are set out in the Statement of Directors’ Responsibilities on page 12.

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 other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 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.

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 affairs as at 30 April 2010 and of the Group’s loss for the year then ended; and

- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Dermot A. Dempsey
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants
5 St Andrews Place
Charing Cross
St Helier
Jersey
JE4 8WQ
02 August 2010

Consolidated Statement of Comprehensive Income
For the year ended 30 April 2010

	Notes	30 April 2010 £	30 April 2009 £
Revenue	6	1,368,526	872,880
Cost of sales		(777,912)	(542,453)
Gross profit		590,614	330,427
Increase in fair value of investment property and plantations	18	289,467	2,735,810
Administrative expenses	7	(1,805,122)	(2,158,873)
Forestry management expenses		(796,398)	(518,986)
Other operating forestry expenses		(2,319,404)	(1,149,514)
Revaluation of buildings, plant and equipment	19	(78,575)	(11,320)
Loss on disposal of buildings, plant and equipment	19	(16,221)	—
		(5,015,720)	(3,838,693)
Operating loss		(4,135,639)	(772,456)
Gain on available-for-sale assets	12	-	25,150
Loss on foreign currency options		(1,349,948)	—
Finance income	8	56,674	1,952,737
Finance costs	10	(13,498)	(2,827)
Net foreign exchange losses		(586,245)	(17,898,045)
Net finance costs		(1,893,017)	(15,922,985)
Loss before taxation		(6,028,657)	(16,695,441)
Taxation charge	14	(779,314)	(1,153,145)
Loss for the year attributable to shareholders		(6,807,970)	(17,848,586)
Other comprehensive income			
Foreign exchange gains on translation of foreign operations		3,138,214	16,792,421
Increase/(decrease) in fair value of intangible assets	20	10,003	(4,598)
Deferred tax effect on other comprehensive income		(13,859)	—
Realisation of available-for-sale assets	12	-	17,650
Other comprehensive income for the period, net of income tax		3,134,358	16,805,473
Total comprehensive income for the year attributable to the shareholders		(3,673,612)	(1,043,113)
Basic and diluted loss per share	16	(6.53) pence	(17.1) pence

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

The notes on pages 21 to 47 form an integral part of these financial statements.

Consolidated Statement of Financial Position
At 30 April 2010

	Notes	30 April 2010 £	30 April 2009 £
Non-current assets			
Investment property	18	58,062,195	50,472,805
Plantations	18	36,873,332	30,955,561
Buildings, plant and equipment	19	431,245	500,227
Intangible assets	20	162,511	122,650
Deferred tax assets	14	32,031	219,143
		95,561,314	**82,270,386**
Current assets			
Cash and cash equivalents	23	3,087,414	23,689,389
Trade and other receivables	21	559,461	179,162
Financial assets held at fair value through profit and loss	22	1,294,939	356,895
		4,941,814	**24,225,446**
Total assets		**100,503,128**	**106,495,832**
Current liabilities			
Trade and other payables	24	1,384,438	1,159,414
		1,384,438	**1,159,414**
Non-current liabilities			
Deferred tax liabilities	14	4,085,170	3,340,386
		4,085,170	**3,340,386**
Total liabilities		**5,469,608**	**4,499,800**
Net assets		**95,033,520**	**101,996,032**
Equity			
Stated capital	25	2,000,000	2,000,000
Distributable reserve	26	95,930,600	99,219,500
Translation reserve	26	20,426,343	17,288,129
Revaluation reserve	26	61,488	65,344
Retained loss		(23,384,911)	(16,576,941)
Total equity		**95,033,520**	**101,996,032**
Net asset value per share	17	0.91	0.98

These financial statements were approved and authorised for issue on 2 August 2010 by the Board of Directors.

Donald Adamson **Martin Richardson**

The notes on pages 21 to 47 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
For the year ended 30 April 2010

	Stated capital	Distributable reserve	Translation reserve	Revaluation reserve	Retained earnings	Total
	£	£	£	£	£	£
At 30 April 2009	**2,000,000**	**99,219,500**	**17,288,129**	**65,344**	**(16,576,941)**	**101,996,032**
Dividends	—	(3,130,500)	—	—	—	(3,130,500)
Share buy-back	—	(158,400)	—	—	—	(158,400)
Total comprehensive income for the year						
Loss for the year	—	—	—	—	(6,807,970)	(6,807,970)
Other comprehensive income						
Foreign exchange gains on translation of foreign operations	—	—	3,138,214	—	—	3,138,214
Increase in fair value of intangible assets	—	—	—	10,003	—	10,003
Deferred tax effect on other comprehensive income	—	—	—	(13,859)	—	(13,859)
Total other comprehensive income	—	—	3,138,214	(3,856)	—	3,134,358
At 30 April 2010	**2,000,000**	**95,930,600**	**20,426,343**	**61,488**	**(23,384,911)**	**95,033,520**

	Stated capital	Distributable reserve	Translation reserve	Revaluation reserve	Retained earnings	Total
	£	£	£	£	£	£
At 30 April 2008	**2,000,000**	**102,350,000**	**495,708**	**52,292**	**1,271,645**	**106,169,645**
Dividends	—	(3,130,500)	—	—	—	(3,130,500)
Total comprehensive income for the year						
Loss for the year	—	—	—	—	(17,848,586)	(17,848,586)
Other comprehensive income						
Foreign exchange gains on translation of foreign operations	—	—	16,792,421	—	—	16,792,421
Decrease in fair value of intangible assets	—	—	—	(4,598)	—	(4,598)
Realisation of available-for-sale assets	—	—	—	17,650	—	17,650
Total other comprehensive income	—	—	16,792,421	13,052	—	16,805,473
At 30 April 2009	**2,000,000**	**99,219,500**	**17,288,129**	**65,344**	**(16,576,941)**	**101,996,032**

The notes on pages 21 to 47 form an integral part of these financial statements.

Consolidated Statement of Cash Flows
For the year ended 30 April 2010

	Note	30 April 2010 £	30 April 2
Cash flows from operating activities			
Operating loss for the year		(4,135,639)	(772,
Adjustments for:			
Increase in fair value of investment property and plantations	18	(289,467)	(2,735,
Depreciation	19	1,629	1,
Revaluation of buildings, plant and equipment	19	78,575	11,
Loss on disposal of buildings, plant and equipment	19	16,221	
(Increase)/decrease in trade and other receivables		(364,788)	389,
Increase in trade and other payables		349,083	472,
		(208,747)	(1,860,
Net cash used in operating activities		(4,344,386)	(2,633,
Cash flows from investing activities			
Purchase of buildings, plant and equipment	19	(1,157)	(34,
Purchase of land and plantations	18	(2,518,890)	(42,743,
Cost capitalised to plantations	18	(8,338,898)	(1,597,
Purchase of available for sale investments		—	(1,993,
Disposal of available for sale investments		—	11,000,
Net cash used in investing activities		(10,858,945)	(35,368,
Cash flows from financing activities			
Share buy-back		(158,400)	
Dividend paid	15	(3,130,500)	(3,130,
Foreign currency options acquired		(2,654,264)	
Loss on foreign exchange contracts		(881,129)	(18,197,
Finance income		57,611	1,951,
Finance costs	10	(13,498)	(2,
Net cash used in financing activities		(6,780,180)	(19,378,
Net decrease in cash and cash equivalents		(21,983,511)	(57,380,
Foreign exchange movements		1,381,536	7,312,
Balance at the beginning of the year		23,689,389	73,757,
Balance at the end of the year		**3,087,414**	**23,689,**

The notes on pages 21 to 47 form an integral part of these financial statements.

Notes to the Financial Statements
For the year ended 30 April 2010

1 General Information
The Company and its subsidiaries, including special purpose vehicles ('SPVs') controlled by the Company (together the 'Group'), were 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. As at the year end date the Group owned forestry assets located in Australia, Hawaii, Brazil, New Zealand 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 One the Esplanade, St Helier, Jersey, JE4 8UW.

These financial statements were approved and authorised for issue on 2 August 2010 and signed by Martin Richardson and Donald Adamson on behalf of the Board.

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

2 Basis of preparation
The consolidated financial information included in the Annual Report for the year ended 30 April 2010 have been prepared in accordance with International Financial Reporting Standards ('IFRSs').

The consolidated financial statements have been prepared in Sterling, which is the presentational currency and functional currency of the Company, and under the historical cost convention, except for investment property, plantations, buildings, intangible assets and certain financial instruments, which are carried either at fair value, fair value less cost to sell or fair value less subsequent accumulated depreciation and subsequent accumulated impairment loss.

The preparation of the consolidated financial statements requires Directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the consolidated financial statements. If in the future such estimates and assumptions, which are based on the Directors' best judgement at the date of the consolidated financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

In preparing these consolidated financial statements, significant judgements are made by management in applying the Group's accounting policies and the key sources of estimating uncertainty. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in note 4.

New accounting policies effective and adopted

Financial assets held at fair value through profit and loss
This category was amended to include foreign currency options. The foreign currency options are initially recognised at the cost of the premium to acquire the foreign currency option. The asset is subsequently measured to fair value with the resulting gain or loss being recognised in the statement of comprehensive income, as gain or loss on foreign currency options. The fair value of the foreign currency options is based on their listed market price.

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: -

Revised and amended standards
In November 2009, the IASB issued IFRS 9 "Financial Instruments" which becomes effective for accounting periods commencing on or after 1 January 2013. This represents the first of a three part project to replace IAS 39 "Financial Instruments Recognition and Measurement". The objective of the standard is to enhance the ability of investors and other users of financial information to understand the accounting of financial assets and to reduce complexity.

The Group is currently in the process of evaluating the potential effect of this standard. The standard is not expected to have a significant impact on the financial statements since the majority of the Group's financial assets are designated at fair value through profit or loss.

Changes in accounting policies
With effect from 1 May 2009, the Group has changed its accounting policies in the following areas:

a) Presentation of financial statements.
b) Determination and presentation of operating segments
c) Additional disclosures requirements on financials instruments
d) Share capital - share buy-back

2 Basis of preparation (continued)

a) Presentation of financial statements

Effective 1 May 2009, the Group has applied amendments to IAS 32 Financial Instruments: Presentations and IAS 1 Presentation of Financial Statements. The objective of the standard is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance, and cash flows. In particular, the standard addresses classification of a financial instrument issued by an enterprise as a liability or as equity and disclosures about financial instruments, including information as to their fair values.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

b) Determination and presentation of operating segments

As of 1 May 2009 the Group determines and presents operating segments based on the information that internally is provided to the Board of Directors, by the Investment Manager. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14 Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM ('chief operating decision maker') include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Jersey segment comprise mainly of corporate assets and corporate expenses to administrate and register the ultimate holding company.

Segment capital expenditure is the total cost incurred during the period to acquire property, buildings, plant and equipment and intangible assets.

c) Additional disclosures requirements on financials instruments

The Group has adopted IFRS 7 (amendment) 'Financial instruments: Disclosures' as of 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the Group's financial position or performance.

d) Share capital - share buy-back

Where the Company purchases its own share capital, the consideration paid is recognised as a deduction from equity shareholder's funds through the distributable reserve.

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 special purpose Entities (SPEs) controlled by the Company, made up to 30 April 2010. 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.

a) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

3 Significant accounting policies (continued)

b) Special purpose entities

The Group has established a number of special purpose entities (SPEs) for trading and investment purposes. The Group does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. SPEs controlled by the Group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to the majority of risks incident to the SPEs' activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

c) Transactions eliminated on consolidation

When necessary, adjustments are made to the financial statements of subsidiaries and SPEs 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. 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 statement of comprehensive income at fair value.

Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss.

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

Finance costs comprise changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets.

Foreign currency gains and losses are reported on a net basis.

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, which is the Company's functional and presentational currency.

b) Transactions and balances

Transactions in currencies other than Sterling 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 year end 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 in other comprehensive income.

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:

3 Significant accounting policies (continued)

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;

(ii) income and expenses for the statement of comprehensive income are translated at the average exchange rate prevailing in the period; and

(iii) all resulting exchange differences are recognised in in the foreign currency translation reserve ('translation reserve').

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

Rates applied at the period ends referred to below, to convert to Sterling:

	30 April 2010 Closing rate	30 April 2010 Average rate	30 April 2009 Closing rate	30 April 2009 Average rate
Australian Dollar	1.6522	1.8494	2.0383	2.1747
Brazilian Real	2.6567	2.9368	3.2381	3.3199
Hungarian Forint	309.0236	308.4517	324.6552	386.0726
New Zealand Dollar	2.1008	2.3272	2.6168	2.6574
United States Dollar	1.5274	1.6015	1.4790	1.6769

The average rate was calculated from the date the subsidiary was acquired to 30 April 2010.

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.

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 statement of comprehensive income 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 has been determined, net of applicable depreciation, if no impairment loss had been recognised.

Taxation

The Company was registered as a Jersey tax exempt company. From 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. 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 statement of comprehensive income 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 reporting 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 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.

3 Significant accounting policies (continued)

Taxation (continued)

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 reporting 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 statement of comprehensive income, 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 statement of comprehensive income.

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 reporting date at fair value less cost to sell. Fair value less cost to sell is determined by professional valuers on a six monthly basis. Any changes in fair values are recognised in the statement of comprehensive income. 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. Pre-merchantable timber is carried at fair value less cost to sell. Once the pre-merchantable trees mature they are transferred to merchantable timber at fair value less cost to sell at the time of transfer.

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. Merchantable timber is carried at fair value less cost to sell.

c) Harvested timber

Plantations harvested are measured 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 value at 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 gain is recognised in the statement of comprehensive income to the extent that it reverses an impairment loss on the same property previously recognised in the statement of comprehensive income, with any remaining gain recognised in equity through the revaluation reserve. Any revaluation loss is recognised directly in equity through revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of that property, with any remaining loss recognised immediately in the statement of comprehensive income.

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 statement of comprehensive income during the financial period in which they are incurred.

3 Significant accounting policies (continued)

Buildings, plant and equipment (continued)

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.

Intangible assets are initially recognised at cost and subsequently measured at fair value. Any resultant gains are recognised in other comprehensive income through the revaluation reserve. Any resultant losses are recognised directly in the statement of comprehensive income unless there have 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 statement of comprehensive income.

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 statement of financial position 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 reporting 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 statement of comprehensive income.

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.

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 other comprehensive income, through the statement of comprehensive income. Realised gains and losses on sale of quoted investments are recognised in the profit and loss, in the statement of comprehensive income.

d) Fair value through profit or loss

This category comprises only forward foreign currency contracts and currency options. The fair value of forward exchange contracts and currency options are based on their listed market price, if available.

3 Significant accounting policies (continued)

Financial assets (continued)

d) Fair value through profit or loss (continued)

If a listed market price for forward foreign currency contracts 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 statement of comprehensive income, as part of foreign exchange gains/losses.

The foreign currency options are initially recognised at the cost of the premium to acquire the foreign currency option. The asset is subsequently measured to fair value with the resulting gain or loss being recognised in the statement of comprehensive income, as gain or loss on foreign currency options. The fair value of the foreign currency options is based on their listed market price.

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.

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.

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.

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 18).

4 Significant accounting judgements and key sources of estimation uncertainty (continued)

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 20).

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 19).

Fair value of forward foreign currency 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.

Fair value of foreign currency options

The Group estimates fair values of foreign currency options by reference to current market conditions using the results of an appraisal process carried out by the counterparty.

5 Operating segments

The Board of Directors is charged with setting the Company's investment strategy in accordance with the Prospectus. The Board of Directors is the Chief Operating Decision Maker ('CODM'). They have delegated the day to day implementation of this strategy to its Investment Manager but retain responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The investment decisions of the Investment Manager are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Board. The Investment Manager has been given full authority to act on behalf of the Company, including the authority to purchase and sell timberland and other investments on behalf of the Company and to carry out other actions as appropriate to give effect thereto. Whilst the Investment Manager may make the investment decisions on a day to day basis re the allocation of funds to different investments, any changes to the investment strategy or major allocation decisions have to be approved by the Board, even though they may be proposed by the Investment Manager.

The Board therefore retains full responsibility as to the major allocations decisions made on an ongoing basis.

The Investment Manager will always act under the terms of the Prospectus which cannot be radically changed without the approval of the Board of Directors. Details of the investment restrictions are set out in part 3 of the Admission Document and the Investment Strategy, available on www.cambiumfunds.com.

The Group operates in five distinctly separate geographical locations, which the CODM identified as operating segments and one non-operating segment, Jersey. Timberlands are located in New Zealand, New South Wales (Australia), Texas (United States), north western Florida and south western Georgia (United States), Hawaii and Brazil.

The accounting policies of each operating segment are the same as the accounting policies of the Group, stated in note 3. Therefore no reconciliation was done.

30 April 2010	**Jersey**	**New Zealand**	**Australia**	**North America**	**Hawaii**	**Brazil**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**
Total assets	2,778,561	3,054,384	8,856,576	48,107,940	10,529,042	27,176,625	100,503,128
Total liabilities	69,024	155,428	810,334	1,496,341	764,168	2,174,313	5,489,037

30 April 2009	**Jersey**	**New Zealand**	**Australia**	**North America**	**Hawaii**	**Brazil**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**
Total assets	19,046,838	—	6,215,684	55,328,992	10,370,745	15,533,573	106,495,832
Total Liabilities	185,600	—	419,887	2,892,178	648,341	353,794	4,499,800

5 Operating segments (continued)

30 April 2010	Jersey	New Zealand	Australia	North America	Hawaii	Brazil	Total
	£	£	£	£	£	£	£
Segment revenue	—	2,148	101,315	1,003,675	261,388	—	1,368,526
Segment gross profit	—	2,148	101,315	225,763	261,388	—	590,614
Increase in fair value of investment property and plantations	—	299,411	(63,721)	(4,562,829)	733,057	3,883,549	289,467
Forestry management expenses	—	27,011	102,048	402,348	85,664	179,327	796,398
Other operating forestry expenses	—	54,858	320,265	533,018	312,387	1,098,875	2,319,403

30 April 2009	Jersey	New Zealand	Australia	North America	Hawaii	Brazil	Total
	£	£	£	£	£	£	£
Segment revenue	—	—	222,996	649,854	30	—	872,880
Segment gross profit	—	—	222,996	107,401	30	—	330,427
Increase in fair value of investment property and plantations	—	—	1,764,644	527,162	466,543	(22,539)	2,735,810
Forestry management expenses	—	—	66,642	365,500	57,639	29,201	518,982
Other operating forestry expenses	—	—	144,511	298,023	234,102	472,878	1,149,514

The Group owns ten distinct parcels of land across five 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 Gerias, 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.

The group acquired approximately 3,200 acres located in New Zealand. It consists predominately of mid-rotation radiata pine plantation established in the mid 1990's with a small component of Douglas fir and Cypress. The investment strategy includes even aged intensive management of high quality pine grown on a 27 - 30 year cycle. The property is positioned to serve the high-growth log markets of Asia via the export market. The investment will be managed on an environmentally and socially sustainable basis and is FSC certified.

6 Revenue

	2010	2009
	£	£
Sales - harvested timber and stumpage	1,113,804	526,880
Sales - right of way	11,856	—
Lease income	159,055	182,760
Grant income	83,811	163,240
	1,368,526	872,880

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 (approximately £519,089) 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 2010	Group 2009
	£	£
Investment Manager's fees	978,874	1,064,857
Directors' fees	115,000	115,000
Auditors' fees	61,717	52,889
Other professional fees	314,485	561,411
Administration of subsidiaries	335,046	364,716
	1,805,122	2,158,873

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

8 Finance income

	Group 2010	Group 2009
	£	£
Bank interest	56,674	1,608,070
Bond interest	—	344,667
	56,674	1,952,737

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

9 Net gains on loans and receivables

	Group 2010	Group 2009
	£	£
Bank interest received	56,674	1,608,070

No impairment was recognised on loans and receivables earning interest.

10 Finance costs

	Group 2010	Group 2009
	£	£
Bank interest	13,498	2,827

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

	Group 2010	Group 2009
	£	£
Net change in unrealised (depreciation)/ appreciation on financial assets held at fair value though profit or loss:		
Currency options	(80,646)	—
Forward foreign currency exchange contracts	313,303	356,895
	232,657	356,895

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

	Group 2010 £	Group 2009 £
Gain on bond recognised in other comprehensive income	—	17,650
Gain on bond recognised in profit for the year	—	25,150
	—	42,800

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

	Group 2010 £	Group 2009 £
Bank interest received	56,674	1,608,070
Bond interest	—	344,667
	56,674	1,952,737

14 Taxation

Taxation on profit on ordinary activities

The Group's tax expenses for the year comprises:

Deferred taxation	Group 2010 £	Group 2009 £
New Zealand at 30%	89,823	—
Australia at 30%	387,420	743,424
Brazil at 33.29%	1,306,292	50,944
United States at 15% - 35% *	(1,004,221)	358,777
	779,314	1,153,145

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

Tax expense reconciliation:	Group 2010 £	Group 2009 £
Loss for the year	(6,028,657)	(16,695,441)
Less: income non-taxable	(31,265)	(2,003,359)
Add: expenditure non-taxable	3,364,640	20,280,341
Add: deferred tax assets not provided	5,207,459	2,163,091
Less: utilising tax assets not provided in 2008	—	(50,106)
Taxable profit for the year	2,512,177	3,694,526

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.

Tax losses not recognised in the financial statements	Group 2010 £	Group 2009 £
Balance at beginning of the year	2,746,855	475,404
Prior year tax losses utilised	—	(69,351)
Tax losses not provided	4,256,825	2,120,411
Exchange movements	749,132	220,391
Balance at the end of the year	7,752,812	2,746,855

The value of deferred tax assets not recognised in regard to the operational losses amounted to £2,502,268 (2009: £879,123).

14 Taxation (continued)

Deferred taxation

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

2010	Assets 2010 £	Liabilities 2010 £	Balance 2010 £
At the beginning of the year	219,143	(3,340,386)	(3,121,243)
Movements:			
Increase in fair value of investment property and plantations	(136,141)	124,692	(11,449)
Revaluation on buildings, land, plant and equipment	(15,897)	40,929	25,032
Accelerated tax depreciation	—	(3,884)	(3,884)
Capitalised assets deducted	—	(419,516)	(419,516)
Capitalised liabilities taxed	(45,123)	—	(45,123)
Deferred tax assets not recognised on revaluation of land and plantations	—	(323,617)	(323,617)
Revaluation of intangible assets	—	(30,596)	(30,596)
Other	(429)	(327)	(756)
Total movements for the year	(197,590)	(612,319)	(809,909)
Exchange differences	10,478	(132,465)	(121,987)
Balance at the end of the year	32,031	(4,085,170)	(4,053,139)

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)

15 Dividend

Dividend reference period	Shares	Dividend per share £	Paid £	Date
2009	104,350,000	0.03	3,130,500	30/09/2009

16 Basic and diluted loss per share

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

	Group 2010 £	Group 2009 £
Loss for the purposes of basic and diluted earnings per share being net profit for the year	(6,807,970)	(17,848,586)

Number of ordinary shares

	2010	2009
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	104,205,945	104,350,000
Basic and diluted loss per share	(6.53) pence	(17.10) pence

17 Net Asset Value

	Group 2010 £	*Group* 2009 £
Total assets	100,503,128	106,495,832
Total liabilities	5,469,608	4,499,800
Net Asset Value	95,033,520	101,996,032
Number of shares in issue	104,130,000	104,350,000
Net Asset Value per share	0.91	0.98

18 Investment property and plantations

2010	Merchantable timber *Group* £	Pre-merchantable timber *Group* £	Total Plantations *Group* £	Land *Group* £
Fair value opening balance of plantations at 1 May 2009	14,246,698	16,708,863	30,955,561	50,472,805
Land acquired in the year	—	—	—	1,052,801
Plantations acquired in the year	—	1,466,089	1,466,089	—
Acquisition costs capitalised	578	2,534,677	2,535,255	5,803,643
Harvested timber	(777,912)	—	(777,912)	—
Transfer to merchantable timber	7,580,089	(7,580,089)	—	—
	21,049,453	13,129,540	34,178,993	57,329,249
Fair value adjustments on price gains/(losses) on land and plantation	870,227	1,900,076	2,770,303	(2,507,486)
Fair value adjustments on growth gains on land and plantation	690,181	—	690,181	—
Fire, hazardous weather and other damages (impairment)	(663,531)	—	(663,531)	—
Increase/(decrease) in fair value of investment property and plantations	**896,877**	**1,900,076**	**2,796,953**	**(2,507,486)**
Foreign exchange effect	(112,904)	10,290	(102,614)	3,240,432
Fair value as at 30 April 2010	21,833,426	15,039,906	36,873,332	58,062,195

18 Investment property and plantations (continued)

2009	Merchantable timber Group £	Pre-merchantable timber Group £	Total Plantations Group £	Land Group £
Fair value opening balance of plantations at 1 May 2008	5,893,291	6,318,343	12,211,634	11,596,286
Land acquired in the year	—	—	—	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	1,031,615	566,062
Harvested timber	(542,453)	—	(542,453)	—
Transfer to pre-merchantable timber	—	115,823	115,823	(115,823)
Transfer to merchantable timber	630,464	(630,464)	—	—
	11,599,246	12,921,995	24,521,241	43,085,433
Fair value adjustments on price gains/(losses) on land and plantation	(264,283)	1,001,729	737,446	1,710,682
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**	**1,025,128**	**1,710,682**
Foreign exchange effect	2,624,053	2,785,139	5,409,192	5,676,690
Fair value as at 30 April 2009	14,246,698	16,708,863	30,955,561	50,472,805

No harvested timber was held at the end of the year (30 April 2009: Nil).

18 Investment property and plantations (continued)
The land and plantations are carried at their fair value as at 30 April 2010 as measured by external independent valuers American Forest Management Inc., James W. Sewall Company, Pöyry Forest Industry, URS New Zealand Limited, Holtz Consultoria LTDA, and Sandro Al-Alam Elias. Each of the valuers uses similar methodologies, though this can vary depending on the type of investment and local practices.

The appraisals for the “Corrigan” and “South Atlantic States” properties in the United States were undertaken by American Forest Management 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 James W, Sewall Company in accordance with IFRS. For these valuations the sales comparison approach and the income capitalization approach were considered. Each approach selected as being applicable and necessary to produce credible results is believed to have been applied appropriately.

Pöyry Forest Industry 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, Pöyry has applied a combination of the cost approach and the income approach to value the assets. Pöyry then engaged the licensed land appraiser, Herron Todd White to value the land.

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 method applied for established plantation appraisal was the standard cost approach.

The three properties in Minas Gerias 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 analysed the value of the property using the cost approach, and the income capitalisation approach.

URS New Zealand Limited valued the “Renwick” investment in New Zealand consistent with the local equivalent of IFRS. URS has applied a discounted cash flow analysis to determine the value of the tree crop and a notional rental charge to determine the value of the land. This is consistent with New Zealand valuation standards.

The discount rates used in these appraisals range in value from 6% to 10.25% (2009: 6% to 10.5%).

The Group is exposed to a number of risks related to its tree plantations:

Regulatory and environmental risks
The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk
The Group is exposed to risks arising from fluctuations in the price and sales volume of trees. When possible the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Group’s pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks
The Group’s plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. The Group also insures itself against natural disasters such as floods and hurricanes

19 Buildings, plant and equipment

2010	Furniture and fittings Group £	Buildings Group £	Improvements Group £	Motor vehicles Group £	Total Group £
Cost/Valuation	707	358,138	130,602	13,349	502,796
Accumulated depreciation	(36)	—	—	(2,533)	(2,569)
Balance as at 30 April 2009	671	358,138	130,602	10,816	500,227
Movements					
Assets acquired in the period	1,157	—	—	—	1,157
Reclassification to land	—	—	(70,775)	—	(70,775)
Disposals	—	(1,081)	(15,140)	—	(16,221)
Revaluation	—	(76,241)	(2,334)	—	(78,575)
Depreciation for the year	(139)	—	—	(1,490)	(1,629)
Foreign exchange effect	254	74,468	19,989	2,350	97,061
	1,272	(2,854)	(68,260)	860	(68,982)
Carrying value					
Balance as at 30 April 2010	1,943	355,284	62,342	11,676	431,245

2009	Furniture and fittings Group £	Buildings Group £	Improvements Group £	Motor vehicles Group £	Total Group £
Cost/Valuation	—	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
Movements					
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
Carrying value					
Balance as at 30 April 2009	671	358,138	130,602	10,816	500,227

The buildings and improvements are carried at their fair value as at 30 April 2010 and 30 April 2009, as measured by external independent valuers Pöyry Forest Industry at 30 April 2010 (30 April 2009: URS Australia Pty Ltd) (in conjunction with the external valuation of plantations). The buildings and structural improvements have been valued as part of the land on the sales comparison method. The buildings and structural improvements were physically inspected to verify their condition and valued as an added value to the overall land by reference to direct comparison to sales in the district. The carrying value should buildings and improvements be depreciated would amount to £355,284 (2009: £358,138) and £62,341 (2009: £127,585) respectively. The motor vehicles and furniture and fittings are carried at cost less accumulated depreciation.

20 Intangible assets

	Group 2010 £	Group 2009 £
Valuation fair value - water licence	122,650	123,164
Revaluation	10,003	(4,598)
Foreign exchange effect	29,858	4,084
	162,511	122,650

The water licences are deemed to have an indefinite life and the original cost to purchase was AU$ 100,000.

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. A Water Sharing Plan was introduced by the NSW State Water Corporation and an additional supplementary access licence of 48 mega litres were granted to the Tarrangower property.

The licence is measured at fair value as at 30 April 2010 and 30 April 2009, as measured by external independent valuers Pöyry Forest Industry at 30 April 2010 (30 April 2009: 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 was approximately AU$ 2,100 (30 April 2009: AU$ 2,380) per mega litre for 105 mega litre licence and AU$ 1,000 per mega litre for the supplementary licence.

The total revaluation reserve relates to revaluations of intangibles assets and movements are shown in the statement of comprehensive income and the statement of equity.

21 Trade and other receivables

Tax expense reconciliation:	**Group 2010 £**	Group 2009 £
Bank interest receivable	–	937
Currency option receivable - MF Global	313,291	–
Goods and Services Tax receivable	44,343	24,685
Trade receivables	155,887	116,514
Prepaid expenses	45,940	37,026
	559,461	179,162

The Group's exposure to credit and currency risks, and impairment losses related to trade and other receivables is disclosed in note 30.

22 Financial assets and liabilities held at fair value through profit and loss

	Group 2010 £	Group 2009 £
Forward foreign currency contracts:		
at forward rate	313,292	86,567,884
at market rate	11	(86,210,989)
Gain	313,303	356,895
Prepaid expenses	1,062,282	116,514
Currency options:	(80,646)	37,026
fair value	981,636	179,162
Total financials assets held at fair value through profit and loss	1,294,939	356,895

21 Trade and other receivables

	Group 2010 £	Group 2009 £
Bank interest receivable	–	937
Currency option receivable - MF Global	313,291	–
Goods and Services Tax receivable	44,343	24,685
Trade receivables	155,887	116,514
Prepaid expenses	45,940	37,026
	559,461	179,162

The Group's exposure to credit and currency risks, and impairment losses related to trade and other receivables is disclosed in note 30.

22 Financial assets and liabilities held at fair value through profit and loss

		***Group* 2010 £**	***Group* 2009 £**
Forward foreign currency contracts:			
	at forward rate	313,292	86,567,884
	at market rate	11	(86,210,989)
	Gain	313,303	356,895
Currency options:			
	premium paid	1,062,282	–
	Loss	(80,646)	–
	fair value	981,636	–
Total financials assets held at fair value through profit and loss		1,294,939	356,895

The above gains on forward exchange currency contracts and options represent the total net unrealised gain.

Forward exchange currency contracts and currency options are used to hedge against foreign exchange exposure arising from investing in foreign operations and foreign currency transactions. The Group incurred a loss of £1,917,774 (2009: (£17,898,045)) in the year on the foreign exchange currency contracts and currency options. 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 other comprehensive income. The loss on exchange differences recognised directly in other comprehensive income for the year amounted to £3,138,214 (2009: £16,792,421).

As at 30 April 2010 there were six forward foreign currency contracts and two options to trade currency in place, all held with MF Global (United Kingdom) Limited.

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

	2010	**2010**	**2009**	**2009**
	US $	**£**	**US $**	**£**
Forward exchange currency contracts to sell United States dollar	40,477,770	26,856,092	127,000,000	86,407,311
	£	**US $**	**£**	**US $**
Forward exchange currency contracts to sell Pounds Sterling	26,542,800	40,477,770	—	—

The Group has currency options to buy 59 million Pounds Sterling in exchange for United States Dollar at 1 to 1.555, to buy 27million Pound Sterling in exchange of Brazilian Real at 1 to 2.8495, to buy 8.8million Pound Sterling in exchange of Australian Dollar at 1 to 1.705 and to buy 3.17million Pound Sterling in exchange of New Zealand Dollar at 1 to 1.705, all having a strike date of 30 June 2010.

23 Cash and cash equivalents

	Group 2010 £	**Group 2009 £**
Cash held at bank	3,017,328	14,939,567
Cash held at broker	70,086	8,749,822
	3,087,414	23,689,389

Cash at broker is held with MF Global (United Kingdom) Limited and an amount of £70,086 (30 April 2009: £5,685,100) is held as security for the forward exchange contracts. The Group has a forward exchange currency facility with UBS AG in 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 the 2009 cash at bank was an amount of BRL 7,381,440 (approximately £2,279,589) kept in escrow in regards to the acquisition of the Agua Santa property, the money cleared the account on 14 December 2009 and the deeds were released.

24 Trade and other payables

	Group 2010 £	Group 2009 £
Accruals	116,502	207,275
Trade creditors	785,947	288,158
Retentions held *	363,353	298,858
Advances held	118,636	365,123
	1,384,438	1,159,414

* The Company's Brazilian subsidiary, 3R Tocantins Florestais Ltda., retained approximately 6% of the purchase price of the 3R Tocantins property for a period of 5 years, to support any liability associated with the previous ownership.

Advances held comprise of timber sale proceeds received in advance.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 28.

25 Stated capital

	Group 2010 £	Group 2009 £
Balance as at 30 April	2,000,000	2,000,000

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.

The Company pursuant to its authority granted by shareholders of the Company to make market purchases of its own shares on 15 August 2008, the Company, on 4 September 2009 purchased 220,000 ordinary shares for cancellation at a price of 0.72 pence per share, the total amount was £158,400. This distributable reserve was utilised to make the share buy-back. The Company renewed authority granted by shareholders of the Company to make market purchases of its own shares on 16 September 2009.

26 Reserves

The movements in the reserves for the Group are shown on pages 16 and 18 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. This reserve can be applied if the entity wishes to purchase its own shares and for the payment of dividends.

27 Operating leases
The maturity of prepaid operating leases is as follows:

	Group 2010 £	Group 2009 £
Between 1 and 2 years	130,665	233,222
Between 2 and 5 years	408,012	245,074
Over 5 years	72,511	74,884
	611,188	553,180

Leases are on the Hawaiian plantations.

28 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, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Forward exchange currency contracts
- Currency options
- Cash and cash equivalents
- Trade and other payables

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. Further details regarding these policies are set out below.

Categories of financial assets and financial liabilities

Current financial assets:	**Group 2010**	**Group 2009**
Financial assets through profit or loss		
Forward exchange currency contracts	313,303	356,895
Currency options	981,636	—
Loans and receivables		
Trade and other receivables	559,461	179,162
Cash and cash equivalents	3,087,414	23,689,389
Non-current financial assets:		
Loans and receivables		
Loans to subsidiary undertakings	—	—
Current financial liabilities:		
Financial liabilities measured at amortised cost		
Trade and other payables	1,384,438	1,159,414

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.

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. This policy states that the Group must spread cash between the Group's bankers and at any given time, should hold an approximate maximum of the lower of either five million Pounds Sterling or 10% of the net asset value. The cash management policy will be reviewed on an annual basis by the Board of Directors and the Investment Manager.

28 Financial instruments risk exposure and management (continued)

Credit risk continued

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

2010			**Carrying Amount**
Counterparty	**Credit rating agency**	**Rating**	**£**
Investec Bank (Channel Islands) Limited	Fitch	F3	71,358
AIB Bank (Channel Islands) Limited	Fitch	F1	1,005,226
Royal Bank of Scotland International PLC	Fitch	F1+	5,862
MF Global (United Kingdom) Limited	Fitch	F2	383,377
National Australia Bank Limited	Fitch	F1+	198,657
Regions Bank	S & P	A 2	756,338
Bank of America Corporation	S & P	A 1	117,825
Citibank	S & P	A 1	793,425

Maturities of these financial assets:	**< 1 month**	**1 - 3 months**	**3 months - 1 year**
	£	**£**	**£**
Investec Bank (Channel Islands) Limited	71,358	—	—
AIB Bank (Channel Islands) Limited	1,005,226	—	—
Royal Bank of Scotland International PLC	5,862	—	—
MF Global (United Kingdom) Limited	313,291	—	70,086
National Australia Bank Limited	198,657	—	—
Regions Bank	756,338	—	—
Bank of America Corporation	117,825	—	—
Citibank	793,425	—	—

2009			**Carrying Amount**
Counterparty	**Credit rating agency**	**Rating**	**£**
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

28 Financial instruments risk exposure and management (continued)
Credit risk continued

Maturities of these financial assets:	**< 1 month**	**1 - 3 months**	**3 months - 1 year**
	£	**£**	**£**
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	3,064,722	—	5,685,100
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	—	—

The Group has assets and liabilities at several counterparties and therefore has no specific concentration risk.

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 and currency options 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 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.

2010

Contract maturities of financial liabilities:

	< 1 month	**1 - 3 months**	**3 months - 1 year**
	£	**£**	**£**
Forward exchange currency contracts	—	—	—
Trade and other payables	—	(1,384,438)	—
	—	(1,384,438)	—

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)	—	(113,642,757)

28 Financial instruments risk exposure and management (continued)

Liquidity risk continued

The forward exchange currency contracts and currency options have a strike date of 30 April 2011. The Group 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 and currency options. The forward foreign currency contracts and currency options 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 2010 £	**Group 2009 £**
Australian Dollar	8,046,242	5,795,797
Brazilian Real	25,002,312	15,179,779
New Zealand Dollar	2,898,956	–
United States Dollar	56,381,314	62,159,218
Hungarian Forint	4,216	42,308

The table below summarises the Group'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.

2010	**Monetary Assets £**	**Monetary liabilities £**	**Currency options £**	**Net exposure £**
Australian Dollar	356,474	46,655	8,800,000	(8,490,181)
Brazilian Real	824,142	666,658	27,000,000	(26,842,516)
New Zealand Dollar	7,926	55,923	3,170,000	–
United States Dollars	974,709	546,178	59,000,000	(58,571,469)
Hungarian Forint	4,283	67	–	4,216

The foreign currency options are call options and the loss is limited to the premium paid for the option to exchange currency. The Group has no obligation to trade the foreign currency option if the rates are not favourable.

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

The table above summarise only exposure to financial assets and financial liabilities the Group uses foreign currency options and 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.

28 Financial instruments risk exposure and management (continued)
Market risk (continued)
Foreign exchange currency risk (continued)

Group 2010	Net asset value £	Currency options £	Net exposure £
Australian Dollar	8,046,242	8,800,000	(753,758)
Brazilian Real	25,002,312	27,000,000	(1,997,688)
New Zealand Dollar	2,898,956	3,170,000	(271,044)
United States Dollars	56,381,314	59,000,000	(2,618,686)

Group 2009	Net asset value £	Forward exchange contracts £	Net exposure £
Australian Dollar	5,795,797	5,296,507	499,290
Brazilian Real	15,179,779	8,597,205	6,582,574
United States Dollars	62,159,218	72,317,277	(10,158,059)

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.

The Group is subject to concentration risk in relation to is exposure to US Dollars. The holds 61% (2009: 75%) of it's net assets in US Dollars.

Due to the significant falls in the markets over the period the sensitivity analysis has been increased to 20% from 15% last year. At 30 April 2010, had the Sterling Pound strengthened by 20% (2009: 15%) in relation to all currencies, with all other variables held constant, the Net Asset Value would have decreased by the amounts shown below:

	Group 2010 £	Group 2009 £
Australian Dollar	(1,049,510)	(756,073)
Brazilian Real	(3,261,171)	(1,979,971)
New Zealand Dollar	(378,125)	—
United States Dollar	(7,354,084)	(8,278,736)
Hungarian Forint	(550)	(5,518)
	(12,043,440)	(11,020,298)

A 20% (2009: 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.

28 Financial instruments risk exposure and management (continued)
Market risk (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**
As at 30 April 2010	**%**	**£**
Weighted average interest rate		
Loans and receivables		
Non-interest bearing	0.00%	559,461
Cash and cash equivalents		
Variable	0.42%	3,087,414
Amounts receivable from subsidiaries		
Non-interest bearing	0.00%	—
Financial assets through profit and loss		
Foreign exchange contracts		
Fixed - payable	0.00%	11
Fixed - receivable	0.00%	313,292
Currency options	0.00%	981,636
Financial liabilities at amortised cost - trade and payables		
Non-interest bearing	0.00%	1,384,438

28 Financial instruments risk exposure and management (continued)
Financial instruments risk exposure and management (continued)
Market risk (continued)

Interest Rate Profile

As at 30 April 2009	**Group** **%**	**Group** **£**
Weighted average interest rate		
Loans and receivables		
Non-interest bearing	0.00%	179,162
Cash and cash equivalents		
Variable	1.30%	23,689,389
Amounts receivable from subsidiaries		
Non-interest bearing	0.00%	—
Financial assets through profit and loss		
Foreign exchange contracts		
Fixed - payable	0.00%	(86,210,989)
Fixed - receivable	0.00%	86,567,884
Financial liabilities at amortised cost - trade and other payables		
Non-interest bearing	0.00%	(1,159,414)

For the Group, an increase in 100 basis points in interest yields would result in a pre-tax profit of £567 (2008: £16,080). A decrease in 100 basis points in interest yields would result in a pre-tax loss for the year of £567 (2008: £16,080).

Fair values

	Group	
	Carrying amount	**Fair value**
30 April 2010	**£**	**£**
Assets carried at fair value		
Financial assets and liabilities held at fair value through profit and loss	1,294,939	1,294,939
Assets carried at amortised cost		
Trade and other receivables	559,461	559,461
Cash and cash equivalents	3,087,414	3,087,414
Assets carried at amortised cost		
Trade and other payables	1,384,438	1,384,438

28 Financial instruments risk exposure and management (continued)
Fair values (continued)

	Group	
	Carrying amount	Fair value
30 April 2009	£	£
Assets carried at fair value		
Financial assets and liabilities held at fair value through profit and loss	356,895	356,895
Assets carried at amortised cost		
Trade and other receivables	179,162	179,162
Cash and cash equivalents	23,689,389	23,689,389
Assets carried at amortised cost		
Trade and other payables	—	—

Fair value hierarchy
The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
As at 30 April 2010	£	£	£
Forward foreign Currency contracts	—	313,303	—
Currency options	—	981,636	—
	—	1,294,939	—

	Level 1	Level 2	Level 3
As at 30 April 2009	£	£	£
Forward foreign Currency contracts	—	356,895	—

29 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 of capital.

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

In order to ensure that the Group will be able to continue as a going concern, management continuously monitors forecast and actual cash flows and attempts to match the maturity profiles of assets and liabilities. The Group has no external borrowings as at 30 April 2010. The Company entered into an loan agreement on 26 May 2010 the proceeds will be used to provide working capital for the Company including collateral for the currency hedging program, to fund the ongoing investment program, and provide liquidity for potential share buy-backs.

There were no changes to the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries were subject to externally imposed capital requirements as at 30 April 2010.

30 Contingent liability
There is a security interest on the 3R Tocantins property to cover a liability, amounting to BRL 5,781,038 (approximately £2,176,022), between the previous owners and Banco da Amazonia, a financial institution which lent money to the previous owners who used the property as collateral. 3R Tocantins Florestais Ltda. holds a security interest of superior value on another property of the previous owner to cover this potential liability in the event it materialises. The last valuation on the security interest property amounted to BRL 6,942,578 (£2,613,234). The security interest the Company holds will only be released after Banco da Amazonia releases the security interest on the 3R Tocantins property.

31 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 period £978,874 (2009: £1,064,857) was paid to CP Cogent Asset Management LP in respect of management fees.

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

32 Events after the reporting period

On 26 May 2010 two of the Companies subsidiaries, Cambium Corrigan Limited Partnership and Cambium South Atlantic Incorporated, entered into a secured first mortgage loan agreement (the "Loan") with MetLife's Timberland Finance Group (the "Lender"), for US$ 20,000,000. Loan terms call for a 10-year fixed interest rate. This funding is secured by the Company's timberland in the southern United States and nonrecourse to the Company.

Other that mentioned above the Group had no significant events after reporting period end.

Key parties

Directors

Donald Adamson (Chairman)
Robert Rickman
William Spitz
Martin Richardson
Colin McGrady

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