

BIRSE TRADING COMPANY¹

Directors' Annual Report 2016

Introduction

The Birse Trading Company (BTCo) is a subsidiary company of Birse Community Trust (BCT). BTCo leases Slewdrum and Balfour Forests from BCT and manages the Forests to implement BCT's Forest Plans 2011-30 for each Forest. BTCo's current leases run until the end of 2022.

2016 was BTCo's ninth year of operation. BTCo is managed by its Directors. During 2016, they were Paul Chapman (Chair), Doug Boyle and Jane Winton, who was appointed a Director during the year. The Directors are all local members of BCT and include a Director, Doug Boyle, who is also a BCT Trustee.

This report provides an account of BTCo's operations during 2016.

Forest Management

In 2016, BTCo carried out a number of improvements in each forest. In Slewdrum, the main management activities were upgrading the bend in the middle forest road over the Ord burn and thinning in compartments 2, 5 & 6. In Balfour, the main activities were felling some European Larch for weir repairs at Finzean Sawmill and some other small scale amenity thinning beside tracks in the Forest.

Slewdrum

During the year, BTCo carried out a scheduled commercial thinning and felling in compartments 2, 5 & 6. Prior to the thinning, BTCo upgraded the middle forest road to timber lorry standard at the corner where it crosses the Ord Burn.

BTCo also reinstated the main forest road, the Muckle Ord entrance and the Deeside Way crossing following the thinning which took place in 2015.

Following the purchase of 5ha between the Kettock Burn and the track below the Shooting Greens entrance, BTCo carried out ditching work along the verge of the forest road, scraped clear a quad bike track and erected BCT signs to show the new boundary.

Amongst other activities, BTCo cut back broom affecting the main forest road and Ord track. It also continued its efforts to control the invasive Piri piri, surveying all the roads, tracks and paths in Slewdrum, removing all plants that were found and spraying a large patch of Piri piri at the bottom of the Fishing Track.

Balfour

During the year, BTCo felled and extracted six European Larch from compartment 6 for repairing the weir at the Finzean Sawmill which was badly affected by the flood in January.

BTCo also carried out amenity thinning for firewood along the Foggage track and the lower part of the Coffin Road and cleared windblown trees from the Foggage track and the Coffin road between Boggiefern and Balfour Estate stack yard. In addition, redundant tree tubes were removed from Brown Hill.

¹ The Birse Trading Company (BTCo) is a company limited by guarantee (SC327196) which was set up by Birse Community Trust (BCT) in 2007. The company is owned by BCT as the only shareholder and the appointment of the Directors who manage BTCo requires BCT's approval.

Both Forests

BTCo continued to maintain a high deer cull to try to reduce the numbers of red and roe deer and the level of damage by them to naturally regenerating and planted trees. In the 2015-16 season to 31st March 2016, the cull from the Forests was 48 red deer and 122 roe deer (2014-15: 66 red, 128 roe). BTCo was also actively involved with other local land owners in the Birse Parish Deer Management Group to try to improve deer control locally.

During the year, BTCo supplied approximately 20 tonnes of firewood from the Forests to 11 local households (2014-15, 28 tonnes, 22 households). This timber resulted from clearing windblown trees from tracks in the Forests, trees felled as part of track improvements and from other amenity felling.

Administration

In 2016, BTCo Directors held five Board meetings, one of which followed BTCo's AGM on 10th March and another of which was a joint meeting with BCT Trustees. The Directors also undertook a schedule of monthly monitoring visits to the Forests, with six to each Forest over the year. BTCo hosted the annual site visit to the Forests by BCT Trustees, while the BTCo Directors continued to act as advisers to the Trustees as members of BCT's Forest of Birse Community Advisory Group.

BTCo maintained its established pattern of administration, including its Site Works Report and Annual Report on 2015 and its Site Work Proposals and Annual Plan for 2016, together with its Annual Accounts for 2015 and Annual Budget for 2016. BTCo also updated the Fire Plans for each Forest and continued to update its Tree Planting, Timber Harvesting, Firewood Distribution and other sets of records.

During the year, BTCo continued to retain Jane Winton as Administrator, Robin Callander as Adviser and RTS as forestry agent. RTS's main involvements were in connection with BTCo's timber harvesting and Forest Stewardship Council (FSC) Forest Certification.

Finance

In 2016, BTCo's total income was £42,619 and its total expenditure was £38,012, giving a net profit of £4,607.²

BTCo's income in 2016 included £40,780 from timber harvesting in Slewdrum and Forestry Commission Scotland grants totalling £1,839.

BTCo's expenditure in 2016 included payment of the £4,000 annual rent for the two Forests to BCT and also making donations totalling £20,000 to BCT. The remaining expenditure was £11,824 on managing and improving the Forests and £2,188 on administration. The amount of BTCo's expenditure spent on local contractors from the Birse parish and Mid Deeside area increased to 95% from 72% in 2015.

As a result of BTCo's net profit, the balance of funds held by BTCo increased over the year from £36,784 to £41,391. The Directors consider that BTCo ended the year sufficiently well placed to take forward its responsibilities and plans in 2017.

² BTCo's Annual Accounts are submitted to Companies House, reported in BCT's Annual Accounts and published on BCT's website.