

BIRSE TRADING COMPANY¹

Directors' Annual Report 2017

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.

2017 was BTCo's tenth year of operation. BTCo is managed by its Directors. During 2017, they were Paul Chapman (Chair), Doug Boyle and Jane Winton. 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 2017.

Forest Management

In 2017, BTCo carried out a number of improvements in each forest. In Slewdrum, the main management activities were tidying up after the thinning carried out in 2016, including track repairs. In Balfour, the main activities were thinning in compartments 5 and 6 and some other small-scale amenity thinning in the Forest.

Slewdrum

In January and February, nearly 1800 tonnes of timber left over from the felling carried out in 2016 was removed from the forest, completing the sales of timber from that felling. A small number of spruce near the junction between the main forest road and the middle forest road were felled and removed for firewood for local BCT households.

BTCo also reinstated the middle forest road and the fishing track following the thinning which took place in 2016 and cut back broom and gorse along the edges of the main forest road.

Amongst other activities, BTCo maintained recently planted broadleaves and regularly inspected the deer fence around the Lower Kettock enclosure and checked the young trees for pine weevils. It also liaised with contractors installing the new mobile phone mast next to the fishing track.

Balfour

During the year, BTCo carried out a scheduled commercial thinning of compartments 5, 6 & 7 and clear felling of compartment 6c.

BTCo also carried out amenity thinning for firewood along the Foggage track and the upper part of the Coffin Road and felled and extracted European Larch for Finzean Sawmill weir repairs. Broom and Gorse was cut back along the edges of the main forest road.

BTCo hosted the second day of the Scottish 6 Days Orienteering event at Balfour Forest on 31st July, in which 2750 competitors took part.

Both Forests

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.

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 2016-17 season to 31st March 2017, the cull from the Forests was 32 red deer and 80 roe deer (2015-16: 48 red, 122 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 18 tonnes of firewood from the Forests to 9 local households (2015-16, 20 tonnes, 11 households). This timber resulted from clearing windblown trees from tracks in the Forests and from other amenity felling.

Administration

In 2017, BTCo Directors held four Board meetings, one of which followed BTCo's AGM on 9th March. The Directors also undertook a schedule of monthly monitoring visits to the Forests, with six to each Forest over the year. 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 2016 and its Site Work Proposals and Annual Plan for 2017, together with its Annual Accounts for 2016 and Annual Budget for 2017. BTCo 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 2017, BTCo's total income was £69,370 and its total expenditure was £54,498, giving a net profit of £14,872.²

BTCo's income in 2017 included £67,530 from timber harvesting in Slewdrum and Balfour and Forestry Commission Scotland grants totalling £1,840.

BTCo's expenditure in 2017 included payment of £6,000 annual rent for the two Forests to BCT and also making donations totalling £40,000 to BCT. The remaining expenditure was £6,095 on managing and improving the Forests and £2,403 on administration and bank charges. The amount of BTCo's expenditure spent on local contractors from the Birse parish and Mid Deeside area was 84%, down slightly from 2016.

As a result of BTCo's net profit, the balance of funds held by BTCo increased over the year from £41,371 to £56,243. The Directors consider that BTCo ended the year sufficiently well placed to take forward its responsibilities and plans in 2018.

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