

## **Birse Trading Company (BTCo)**

### **Directors Annual Report 2011**

In 2011, BTCo's Directors decided to instigate this additional annual report to be submitted to BTCo's AGMs. The purpose of this report is to provide a fuller account of BTCo's activities each year, than can be found in either the formal Directors Report in the Annual Accounts that BTCo submits to Companies House, or in the descriptions of BTCo's management of Balfour and Slewdrum Forests given in BCT's Annual Reports.

This first Director's annual report is itself fairly brief, but BTCo intends that the report should develop over the coming years both for the record and for the improved accountability it will provide. The introduction of the report for 2011 reflects that 2011 was an important year in BTCo's development, as the first full year when BTCo has been responsible for the management of Balfour Forest as well as Slewdrum Forest.

After BTCo was set up in 2007 to manage Slewdrum, it then had a rather 'start-stop' existence in its early years. BTCo completed a general thinning of the conifer stands in Slewdrum in 2008, but then could not make much progress managing the Forest as the government forestry grant schemes were being change. There was also the long delay until Balfour Forest was acquired in 2010 and BTCo started again by carrying out a thinning of the forest.

The completion of that thinning in 2011 was the main physical work in the Forests during the year, when much of the focus was completing and submitting the twenty year Forest Plans for each Forest to Forestry Commission Scotland. With the approval of both Plans and their adoption by BCT and BTCo before the year end, BTCo reached another major milestone.

During 2011, BTCo also developed its own administration to reflect BTCo's new responsibility for both Forests and the planned implementation of the Forest Plans over the coming years. The improved arrangements included establishing an increased pattern of Directors meetings and site visits, appointing an administrator and agreeing programmes of works to be carried out in each Forest during 2012.

BTCo also ended 2011 in an improved financial position. BTCo had had no income in 2009 and only the initial income in 2010 from the thinning then underway in Balfour. In 2011, the rest of the income from Balfour meant that BCT was able to make its first donation to BCT since 2008. BTCo contributed £25,000, while retaining sufficient funds at the year end to manage the Forests and potentially contribute further to BCT in the period until the next timber harvesting scheduled for 2012-13 under the Forest Plans.

In conclusion, in 2011, BTCo was able at last to reach the stage where it is responsible for managing both Slewdrum and Balfour Forests with long term Forest Plans in place for each. The Directors consider BTCo ended the year well placed to take forward its responsibilities in 2012.

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