

BIRSE TRADING COMPANY¹

Directors' Annual Report 2012

Introduction

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

BTCo is managed by its Directors. During 2012, they were Paul Chapman (Chair), David Younie and Doug Boyle. The Directors are all local members of BCT and included a Director through David Younie, who is also a BCT Trustee.

In 2012, BTCo carried out a range of improvements in Slewdrum and Balfour Forests, and also further developed its own management arrangements. This report provides an account of BTCo's operations during the year.

Forest Management

2012 was BTCo's fifth year of operation and its busiest year yet in terms of the extent of improvements it carried out in the Forests.

In Slewdrum, particular progress was made in developing the track network. This included constructing over 600 ms new vehicle track between the Ord and the existing forest tracks, to provide a valuable link for management purposes and public access.

Another major improvement in Slewdrum was the removal of the old fence that ran through the forest. This was both an obstacle and a hazard and over 1300 ms were cleared. Other work included selective felling to improve the environment along the Fishing track and some further felling of scattered the non-native conifers which have been regenerating in the native broadleaved woodlands on the slopes above the River Dee and up the Grennoch Burn.

A particular episode during the year was the discovery of the invasive non-native plant Piri piri in Slewdrum. This plant had spread into Slewdrum along the forest roads from the adjoining Forestry Commission land. BTCo and the FC both carried out work to control the Piri piri. BTCo cleared and burnt nearly a dozen large sacks of the plant and it is expected further clearance work will be required in 2012.

In Balfour, BTCo managed to arrange a contract to clear much of the scattered windblow that occurred at the end of 2011, with most of the timber eventually leaving the Forest by the end of the year. BTCo also removed windblown trees off the Coffin Road and carried out amenity felling in the Forest edge alongside the public road.

As a result of the 2011 gales, BTCo also had to replace a large number of tree tubes in the upper half of the Forest. Further down the hill, BTCo removed the tree tubes that were no longer necessary from the Lower Allansack. In addition, some of the regenerating non-native conifers in that area were felled to limit their spread.

A major improvement in the Forest during the year was the construction of over 500 ms of track to re-establish the route of the Foggage road across the Allansack Burn and also connect it to

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.*

the forest road. The very wet weather at the end of 2012 prevented the final completion of this work until 2013. However, this length of new track will bring benefits for the managing the Forest and also opens up the full 1.7 kilometre length of the Foggage road through the Forest for walkers, with its links to the Coffin road and forest road.

During the year, BCo also erected small BCT signs at each of the entrances to the Forest and made improvements at several of them, including the main entrance and the start of the Foggage road near the public road.

In both Forests, the on-going effort to reduce the numbers of red and roe deer continued, due to the extensive damage by deer to naturally regenerating and planted trees. This involves both close cooperation with other local land owners over the management of deer locally and carrying out a cull in each Forest. In the 2011-12 season to 31st March, the cull from the Forests was 35 red deer and 25 roe deer.

Administration

In 2012, the BCo Directors held quarterly Board meetings and undertook Board visits to the Forests, as well as hosting a visit to each Forest by BCT's Trustees.

A key focus for BCo during 2012 was putting in place the arrangements for the implementation of BCT's Forest Plans 2011-30 for each Forest, following the approval of the Plans by Forestry Commission Scotland at the end of 2011. This work included registering BCo with the Scottish Rural Development Programme and securing grant contracts for deer management and the re-stocking due in Slewdrum after the felling scheduled for 2013.

By the end of the year, revised longer term leases for the Forests from BCT to BCo had been prepared to enable BCo to implement the Forest Plans and BCo had also applied for Forest Stewardship Council Forest Certification, so that timber harvested from the Forests will be certified as sustainable.

During 2012, BCo implemented its improved systems of management planning and reporting from 2011 and developed these further to ensure BCo meets the standards required by Forest Certification. With the retirement during the year of Irvine Ross, BCo's forestry agent for its first five years, BCo appointed the forestry firm RTS with their office in Aboyne to that role.

Finance

BCo's total expenditure in 2012 was £51,191.² Nearly half of this amount was payments to BCT, with £4,000 rent for the Forests and a donation of £20,000 following the income BCo received from thinning Balfour in 2011.

The remaining £27,191 of BCo's expenditure was very largely spent on managing and improving the two Forests, with 85% on that and 15% on administration as BCo developed its operations. Nearly all this expenditure was spent on using local contractors and suppliers, with over 80% within Birse parish and 98% in the parish and Mid Deeside area.

BCo's only income during the year was £1,701 from the sale of the windblown timber in Balfour. There was therefore net expenditure of £49,490 and the balance of funds held by BCo at the start of the year following the thinning of Balfour in 2011, reduced to £44,557.

The Directors consider that BCo ended the year well placed to take forward its responsibilities and plans in 2013.

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