

# BIRSE TRADING COMPANY<sup>1</sup>

## Directors' Annual Report 2013

### 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.

2013 was BTCo's sixth year of operation. BTCo is managed by its Directors. During 2013, they were Paul Chapman (Chair), David Younie and Doug Boyle. The Directors are all local members of BCT and included a Director through Doug Boyle, who is also a BCT Trustee.

In 2013, 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

The two main forest operations carried out by BTCo in 2013, were clear felling two stands in Slewdrum and further improvements to the network of forest tracks in Balfour.

In Slewdrum, the Lower Kettock Burn stand (c.10 ha) and Ord Burn stand (c.3 ha) were clear felled in line with the Forest Plan. BTCo put the stands out to tender as a standing sale in May and in June, awarded the contract to James Jones Ltd. Felling started in July and was completed in approximately six weeks, with the last of the c.5,500 tonnes of felled timber uplifted from Slewdrum by the first week of December. The dry ground conditions during the felling and extraction of the timber to roadside, limited the damaging impact of the operations on the sites. BTCo also used a tracked digger after the felling, to restore drainage patterns where necessary and to heap some of the brash from the felling to clear the ground for natural regeneration and planting.

Another significant improvement in Slewdrum was the removal of the collapsed old wooden garage at the Ord Cottage. All the rubbish in the garage, the non-biodegradable parts of the garage and old fencing wire cleared from the Forest in 2012 were sent to landfill by hiring a skip. In the spring, BTCo also planted over 230 individually protected native broadleaves along parts of the Deeside Way and down the Fishing track. These included local origin birch, alder and hazel. Other work included clearing the equivalent of a further large sack's worth of Piri piri from the lengths of forest road, where BTCo carried a major clearance in 2012 following the discovery of this non-native invasive plant.

In Balfour, BTCo made major progress in developing the network of forest tracks set out in the Forest Plan, to improve access both for management and for walkers and cyclists. The main achievement was completing the re-establishment of the historic 1.7 km Foggage road with its links to the forest road and Coffin road. In addition, BTCo upgraded the section of the Coffin road south of the forest road, created a new length of track across the foot of the Allansack Burn and improved the link between the end of the forest road and the Coffin road.

During the year, BTCo also made significant progress in limiting the spread of regenerating spruce in the riparian areas along the lower Allansack Burn and in the Bogranda area. Other works included improvements to the entrances to the Forest at the Balfour Estate stackyard and the western Coffin road gate.

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In both Forests, deer culling continued 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 2012-13 season to 31<sup>st</sup> March 2013, the cull from the Forests was 32 red deer and 66 roe deer (2011-12, 35 red, 25 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 30 tonnes of firewood from the Forests to 17 local households (2012, 15 tonnes, 12 households). This timber resulted from amenity felling, windblow and the clear felling. Gales in December 2013 resulted in more windblown trees that had to be cleared from the tracks in both Forests and will produce further firewood supplies.

## **Administration**

On 1<sup>st</sup> January 2013, BTCo started new ten year leases from BCT for each Forest to implement the Forest Plans for the Forests.

In 2013, the BTCo Directors held five Board meetings, one of which followed BTCo's AGM on 26<sup>th</sup> April. Two of the meetings were at the start of site visits to Slewdrum in connection with the timber harvesting there. The Directors carried out a schedule of monthly monitoring visits to the Forests, with six to each Forest over the year. BTCo also hosted the annual site visit to each Forest by BCT's Trustees.

During the year, BTCo further improved its administration and planning. This included measures to conform to the paperwork required for Forest Stewardship Council (FSC) Forest Certification. BTCo achieved Certification in advance of the timber harvesting and subsequently, after the clear felling, passed a site visit and audit by the FSC of BTCo's management standards. 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 forestry grants, Forest Certification and the timber harvesting in Slewdrum.

## **Finance**

In 2013, BTCo's total income was £179,243 and its total expenditure was £133,670, giving a net income of £45,573.<sup>2</sup>

BTCo had a much higher income than anticipated from the clear felling in Slewdrum, as a very good price was obtained from the standing sale due to high demand. The Lower Kettoch stand was commented upon during the tendering process as a particularly fine stand of mainly Douglas Fir and Sitka Spruce. The total income from just over 5,500 tonnes of timber from the two felled areas was £179,243. This was a net income of £171,350 after BTCo's costs in carrying out the harvesting and site restoration. BTCo also needs to budget to re-stock the areas from this income.

BTCo's total expenditure in 2013 was £133,670. This included donations totalling £100,000 to BCT. These consisted of £25,000 towards BCT's costs in 2013 and £75,000 for BCT's new Endowment Fund. BTCo also paid £4,000 rent for the Forests to BCT. BTCo's other expenditure of £29,670 was very largely spent on managing and improving the two Forests, with 90% on that and 10% on administration. Over 90% of BTCo's total expenditure was spent within Birse parish on using local contractors and suppliers, and 97% in the parish and Mid Deeside area.

As a result of BTCo's net income, the balance of funds held by BTCo increased over the year from £44,557 to £90,130. The Directors consider that BTCo ended the year well placed to take forward its responsibilities and plans in 2014.

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