

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

## **Directors' Annual Report 2015**

### **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.

2015 was BTCo's eighth year of operation. BTCo is managed by its Directors. During 2015, they were Paul Chapman (Chair) and Doug Boyle. The Directors are both local members of BCT and include a Director through Doug Boyle, who is also a BCT Trustee.

This report provides an account of BTCo's operations during 2015.

### **Forest Management**

In 2015, BTCo carried out a number of improvements in each Forest. In Slewdrum, the main management activities were deer fencing and re-planting the 10 ha Lower Kettock site clear felled in 2013 and thinning the Muckle Ord compartment. In Balfour, the main activities were clear felling several small stands of Lodgepole pine damaged by windblow and some other small scale amenity thinning beside tracks in the Forest.

#### Slewdrum

The deer fencing around the Lower Kettock site was completed early in the year and the site then re-stocked with nearly 17,000 Douglas fir and other conifer species. The planting was monitored over the summer for signs of pine weevil damage, but there was high survival of the trees and no spraying was considered necessary. BTCo also planted 41 individually protected native broadleaves as replacements for losses, and implemented the annual bracken cutting around the existing c.450 planted broadleaves in Slewdrum.

During the year, BTCo carried out a scheduled commercially thinning of the Muckle Ord compartment, seven years after it was last thinned by BTCo in 2007-08. Prior to the thinning, BTCo expanded the Muckle Ord entrance parking area so that it could be used by timber lorries and the timber thinned from the top side of the compartment extracted by that route.

Amongst other activities, BTCo cleared windblown trees affecting the forest roads and tracks, and removed the remains of some old FC planting tubes near the Fishing track. BTCo also continued its effort to control the invasive Piri piri, surveying all the roads, tracks and paths in Slewdrum and removing all the plants found except the large clump at the bottom of the Fishing track.

#### Balfour

During the year, BTCo clear felled the two areas of Lodgepole pine in the Creagantoll compartment that had been badly damaged by windblow in December 2013. The harvesting also included thinning some larch there, removing two small areas of windblown Lodgepole in the Kittling Wood compartment and thinning some larch from the pine at the forest road entrance.

BTCo carried out amenity thinning for firewood beside the bottom length of the Foggage track and the initial length of the Coffin road on the south side of the forest road. In addition, further cutting to waste was carried out to reduce the extent of Lodgepole pine and Norway spruce regeneration in the north west corner of Bogranda. BTCo also re-surveyed the whole Forest and produced a new,

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<sup>1</sup> 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.

more detailed inventory of the different stands of trees to assist future management. During the year, there were several episodes of trail bikers causing damage to the forest tracks.

### Both Forest

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 2014-15 season to 31<sup>st</sup> March 2015, the cull from the Forests was 68 red deer and 128 roe deer (2013-14: 62 red, 142 roe). During the year, Slewdrum was included by FCS with Blackhall Forest as part of a deer dung survey by Strath Caulaidh Ltd. 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 28 tonnes of firewood from the Forests to 22 local households (2013-14, 32 tonnes, 18 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 2015, BTCo Directors held four Board meetings, one of which followed BTCo's AGM on 5<sup>th</sup> 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 2014 and its Site Work Proposals and Annual Plan for 2015, together with its Annual Accounts on 2014 and Annual Budget for 2015. BTCo also updated the Fire Plans for each Forests 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 2015, BTCo's total income was £19,934 and its total expenditure was £64,442, giving a net loss of £44,508.<sup>2</sup>

BTCo's income in 2015 included £17,331 from timber harvesting in Balfour and Slewdrum and Forestry Commission Scotland grants totalling £2,603 for Slewdrum.

BTCo's expenditure in 2015 included payment of the £4,000 annual rent for the two Forests to BCT and also making donations totalling £23,000 to BCT. The remaining expenditure was £32,591 on managing and improving the Forests and £4,851 on administration. As a result of the costs of the planting stock and labour for Slewdrum, the amount of BTCo's expenditure on using local contractors from the Birse parish and Mid Deeside area reduced to 72% from 96% in 2014.

As a result of BTCo's net loss, the balance of funds held by BTCo decreased over the year from £81,292 to £36,784. The Directors consider that BTCo ended the year sufficiently well placed to take forward its responsibilities and plans in 2016.

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