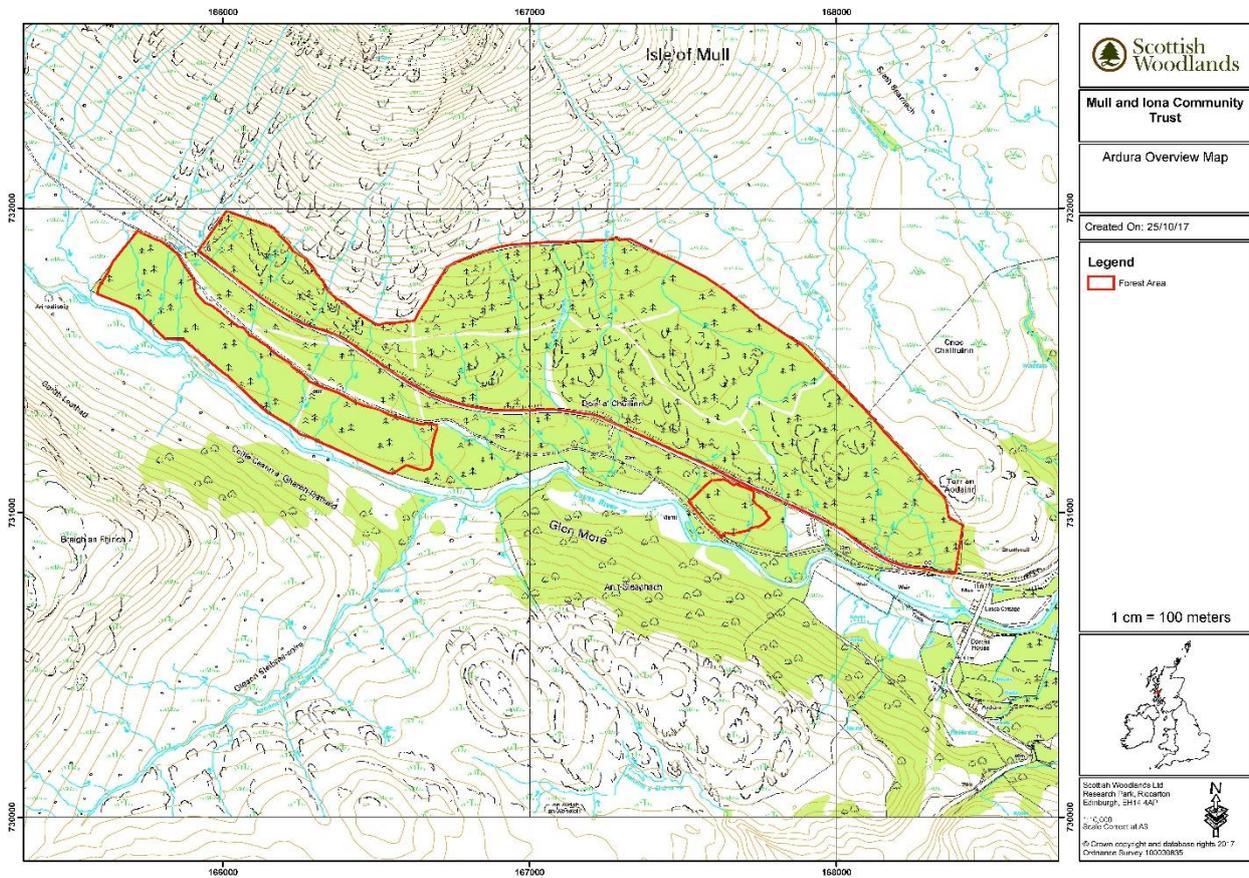


Mull and Iona Community Trust

Ardura Forest Social Enterprise Plan



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1 Executive Summary

Mull and Iona Community Trust (MICT), founded in 1997, is a dedicated and passionate locally based organisation focused on improving the quality of life for the residents of Mull and Iona. MICT has a long track record of delivering successful community development projects; addressing problems of geographic isolation and economic and social exclusion in remote and rural communities. It works within the community and with many external organisations, developing innovative solutions for community challenges including housing, connectivity, energy, tourism developments, and sustainable transport.

The proposal explained in this Social Enterprise Plan to purchase Ardura Forest is equally innovative. MICT have the opportunity to enter into a mutually beneficial partnership with a private landowner which will, in effect, result in an estimated £1million of private investment into MICT. This will provide MICT with the resources and freedom to make a step change in enhancing the social and economic culture of Mull, creating investment income to remove the reliance on grant income to cover the running costs of the organisation.

The proposal explained in this Social Enterprise Plan is that MICT purchase Ardura Forest from Forest Enterprise Scotland (FES) using the Community Asset Transfer Scheme (CATS); a process that requires MICT to demonstrate the community benefits of purchase in addition to ongoing management. Ardura Forest is on the FES disposal list as a “plantation on ancient woodland site” (PAWS). While Ardura currently contains commercial timber, the existing Forest Design Plan is based on a combination of natural regeneration and restocking with native, non-commercial species; not normally an attractive proposition for a private investor investing for forest management. Ardura, however, is bordered on 3 sides by Torosay Hill Estate, which has recently been purchased by a private investor for the sole purpose of ecological restoration. The new owner sees an opportunity to include the restoration of Ardura Forest within the wider plans, and by doing so to remove a non-native seed stock from his borders and create a link to the neighbouring Mull Oak woods – a Site of Special Scientific Interest. The private owner is willing to allow MICT to benefit from the commercial harvesting on the condition that non-mature commercial trees are also removed and that MICT invest in any infrastructure for community access. The private owner will lease Ardura Forest from MICT and bear the costs of the ecological restoration rather than these being found from the timber income.

This is a unique opportunity for any community organisation; it is analogous to being gifted a wind turbine. MICT can keep and invest the net harvesting proceeds, generating an ongoing income to support their charitable aims and providing the opportunity to invest in other surplus-generating schemes which also create an ongoing income. The currently buoyant timber market, together with the value of the crop, the relative ease of access for harvesting and extracting timber to market, and the health of the forest, would create a significant asset for MICT.

Within the Ardura Forest area being sold is a beautiful remnant of the ancient woodland which provides an attractive location for people and presents an opportunity for interpretation and education on the benefits of ecological restoration.

MICT had previously surveyed the Old Road which passes through Ardura Forest with the intention of restoring it to create a new multi-use path which would form part of a long distance route from Craignure to Fionnphort – which itself would be part of the longer St. Andrews to Iona Pilgrims Way. The existing single-track A849 road is potentially dangerous for such users, particularly in the busy tourist season. The proposal in this Social Enterprise Plan would restore a two mile section of the Long Distance Route.

Community engagement carried out for this project was strongly in favour of “light touch” infrastructure development within Ardura Forest, including improved car parking, building a new all-abilities trail, restoring existing paths, creating new paths to provide a loop walk, building a Forest School for use by Mull and Iona school pupils and potentially by mainland schools and building a wildlife viewing hide. This Social Enterprise Plan sets out the objectives and costing for the visitor infrastructure within Ardura Forest, totalling £364,997.

MICT and FES jointly instructed a Land Valuation for Ardura Forest by the District Valuer in June 2017 which valued the 200ha site at £248,000 on a VAT exempt basis, noting that this was dependent on the timber market and on any difficulties in harvesting or extraction. The Valuation will be updated in May 2018 in order to be valid for an application to the Scottish Land Fund for grant towards the purchase cost in the event that the Asset Transfer Request is approved. This Plan has assumed an 80% grant is available.

MICT also instructed a Detailed Crop Mensuration for Ardura Forest by Scottish Woodlands. This concluded that net timber income would be in the region of £747,120 to £1,155,520 for between 40,000 - 50,000 tonnes of timber, with infrastructure costs of £83,600. Athena Solutions instructed a further Crop Mensuration by Scotwood Macdonald, which recommended a “standing sale” (where timber is sold at auction and a fixed price paid by the purchaser to MICT) of a volume assessed at 55,000m³ of timber with a net sale return of £1,069,000. A contingency would require to be included in this income. This income also assumes that felling is done over two seasons, effectively clear felling around 110 hectares. Preliminary discussions with Forest Enterprise Scotland indicate that a new Forest Design Plan based on this approach might be supported.

There remain significant assumptions about the eventual proceeds of the sale of the timber, depending on the amounts offered at auction, the global timber market, and the approval of the new Forest Design Plan.

MICT have two options to explore: the preferred option of harvesting over two seasons, and harvesting over a 10-year scale. The option chosen will depend on:

- Forestry Commission approving the Forest Design Plan;
- The importance of a short felling cycle for Torosay hill Estate’s ecological restoration plans
- MICT’s view of the benefits of a £96k net gain in 10-year cash flow against the risk of uncertainties in future timber prices
- The need to deliver community infrastructure in the early years rather than waiting until timber income permits
- The availability and costs of loan funding for infrastructure and any land purchase grant shortfall.

This social enterprise plan presents the trading forecasts for the first ten years. Revenue is based on harvesting income. No income is assumed in terms of charges or donations for visits to the site, or for the Forest School; this will be provided as part of the community benefit of MICT ownership.

Operating costs are relatively low, consisting of on-going maintenance costs for the site and insurance. These are estimated at £6,000 per annum.

The forecasts show very significant surpluses being generated from harvesting under either harvest timing option: with £613k for the preferred 2 year harvesting option.

Figure 1. 2-year harvesting plan option income and expenditure

	Purchase & set up	Harvesting	Visitor Infrastructure	10-year Operating and maintenance	Total
SLF grant	203				203
Infrastructure grants			182		182
Net timber income		1,016			1,016
Total income	203	1,016	182		1,401
Purchase	248				248
Legal fees & valuations	5.5				6
Project development: forest agent, path etc. surveys, VAT advice, maintenance	15.5	20		48	83.5
Infrastructure development		80	365		445
Loan interest @ 9%				6	6
Total costs	269	100	365	54	788
Net (costs) / income	(66)	916	(183)	(54)	613

The main risk to this project is that the private sector partner withdraws. MICT have been provided with estimated costs of replanting the site at £337,500 and, if necessary, this would be met from the harvesting proceeds. MICT are in continuing dialogue with all main stakeholders, partners, and funders for purchase and development and have generated positive feedback. This work will be ongoing until summer 2018.

A cultural and historical note

Maps obtained from the National Libraries of Scotland provide insight to the historical character of the landscape at Ardura. Extracted from the Six-inch 1st Edition, 1843-1882, the figure below shows the extent of the ancient woodlands with the Gaelic name “*Doir a Chuilinn*” – which translates as “*Grove of the Holly*”.

Figure 2. Ardura: the woodland heritage

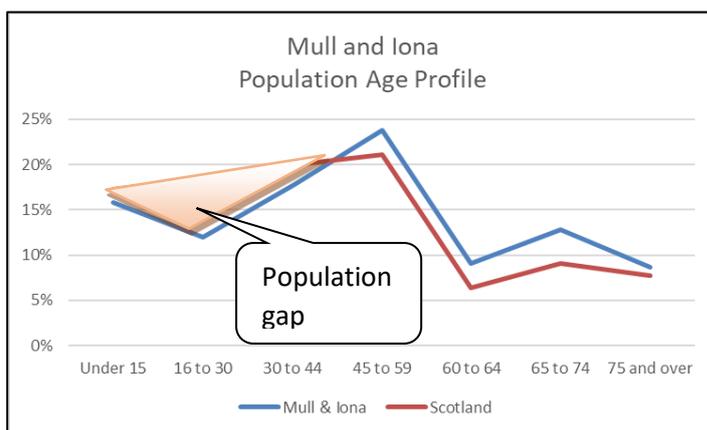


2 Who are our Community, and what are their needs?

The islands of Mull and Iona are in the Inner Hebrides and cover an area of around 920 Km². With a population of 2,819 in the 2011 Census, the density of 3 people per square Km compares with the UK average of 245 people per square Km. The islanders are typically employed in crofting, farming, fishing, crafts or tourism related businesses, in many cases with several sources of income in order to make a living. Mull, in particular the Ross of Mull and Iona suffer from geographical isolation. There are very high levels of access deprivation, as might be expected of remote rural areas – the post codes on the islands are amongst the lowest 5% in Scotland according to the Scottish Index of Multiple Deprivation under the measure of Geographic Isolation.

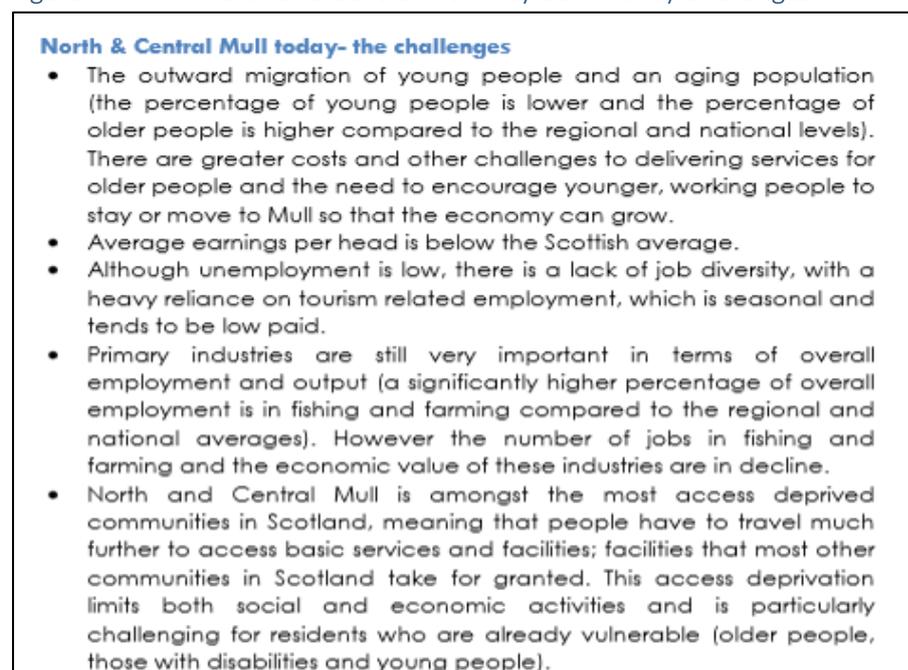
Figure 3. Mull and Iona Population profile

The islands have an aging population, with a lack of people with young families and a higher percentage of people of retirement age. Census data 2011 shows a population “gap” in the 16 – 45 age range, and a higher proportion of people over 45. Mull and Iona’s average age is 45, compared to 40 for Scotland as a whole. Mull is “missing” 260 people under 45, shown as the orange triangle.



MICT has engaged the community in three community development plans for [North and Central Mull](#) (June 2016), [Ulva Ferry](#) (2013) and the [Ross of Mull](#) (2011), asking people about their priorities for addressing the challenges of the area. These identified key challenges, below (shown for the North & Central Mull Plan, which are not substantially different than the Ulva Ferry and Ross of Mull and Iona Plans):

Figure 4. North and Central Mull: Key Community Challenges



MICT has undertaken many activities to address the needs of its community, including housing, hydro project, energy efficiency improvements, provision of funding and support for community

groups, health and wellbeing initiatives, community transport, supporting local shops in sparsely populated communities, offering training courses to support enterprise, tourism infrastructure including the Ulva Ferry Pontoon project, the Ranger services, Mull Eagle Watch, and environmental restoration of rare habitats.

These projects reflect the “Themes and priorities” identified for the Community Development Plan:

Figure 5. Central and North Mull Community Development Plan: Priorities

4. THEMES & PRIORITIES		
Overall		
The table below shows the most supported projects, by importance. To help Mull Community Council easily identify the public sector responsibilities, 'S' denotes a statutory responsibility.		
Project Priority List	Total Responses	Statutory
1. Affordable housing & land	99	S
2. Road infrastructure, driver education & coping with RET	96	S
3. Better broadband	91	
4. 'Bonding' the community to work together over major or strategic issues- i.e. a common vision. Before we go forward we have to go back. Need more conversations to understand Mull better before taking specific issues forward. Need a forum to debate issues	51	
5. Job creation & sustainable jobs	41	
6. Devolved power & budget- set up a 'Mull Island Council'	41	S
7. Better sports, all weather & indoor facilities	40	
8. Better access to training & education e.g. Argyll College: hospitality, child care, local primary education and vocational	40	S
9. Protection of the landscapes, flora & fauna, biodiversity & appropriate development	36	S
10. Leisure/fun pool/water park	35	
11. Better mobile phone connectivity	32	
12. Improved public & community transport	27	S
13. Childcare	20	S
14. Tobermory infrastructure/amenity development plan- better communication between groups & improve footpaths, parking, toilets & create a funding plan	16	
15. More viewpoint parking & interpretation	13	
16. Better ferries	11	S
17. Improvements for the disabled	11	
18. Children's farm	8	
19. Facilities improvements in Salen: bus shelter, toilets, car parking, community space e.g. for workshops & craft units. Hedge around Pennygown cemetery for privacy.	6	

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The major additional item in the Ross of Mull Plan is the need for maintenance and expansion of pier facilities, to support transport infrastructure, primary industries, and tourism.

3 Meeting the needs: this project

The proposal explained in this Social Enterprise Plan is to purchase Ardura Forest for community benefit. This will meet three community needs:

- To strengthen MICT as the lead community organisation delivering social, economic, and environmental development on Mull
- To add to the ecological restoration of Mull, benefitting habitats, iconic wildlife, and therefore increasing ecotourism
- To develop a part of the site as a low-impact visitor experience, benefitting the community and visitors and providing education on ecological restoration.

3.1 A secure and stable future for MICT

As noted above, MICT have driven forward many and varied successful projects in the last 20 years. A [Review](#) of MICT as an agent in community learning and development carried out by Education Scotland in 2016 provides positive external assessment of their role; and MICT's [Strategic Objectives](#) demonstrate its continued focus on delivering community benefit. In its financial strategy to support this development, MICT has taken a balanced approach, building sustainable income generation in addition to undertaking capital development projects. MICT had consolidated income of £1,127,603 in the financial year to March 2017 and as a result has built both a growing cash reserve (net current assets of £342,297 at March 2017) and Unrestricted Charity Funds of £1,663,760. However, as with many charities, these financial statements also show the underlying financial weakness of MICT. Most of the unrestricted funds relate to money invested in fixed assets and therefore not available for investment elsewhere. The true position is that "free" cash is around £100,000; being net current assets of £342,297 less restricted fund balances of £247,127; not a strong position for a charity with the size and reach of MICT.

MICT's activities are restricted by the lack of core funding and of risk capital to allow it to take forward opportunities. For example, the housing developments relied on a significant fundraising effort, and despite additional government funding being available through the Rural and Island Housing Fund, these funds do not cover all of the costs of building affordable housing – particularly on an island where construction costs are higher. If MICT has recourse to a predictable source of income, projects can proceed faster and more independently of external funding streams; and have a source of funding for those items which are not readily fundable, such as a Development Officer to initiate projects for funding.

Through the purchase of Ardura Forest, MICT have the opportunity to enter into a mutually beneficial partnership with a private landowner which will, in effect, result in an estimated £1million of private investment into MICT. This will provide MICT with the resources and freedom to make a step change in enhancing the social and economic culture of Mull, creating investment income to match to other sources to achieve their charitable purposes for the foreseeable future.

The proposal is that MICT purchase Ardura Forest from Forest Enterprise Scotland using the Community Asset Transfer Scheme; a process that requires MICT to demonstrate the community benefits of purchase in addition to ongoing management. Ardura Forest is on the FES disposal list as a "plantation on ancient woodland site". While Ardura Forest currently contains commercial timber, the existing approved Forest Design Plan after felling is for regeneration and restocking with native, non-commercial species; not normally an attractive proposition for a private investor investing for

forest management. Ardura, however, is bordered on 3 sides by Torosay Hill Estate, which has recently been purchased by a private investor for the sole purpose of ecological restoration. The new owner sees an opportunity to include the restoration of Ardura Forest within the wider plans, and by doing so to remove a non-native seed stock from his borders and create a link to the neighbouring Mull Oak woods – a Site of Special Scientific Interest. The private owner is willing to allow MICT to benefit from the commercial harvesting on the condition that non-mature commercial trees are also removed and that MICT invest in any infrastructure for community access. The private owner will lease Ardura Forest from MICT and bear the costs of the ecological restoration rather than these being found from the timber income.

This is a unique opportunity for any community organisation; it is analogous to being gifted a wind turbine. MICT can keep and invest the net harvesting proceeds, generating an ongoing income to support their charitable aims and providing the opportunity to invest in other surplus-generating schemes which also create an ongoing income. The currently buoyant timber market, together with the value of the crop, the relative ease of access for harvesting and extracting timber to market, and the health of the forest, would create a significant asset for MICT. This Plan sets out in section 5 below, the path to attaining that asset.

3.2 Ecological restoration and ecotourism

Mull and Iona's tourism industry is very dependent on eco-tourism. Birds, otters, and other iconic wildlife attract national attention through television and social media and bring a steady stream of visitors to Mull. Argyll and Bute Council's Oban, Lorn and the Isles Development Action Plan 2014 noted that tourism provided 16% of jobs in that area, with healthcare the highest at 19%; the tourism percentage is certain to be higher for Mull, which has no substantial healthcare provision. The white-tailed eagles alone were estimated in 2011 to have brought 110 full time equivalent jobs to Mull. MICT itself benefits directly from supporting eagle hides.

While the ecological restoration of the Torosay Hill Estate and the Ardura Forest are not aimed directly at creating jobs through tourism, an increase in the ecological carrying capacity of the island will directly benefit habitat and food supplies for the forestry and upland species in Mull. Other existing restoration in nearby estates will enable landscape levels of habitat for species, increasing the number of sightings and therefore Mull's attraction for the substantial tourism population willing and able to travel to see these species in their natural habitat.

3.3 Visitor facilities and a Forest School

The Ardura Forest site of 200ha is shown on Ordnance Survey maps as one area of forestry; the reality is different. Substantial felling has already taken place in accordance with the existing Forest Design Plan and 116ha of woodland remain. Some areas have since been replanted.

The diagram on the front cover of this Plan shows the extent of the existing wooded area. However, the maps do not convey the scenic nature of the south west corner of the site between the main A849 road and the Lussa River which contains established native woodland including oak and holly trees. This is currently approached along the old road, or by a small forestry hardstanding with a badly overgrown path next to the road. The small site area, once gained, is largely flat, with the old road in places still providing a multi-use path through the site. Even on a cold December day, the site possessed the iconic Scottish beauty of native trees, the river, and views out to the landscape beyond.

This provides the potential for an attractive location for people to enjoy the existing native woodland and presents an opportunity for interpretation and education on the benefits of ecological restoration, including a Forest School.

MICT had previously surveyed the Old Road which passes through Ardura Forest with the intention of restoring it to create a new multi-use path which would form part of a long distance route from Craignure to Fionnphort – which itself would be part of the longer St. Andrews to Iona Pilgrims Way. The existing single-track A849 road is potentially dangerous for such users, particularly in the busy tourist season. The proposal in this Social Enterprise Plan would restore a two mile section of the Long Distance Route.

Community engagement carried out for this project was strongly in favour of “light touch” infrastructure development at this site, involving improving existing paths, creating new paths to provide a loop walk, and building a Forest School for use by Mull and Iona school pupils and potentially by mainland schools. This Plan sets out in section 6 below the objectives of and costing for the visitor infrastructure at the site.

Figure 6. Old Road, Ardura – varying conditions



Figure 7. River Lussa, Ardura



4 Outcomes

The success of the Ardura Forest project will be measured by the following community outcomes:

MICT Key Strategic Objectives

1) Infrastructure

This project

Measurable Target

1.1 To raise awareness & influence those in positions of power to ensure that the current and future infrastructure needs of the community are extended.	To secure sustainable funding for the core purpose of MICT to help ensure it can support infrastructure and other development project projects	To deliver £300,000 - £700,000 to MICT unrestricted reserves to help deliver its strategic and charitable purposes over the long term
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2) Community Services

2.3 To develop community services where there is a proven community need.	To develop the site at Ardura Forest, and the first section of the multi-use path from Craignure to Iona, for community benefit	Deliver of 640 meters of all-ability trail; repair 600m of drove road; provide 770 meters of new paths; interpretation and a Forest School at the site
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3) Environmental & Cultural Heritage

3.1 To protect & develop the natural & cultural heritage in harmony with the community's needs	To help enable ecological restoration of habitats and species at the Torosay Hill Estate / Ardura Forest	To develop 200ha of ecologically restored predominantly woodland habitat at Ardura Forest
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4) Economic Opportunity

4.1 Develop & promote a sustainable island economy.	To assist in developing tourism infrastructure through ecological restoration and provision of visitor facilities	As 2) and 3) above
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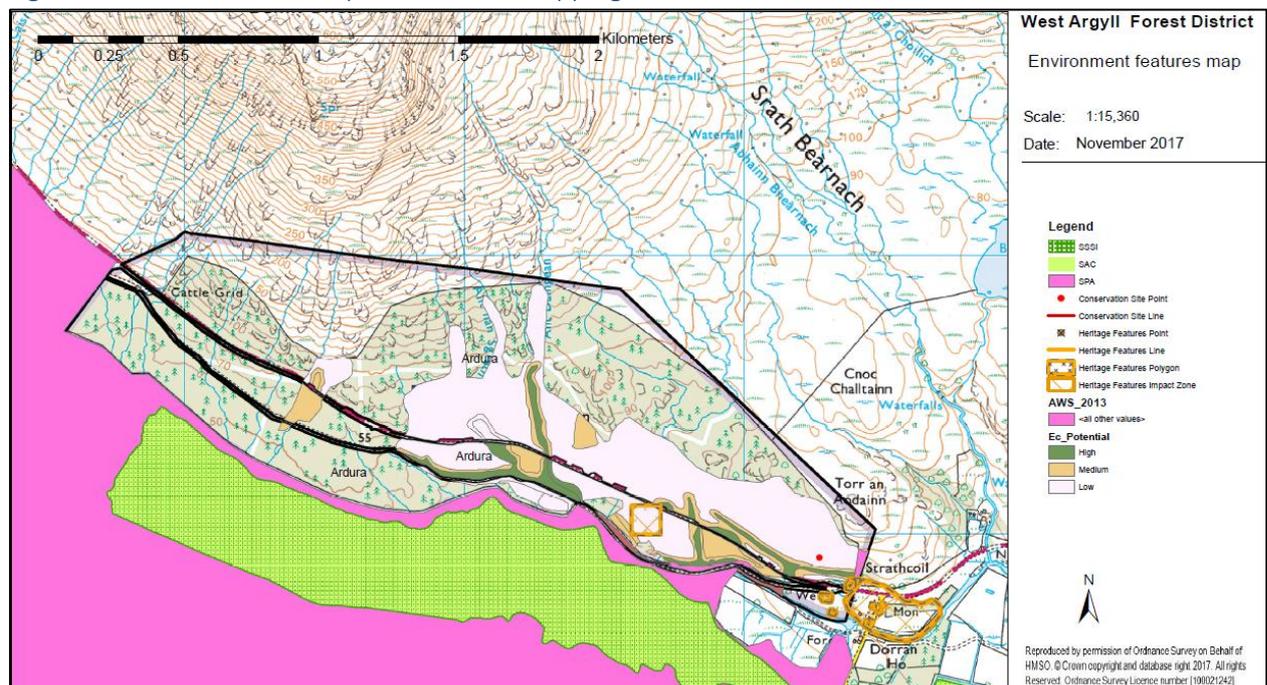
5 The Forest Site

5.1 Current status, purchase process, costs and funding

The 200ha Ardura Forest site is owned by Forest Enterprise Scotland as part of its South Mull Estate. Ardura Forest is now 116 ha of mature conifer woodland north of the River Lussa, 7 miles south of Craignure on the Isle of Mull. The site is accessed from the A849.

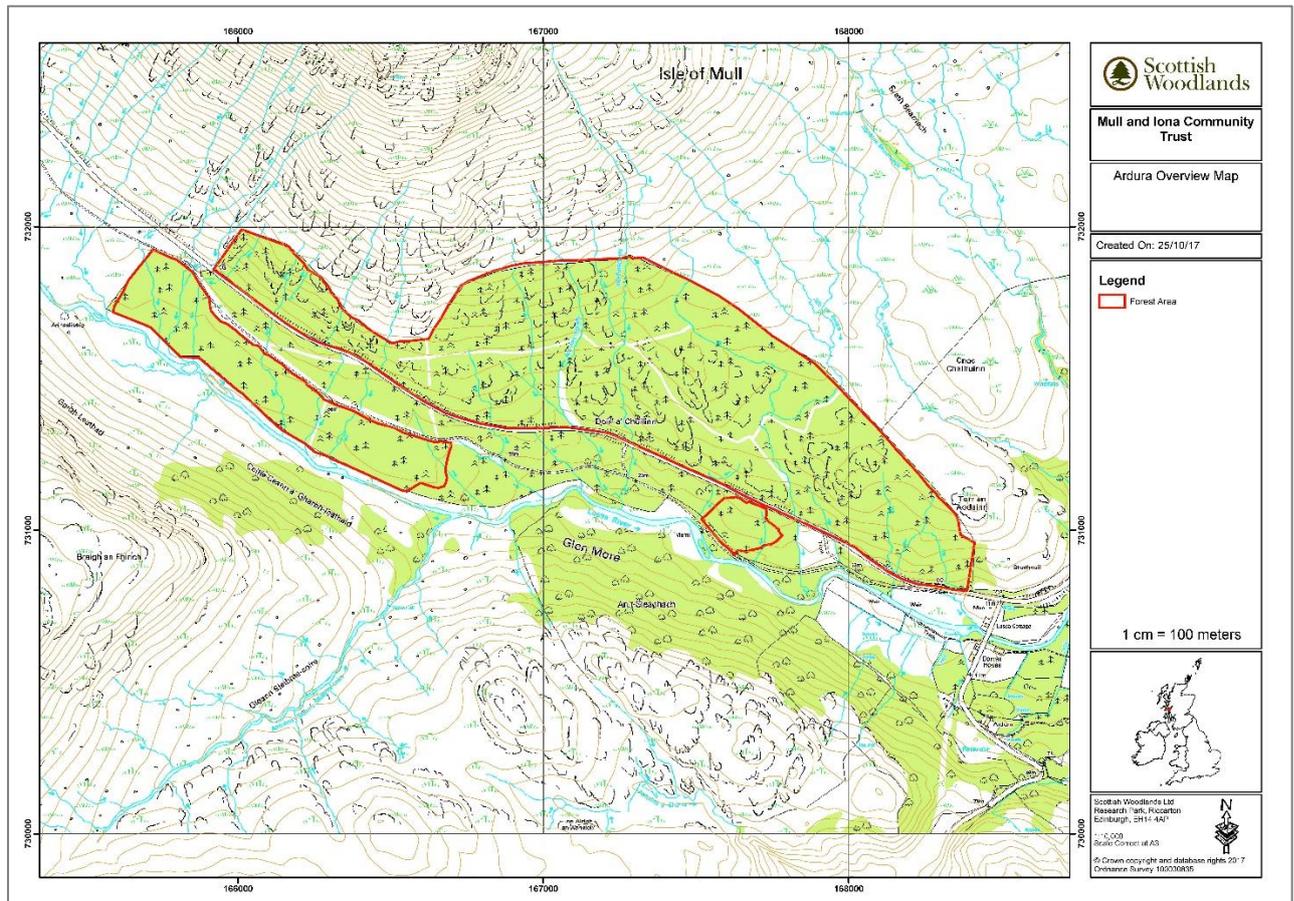
Prior to commercial tree planting, there were oak and holly trees on the land remnants of which remain within the commercial crop. These parts were predominantly on the lower elevations at the east end. A few mature oaks are found the east end and near the river. A Plantation on Ancient Woodland Site (PAWS) survey carried out on behalf of MICT in 2017, based on the Native Woodland Survey of Scotland and the first edition O.S. map from 1840, identified 55ha of PAWS and a further 5 ha of Ancient Semi-Natural Woodland worthy of restoration and management.

Figure 8. Forest Enterprise Scotland mapping of PAWS



The plantation area consists primarily of Sitka spruce (99 ha) with small areas of hybrid/Japanese larch (3.5 ha) and lodgepole pine (1.5 ha) planted 1961 -1963; these trees are, in commercial forestry terms, over-mature and in increasing danger of being blown over. In general, the Sitka spruce is of very good quality (high log content) and well stocked. The larch and lodgepole pine are of lesser quality but still marketable. There are some areas of severely checked trees found in the upper edges of the main forest block, that will produce no marketable timber. There are small areas of wind blow within the woodland, most on the forest edge and in the poorly drained areas within the crop. Most of the slopes within the woodland are classified low for steepness (approximately 90ha at 0-30%). There are areas of steeper slopes in the forest, but these are usually broken by areas of lesser, more accessible slope with only 1ha of very steep slope (greater than 50%) identified. There are several rock outcrops and some rocky slopes present. There are numerous watercourses and drains within the forest with several being large watercourses in steep sided gullies. The ground appears to be generally well drained with only a few significant areas of saturated soils.

Figure 9. Map: Current area of commercial forest

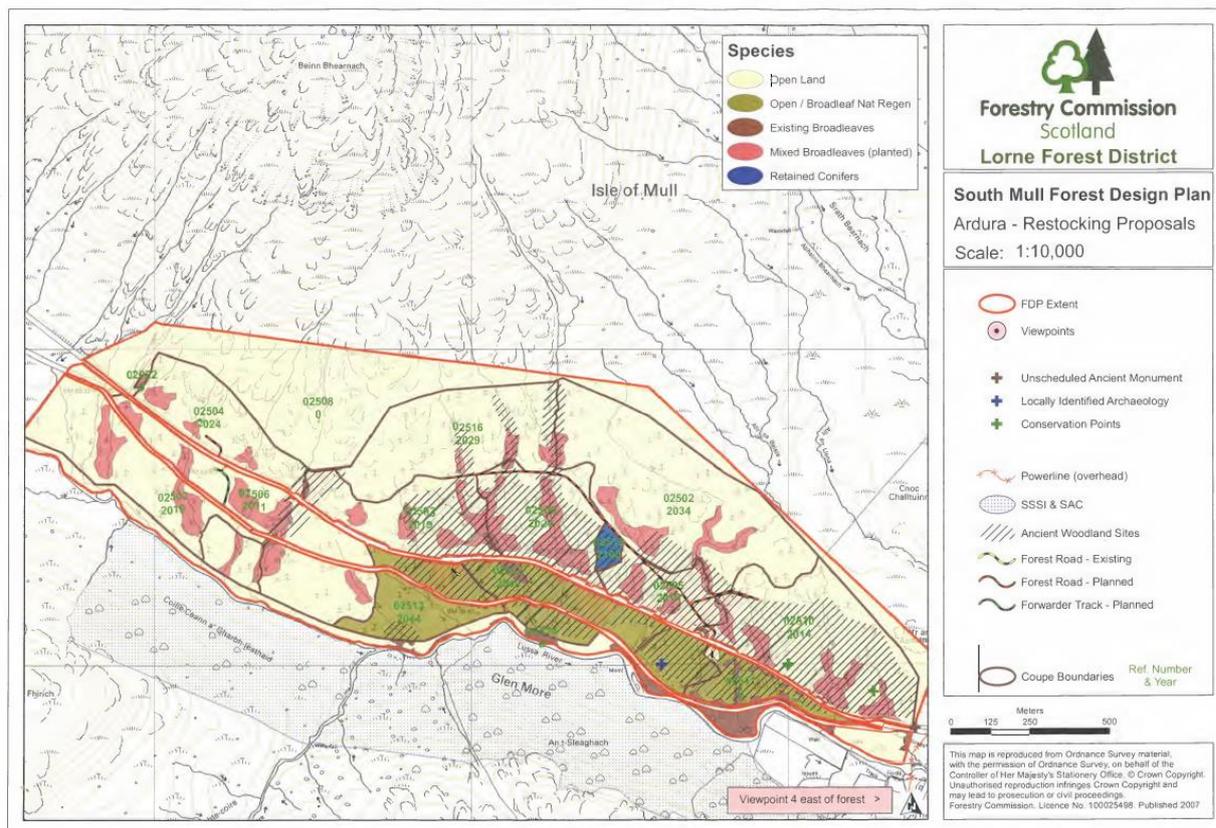


The site was valued by DVS in June 2017 with current standing timber at **£248,000**. This valuation was done on the basis of sales of comparable neighbouring sites in the region. In October 2016 gave notice of its intention to sell Ardura Forest.

FES has supported communities to achieve their ambitions through ownership or lease under the National Forest Land Scheme (NFLS) since 2005. Communities had the first chance to buy land put up for sale through FES' repositioning and rationalisation programmes, before it was put on the open market and to request ownership or lease of National Forest Estate land that had not been put up for sale.

The Community Asset Transfer Scheme (CATS) is Forest Enterprise Scotland's response to the requirements of the Community Empowerment (Scotland) Act 2015, which provides a statutory right for community bodies to make requests to take control of land or buildings they consider they could make better use of. The CATS explains how FES will assess requests against a specified list of criteria and agree the request unless there are reasonable grounds for refusal.

Figure 10. Ardura – Restocking Proposals under current Forest Design Plan



MICT are pursuing a CATS request for the purchase of Ardura Forest. To succeed, MICT has to demonstrate:

- How the proposals provide net additional public benefit to the whole local community (Section 3 above)
- Why MICT has the appropriate governance, resources and skills to deliver the project (Section 8 below)
- How the proposals are financially viable (this section and Section 7 below)
- That the project is supported by the community (Section 6.2 below)
- That the proposals are not detrimental to the management of Scotland's National Forest Estate (this Section).

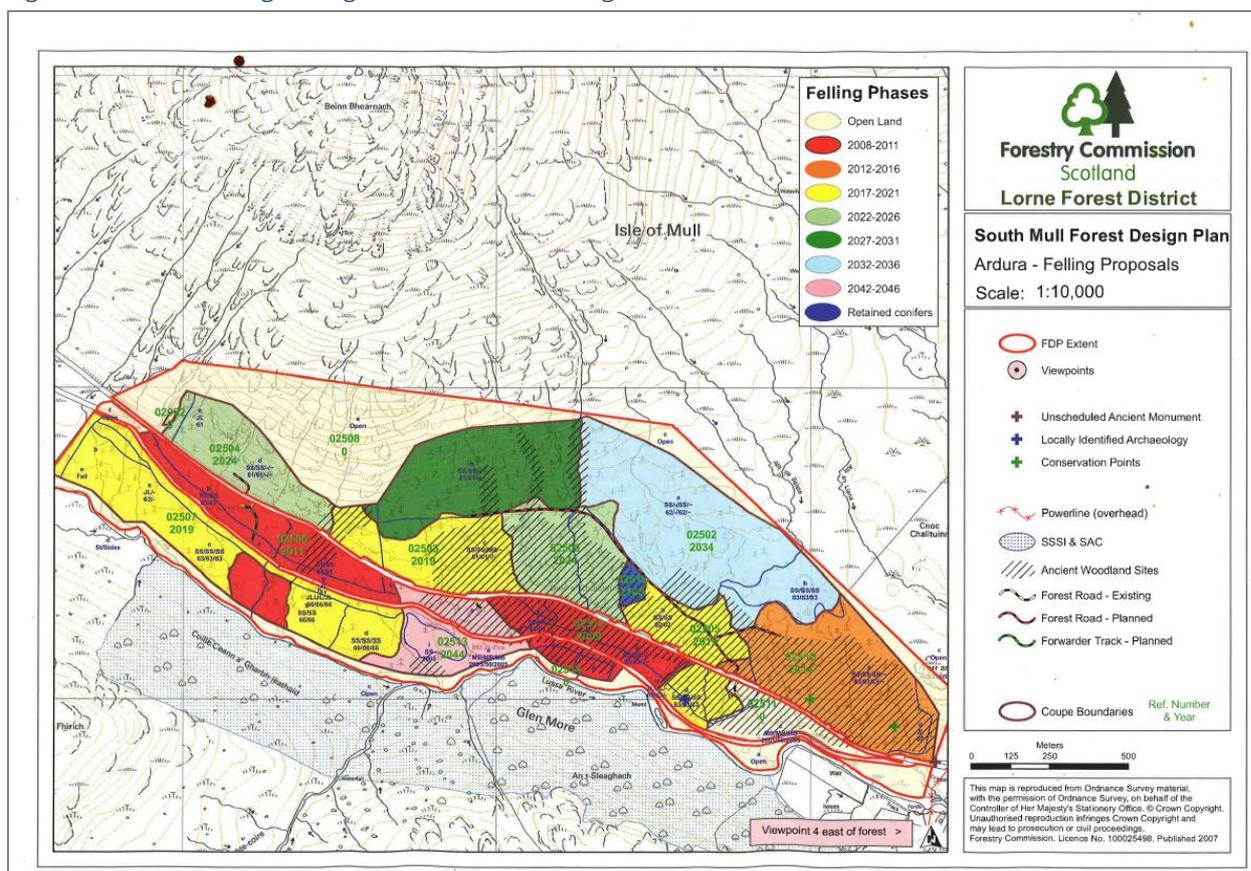
The CATS request process has a maximum 6 month deadline for decision, including a mandatory 20 day consultation period with the public and a further 20 days with MICT for responses. If successful, MICT intend to submit a stage 2 funding application to the Scottish Land Fund for the purchase cost, legal fees for purchase.

MICT proposes to lease Ardura Forest to Torosay Hill Estate and then enter into an agreement with them to carry out the harvesting and site clearance. Torosay Hill Estate would carry out the ecological restoration work. This is dependent on Torosay Hill Estate and MICT obtaining approval for the new Forest Design Plan to allow the ambitious and far-sighted plans for the ecological restoration of Ardura as part of the wider plans for Torosay Hill Estate. Both parties have been in regular contact with the relevant stakeholders and are planning a Stakeholder Consultation Day in April to come to a final position on this.

5.2 Harvesting plans and income

The current approved Forest Design Plan for the site shows felling of the existing commercial species over a period from 2008 (now complete) to 2046.

Figure 11. Felling timing: Current Forest Design Plan



The remaining crop is already over mature (in economic terms) and there are already small areas of wind blow within the forest.

In addition, the timeline of the existing Forest Design Plan is not compatible with the ecological restoration proposed by Torosay Hill Estate. The basis of the new Forest Design Plan would entail harvesting of the majority of the conifer crop so that the restoration of native woodland habitats can commence quickly without longer term problems of pine weevil infestation and shedding of e.g. Sitka spruce seedlings into broadleaf planting areas.

Informal discussions and site visit with the Perth & Argyll Conservancy of Forestry Commission Scotland indicate that such a Forest Design Plan would be given consideration.

5.2.1 Tilhill Forestry survey and Recommendations

MICT commissioned a review of the opportunities presented by acquisition of Ardura Forest. This included an estimate of the tonnage and value of the standing timber based on the Yield Class data on the FCS maps. Based on a small number of spot checks, an alternative, more optimistic estimate was included. This suggested total timber volume in the range 34,500m³ - 49,600m³ and net revenues that were sufficiently encouraging for more detailed crop mensuration and digital mapping to be commissioned.

5.2.2 Scottish Woodlands Survey and Recommendations

MICT instructed a crop mensuration and digital mapping from Scottish Woodlands, completed November 2017, and Scotwood Macdonald provided a second opinion on the key findings of that work in February 2018.

The Scottish Woodlands study estimated total timber volume at between 49,800 m³ and 62,300 m³ with income over four (4) felling phases to be between £747,000 and £1,155,000 and with infrastructure costs at £83,600. That study also noted that the restock costs according to the current design plan would be in the region of £200,000 to £250,000.

5.2.3 Scotwood Macdonald survey and recommendations

The Scotwood Macdonald study carried out plot sampling on the forest and assessed the crop for species mix and volumes per hectare. They determined a total volume of 55,065 m³ of current timber, with the majority being Sitka Spruce, although of varying quality. A very small amount, 1,556 m³ would be retained to allow landscaping for the proposed car park, giving 53,509m³ at current timber.

Figure 12. Timber species mix and assessment: Scotwood Macdonald

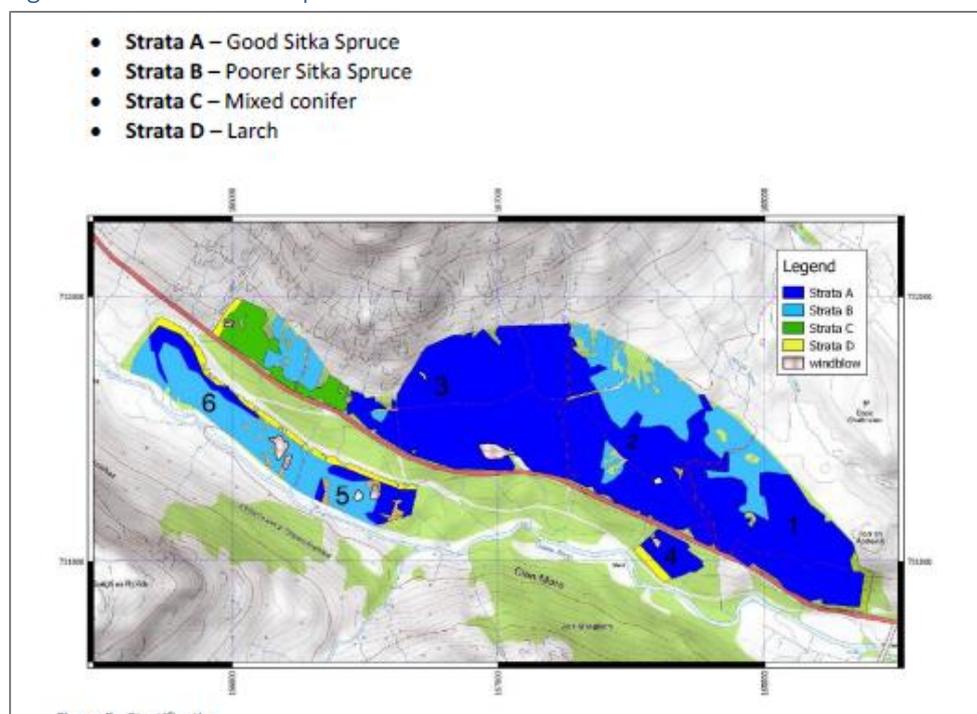


Figure 13. Volume and species mix: Scotwood Macdonald

Species	Area	(Ha)	Volume per HA	Estimate per Productive Volume (m ³)*
Strata A	SS	77.33	714	46,938
Strata B	SS	28.89	234	5,413
	SS	-	330	1,261
Strata C	LP	4.50	101	384
	JL	-	1	2
Strata D	JL	3.13	426	1,067
Total		113.9	1,806	55,065

Scotwood Macdonald recommended three felling phases over 10 years to allow immature timber to grow to harvestable size. This would allow growth of an additional 5,459m³ of timber – just under 10%. The phasings are 2018-19, area 1 below 2023, area 2 below; 2028, area 3 and 4 below.

Figure 14. Scotwood Macdonald recommended felling phases

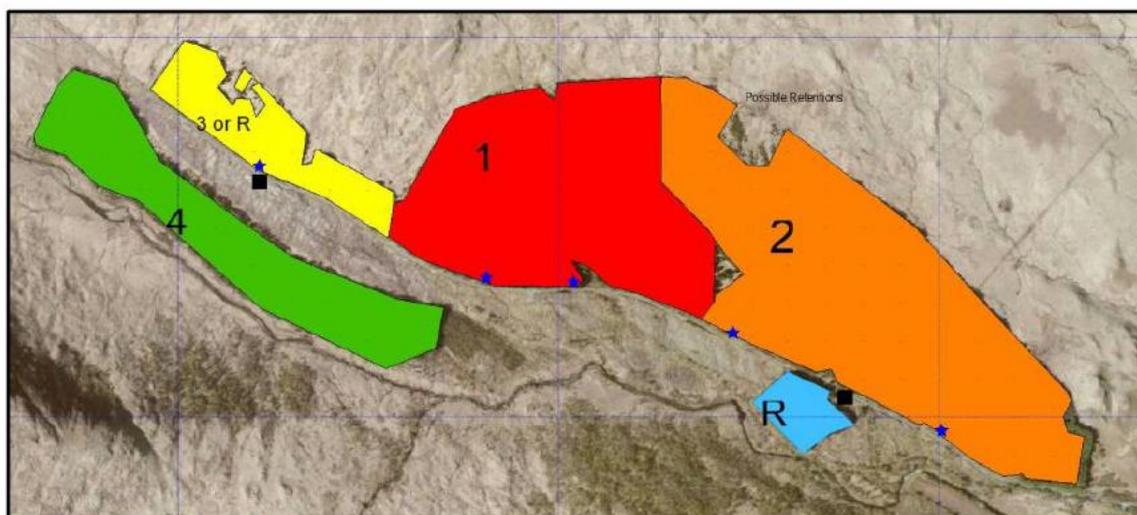


Figure 10 - Possible Felling Phases

Figure 15. Volumes by 3 phases over 10 years

Species	Area	Estimate per Productive Volume (m ³)*	Phase 1	Phase 2		Phase 3		Retain
				Increase	Total	Increase	Total	
Strata A	SS	46,938	21,633	2,135	22,596	672	4,150	1,366
Strata B	SS	5,413		505	3,094	1,037	3,861	
Strata C	SS	1,261				968	2,615	
	LP	384						
	JL	2						
Strata D	JL	1,067				142	1,018	191
Total		55,065	21,633	2,640	25,690	2,819	11,644	1,557

Scotwood Macdonald provided an options appraisal of selling methods and recommended that this timber be sold as standing timber in three phases, so that the buyers would be responsible for all harvesting costs. Infrastructure costs were estimated at £80,000. At then market prices (which have since increased further) net income is estimated as below after management costs for timber sales and costs of clearing premature conifers in the harvest areas. Scotwood Macdonald recommended that a contingency be included, and this is shown below.

Net income from 10 year phasing

	Income	Costs	Net return	After 5% Contingency
Phase 1	493,231	74,662	418,570	397,642
Phase 2	585,745	54,287	531,458	504,885
Phase 3 & 4	265,497	38,275	227,222	215,861
Total	1,344,474	167,224	1,177,250	1,118,388

The total of £1,118,388 would be reduced by infrastructure costs to be borne by MICT (above, estimated at £80,000) and also any costs for clearing the site as required by the Torosay Hill Estate.

5.2.4 Proposed Forest Design Plan; Impact on Harvesting

MICT and Torosay Hill Estate are proposing harvesting over a two year period, (2019/20 and 2020/21). This will allow restocking with native species much sooner than a longer term felling plan. Informal discussions with Forestry Commission Scotland about this approach have been encouraging.

This would also mean that some timber is felled before it reaches maturing. Scotwood Macdonald have estimated the sales income from clear felling over 2 years as below.

Figure 16. Net income from 2 year phasing

	Income	Costs	Net return	After 5% Contingency
Phase 1	493,231	74,662	418,570	397,642
Phase 2	525,558	46,278	479,280	455,316
Phase 3 & 4	201,215	30,061	171,154	162,596
Total	1,220,004	151,000	1,069,003	1,015,554

Again, the total of £1,015,554 would be reduced by infrastructure costs to be borne by MICT (above, estimated at £80,000) and also any costs for clearing the site as required by the Torosay Hill Estate.

The increase in speed would mean an estimated reduction in income from felling of around £100,000 but would both meet the requirements of the Torosay Hill Estate and add to MICT's contention that the harvesting process is to enable it to meet charitable environmental objectives – essential to ensure that MICT meets the charitable exemption for corporation tax and land tax. A felling over a very short period also provides the certainty of a high timber price in the near future; against the uncertainty of future returns should a longer time period for harvesting be required.

A Stakeholder Meeting has been arranged for mid-April which will further inform this social enterprise plan and will also contribute to the Scoping of the new Forest Design Plan.

5.3 Forest operational management

MICT propose that the forest be leased out at a peppercorn rent to Torosay Hill Estate who would undertake the regeneration and any restocking in accordance with a revised Forest Design Plan that reflects their vision for the site and the wider Estate. Based on the options analysis carried out by Scotwood Macdonald, MICT would carry out the harvesting work under a standing sale agreement to reduce any input into harvesting management.

MICT intends to appoint a forest manager to manage the tendering and appointment processes for the timber sale and to oversee its delivery according to the conditions set out in that tender. MICT do not have the necessary skills in the current organisation and, given that they have no intention of carrying out long term forest management, do not need to build these skills. The eventual lessee, Torosay Hill Estate, has clear requirements in terms of the land condition when it is handed over, and while these will be set out in the timber sale contract, MICT will need to ensure compliance with these conditions.

6 Visitor infrastructure

6.1 The site

The part of the site that is set for community infrastructure is a relatively small area of around 6ha in the south-east corner of the Ardura Forest area. As noted in Section 3.3 above, this scenic corner of the site between the main A849 road and the Lussa River contains established native woodland including oak and holly trees. This is currently approached along the old road, or by a small forestry hardstanding with a badly overgrown path next to the road. The small site area, once gained, is largely flat, with the old road in places still providing a multi-use path through the site. Even on a cold December day, the site possessed the iconic Scottish beauty of native trees, the river, and views out to the landscape beyond.

The proposed lessee, Torosay Hill Estate, is anxious to see this area developed in harmony with the overall landscape and in sympathy with the Estate's ecological restoration area, with minimal infrastructure but good access to enable people to enjoy and learn about the past, present and future natural and cultural history of the area. MICT shares these objectives, with an additional caveat that the facilities must be such as to require minimal ongoing maintenance and management.

6.2 Community consultation

MICT has carried out extensive and ongoing consultation with its communities over its lifetime, including the Community Development Plans referenced in Section 2 above.

An engagement event was held in January 2018 on the aim of purchasing the site, and on the visitor facility proposals. 34 people attended, and 6 pupils from the local primary school at Lochdon.

The consultation process focussed on the visitor facilities and the potential community benefit from recreation, a visitor attraction, and education. Information was also provided about the forest, current felling and forest design plans, and the Ancient Woodland sites which are currently planted with commercial forestry.

The consultation was through 2 "drop in" events, one during the afternoon and one in the evening. MICT publicised the event through posters and social media and also encouraged all the 5 pupils from Lochdon Primary School to attend. MICT hosted the venue and refreshments were provided.

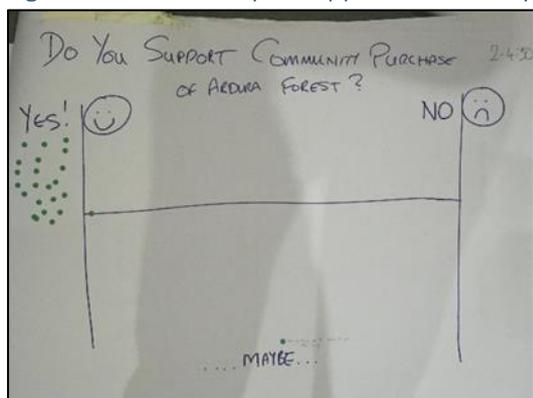
People were invited to respond to displays showing how the site might provide recreational and educational facilities including (see "Display Materials", below):

- A path network
- An All-abilities path
- Sections of the Caignure – Iona footpath
- Nature interpretation / wildlife hides
- A Forest School building
- Improved parking
- Wild camping

People were engaged in discussion with the consultant team, and asked to leave comments.

People were also asked to respond to the statement, **"Do you support Community Purchase of Ardura Forest?"**.

Figure 17. “Do you support community purchase of Ardura Forest” Responses



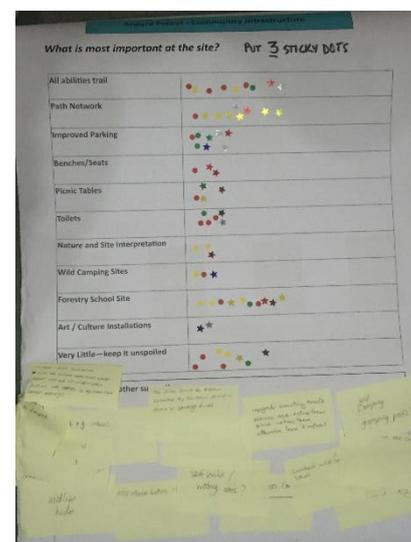
The responses were generally positive, with 29 people strongly agreeing with the statement above.

People were also asked to choose their 3 most preferred options, and to comment.

Figure 18. Voting: What is important at the site?

Choices were as below:

Forest School	13
Very little – keep it unspoiled	11
All-abilities trail	11
Path network	10
Improved parking	9
Toilets	7
Nature and site interpretation	4
Picnic tables	4
Wild camping sites	4
Benches / seats	3
Art / culture exhibitions	3



In general, people wanted the area to remain relatively undeveloped. The Forest School and paths were the most popular choices, then improved parking and toilets. The suggested uses were popular, with an overall majority for opening up the site through trails and car parking. The Forest School was perceived to be of the most use for the community; and this could be used by support groups including mental health on Mull, as well as school children from on and off the island.

Comments made in conversation by people attending the drop in but not put in writing included issues around:

- Litter
- Illegal overnight camping
- Noise
- Vandalism
- “overdevelopment”

Although the site is not close to a settlement, there are near neighbours and holiday lets which would require to be considered in the design.

These issues would require to be addressed in a visitor management plan for the site.

Generally, people preferred designs that merged into the landscape and scenery. The Forest School building, Benches, signage, and toilets followed this trend.

Paths were chosen with designs that were still familiar in this landscape, but more structured. So a “dry wall” snake; a trestle bridge; and henge-like waymarkers were all popular. This contrasts with people’s low priority for “art installations”, above, and possibly speaks more to people’s interpretation of “art installations” than of any objection to structural interpretations of the landscape.

6.3 Infrastructure proposals and costs

Following the meeting, a proposed layout for the site was produced by Athena Solutions and costed by Jon Howarth QS. The design is at Appendix 10.1 and is shown diagrammatically over leaf.

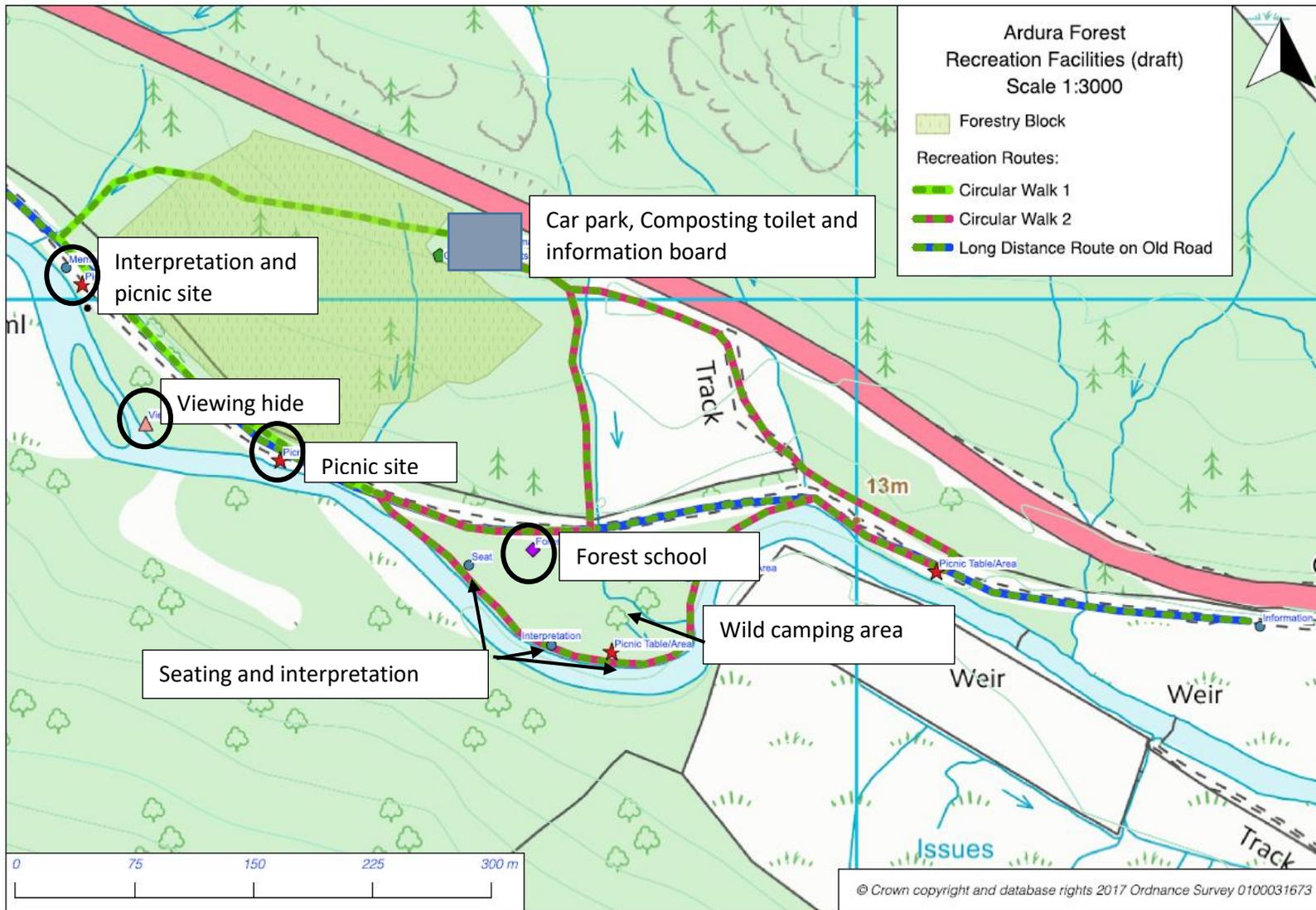
The main access to the site will be by improving the carpark at the north of the site, next to the road. Paths will lead down to the woodland area and river banks from the carpark to the west and south. The 540m path from the carpark to the east of the site will be an all-ability trail. The old road on the site will be improved with drainage, removal of vegetation, and culvert repairs. There will also be additional surfacing to create a route along the river bank. There will be an additional all-ability car park at the east end of the old road on the site. The site will have composting toilets at the carpark and at the forest school. This will be a rough building at the end of the southerly path. Viewing hides, picnic benches, and interpretation will add to visitor enjoyment.

The Forest School will be an uninsulated shelter built of sawn and whole logs. A quote has been provided by a contractor for construction using on-site timber for the School.

The costs are attached at Appendix 10.1 below and total £279,164 including preliminaries and excluding VAT. Including irrecoverable Vat at 20%, the Forest School at £20,000 and professional and planning fees at £10,000 brings the total to £364,997.

These would be paid for from the proceeds of the timber sale [with external match funding](#).

Figure 19. Diagram of visitor infrastructure



6.4 Site maintenance and costs

The infrastructure design is set out to ensure minimal maintenance. The carpark will require scraping and grading bi-annually; the rough trails and all-ability trail will require annual inspections and minor repairs. Overall, repairs and maintenance are assumed at £3,000 per annum.

The composting toilets will require regular visits for basic hygiene, replacement of consumables. This is estimated at 1 hr / day in the 6 months over the high season, and 3 hr / week in the off season, totalling £2,340 for labour and allowing £3,000 to include all consumables.

These costs will be met from the income generated by the capital available to MICT from the timber income.

7 Financial summary and variance analysis

Before MICT can realise the sums from harvesting, they must purchase the site (£248,000) plus any associated costs.

MICT intends to apply to the Scottish Land Fund for purchase costs, and if successful, the intervention rate will be in the range of 75% to 95%. The target rate of 80% is assumed for this Plan. At the current valuation of £248,000 plus legal fees of around £2,000, this means MICT will have to find £66,200.

There are also community expectations that the visitor infrastructure (£364,997) will be in place soon after purchase.

This high level of up-front investment creates a funding gap in the 2 year harvesting option, as shown below. This will either have to be met from MICT's own funds or borrowed e.g. from Social Investment Scotland. SIS can provide loans with up to 3 years repayment-free, although these can be relatively expensive.

IF MICT are able to agree the 2-year harvesting plan, this would reduce harvesting income by £102,834. This would give an overall 10-year surplus for the project of **£612,897**. See 7.1 below. The 2-year plan, although slightly less financially advantageous, allows MICT certainty in the harvesting income; to gain its cash reserve much sooner than otherwise to carry out other community and income generating projects; and is the preferred option for THE, the tenant.

For the 10-year harvesting plan, and under the assumptions above, MICT would gain the additional income from growing the timber to maturity of £102,834 less additional costs £12,979. **Error! Reference source not found.** This would give an overall 10-year surplus for the project of **£708,710**.

7.1 Financials for 2-year harvesting plan

The below table sets out the income and cash flows for the first 10 years assuming that the 10—year harvesting plan is carried out.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total all years
Net timber income		397,642	617,912								1,015,554
Infrastructure costs		80,000									80,000
Forest advice services	10,000	10,000	10,000								30,000
In (out) flows from forest activities	(10,000)	307,642	607,912	-	905,554						
Land Purchase	248,000										248,000
Detailed designs & surveys for paths etc.	3,000										3,000
Legal fees & valuations	5,500										5,500
VAT & tax advice	2,500										2,500
Visitor Infrastructure		364,997									364,997
Site maintenance			6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	48,000
Loan interest 9%		5,958	-								5,958
Total net in (out) flows from activities	(269,000)	(63,313)	601,912	(6,000)	227,599						
Funded by:											
Scottish Land Fund 80%	202,800										202,800
Infrastructure grants 50%		182,498									182,498
Loan	66,200										146,200
Loan repayments		(66,200)									(146,200)
Total net in (out)flows from financing	269,000	116,298	-	385,298							
Net cash in (out) flows	-	52,985	601,912	(6,000)							
Cumulative cash	-	52,985	654,897	648,897	642,897	636,897	630,897	624,897	618,897	612,897	612,897

The financial model has been re-run assuming:

- A 10-year harvesting cycle
- A 10% reduction in timber income
- A 10% increase in visitor infrastructure costs
- No funding from the Scottish Land fund
- No funding for infrastructure
- A loan which must be substantially repaid from the initial timber income.

Under this scenario, the visitor infrastructure investment would not happen until 2023 and the second harvesting phase. MICT would still gain a net £296,151 from the project.

Figure 20. Variance analysis and impact

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total all years
Net timber income		397,642	-	-	504,885	-	-	-	-	215,861	1,118,388
Infrastructure costs		80,000									80,000
Forest advice services	10,000	10,000			10,000					10,000	40,000
In (out) flows from forest activities	(10,000)	307,642	-	-	494,885	-	-	-	-	205,861	998,388
Land Purchase	248,000										248,000
Detailed designs & surveys for paths e	3,000										3,000
Legal fees & valuations	5,500										5,500
VAT & tax advice	2,500										2,500
Visitor Infrastructure costs					364,997						364,997
Site maintenance			6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	48,000
Loan interest 9%		27,810	810	810	810						30,240
Total net in (out) flows from activities	(269,000)	279,832	(6,810)	(6,810)	123,078	(6,000)	(6,000)	(6,000)	(6,000)	199,861	296,151
Funded by:											
Scottish Land Fund 50%											-
Infrastructure grants											
Loan	269,000	80,000									349,000
Loan repayments		(340,000)			(9,000)						(349,000)
Total net in (out)flows from financing	269,000	(260,000)	-	-	(9,000)	-	-	-	-	-	-
Net cash in (out) flows	-	19,832	(6,810)	(6,810)	114,078	(6,000)	(6,000)	(6,000)	(6,000)	199,861	
Cumulative cash	-	19,832	13,022	6,212	120,290	114,290	108,290	102,290	96,290	296,151	296,151

8 Governance and Skills

8.1 Mull and Iona Community Trust

MICT has considerable experience in the design, management, implementation, financial accountability and ongoing sustainable delivery of infrastructure projects. MICT is an independent, membership based, community charity, set up as a social enterprise by local residents in 1997 to combat rural disadvantage by supporting community initiatives and promoting sustainable development across the 920 square kilometres of this remote Inner Hebridean Island.

MICT is led by a Board of up to 19 Directors with 14 elected from the membership, 2 representing the Community Councils of Mull and Iona, and up to 3 co-opted directors should a skills gap be identified. Directors represent the geographic spread of the islands and have a broad range of skills and experience. The Board meet monthly with interim steering group meetings or conference calls.

For this project, as with all MICT projects, a steering group has been established to manage the project. In this case, a minimum of two board directors sit on the steering group, supporting the General Manager, volunteers from the community and external stakeholders. The directors on the

steering group will support decisions taken by the steering group and report back to the monthly Board meeting. If they feel it necessary, a decision will be deferred to the full board. The two Directors are already in place and engaged in the current discussions.

Currently employing 28 staff, with an annual turnover of almost £1,127,603 in the financial year to March 2017, the Trust completed the construction of a £1.5m Community Enterprise Centre at Craignure in summer 2011, and managed a £1.4m community hydro scheme, completed June 2015 and the £450K Ulva Ferry Housing Project. These have all been managed with in house staff and board members as described above. With projects ranging from recycling, charity shops, countryside ranger services, renewable energy, community development, training and capacity building, diversification has been key to continuing success.

MICT is a high profile and respected development trust in Scotland, recognised by the Scottish Government as a social enterprise with growth potential and has support and advice under the HIE 'account management' programme.

MICT has a long track record of achievements including:

- establishing Scotland's first community-run ranger service to manage land access issues
- securing funding to refurbish the fishermen's pier in Tobermory in response to a request for assistance from the fishing community
- delivering a successful local food initiative for 7 years, boosting the islands economy by several £million
- launching and running an annual Wildlife Festival (now duplicated elsewhere in Scotland), based on the award winning White Tailed Eagle Partnership featured by BBC Springwatch
- establishing a highly successful re-use initiative based around two charity shops,
- Delivering regional initiatives funded by statutory agencies including helping to found the Social Enterprise Network for Argyll & Bute.
- a successful project to finance and construct a £1.5m community enterprise centre on Mull,
- managing the construction of a £1.4m community hydroelectric scheme,
- assisting three other local groups to secure community buy-outs of property,
- running training workshops and conferences
- helping to sustain the remote community of Ulva Ferry through the operation of a community transport scheme and construction of a community pontoon and two social houses.

The services MICT provides to the community include provision of advice for individuals wishing to setup new community groups or social enterprises, providing a library of funding and other useful information, assisting with funding applications and preparation of constitutions. For larger projects MICT provides administration support, and can provide project management resources to run new projects. MICT's own projects aim to engage with the community via consultations and full involvement of stakeholders. The projects are targeted to address needs which have been identified by the community and verified by thorough research.

8.2 A trading entity

MICT is currently a charity limited by guarantee with a broad range of charitable objectives, including:

- (1) The advancement of community development (including the advancement of rural regeneration) within the Community;
- (2) To manage community land and associated assets for the benefit of the Community and the public in general.
- (3) To provide, or assist in providing, recreational facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life of the Community.
- (4) To advance the education of the Community.
- (5) To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic or other importance to the Community.

MICT also has a trading entity, An Roth Trading Limited, which is also a company limited by guarantee and wholly owned by MICT. MICT itself undertakes trading in various “primary purpose” activities. It is VAT registered, and MICT is in a VAT group with An Roth.

MICT proposes to purchase the land and manage the harvesting as the charity, with the forest management as “primary purpose” trading. This will mean that the income will be subject to VAT but also that any VAT incurred will be recoverable.

As this will be “primary purpose” charitable trading, MICT will not have to pay any corporation tax on the profits.

Finally, as MICT is a charity, it will not have to pay any Land Transfer Tax on the purchase.

9 What are the risks?

The risks for achieving the financial results in this business plan are as below. Risks and impacts are scored where Score 1 is low, 5 is high.

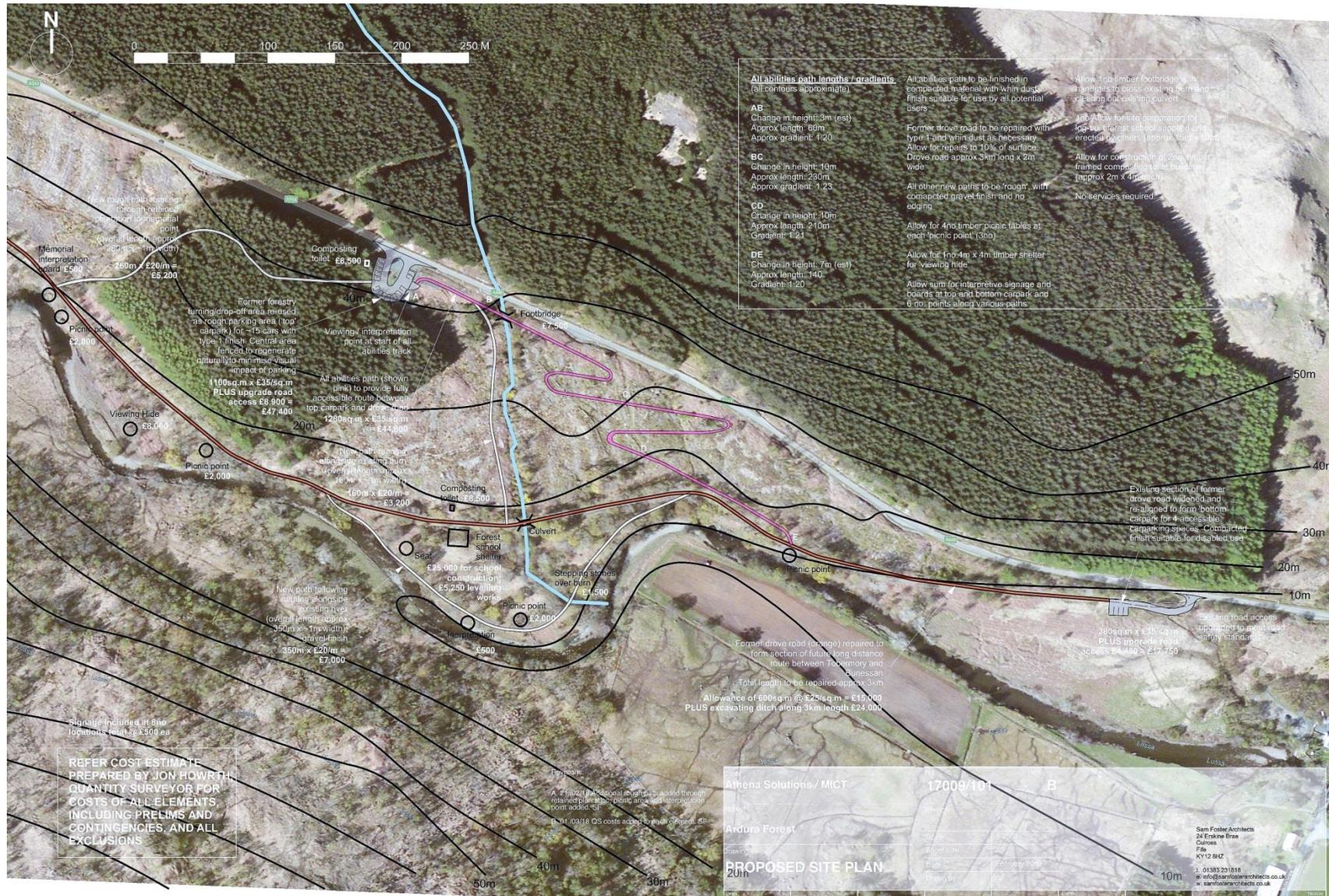
The highest risk relates to raising funds for purchase.

Figure 21. Risk Register

There is a risk that:	Because:	Likelihood	Impact	Score	Mitigations proposed / carried out
The Forest Sale is not approved for Community Asset Transfer	FCS judge that it does not meet the criteria	2	5	10 M	Ongoing discussions with FC, other stakeholders, and THE
MICT cannot raise the funds for purchase	SLF application not successful; cannot achieve SIS loan funds	2	5	10 M	Seek private sector lending from other banks; higher loan costs will impact on the total income, with net income reduced to
MICT cannot agree terms with Torosay Hill Estate	Terms too arduous e.g. conditions for completing harvesting; conditions for	1	4	4 L	MICT can undertake the current Forest Design Plan (or similar) and incur replanting / fencing costs of £ £338k from timber income
Timber income significantly less than predicted	Value will only be realised at auction	2	3	6 L	Woodland has been surveyed professionally twice, and the THE forester has also inspected the site.
Harvesting costs significantly higher than predicted	Unforeseen ground conditions / wind blow / etc.	2	3	6 L	Woodland has been surveyed professionally twice and harvesting infrastructure and costs estimated
Visitor infrastructure costs significantly higher than estimated	Costs provided on a "book" basis; detailed costs await ground survey	3	3	9 M	Elements of the proposal (such as picnic tables) can be removed to reduce costs if necessary.

10 Appendices:

10.1 Visitor Facilities Plan



10.2 Visitor Facilities Costs

ARDURA FOREST				
BUDGET COST ESTIMATE				
<u>Highways works</u>				
Upgrade 'lower' junction with A849		50 m ²	89.00	£4,450
Upgrade upper carpark access from A849		100 m ²	89.00	£8,900
<u>Track works</u>				
Drove road repairs at 10%		600 m ²	25.00	£15,000
Clear out existing culvert		1 nr	500.00	£500
<u>Car parking</u>				
Parking access and bays		1480 m ²	35.00	£51,800
<u>Footpaths</u>				
All abilities path		1280 m ²	35.00	£44,800
Rough tracks		770 m ²	20.00	£15,400
Pedestrian bridge, 3m span		1 nr	7,500.00	£7,500
Stepping stones to rough track		1 item	1,500.00	£1,500
<u>Groundworks</u>				
Excavating drainage ditch		3000 m	8.00	£24,000
Hardstandings to picnic spots etc.		480 m ²	35.00	£16,800
Levelled area for school		150 m ²	35.00	£5,250
<u>Structures</u>				
Composting toilet buildings		2 nr	8,500.00	£17,000
Viewing hide shelter		1 nr	8,000.00	£8,000
Car park fencing		60 m	28.00	£1,680
			Works sub-total	£222,580
<u>Provisional Sums</u>				
Tree clearing for rough track				£2,000
Signage to 8 locations				£4,000
16 Picnic tables				£8,000
			Net construction costs	£236,580
Preliminaries (local contractor)	8%			£18,926
Contingencies	10%			£23,658
			Total construction cost estimate	£279,164
<u>Additions</u>				
Forest school shelter				£20,000
Removal of surplus excavated material from forest area.				
VAT				£55,833
Professional fees & Local Authority charges				£10,000
				£364,997

10.3 10-Year Harvesting – financial tables

Figure 22. 10-year harvesting plan option summary income and expenditure

	Purchase & set up	Harvesting	Visitor Infrastructure	10-year Operating and maintenance	Total
SLF grant	203				203
Infrastructure grants			182		182
Net timber income		1,118			1,118
Total income	203	1,118	182	0	1,503
Purchase	248				248
Legal fees & valuations	5.5				6
Project development: forest agent, path etc. surveys, VAT advice, maintenance	15.5	30		48	93.5
Infrastructure development		80	365		445
Loan interest @ 9%				3	3
Total costs	269	110	365	51	795
Net (costs) / income	(66)	1,008	(183)	(51)	708

10.4 Financials for 10-year harvesting plan

The below table sets out the income and cash flows for the first 10 years assuming that the 10—year harvesting plan is carried out.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total all years
Net timber income		397,642	-	-	504,885	-	-	-	-	215,861	1,118,388
Infrastructure costs		80,000									80,000
Forest advice services	10,000	10,000			10,000					10,000	40,000
In (out) flows from forest activities	(10,000)	307,642	-	-	494,885	-	-	-	-	205,861	998,388
Land Purchase	248,000										248,000
Detailed designs & surveys for paths etc.	3,000										3,000
Legal fees & valuations	5,500										5,500
VAT & tax advice	2,500										2,500
Visitor Infrastructure		364,997									364,997
Site maintenance			6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	48,000
Loan interest 9%		2,979	-	-	-						2,979
Total net in (out) flows from activities	(269,000)	(60,334)	(6,000)	(6,000)	488,885	(6,000)	(6,000)	(6,000)	(6,000)	199,861	323,412
Funded by:											
Scottish Land Fund 80%	202,800										202,800
		182,498									182,498
Loan	66,200										66,200
Loan repayments		(66,200)			-						(66,200)
Total net in (out)flows from financing	269,000	116,298	-	-	-	-	-	-	-	-	385,298
Net cash in (out) flows	-	55,964	(6,000)	(6,000)	488,885	(6,000)	(6,000)	(6,000)	(6,000)	199,861	
Cumulative cash	-	55,964	49,964	43,964	532,849	526,849	520,849	514,849	508,849	708,710	708,710

10.5 Project Timeline

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Prepare Asset Transfer Request	█															
Submit Asset Transfer Request		█														
Approval of Asset Transfer Request		█														
Submission of SLF Stage 2 application							14-Sep									
Approval of SLF Stage 2 application									08-Nov							
Legal to transfer ownership										█						
MICT takes ownership																
Short term loan for match funding												█	█	█	█	█
Preparation of Forest Design Plan		█														
Submission of Forest Design Plan																
Approval of Forest Design Plan																
Preparation of timber sales prospectus			█													
Launch sale of timber																
Agree contract of sale																
Initial downpayment for timber sale																