



Sealladh na Beinne Mòire

Oifis Stòras, Daliburgh, South Uist, HS8 5SS



Chairman's Report and Business Review for the 2011 Sealladh na Beinne Mòire AGM

Introduction

The year 2010 was a year of significant achievement in realising our vision for the improved prosperity of the estate, and bringing long-term benefits to all the residents of this area. The year saw a combined profit being achieved by SnBM and its subsidiary companies, and real advancement in key development projects which will see lasting benefits brought to the area. During 2010 we initiated a major consultation exercise with all those eligible to become members of the company, which provided valuable feedback on all aspects of the company's activities. We also continued with our important lobbying and representational role on behalf of the whole community.

Finance

Sealladh na Beinne Mòire and its subsidiary companies have collectively achieved a net profit of £11,210 for the year to 31 December 2010. The core business that was bought in 2006 showed an operating profit of £29,155 and this is a significant achievement considering the losses made historically by the Estate, and demonstrates a major turnaround in the performance of the core operating activities of the company. This profit has been achieved during a major downturn in the economy, and despite the re-investment of considerable funds in the further development of the Estate in the course of the year.

The Board always felt it was essential that the core business of the estate was profitable and made this objective one of its key tasks. I'm delighted that 2010 saw a profit being achieved, however, we are not complacent. The year ahead looks like being a difficult one for the Estate area, with public sector cutbacks having a greater effect than has been seen to date, and it is essential that we control costs, while at the same time, investing in those areas that can make an operating return for the company and the community.

It is worth highlighting the particular success which has been achieved in fishing, with income up 28% on last year's figures. This has largely been achieved by the re-organisation of the fishing administration in conjunction with South Uist Angling Club, and we have also benefited from very positive editorial articles in several major angling magazines throughout the year.

The gamekeeping staff continue to operate the goose management programme, carry out pest control and work to control and cull the deer in support of the crofting activity. The revenue earned through Grogarry Lodge and the Shooting lets help fund this important work.

Projects

Loch Carnan Community Windfarm

Great progress has been made in the last year in advancing the Loch Carnan Community Windfarm, a project which is vital for producing the income stream which shall allow other developments to take place on the Estate. Last year we reported that there was still uncertainty over the grid connection, but, I'm pleased to report that we have obtained a connection which will allow us to take forward our plans for a 6.9 MW windfarm at Loch Carnan. The project is fully funded, and the extensive process of independent review of the legal, financial and technical aspects of the project is nearing completion. Work on developing the access track to the turbine site should commence in the Autumn and we plan to see the turbines erected on site in 2012.

Lochboisdale Port of Entry

Major advances have been made with the Lochboisdale Regeneration project, with WA Fairhurst completing the outline design following a wide range of consultations and reviews with user groups, residents and partner organisations.

The full planning application was recently submitted and we are on target for the Comhairle to determine the outcome of the application in October 2011.

HIE have approved a £5.1m grant award to the project and the first phase is now fully funded. We are working with HIE, ERDF and CNES to begin drawdown of the funds so that the next stage of the project can be completed.

The current target date for construction work to begin on this £9.5m project is February 2012.

Askernish Golf Club

HIE and Leader Innse Gall have provided three years of funding for an Askernish Development Manager and VisitScotland have provided £15,000 of funding to compliment marketing activity by Stòras Uibhist to promote Askernish Golf Course and the wider outdoor activities available on the Estate area.

John Kemp is working with Askernish Golf Club to promote the course and upgrade the facilities for both visiting and local golfers. He is also working with the wider tourism sector to promote other outdoor activities and maximise the benefit of these to the local economy.

The funding from VisitScotland helped with the distribution of 32,000 leaflets across Scotland promoting the estate area as a tourism destination.

Oifis Stòras

During 2010, plans were put in place for the acquisition of new office premises in Daliburgh, with the purchase of HIE's advance office unit which had lain vacant for many years. The building has now been developed into an attractive office base for Stòras staff, and also provides three office units available for let to businesses and other organisations, with the 1st tenant moving in on May 23rd 2011. I am grateful for the support of HIE, Leader Innse Gall and Third Sector Enterprise towards this project, and would take this opportunity to thank all those involved in bringing this project to fruition.

I'd also like to thank the Diocese of Argyll & the Isles for the use of the Bornish Chapel House for several years, which served the company well in its formative years.

Lochboisdale – Mallaig Ferry Service

During the year we have continued our extensive lobbying for the introduction of a Lochboisdale – Mallaig ferry service. This is clearly what the people of the estate area want to see, and it is now up to the Scottish Government to bring forward a proposal for its introduction.

Now that the new MV Finlaggan has been introduced on the Islay run, a surplus ship has been freed up which should allow the Lochboisdale – Mallaig route to become established if the Scottish Government will approve its introduction. I would urge all members to continue to lobby their political representatives for the re-instatement of the Lochboisdale - Mallaig route, which will also serve to lessen the congestion on the Lochmaddy – Uig ferry route at peak times.

Coastal and Drainage Repair Work

Coastal protection and drainage system maintenance are important priorities for the community. Stòras Uibhist has worked closely with the Comhairle to progress the coastal protection works at Stoneybridge, Pol nan Cran and Ludag and this year we were able to complete much needed works at the Luib, Kilphedar.

At Kilphedar a 130m storm beach replenishment was completed using rock from Askernish Quarry to replace the huge amounts of shingle removed from the beach over the years for construction projects. Sand from a nearby croft was then used to rebuild the dune system behind the beach. The crofting township was closely involved in discussions with SNH, who part funded the work, to agree the plans. Members of the township have covered the new sand bund with seaweed and netting, provided by CNES through the CoastAdapt project, to stabilise the material and promote grass growth to bind the sand.

Stòras Uibhist also cleared 1800m of the drainage system around lochs Druidibeg, Grogarry and Stilligary in 2010 and has liaised closely with SGRPID to encourage the Department to maintain and repair the main drains they are responsible for. We recently held a meeting with senior staff from SGRPID and will work closely with them to manage and maintain the drain system.

Consultation

In October 2010, with the support of HIE, we commissioned Amanda Bryan of Aigas Associates to undertake a review of the first 4 years' operation of the company to reflect on what has worked well and what can be improved on. A key part of this review process was a survey which was sent to all 2,034 individuals who were eligible to become a member of the organisation.

The results of the review highlighted strong support for our main development projects, our lobbying role, and the improvements made to the general estate management. The report also highlighted the need to improve communications and community engagement.

We have immediately taken steps to address the need for greater communication, and have introduced a company newsletter (Naidheachdan Stòras) and plan to introduce a monthly column in Am Paipear, as well as increased use of e-communications.

Working Groups

Stòras Uibhist is keen to bring additional expertise to the company operations and to work more closely with the community to ensure that future projects delivered by Stòras Uibhist have wide support locally. The recently completed independent review by Aigas Associates recommended that increased use is made of Working Groups to facilitate this process, and we welcome this recommendation.

The function of Working Groups is to provide strategic guidance on different parts of the business and identify ways in which the maximum benefit can be obtained for the community within the resources available. Where projects are identified and accepted by the Board in conjunction with the Working Groups, the Working Group will provide ongoing strategic support to the department and staff delivering each project. The Board of Directors has decided to establish a range of Working Groups covering nine key areas:

Tourism/Askernish	Angling	Grogarry Lodge
Lochboisdale	Loch Carnan	Crofting/Estate Management
Housing	Communications	Future Projects

If anyone would like to join a working group, then I would urge them to contact Huw Francis at Oifis Stòras.

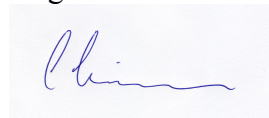
Conclusion

I believe that great progress has been made by the company over the last year in fulfilling our business plan commitments, and in delivering our vision for significant economic and community regeneration of these islands. The task is not easy, particularly in this period of economic uncertainty where budget cuts continue to take an effect. However, we remain resolute in our aim to see lasting benefits achieved for the residents of this estate area, and feel we are on course to achieve positive change.

I would like to thank all my fellow directors for their efforts and contributions throughout the year. I'd like to pay particular tribute to George MacAulay and Martin Matheson, who are due to retire from the board this year, and who have provided much expertise, energy and enthusiasm over the years in making the company a success. I would also like to thank Huw Francis, our Chief Executive, and his staff who have worked long hours and have contributed over and above the call of duty on behalf of the company. It is truly remarkable what has been achieved by a small, dedicated staff team.

Finally, I should like to thank you, our members, for your input, feedback and continued support throughout the year. It is vitally important for us to receive regular feedback, in order that we can reflect the aims and aspirations of our members in planning the work we do.

Angus MacMillan



Chairman
Sealladh na Beinne Mòire