

BrewDog's Lost Forest at Kinrara: a landscape disaster and abuse of public money

Description



A section of BrewDog's Lost Forest Phase 1 fence where it crosses the Burma Road 28th January 2023. Photo credit Anne Weir

Anne Weir was “quite shocked to see a rather large gate across the road and deer fencing stretching across the hill on either side” on a walk up Geal Charn Mhòr via the Burma Road and sent these photos to parkswatch along with a couple of comments.



Note the planting on the hill side top right and the type of deer fencing, also designed to exclude mountain hares from the enclosure. Photo Credit Anne Weir.

Anne noted that that there was still lots of machinery on the hillside and *“The signage doesn’t provide any information (for those who are interested) on the type of work, why it is necessary and how long it will take to complete.”*



“All visitors” on land where there is a right to roam and the track is also a right of way? Photo Credit Anne Weir



Close up of map. Photo Credit Anne Weir

The Burma Road, a historic route enjoyed by many is now “A Forest Road” along with other tracks on BrewDog’s Kinrara estate. The main feature shown on the map is the location of quarries, though how these link to the creation of the Lost Forest is not explained.

Commentary

The Cairngorms National Park Authority National Park Partnership Plan 2022-27 aims to create 35,000 hectares of new woodland by 2045 which:

“Minimises the amount of fencing in the National Park by favouring establishment through herbivore management and removing redundant fences.”

Anne's photos suggest the plan could hardly have made a worse start!

This fencing will have already directed yet more deer down the River Dulnain, contributing to the numbers seen there early in the New Year ([see here](#)) adding to the grazing pressure on Kinveachy where Seafield Estates are trying to enable the restoration of the Caledonian Forest by natural regeneration and without planting or fencing.

“Diverse, well-planned, climate-resilient and productive woodland will continue to generate economic and conservation benefits in the National Park. This plan sets out a direction for woodland that is about increasing areas of natural regeneration; however, planting and fencing will still be required in some places, notably those with limited seed sources and where there is conflict with herbivore impacts (especially in the early years of the plan).” (CNPA NPPP)



Hillside by the Burma Road about 600m below the fence in the photos above, September 2022

There are large amounts of seed at Kinrara, so all that is required for this hillside to regenerate naturally is to reduce the grazing pressure further but BrewDog has produced no plan to do that.

“Fencing is recognised as an important tool for woodland management but it can have negative impacts. Its use should be carefully considered and, before fencing is agreed, establishment through

herbivore management should be encouraged where the surrounding land use context is favourable”

So who considered the landscape impact of this fencing before Scottish Forestry agreed to fork out over £1m in public monies to pay for it and the planting? And what herbivore management did BrewDog undertake BEFORE deciding the fences were needed?

Dave Morris will consider land-management at Kinrara further in another post but meantime it is worth taking a look at the finances.

How much is BrewDog investing at Kinrara?

BrewDog owns and manages Kinrara through a fully owned subsidiary, the Lost Forest Ltd, which has published accounts for the years 2020 and 2021 ([see here](#)). Prior to that it was a dormant company known as BrewDog Admin Ltd.

There is also information about the Lost Forest in the main accounts for BrewDog PLC ([see here](#)) which are presented with their usual punk bravado and panache

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COMPANIES HOUSE
30 JUN 2022
EDINBURGH MAILBOX

BREWDOG

BREWED  IN ELLON

ANNUAL REPORT

AND ACCOUNTS

FOR THE YEAR
ENDING 2021

UNITED WE STAND FOR
BETTER BEER

FIERCELY DEFIANT AND INDEPENDENT



BrewDog may be “defiant” but that is not necessarily a helpful quality when it comes to managing land wisely and their accounts raise serious questions about how much they are really investing at Kinrara.

BrewDog’s main accounts till 2021 contain a thank you to their “equity punk investors” and those for the previous year reported they had raised over £25m to fund the purchase Kinrara and other green projects:

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A MASSIVE THANK YOU TO OUR EQUITY PUNK INVESTORS WHO ENABLED THE PURCHASE OF THE LOST FOREST IN 2021.

9,308
ACRES
(THAT'S NEARLY 15 SQUARE MILES)

Close to Aviemore, this incredibly beautiful landscape borders the Cairngorms National Park in the Scottish highlands just west of Aviemore which locals call Kinrara.

We have partnered with employee-owned Scottish Woodlands to plan and deliver on our 5-year peatland restoration and woodland creation programme.

The peatland restoration and woodland creation is occurring at a staggering scale, and is being supported via Nature Scot's Peatland ACTION Fund, and Scottish Forestry's Grant Scheme. Restoration of degraded peatlands is a key priority for the UK Government's Sixth Carbon Budget for the UK's path to Net Zero.

BrewDog has just been responsible for erecting a long deer fences right across what it describes as an "incredibly beautiful landscape".

Note the acknowledgement that the actual restoration work at Kinrara is being supported by the

Peatland Action Fund and the Scottish Forestry Grant Scheme. What is not stated in the accounts is how much money BrewDog has invested itself in this work so far, only that in the year till December 2020 (note 9 – link above) the Lost Forest Ltd received £183k from Peatland Action.

Income statement

for the year ended 31 December 2021

	Notes	2021 £000	2020 £000
Turnover	3	26	-
Cost of sales		-	-
Gross Profit		26	-
Administrative expenses		(170)	(412)
Operating Loss		(144)	(412)
Income tax expense	5	-	-
Loss and total comprehensive expense for the year		(144)	(412)

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses in the current or prior year other than as included in the income statement. Accordingly no statement of comprehensive income is presented.

The income statement for the Lost Forest in 2021 shows very little activity and appears to support the claims made in the Guardian article last March ([see here](#)) that BrewDog was not investing what it had claimed at Kinrara:

“Early promotions for the Lost Forest suggested each can or pack of Lost Lager sold would fund a tree at Kinrara. A recent advert on BrewDog’s online store on Amazon stated “for every pack we plant a tree in the BrewDog Lost Forest”. A BrewDog tweet offering free packs of Lost Lager in January 2021, which has been taken down, included a film about the Lost Forest under the wording “we’ll plant a tree in our forest” for every pack given away.”

The money raised by investors to buy Kinrara is shown by the accounts as owing to BrewDog

8. Trade and other payables

	2021 £000	2020 £000
Amounts owed to parent undertaking	9,298	9,300
Accruals and other creditors	164	57
	9,462	9,357

It is difficult to understand WHY the overall debt of the company would be increasing, even if only slightly, if BrewDog was making a real investment in running the property. But the net effect of the debt is that the Lost Forest has negative equity, i.e. is effectively bankrupt:

Statement of Financial Position

as at 31 December 2021

	Notes	2021 £000	2020 £000
Non-current assets			
Property, plant and equipment	6	7,731	8,850
		<u>7,731</u>	<u>8,850</u>
Current assets			
Trade and other receivables	7	74	10
Cash at bank and in hand		1,284	85
		<u>1,358</u>	<u>95</u>
Creditors: amounts falling due within one year	8	(9,462)	(9,357)
Net current Liabilities		<u>(8,104)</u>	<u>(9,262)</u>
Non-current liabilities			
Grants	9	(183)	-
Net Liabilities		<u>(556)</u>	<u>(412)</u>
Capital and reserves			
Share capital		-	-
Retained earnings		(556)	(412)
Total equity		<u>(556)</u>	<u>(412)</u>

The financial statements were approved and signed by the director and authorised for issue on 28 September 2022.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Note too the increase of almost £1m in the amount held as "cash in and and at bank": this is accounted

for by the disposal of some of the assets (property) which BrewDog bought along with the estate:

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6. Tangible fixed assets

Cost:

At 1 January 2021

Additions

Disposals

At 31 December 2021

Depreciation:

At 1 January 2021

Provided during the year

Disposals

At 31 December 2019

How much of that cash will now be invested in say bringing deer numbers down on the rest of Kinrara outside of the new fenced area remains to be seen.

4. Staff costs

Wages and salaries

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The average monthly number of employees

Staff

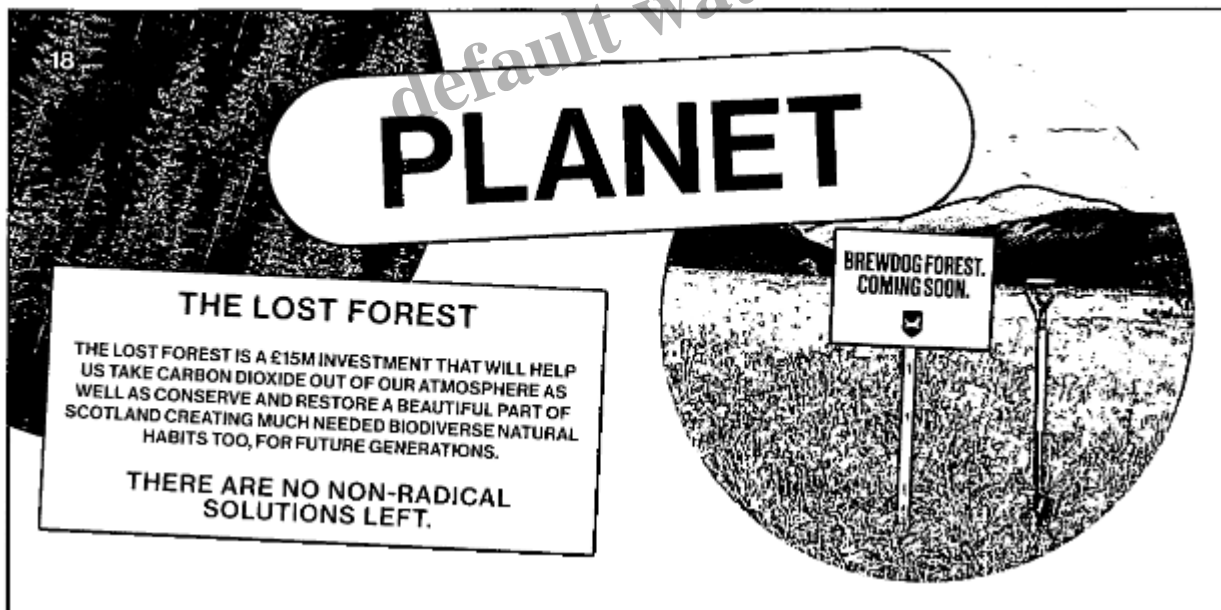
At present, however, instead of employing permanent staff such as stalkers to reduce deer numbers, BrewDog appear to prefer to pay management consultants and contractors who have no permanent stake in how the land is managed. This is causing as much damage as is being restored.

BrewDog's main accounts claim it is investing money in a range of ground-breaking planet focussed projects including the Lost Forest:

Planet

BrewDog's investment into a range of planet-focused projects continues to be ground-breaking. For example, The Lost Forest in Scotland will be one of the biggest afforestation projects in Europe, and work to prepare the relevant approvals to commence tree planting and peatland restoration was undertaken in 2021. Our effort to utilise our own waste to power our brewery continues apace, as does our focused and important work reducing our overall emissions, as we strive to be net zero by 2023. We also installed solar panels on the roof of our Australian brewery, planted our hop farm on our Columbus campus, and established a dedicated department for our sustainability efforts ensuring it gets the full attention it needs for the future of our people, beer, and planet.

The claim is £15m will be invested in the Lost Forest:



And that BrewDog is taking its responsibilities seriously:



In my view the truth is rather different. As Anne's photos show this is yet another traditional planting project, with the usual adverse impacts. It has been funded mainly through the public purse with little or no private investment. As for taking a holistic approach, BrewDog has so far avoided saying anything meaningful about what it intends to do to reduce the number of red deer, numbers of which have doubled in Scotland over the last 30 years and are the single greatest reason why woodland and peatland are in such a poor state.

Instead of tackling the real issue, the numbers of red deer, BrewDog's fencing will direct deer elsewhere, increasing their density per square kilometre and increasing the impact of the natural environment still further.

Far from creating "resilient communities" the Lost Forest has employed just two people. A permanent forester and a team of deer stalking staff would have made a good start but having sold off property, there would now be nowhere for such staff to live. If BrewDog wanted a model for how large landowners might benefit the natural environment and the local community they did not have to look far: Wildland Ltd, who have done so much to enable woodland to regenerate in Glen Feshie, without fencing and created new jobs in the process, bought the big house at Kinrara which now serves as

their headquarters.

Update 10th February – comments on post and on parkswatch

Having written about BrewDog's purchase and plans for Kinrara on several occasions, I was surprised and delighted by the amount of coverage on social media. While Parkswatch is not trying to compete for audience, there is no point trying to analyse what is going wrong in our National Parks if no-one reads it. The post has received a record number of comments, many of which add to the debate, but some of which also express people's feelings. I think its important that both BrewDog and the powers that be see are aware of that feeling but some of the commentary has now become personalised. I have therefore decided to resume my normal practice on parkswatch and not to approve further comments unless they meet reasonable standards of civility. My apologies, I allowed some of the comments to go too far.

Category

1. Cairngorms

Tags

1. CNPA
2. Deer
3. forestry
4. landscape

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