

ANNUAL REPORT
DEER MANAGEMENT ACTIVITIES
2009-2010 SEASON

For

Aggregate Industries Ltd
Glensanda Estate

And

Kingairloch Estate LLP



Introduction

The purpose of this report is to present data, information and observations about deer management activities at Glensanda and Kingairloch Estates during the 2009/2010 season.

The report satisfies the contractual obligation of Kingairloch Estate LLP to carry out estate management services for Aggregate Industries Ltd, owners of the Glensanda Estate. As both Glensanda and Kingairloch are managed as a single land unit for the purposes of deer management, this report presents information for the entire area and highlights specific data and observations relevant to Glensanda.

The report will demonstrate that the wild deer population at Kingairloch and Glensanda is being managed in a sustainable manner and that the requirements of the Deer Act (Scotland) 1996 are being met and interests of landowners are being protected.

Summary

The 2009/2010 season was a success with management culling on or above targets as approved by the Deer Commission Scotland (DCS) in all areas as summarized below:

<u>Area</u>	<u>stags</u>	<u>target</u>	<u>hinds/calves</u>	<u>target</u>	<u>total</u>	<u>target</u>	<u>(+ =)</u>
Glensanda	18	16	29	30	47	46	(+1)
Kingairloch open	31	34	73	60	104	94	(+10)
Kingairloch encl	1	0	1	0	2	0	(+2)
<u>TOTALS</u>	<u>50</u>	<u>50</u>	<u>103</u>	<u>90</u>	<u>153</u>	<u>140</u>	<u>(+13)</u>

Condition of deer during the culling season was reported as good to excellent. The severe winter weather which affected much of Scotland early in 2010 was not as detrimental to the Morvern Peninsula. Evidence of mortalities on the open range is low to average and observation of deer condition going into the spring is good.

The annual census of deer population across the open range of the Morvern Peninsula was carried out by members of the Morvern Deer Management Group (MDMG) in February/March 2010. Deer condition was again noted as acceptable and data relevant to Kingairloch and Glensanda reflects an ongoing trend of a stable managed and sustainable deer population. Headline results are noted in the table below:

<u>Area</u>	<u>Total Population</u>	<u>Last Year</u>	<u>(+ -)</u>
Glensanda	315	256	(+59)
Kingairloch	845	711	(+134)
<u>TOTALS</u>	<u>1160</u>	<u>967</u>	<u>(+193)</u>

Kingairloch also provided essential representations to interest groups, public bodies and consultation exercises. Report author Kurt Larson is a committee member of the Scottish Rural Property and Business Association (SRPBA) and was requested to provide written testimony on deer management related matters several times during the year. In addition Kingairloch is well represented on the MDMG and hosted the annual general meeting of this group at Kingairloch's Boathouse Restaurant in May 2009.

Kingairloch continued its policy of adding value while maintaining sustainability in production of venison products from the hinds culled during the season. A case study on the deer larder and this business activity was presented to the SRBPA.

The initial 3-year Agreement for estate management services between Aggregate Industries and Kingairloch Estate LLP concluded in September 2009. The Agreement was extended following minor modification for a further six years.

Background

Aggregate Industries Ltd has contracted out deer management obligations for its Glensanda Estate to Kingairloch Estate LLP under an Estate Management Services Agreement. This occurred following the acquisition of Foster Yeoman Ltd by Aggregate

Industries in 2006. Prior to that, deer management at both Kingairloch and Glensanda was carried out by Kingairloch stalkers under the employment of Foster Yeoman since 2000.

Kingairloch is an active member of the MDMG which represents deer management issues across the Morvern Peninsula in western Scotland where both estates are located. In accordance with the Deer Act (Scotland) 1996, Kingairloch has a legal requirement to demonstrate that it is managing the deer population across its land and is contracted by Aggregate Industries to do the same for Glensanda. Through the MDMG, Kingairloch makes representations to the DCS which is the statutory body for deer management. Excerpts of this report will be presented to DCS in confidence as evidence of deer management practices.

Both Glensanda and Kingairloch have habitat that is sympathetic to the red deer population: vast open range terrain, adequate vegetation, lack of competition with domestic animals, sheltering areas. Glensanda's total landholding is 6,000 acres (2428 hA) of which about 5000 acres (2023 hA) is available deer habitat. Kingairloch has 14,000 acres of which 12,000 (c 5,000 hA) is available.

Kurt Larson is the author of this report and is Principal of Result Consulting LLC. He is a qualified professional Deer Stalker and represents Kingairloch on deer management matters. He is also a committee member of SRBPA and provides input and representation to that body on deer management issues.

Safety

Safety is clearly the most important aspect of the deer stalking process. In Glensanda stalking takes place near an existing industrial unit (but not within actual operating or process and product storage areas). Particular attention must therefore be paid to specific site safety conditions. A thorough risk assessment of all stalking activities is carried out and reviewed on an annual basis with Glensanda management. A formal meeting is held between Kingairloch stalkers and Glensanda safety professionals prior to the start of each season to discuss plans and review risks and any changes to conditions and procedures. In 2009 this meeting took place on August 7.

Constant communication with Glensanda management occurs on a daily basis during the stalking process without causing interference to quarry operations. All guests regardless of background undergo risk awareness and safety training prior to going to the hill. This includes a briefing and sign off for each guest followed by live firing at targets ranges available in both Kingairloch and Glensanda. All stalking is supervised directly by a professional stalker with British Deer Society (BDS) credentials. An additional courtesy requirement requested by Glensanda management is that the author (who had 24 years operational and management experience at Glensanda) be on site whenever stalking or any other estate management duties were undertaken. Stalking procedures follow DCS 'Best Practice' guidelines which again emphasize safety in all aspects of the process.

All of the above conditions were met throughout the 2009/2010 season and as a result a strong safety culture continues to be demonstrated.

Stag Cull

Although the open season for stags starts on 1 July, stalking does not normally commence until early September. One guest did come this season in August and was successful in Kingairloch. Stalking did not commence in Glensanda until September 11.

As part of the contractual requirements for Glensanda, Kingairloch must supply all equipment to be self-sufficient in every way. This includes a crew cab pickup truck for transporting guests and stalkers and towing trailers. A quad bike is employed for extracting culled beasts off the open hill range. The estate boat 'Cathula' (A Hardy 24 licensed to MCA Class V) is used to bring parties to Glensanda and extract all culled beasts back to Kingairloch for larding.

Much of the stag stalking is let to clients. These comprise individuals, small groups, and larger parties forming part of corporate entertainment packages. This season some of the bookings were affected by the global economic recession but also a few health issues caused last minute cancellations. Fortunately the spaces were reorganized and one beneficiary of this was Aggregate Industries. They came for their planned booking early in the season with the Chief Executive among the guests (and he managed to cull a stag in Glensanda). A group of AI customers from Scotland filled a vacancy later in the season and culled seven stags in two days. The most productive week for clients was with the Thomas Concrete Group. They brought guests from Sweden, Germany and Switzerland and culled a total of 15 stags.

For the author, one memorable day on the hill came on October 20, the last day of the stag season. He hiked with his daughter Katrina onto the summit of Beinn na Cille in Kingairloch and guided her into a mature stag which she downed on the first shot in the face of a howling wind and driving horizontal rain. The extraction was even more eventful as the stag fell into a steep sided burn near the summit and could not be pulled out. The only alternative was to drag it down a series of raging waterfalls which took the better part of three hours.

The condition of stags was observed as being in good to excellent condition with a good population present on the hill. The rut started around September 18 and seemed to lull and then restart again. The largest covering of hinds in a group was noted as about 20 hinds which is somewhat smaller than normal and may reflect a larger stag population or indeed smaller hind population.

Selection policy for culling is to select stags on the basis of leaving the best stags (12 points or more) on the hill for breeding. Mature stags that are perceived to be 'going back' (i.e. beyond prime breeding age as evidenced by antler point reduction) are

naturally chosen for culling. Conversely, younger stags that appear not to be showing the potential to become good breeders or have other possible genetic defects (such as deformed or 'switch' single point crown antlers) are culled as a priority.

One of the highlights of the post-stag season for the author is to hand deliver the antlers to guests. A total of 42 sets were prepared by Kingairloch stalkers, tagged and loaded into a pickup truck. A circa 4000 mile journey commenced in Scotland with stops along the way in Edinburgh, Wigan, London, Sweden, Denmark, Germany and Switzerland before returning home.

Appendix 1 contains comprehensive data on the stag cull from larder records. All stags are sold to a game dealer and Kingairloch is a member of the Scottish Quality wild Venison Assurance Scheme. A few highlighted statistics are presented below:

Glensanda: 18 Stags, average hill weight 93 kg, heaviest 126 kg

Kingairloch: 32 stags, average hill weight 98 kg, heaviest 134 kg

Hind Cull

The hind cull commenced immediately after the end of the stag season on 21 October. In contrast to the stag season, client bookings for hind stalking were at an all-time high for the estate. This was brought on by a variety of factors including Kingairloch's decision to donate a week's stalking to the British Association for Shooting and Conservation (BASC) to fund their new communications centre through a raffle prize. In addition, the Estate continued to work with local businesses such as the Pier House Hotel in Port Appin to promote hind stalking. The Estate also opened a Bed and Breakfast ("the Steadings") which proved to be successful in offering individuals or small groups accommodation packages to augment their stalking experience.

The culling selection criteria for hinds are much the same as for stags with a few exceptions. The skill of the stalkers is relied upon along with day to day observation of the hind population during the stag cull. This season it was observed that the calf size was generally larger than normal so a decision was made to cull fewer calves aside from smaller ones. This resulted in more barren or 'yeld' hinds being culled. Likewise overall population of hinds appeared to be larger than normal so the hind cull was increased above target.

Most of the clients during the hinds were individuals or small groups with a few exceptions. Orica Europe (which has been Kingairloch's longest standing corporate client) had to reduce its attendance in the stag season but senior executives came during the hind season en masse for the retirement of the UK General Manager. A group of 14

Belgians came in late January on a self-catered basis with a twist: They brought of their own gourmet food and beverages along with a chef and sommelier.

A comprehensive spreadsheet from the hind cull is provided in Appendix 2. A few highlighted statistics are noted below:

**Glensanda: 7 calves (4 stag weight 31 kg
22 hinds average weight 52 kg, heaviest 72 kg, 3 hind) avg**

**Kingairloch: 10 calves (5 each sex) avg weight 29 kg
64 hinds avg weight 54 kg, heaviest 71 kg**

Total 10

Condition of the hinds was good to excellent. The presence of warbles was much less than last season. The calf weight of circa 30 kg is about 10 above average for the time of year and big calves were being left on the hill. The presence of a high number of stag calves as reported in Glensanda last season seems to have been a one off as the sexes were evenly split on culled calves as were pregnancy observations on culled hinds.

Venison Production

Kingairloch heavily promoted venison sales through its own restaurant ‘the boathouse’ which opened in 2009. In addition venison sales were driven by demand from local shops, restaurants, guests in holiday cottages on the estate, and mail order.

A total of 93 hinds/calves were butchered by trained estate staff in the Kingairloch larder this season. This included all of the cull from Glensanda and most of the Kingairloch cull with the remainder sold to a game dealer. As a matter of policy all stags are sold through a game dealer.

The venison production process involves strict quality assurance methods such as temperature control, curing time, butchering technique, packaging, labelling and storage. A combination of fresh and frozen products is made available. Kingairloch is a member of the Scottish Quality Wild Venison Assurance Scheme and was audited during the season with a successful result.

The author wrote a case study on the Venison business model for the SRPBA.

Annual Census

The annual census of the open range red deer population for the MDMG area began in late February 2010. On February 23 a team of four stalkers came to Glensanda to count the entire area in near perfect conditions with bright sunshine, snow on the summits and favourable wind conditions.

Counting in Kingairloch was done over several days in February and early March. A full report for the MDMG will be prepared and sent to DCS following ratification at the annual meeting in May. The headline figures for Glensanda and Kingairloch are noted in the table below:

Area (no/km ²)	stags	hinds	calves	(%)	Total	density
Glensanda South	21	79	40	49%	140	11.6
Glensanda North	27	112	36	32	175	14.6
TOTAL	48	191	76	39%	315	13.1
Kingairloch North	217	225	102	45	544	19.4
Kingairloch South	74	155	72	46	301	10.9
TOTAL	291	380	174	45	845	15.1
GRAND TOTAL	339	571	250	44%	1160	14.3

The counting of deer is an imprecise science but it does show trends. These trends have to be observed over a long time period to ascertain if any action (i.e. culling levels) is having an impact on population. Data over the past ten years is presented in the table below for Glensanda and Kingairloch combined culling and census for each season:

Season	population	cull	% of population
2009/2010	1160	153	13.2%
2008/2009	967	140	14.4
2007/2008	1014	170	16.8
2006/2007	978	191	19.5
2005/2006	1325	232	17.5
2003/2004	1224	214	17.5
2002/2003	1025	155	15.1
2001/2002	1986	226	11.3

The data suggests that increased culls in the early part of the decade have resulted in reduced overall population which has stabilized. The population is at a manageable level both in terms of impact on habitat but also being sustainable going forward.

Poaching

Last season considerable evidence was provided by neighbouring estates of poaching activities, particularly along the public roads across Morvern. The MDMG decided to take action this season and in cooperation with Scottish Natural Heritage (SNH), the SRPBA and Northern Constabulary established a high profile nocturnal poaching patrol during the times when activity was expected to be highest. This had the desired effect as little or no evidence of poaching occurred this season.

As there are no roads into Glensanda, this type of poaching is virtually impossible to conduct. With regular crew boat runs to the site the chances of poachers using marine access being observed are high.

Conclusion

This report demonstrates that the red deer population in Glensanda and Kingairloch is being managed in a sustainable manner.