Company Registration No. 10100 (Scotland)

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2012

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

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SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

NOTICE OF MEETING

Notice is hereby given that the NINETY-FOURTH ANNUAL GENERAL MEETING of members of the Federation will be held in the Park Hotel, Kilmarnock on Sunday, 25 November 2012 at 11.30 am for the following purposes.

1. To approve the minutes of the Ninety-Third Annual General Meeting held on 22 November 2011.

2. To receive and consider the financial statements for the year ended 31 August 2012 together with the reports of the Executive and auditors. This session is for members only, thereafter there will be an adjournment for lunch. The AGM will recommence at 2.15pm.

3. Convenor's Report at 2.15pm.

4. To appoint -
   a. President Elect
   b. Junior President Elect
   c. Vice Presidents
   d. Honorary Presidents
   e. Treasurer
   f. Secretary

5. To authorise the executive to appoint Auditors and fix the remuneration.

6. To transact any other ordinary business.

By order of the Executive

8 Needless Road
Perth

23 October 2012

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him provided that proxy is also a member of the Federation.

Executive

President
W McFarlane, Shore Street, Bowmore, Islay.

Immediate Past President
S Christie, 4 Rockbank Place, Glasgow Road, Hardgate

Chief Executive
J D Scott, 8 Needless Road, Perth

Secretary
J D Scott, 8 Needless Road, Perth

Training Administrator
Claire Simpson, 8 Needless Road, Perth

Member Services Administrator
Bruce McCall, 8 Needless Road, Perth

Honorary Presidents
R Baird, 25 Milton Road, Pittenweem, Anstruther
A Matthew, 27 Kintail Place, Broughty Ferry, Dundee
S Crombie, 97 Broughton Street, Edinburgh

Vice Presidents

Ayrshire	I Faulds	Glasgow United	S Christie
Borders	G Deans	Glasgow District	T Dowson
Lanarkshire	H Pender	Dumfries	J Meade
Moray	G Murdoch	Dundee	S Jarron
Paisley	N Ovens	Fife & Kinross	N Cameron
Perth	B Lindsay		

Association Nominees to the Federation

Borders	G Lees/ G J Deans
Dundee	A Matthew
Lanarkshire	J Hamilton / J Chapman
Paisley	D Mackenzie
Perth	M Lauchlan

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

ANNUAL REPORT

For the year ended 31 August 2012

The Executive submit their report and financial statements for the year ended 31st August 2012.

Principal activities

The principal activity of the Federation during the year continued to be the provision of advice, support and training services to the meat trade.

The Federation has no share capital and is a private company limited by guarantee with each member undertaking to subscribe, up to a limit of £1, such amounts as may be necessary to pay the debts and liabilities in the event of being wound up.

Results for the year

The surplus for the year amounted to £20,675 (2011 – deficit of £22,459).

Chief Executive's review of activities and future developments

The Scottish Federation continues to represent the independent craft butcher in Scotland. Membership has held up well in the face of economic uncertainty. Certainly there have been a few retirals and the Federation Newsletter has continued to show a number of shops for sale or lease but businesses have been changing hands and there have been very few where the door has been shut or taken on as a change of use. The number of shops in membership has dropped by one.

Competition continues to be fierce out there with multiples discounting meat prices to try and grow their individual shares of the grocery market. The multiples have promoted their butchery strengths and the craft butcher trade must be wary of the challenge to copy their strengths of matured beef professionally prepared by skilled staff.

It has been increasing important for the Federation to provide members with guidance and advice to enable business to continue to trade profitably. Federation members have been kept up to speed with all the developments in the meat industry, regional meetings have been a critical interface with the administration and product evaluation events have kept the independent butcher in the news with quality meat products being highlighted.

Both sides of the Federation - Member Services and Training Services continue to be well used and appreciated by the membership. The European Social Fund (ESF) projects in the Highlands and Islands areas have allowed craft training to be made available to all age groups in any geographical location. This is in addition to the Skills Development Scotland (SDS) funded Modern Apprenticeship.

Our training arm, Scottish Meat Training (SMT), continues to contract SDS for funding and SMT successfully tendered for Modern Apprenticeship places. 183 trainees are currently on funded training, 128 trainees achieved Modern Apprenticeships in the last year while 41 of the allocated 195 places in the current contract have been taken up with a further 35 on the pending list. 36 businesses benefitted from Employer Recruitment Incentives bringing in £107,000 to the sector to support training as they recruited 58 trainees.

ESF Funding through Lowland and Upland Scotland ceased from April 2012, with no replacement funding planned and this will undoubtedly affect the level of service which can be offered in future. 21 Craft certificates were presented during the year.

SFMTA continues to be an awarding body in partnership with Scottish Qualifications Authority (SQA). Distance Learning Foundation Hygiene and Foundation HACCP are delivered to our trainees but surprisingly there has been no demand for Intermediate Hygiene courses.

Regional meetings have been held throughout the country – Ayr, Glasgow, Castle Douglas, Kelso, Carfraemill, North Queensferry, Inchture, Kemnay, New Pitsligo, Oban, Forres, Inverness, Kirkwall and Lerwick. All have been very well attended and well received.

The number of shops in Federation Membership is down by one on last year: 322 businesses (327 in 2010) plus 99 branches (95 in 2010). We continue to gain new members where existing businesses are taken over but this does impact on subscription income which shows a slight fall.

The newsletter has been published timeously on the first day of each month and the Federation handbook was distributed with it in May.

The 26 Corporate members have been great supporters to the Federation and hopefully they have gained sufficient business in return to justify their continued support. Many have made good use of free inserts or adverts in the Newsletters and the platform available through regional meetings.

Speciality Sausage and Speciality Burger product evaluations were held in April and The Scottish Beef Sausage Championship and Scottish Black Pudding Championship were judged at the Regional Meetings in April. Good PR for independent butchers was generated from these evaluations and competitions. More recently we have completed the Sliced Sausage Championship and our first ever Trick or Treat and Bonfire Night products evaluation. .

Members were again appreciative of the Haggis posters and leaflets produced for Burns Night promotion. We encouraged members to use our services to produce point of sale for promotions linked to National Butchers Week and Barbecue time. Point of sale material was printed for the diamond award winning Speciality Sausage and Burgers and Halloween and Bonfire Night.

Peninsula continue to offer Employment Law advice to members and enhance the professionalism of the Federation. Food Safety are the next most common enquiries and these are handled by the office. A Health and Safety adviser has been appointed to provide members with advice.

The ninetieth third Annual General Meeting was held in Perth on 22nd November 2011 when Billy McFarlane was re-elected President. Billy has presided over SFMTA Executive meetings and has visited Regional Meetings all over the country from Stornoway to Kirkwall and Oban to Lerwick.

The Federation continues to work with Quality Meat Scotland to get the best value for levy payments. SFMTA welcomes establishing an independent Food Standards Agency for Scotland including a Scottish meat inspection delivery body. We look forward to playing our part in that consultation.

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

ANNUAL REPORT (Continued)

For the year ended 31 August 2012

Without a doubt the biggest concern in terms of legislation has been the Avoidance of Cross Contamination from eColi O157 guidance announced in February 2011 following the Tudor incident in South Wales. SFMTA continue to assist members comply with this and further updated guidance and to deal with any excessive demands from local authorities.

Our Livestock Convenor Alan Kennedy has again kept the Executive up to speed with issues and the Federation has been represented at stakeholder meetings and members views are constantly canvassed when either telephoning, attending meetings or visited by any of the Scottish Meat Training assessors.

Executive responsibilities

Company law requires the members of the Executive to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Federation and of the surplus or deficit of the Federation for that period. In preparing those financial statements, the members of the Executive are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Federation will continue in business.

The members of the Executive are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Federation and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Federation and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the Executive are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and

(b) they have taken all the steps that ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Findlay & Company were appointed auditors during the year and the directors recommend that Findlay & Company remain in office until further notice.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 23rd October 2012 and signed on its behalf by

J D Scott
Chief Executive
23 October 2012

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

For the year ended 31 August 2012

We have audited the financial statements of Scottish Federation of Meat Traders' Association (INC) for the year ended 31 August 2012 set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Executive Statement set out on pages 3 - 5, the Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in Note 13.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC) (Continued)

For the year ended 31 August 2012

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Executive Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Executive were not entitled to prepare the financial statements and the Executive report in accordance with the small companies regime.

Mr Hugh Grant CA (Senior Statutory Auditor)
for and on behalf of Findlay & Company,
Chartered Accountants and Statutory Auditor
11 Dudhope Terrace
Dundee
DD3 6TS

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 August 2012

	Notes	2012 £	Restated 2011 £
Operating income			
Member Services		116,437	131,822
Scottish Meat Training		389,524	416,344
		505,961	548,166
Operating expenses			
Member Services		122,254	133,632
Scottish Meat Training		367,811	443,770
		490,065	577,402
Operating surplus/(deficit)	2	15,896	(29,236)
Investment income	3	4,770	6,771
Other interest receivable and similar income		12	8
Surplus/(Deficit) on ordinary activities before taxation		20,678	(22,457)
Tax on surplus/(deficit)on ordinary activities	4	(3)	(2)
Surplus/(Deficit) on ordinary activities after taxation	9	20,675	(22,459)
Statement of total recognised gains & losses			
Profit/(loss) on ordinary activities after taxation		20,678	(22,457)
Prior year adjustment	5	-	(33,512)
Total recognised gains since last annual report		£ 20,678	£ (55,969)

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

BALANCE SHEET

As at 31 August 2012

	Notes		2012		Restated 2011
			£		£
Fixed Assets					
Tangible assets	**7**		194,788		196,734
Investments	**8**		9,807		9,807
			204,595		206,541
Current assets					
Stocks		938		1,335	
Debtors	**9**	45,501		62,609	
Cash at bank and in hand		36,272		17,386	
		82,711		81,330	
Creditors: amounts falling due within one year	**10**	(40,101)		(61,341)	
Net current assets			42,610		19,989
Total assets less current liabilities			247,205		226,530
Capital and reserves					
Profit and loss account			247,205		226,530
Shareholders' funds	**11**		247,205		226,530

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

Approved by the Board for issue on 23 October 2012

W McFarlane W. McFarlane
President

S Christie
Treasurer

Company Registration No. 10100

1 Accounting policies

1.1 Accounting convention
The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Compliance with accounting standards
The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover
Subscriptions and other receipts are credited to income in the year in which they are invoiced. Trade fair income is credited to income in the financial year in which the trade fair takes place.

1.4 Tangible fixed assets and depreciation
Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	0.12% straight line
Electrical equipment	25% reducing balance
Furniture and fittings	15% reducing balance

It is the Federation's policy to maintain buildings in such a condition that the value is not diminished by the passage of time and the relevant expenditure is charged to surplus before tax in the year in which it is incurred. Therefore any element of depreciation is considered to be immaterial and no provision is made. This policy is not in accordance with FRS 15.

1.5 Investments
Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock
Stock is valued at the lower of cost and net realisable value.

1.7 Group accounts
The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

2. Operating (loss)/profit

	2012	2011
	£	£
Operating (deficit)/surplus is stated after charging:		
Depreciation of tangible assets	3,312	3,820
Auditors' remuneration	1,880	3,776

3. Investment income

	2012	2011
	£	£
Income from fixed asset investments	4,770	6,771
Bank interest	12	8
	4,782	6,779

4. Taxation

	2012	2011
	£	£
Domestic current year tax		
UK corporation tax	3	2
Total current tax	3	2

5. The prior year adjustment

The statement of accounts for the year ending 31st August 2011 have been restated in that £33,512 of subscriptions was prepaid. This has resulted in Other Creditors being increased by £33,512.

6. Directors' remuneration

	2012	2011
	£	£
Remuneration and other benefits	44,746	44,036

7. Tangible fixed assets

	Land and Buildings £	Furniture Fittings & Equipment £	Total £
Cost			
At 1 September 2011	190,992	47,951	238,943
Additions	-	1,366	1,366
At 31 August 2012	190,992	49,317	240,309
Depreciation			
At 1 September 2011	5,990	36,219	42,209
Charge for the year	224	3,088	3,312
At 31 August 2012	6,214	39,307	45,521
Net book value			
At 31 August 2012	184,778	10,010	194,788
At 31 August 2011	185,002	11,732	196,734

8. Fixed asset investments

	Listed Investments £	Unlisted investments £	Total £
Cost			
At 1 September 2011 & at 31 August 2012	4,656	5,151	9,807

	Market value of listed Investments £
At 31 August 2012	87,562
At 31 August 2011	80,742

There has been no recent valuation of the unlisted investments including the president's chain and trophies.

9. Debtors

	2012 £	2011 £
Trade debtors	19,095	25,400
Other debtors	26,406	37,209
	45,501	62,609

10. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,389	8,421
Taxation and social security	3	7,647
Other creditors	38,709	45,273
	40,101	61,341

11. Statement of movements on profit and loss account

	Profit and loss account £
Balance at 31 August 2011 as previously stated	260,042
Prior year adjustments (note 5)	(33,512)
At 1 September 2011 (restated)	226,530
Profit for the year	20,675
At 31 August 2012	247,205

12. Control

The Federation is controlled by the Executive as detailed on page 2.

13. Ethical Standard - provision available for smaller entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
MEMBER SERVICES DEPARTMENT

For the year ended 31 August 2012

	2012 £	2011 £
OPERATING INCOME		
Subscriptions	84,396	85,924
Advertisements Handbook	2,810	1,865
Sundry Income	253	1,835
Corporate Memberships	13,167	11,500
Haggis leaflets	136	180
Cooking Method Leaflets	75	60
Competition Entry Fees	6,385	6,438
Room Hire	225	125
Newsletter Income	2,454	540
Golf Income	890	-
Sponsorship	3,450	2,900
Awarding Body Income	870	740
Sale of Merchandise	1,326	4,583
Trade Fair Receipts	-	14,940
Sale of Beef Labelling Boards	-	192
	116,437	131,822
OPERATING EXPENSES	122,254	133,632
Operating surplus/(deficit)	(5,817)	(1,810)
Other interest receivable and similar income		
Bank interest received	12	8
Income from Investments		
Dividends received from listed investments	4,770	6,771
Net surplus/(deficit) for the year	(1,035)	4,969

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

For the year ended 31 August 2012

MEMBER SERVICES DEPARTMENT

OPERATING EXPENSES	2012	2011
	£	£
Regional Meetings	5,481	-
Cost of Merchandise	773	4,796
Travel Expenses C.E.	1,234	539
Handbook	4,461	3,875
Competition Expenses	8,234	4,706
Salaries & Wages	43,093	57,353
Bookkeeping Services	2,971	3,100
Consultancy Fees	8,220	8,220
Repairs & Maintenance	2,383	2,433
Telephone	503	583
Rates	2,283	2,227
Heat & Light	1,022	1,020
Audit & Accountancy Fee	1,201	676
Subscriptions	84	88
Stationery/Printing	6,103	5,015
Bank Charges	738	727
Presidents Outlays	1,849	935
Internet	97	108
Postage	5,333	3,385
Golf Expenses	869	-
Executive Meetings and Travel Expenses	3,176	2,636
Joint Adverts/Promotions	15,242	11,984
Meals & Meetings	350	550
General Expenses	740	442
AGM Expenses	1,080	839
Photocopier Lease	740	646
Member Support Services	1,902	1,468
Depreciation	657	793
Office Cleaning	212	345
Mispostings Account	200	-
Computer Supplies	70	-
Insurance	725	638
Staff Training	228	58
Trade Fair	-	14,917
Local Association Fees	-	(1,813)
Bad Debts Written Off	-	167
Beef Labelling Boards	-	176
	122,254	133,632

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

SCOTTISH MEAT TRAINING DEPARTMENT

For the year ended 31 August 2012

OPERATING INCOME	**2012**	**2011**
	£	**£**
Skills Development Scotland	297,495	251,106
Recruitment Incentive	10,900	-
Haccp Course	1,200	5,685
Food Distance Ess Hyg Course	5,003	3,395
Food Ess Hyg Course	2,265	3,200
Food Inter Hyg Course	253	3,887
Books etc	17	-
Interest received	23	-
Esf-Grant Income	46,233	105,299
H & I Grant	14,832	27,043
Private Training	10,027	2,371
Course Income	1,276	11,994
Sponsorship	-	1,700
Sundry Income	-	664
	------------	------------
	389,524	416,344
Operating expenses	(367,811)	(443,770)
	------------	------------
OPERATING SURPLUS	21,713	(27,426)
	=======	=======

SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATION (INC)

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

For the year ended 31 August 2012

SCOTTISH MEAT TRAINING DEPARTMENT

OPERATING EXPENSES	2012 £	2011 £
Subsistence Accommodation	1,238	1,231
Sundry Expenses	366	822
Training Materials	2,209	2,474
Travel	50,592	53,543
Bookkeeping	3,360	3,360
Course Expenses	28	5,238
SVQ Registrations	23,699	16,116
Skills Workshops	13,675	40,949
Overheads		
Salaries & National Insurance	223,030	257,110
Telephone	2,418	3,758
Stationery/Printing	9,903	10,338
Postages	6,217	5,638
Electricity/Gas	2,385	2,381
Internet	309	256
Computer Supplies	590	1,562
Irrecoverable VAT	6,513	13,560
Repairs & Maintenance	2,051	2,359
Office Cleaning	334	569
Insurance	1,522	664
Rates	5,328	5,196
Subscriptions	1,147	1,388
Audit Fee	1,935	1,578
Bank Charges	639	890
Meals & Meetings	18	25
H & I Administration	3,276	4,214
Depreciation	2,655	1,596
Photocopier Lease	1,374	1,507
Bad Debts	1,000	5,448
	367,811	443,770