MINUTE OF THE NINTEY SEVENTH ANNUAL GENERAL MEETING OF THE SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATIONS (INC.) HELD AT WESTERWOOD HOTEL, CUMBERNAULD ON WEDNESDAY 25th NOVEMBER 2015 AT 11.00am

PRESENT:

President	Beaton Lindsay
President Elect	Paul Boyle
Past Presidents	John Chapman, Stuart Christie, Wilson Ferguson
Chief Executive:	Douglas Scott
Minutes:	Bruce McCall

Members and guests as per register. Alan Kennedy, Stewart Dempsie, Christie Boyle, George Murphy TPS, Elaine Holmes TPS, Michael McCafferty, Rod Addy- Meat Trades Journal, Paul Kelly and Aileen Monk both Kellys Turkeys, Riccardo Mazzoni – Shoppers Anonymous, Gary Raeburn, Graeme Sharp QMS, George Lees

WELCOME: President Beaton Lindsay welcomed members to the Ninety Seventh Annual General Meeting of SFMTA.

APOLOGIES FOR ABSENCE: Past Presidents Adam McLay, Jamie Chapman, Hamish Deans, David Dickie; Ian McWatt, Food Standards Scotland; George Milne, National Sheep Association; Alan Stevenson, Past Chief Executive SFMTA; Jim McLaren QMS; Karen Fell, Stewart Duguid, Guthrie Batchelor, Ian & Pamela Hunter, Alan Pirie, Jock Gibson, Morton Perrie, Jim Preston, Hugh Pender, James Pender.

MINUTE OF THE PREVIOUS ANNUAL GENERAL MEETING: The Minute of the Ninety Sixth Annual General Meeting was approved by Alan Kennedy and seconded by Paul Boyle.

MATTERS ARISING: no matters arising.

On page 4 – Stuart Christie has delivered the records of Glasgow United Fleshers to the office and we have started to scan them. They are interesting and we will continue to scan the rest of them. John Chapman said he had a copy of the constitution which he will forward to the office.

ANNUAL REPORTS AND ACCOUNTS: Chief Executive Douglas Scott reported

It is my pleasure to present these accounts for your approval. They cover the twelve months to 31st August 2015 and if you have already turned to page 9 you will note. Surplus for the year you can see is £16,789. That compares to £44,894 the previous year and much better than the 2013 result which showed a loss of £22,332.

If we could maybe explore how this surplus is arrived at, that might help us to understand the income and expenditure. On page 16 we see a note of the trading account for Member Services. Starting with income, subscriptions account for just over 50% of that and the 2015 figure compares favourably with the 2014 one - we have one fewer business in membership but six additional branch shops. Handbook income is better but if you look across to page 17 you will see Handbook expense of £3620 which still exceeds income by almost £1000.

Our income from Corporate members has maintained its level at £15000 which effectively reduces subscriptions by £5 per member. Sponsorship and income from servicing Q Guild has been repeated this financial year. The main difference in income is that from the Scottish Meat Trade Fair which is held every second year. £20,610 of income compares to a figure of £15,075 in 2013.

On the expenditure side, cost of Regional meetings is less because in a Trade Fair year we only run two sets of regional meetings as opposed to three or even four in the coming year. Salary costs are almost £5000 up on this side but over the page on page 19 salary costs are down almost

£10000 on the Training side. We have replaced a full time assessor with a part time assessor but the re-allocation of some of the Chief Executive's cost is reflected more on the member services side now because of the time involved on Q Guild.

Consultancy expenses stand out as an increased cost and while we retain both Health & Safety and Employment Law advisers, the £9000 increase is totally due to a decision made at the last AGM to pay for members' indemnity in cases of Employment Law tribunals as long as they had followed Lindsays' advice.

The other increase in costs has been in advertising and promotions. Expenditure hear is up 50% but we have rebranded the Scottish Craft Butcher logo and materials - a move that has been extremely well received - and we have been particularly active with point of sale materials and follow up on product evaluations. Cost of servicing the Q Guild is £1200 more than last year but they do have a new General Manager who is generating much more activity.

Trade Fair expenses are £19,379 compared to £17,538 in 2013.

So matching expenditure against income the surplus is dependent on taking into consideration income from investments to leave £1600.

Over the page operating income for Scottish Meat Training is the grand sum of £594 higher than the previous year. Income from our main paymaster, Skills Development Scotland is marginally up on the previous year and we have £13830 from Sundry Income which is a fee charged for processing Employee Recruitment incentives. That is much the same arrangement as Apprentice Admin Income in the previous year which was an admin fee for handling Commonwealth Games Legacy funding. Sponsorship relates to the Meat Skills Scotland competition that is held every second year. In 2013 this figure was £0.

The most significant impact on income is the end of the ESF project. £24725 is all that we will receive for 2015 and there is no more going forward. Clearly income will now need to be focussed on SDS and hopefully there are opportunities to generate income from Food Manufacturing Excellence.

On the expenditure side travel costs have reduced significantly but so too have SVQ registrations. This drop in registrations is not a good thing and we are continually chasing new starts in what is a very competitive labour market at the younger end of the spectrum.

Under overheads, I have already mentioned Salaries but you will also see a figure for redundancy which was for paying off our Internal Verifier. After applying the lessons learned from Food Manufacturing Excellence, we discovered that SMT could operate leaner and so next year's salary bill should be less.

On page 20 you will see the Meat Skills Scotland event cost £5747, as opposed to £5408 in 2013 but this is in some way les due to the generosity of John M Munro supplying the meat free of charge. As previously mentioned £3600 of sponsorship can be set against that figure.

So on page 18 an operating surplus of £15,536 is reported for 2015. £3092 less than last year but good considering that the figures include the Meat Skills Scotland competition, a redundancy payment and much less from ESF.

Now I know that some of you will like to know what the debtors and creditors figures represent as totalled on page 14 at notes 8 and 9. Trade debtors of £20,382 (£11,214 MS and £9167 SMT) and other debtors at £16,935 include the following:- SDS Grant £3891, ESF Grant £9495, VAT £1959, Prepayments £878.

Creditors of £72,588 represent trade creditors of £8357 (£5397 MS and £2938 SMT) other creditors at £53,801. The last figure includes £18,665 accruals and £35,136 of pre paid income.

The Balance Sheet on page 10 also gives a good barometer of the state of play with Cash in the bank up from £26,203 to £107,180.

Back to page 9, the operating surplus comes to £12,380 and when income from investments and tax is put against that then there remains £16,789.

I feel that the organisation has spent it money wisely to service the current membership and train future generations. I hope that you agree!

Alan Kennedy mentioned the indemnity insurance and he was a fan of it he wondered if anyone had used it. Douglas said not that we know of and the more worrying we think maybe members have not read the information and do not know it exists. Also some businesses are using their own HR advisors and not Lindsays. The number of people likely to benefit from this appears to be quite low. Douglas said that it because payable in February so the Executive could discuss it at the January meeting. Alan Kennedy suggested maybe if businesses could take out their own this would be an alternative option and Douglas agreed to enquire about it.

Douglas said it was good to question it as Bruce has already question the Health & Safety contract and it has been knocked down considerable by 80%. Something we get asked about as well is indemnity against tax investigations. Alan Kennedy said Findlays the auditors offer this service. Alan Kennedy asked about Forum of Small Business if it was possible to do any collaborative work like we do with Scottish Bakers. Douglas said it was a good idea and well worth pursuing. Douglas said he had not spoken to them since he sold the shop at that time he paid them £120. Paul Boyle said he was a member for 25 years and never used any of their services. Douglas asked if Paul could send in the details of their services the next time it comes in and Paul agreed. Paul said he was front page in their magazine when he won the World Scotch Pie Championships.

BUDGET PROPOSAL: Douglas Scott reported.

The budget has been drawn up since the last Executive meeting and the outcome really depends on how much we spend on promotions and advertising. This can be turned up and down throughout the year to react to income. We came to the conclusion at the last Executive that a small increase was better so the proposal from the Executive was to increase the membership fee by £5. The meeting unanimously agreed to the increase.

Bruce McCall said that Corporate membership came in 2001 introduced by Alan Stevenson at a rate of £500 + Vat and the cost has not increased in 14 years. It represents good value if you use the advert facility 3 times in the year as they could not do that themselves for that cost. We took a view in the office that maybe it should increase by £100 to £600. Douglas said he felt that most people would rubber stamp it we bill them in December.

We have 32 corporate members so it would increase our income by over £3,000. Douglas felt presenting it in this way should see them accept it. Paul Boyle said Vertex Shop fitters, Arbroath have expressed an interest to join. Alan Kennedy also suggested DOMGEM Ltd in Aberdeen. Bruce McCall agreed to write to both the next day.

The accounts were approved by Stewart Dempsie and seconded by Paul Boyle.

The annual report was formally accepted by Alan Kennedy and seconded by Stewart Dempsie.

PRESIDENT ELECT: Stuart Christie nominated Paul Boyle and it was seconded by George Lees.

JUNIOR PRESIDENT ELECT:
There were no nominations for Junior President Elect.

VICE PRESIDENTS:
Chief Executive Douglas Scott read out the list as nominated by their Local Association:

Glasgow United	S Christie	Borders	G Deans
Glasgow District	T Dowson	Lanarkshire	H Pender
Moray	G Murdoch	Ayrshire	Ian Faulds
Dundee	S Jarron	Paisley	D MacKenzie
Fife & Kinross	N Cameron	Perth	M Lauchlan

The following nominations were adopted by the meeting.

SECRETARY: Douglas Scott was re-appointed by the meeting.

TREASURER: Stuart Christie was re-appointed by the meeting.

AUDITORS:
In compliance with the terms of the Companies Act 1985 the meeting approved the appointment of Messrs Findlay & Co. 11 Dudhope Terrace, Dundee DD3 6TS as auditors. Alan Kennedy stated that the new contact at Findlays was much better to deal with and Douglas said we had the same experience.

Alan Kennedy proposed the auditors continuation and it was seconded by Paul Boyle.

AOCB: Stuart Christie asked how Lidl could sell a 4 kilo turkey for £16. Paul Kelly would be talking to the sector in the afternoon and it was referred there. Beaton Lindsay said they offer Kelly turkeys to customers whom want them but he does not push them he focusses on trying to sell beef. Stuart Christie said he is selling turkeys from Gartmorn as he had ditched Copas. Paul Boyle said he gets turkeys from Ireland and there is no problem with them.

A discussion took places about Quality Meat Scotland.

ADJOURMENT FOR LUNCH

WELCOME: Jim Sperring, President of NFMFT, Alan Bowie, President NFUS, Paul Kelly Chairman, British Turkey Federation, Willie McCulloch President of the Institute of Auctioneers, Johnathan Wilkinson and Riccardo Mazzoni – Shoppers Anonymous, Corporate members Aileen Monk from Kelly Bronze, Elaine Holmes and George Murphy – TPS Scotland, Graeme Sharp, Quality Meat Scotland.

This afternoon there will be three presentations

PRESIDENTIAL ADDRESS BY PRESIDENT BEATON LINDSAY:

Most of you will have realised that I was very nervous about being elected President but it has been a great year and I look forward to my second year in office.

What did I like? I liked meeting people whether it was at Federation meetings, Scotch Pie Club Awards, Wholesalers or auctioneers events or those coming into the shop to talk over things with me.

Through making friendships I was able to get involved with the likes of George Milne and the National Sheep Association and for example, through that organising a lamb tasting promotion with the other two shops in my home town of Perth. This came about as George Milne requested a

meeting to see if we could look at ways of getting people eating lamb again as the prices and consumption of lamb had dropped. We came up with the idea of a trailer and cooking samples for people to taste, the van was to be branded and located into the centre of the town. The three shops in Perth participated. Each shop received a lamb from the National Sheep Association and made products they sell in the shop in bite size portions. This was then cooked by a chef. My "incredible beautiful wife and two daughters" handed out the samples. The day was a great success with all three shops reporting an upturn in sales. We still have customers coming into the shop who talk about coming in on that day.

I travelled as far afield as Orkney and London. Meeting members on Orkney was fascinating. I met Barbara in the "ladies only" butchers, Thorfinn the helicopter man and took my wife of a pre breakfast tour of the Kirkwall abattoir. For my wife and I this was our first time in Orkney and first trip out as President. All the Orkney members and Douglas made it a worthwhile trip.

The National Federation made me and Louise very welcome in June and Roger Kelsey gave us a right royal tour of the important meat landmarks of London. This was an eye opener starting off with an early morning tour of Smithfield Market, after breakfast we were shown round some small traditional shops in London which were very busy. We then went to Jamie Oliver's showpiece shop. It was extremely modern no expenses spared environment. Jamie's restaurants are supplied from this shop and it is open for general customers too although in 30 minutes there was only one customer.

We attended the National Federation AGM and they have the same issues and it was interesting to see how they are handling them. It is good to have a collaborative relationship with our English colleagues and I am delighted that Jim Sperring their President has travelled north to be with us today. That's probably enough said about people and places.

Issues - Butchers always have issues.
On 20th October 2014, just before this chain was strung around my neck, Scottish Government introduced the Carrier Bag charge. I, and a number of other Federation members, quickly noticed that this was a backward step in terms of food safety. The reluctance of customers to pay for carrier bags meant that we were being handed less than clean shopping bags to fill. When customers did pay for a bag they crammed as much in one as they could.

Now before the charge Scottish butchers encouraged by their EHOs, had adopted a practice of placing ready to eat items in a separate bag from the one used for raw meat. The Carrier Bags charge threatened to reduce standards and create a food safety risk and a risk to reputation.

Thankfully I was able to bring together the Food Standards Agency and Resource Efficient Scotland to address the food safety issues created by the implementation of the Carrier Bag legislation in Scotland. After dialogue the importance of good practice was recognised with acceptance that where packaging could potentially leak then a carrier bag should be used as primary packaging and no charge was payable.

Unfortunately the arrival of Food Standards Scotland has not been accompanied by the same answers. Both ourselves and the enforcement authorities lament at the lack of guidance when it comes to assistance on nutritional labelling, country of origin labelling, composition of mince and the ridiculously unmanageable 1% tolerance on carry over between species.

Membership has held up well in the face of economic uncertainty. There continues to be a few retiring but the Federation Newsletter has had less shops for sale or lease. Businesses have been changing hands and mainly due to customers shopping in other areas, there have been very few where the door has been shut or taken on as a change of use.

The number of shops in Federation Membership, 412, is up by five on last year: 315 businesses plus 97 branch shops. We continue to gain new members where existing businesses are taken over.

Competition continues to be fierce out there with discounters making a bigger impact and hurting not just independents but multiples who have been forced into discounting meat prices to try and retain their individual shares of the grocery market.

Both sides of the Federation - Member Services and Training Services continue to be well used and appreciated by the industry.

Our training arm, Scottish Meat Training, continues to contract with Skills Development Scotland for funding of Modern Apprenticeship places.
188 trainees are currently on funded training,
127 trainees achieved Modern Apprenticeships in the last year while
all of the allocated 90 places in the current contract have been taken up.
6 Craft certificates and 4 Federation Diplomas were presented during the year.

All our Scottish Meat Training assessors have all received specialist training throughout the year from the Scottish Manufacturing Advisory Service, to be able to deliver qualifications or courses in Food Manufacturing Excellence. Hopefully this will become the next big thing for both Scottish Meat Training and the Scottish Food and Drink Industry.

The Scottish Craft Butchers Trade Fair was held at Dewars in Perth on 10th May. The 2015 Trade Fair was the most successful yet. The stands sold well and the visitor numbers were good. These visitors also appeared to stay longer with the Meat Skills Scotland Final and the GB team rehearsal for the Tri Nations Skills competition in New Zealand later in the year creating a great amount of attention.

Our competitions both at the trade fair and elsewhere have created new champions and publicity that underlines the fact that if you want to buy quality meat products then you should visit a craft butcher.

I must pause to congratulate our latest champions, crowned only ten days ago at the Butchers Shop Awards in Leeds. Well done to Lisa Finnigan from Davidsons in Inverurie who lifted the UK Young Butcher of the year title and to Paul and Christine Boyle whose Boghall Butchers were named Scottish Butchers Shop of the Year. Both awards were richly deserved.

Scottish Meat Training assessors have worked with QMS at the Royal Highland Show and on various other projects involving bloggers.

The Scottish Craft Butcher logo was refreshed in 2015 and van decals, shop vinyls and empty bellied posters were made available to members. The reaction has been very positive and further investment will be placed behind the Scottish Craft Butcher logo.

This has grown in importance as members seek brand endorsement. With the Scotch Beef logo being used by discounters who are devaluing a premium product by promoting it as a low cost product, there is now no mileage in associating ourselves with that brand and indeed endorsing the product on sale in supermarkets and discounters.

As craft butchers throughout Scotland are removing Scotch Beef and Lamb PGI material I see the way forward is promoting my own – DG Lindsay brand – with the Scottish Craft Butcher materials there to highlight our sector's point of difference.

Whatever is ahead of us in the coming year, your President and the Federation looks forward to playing our part in building a stronger craft butcher sector.

SPEAKERS:
The meeting were then given three really interesting presentations from three speakers who were all experts in their field.

1. Paul Kelly, KellyBronze
   Farmer Dr Paul Kelly is the MD of Kelly Turkeys, based in Essex and chairman of British Turkey Federation.

2. Jonathan Winchester, Shopper Anonymous
   Shopper Anonymous conducted mystery shopping in 40 SFMTA members' shops in the Highlands earlier in 2015. As well as running Shopper Anonymous, Jonathan is well known for his sound business advice and training seminars.

3. Gary Raeburn, Butcher, Huntly talked about his experiences representing GB at the Tri-Nations Competition in Auckland, and his tour to New Zealand.

President Jim Sperring thanked the Federation for having him as his guest and he said that he had enjoyed being with us.

A vote of thanks to all the speakers was given by President Elect Paul Boyle.

ANY OTHER COMPETENT BUSINESS: there was no further business and the meeting was closed with a vote of thanks to the chair led from Past President David Lindsay.