

**MINUTE OF THE NINTEY EIGHTH ANNUAL GENERAL MEETING OF
THE SCOTTISH FEDERATION OF MEAT TRADERS' ASSOCIATIONS (INC.)
HELD AT THE HOUSTON HOUSE HOTEL, UPHALL
ON WEDNESDAY 20th NOVEMBER 2016 AT 11.00am**

PRESENT:

President	Beaton Lindsay
President Elect	Paul Boyle
Immediate Past President	Ian Faulds
Honorary President	Sandy Crombie
Past Presidents	Jamie Chapman, Adam McLay
Chief Executive:	Douglas Scott
Minutes:	Bruce McCall

Members and guests as per register. Christine Boyle, Matthew Falconer, Tom Courts, Chris Wright, Ian Anderson, Aubrey Christian, Michelle Craig, Morton Perrie, Stewart Dempsie, George Lees.

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

APOLOGIES FOR ABSENCE: Hamish Deans, George Deans, Bel Forbes, Stuart Christie, Stuart Houston, Guthrie Batchelor, Alan Kennedy, Allan Bowie, Arthur Matthew, Eddie Williams, Tom Stevenson, Ian Jack, Alan Pirie, Graeme Yandell, Hugh Black, Denise Walton, Hugh Pender, James Pender, Murray Lauchlan, Scott Jarron, John Chapman, Kenneth Morrison, Wilson Ferguson.

MINUTE OF THE PREVIOUS ANNUAL GENERAL MEETING: The Minute of the Ninety Seventh Annual General Meeting was approved by Stewart Dempsie and seconded by Ian Faulds.

MATTERS ARISING: Ian Faulds reported that he had not been marked down as present.

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 2016 and if you have already turned to page 9 you will note. Surplus, before tax, for the year you can see is £67,703 compared to £17,136 the previous year.

There are several payments received that have had a positive effect on this year's annual accounts. The surplus itself is directly as a result of receiving £60,000 for the sales of shares in St Andrews Abattoir Company. That payment came in October 2015 and there may be a final payment to come that might amount to around £1500. There is an associated tax liability on this transaction and you will see an allowance of £8385 made for this below that £67703 figure and at Note 4 on page 12.

Now I would like to talk you through the income and expenditure for both Members Services and Scottish Meat Training. On page 16 we see a note of the trading account for Member Services. Starting with income, subscriptions account for 55% of that and the 2016 figure compares favourably with the 2015 one – at 403 shops in membership, we have three fewer business in membership. Handbook income is better but if you look across to page 17 you will see Handbook expense of £3800 which still exceeds income by just over £1500. At a previous executive meeting we agreed to not print the handbook in such a fashion in years going forward.

Our income from Corporate members continues to grow up from £15000 to £19633 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. Taking out the £20,610 Trade Fair

related income we have increased our income by £7000 mainly due to increased revenue from Newsletter income, Sale of Merchandise and income from Corporate members.

On the expenditure side, cost of Regional meetings is now totally under Member Services operating expenses. In 2015 £3486 as you will see from the foot of page 19 was covered on Training side and called Development Meetings. Total in 2015 was therefore £2902 + £3486 = £6388. In 2016 Regional Meetings cost £6857. Salary costs are virtually the same as previous year.

Consultancy expenses stand out as a high cost. This year Bruce managed to get a review of the price charged by our Health & Safety advisers. We retain both Health & Safety and Employment Law advisers, £9000 of the total is a premium is totally due to a decision made at the 2014 AGM to pay for members' indemnity in cases of Employment Law tribunals as long as they had followed Lindsays' advice.

The other cost that has grown is Advertising and Promotions. We continue to rebrand the Scottish Craft Butcher logo and materials - a move that has been extremely well received - and we have maintained activity with point of sale materials. A considerable sum has been invested here in social media training. This will recur but at a lower level going forward. Direct cost of servicing the Q Guild is £7,432 but as you will notice there is a gross profit of just over £20,000 is this job. Further good news is that we applied for a received a three years rates rebate. £10110.

So matching expenditure against income the surplus is dependent on taking into consideration income from investments, to leave £686. So at the foot of page 16. That becomes £55,686 when St Andrews Abattoir is brought into the equation.

Over the page to page 18 and operating income for Scottish Meat Training is quite a bit lower than the previous year. Income from our main paymaster, Skills Development Scotland is £250,000 as opposed to £305,000 in 2015. SDS income 2015 was much the same as 2014 but these were two exceptional years with Employee Recruitment incentives. The 2016 income from SDS is £5000 ahead of the 2013 figure.

Another significant impact on income is the end of the ESF project. £24725 was received in 2015 but there is no more going forward. One positive aspect is £6240 brought in from Craft Certificate qualifications. This demonstrates a willingness by employers to pay some parts of their employee's training.

Last year we did have £13,830 of Apprenticeship Admin Income which was a fee charged for processing Employee Recruitment incentives. That was a bit of a one off and this year another one off has occurred under Sundry Income. Due to work done by our auditors we received a rebate for two years VAT and so as well as seeing £15,012 there is no amount to be paid out for VAT on the expenditure side either.

On the expenditure side travel costs have reduced by around £5000. Salaries are less but was higher last year because of redundancy for paying off our Internal Verifier. After applying the lessons learned from Food Manufacturing Excellence, we discovered that SMT could operate leaner and so this year's salary bill is significantly less.

So on page 18 an operating surplus of £12,017 has been the outcome as opposed to one of £15,536 reported for 2015. £3500 less than last year but good because 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 £18,968 (£7304 MS and £6108 SMT) and other debtors at £5328 includes prepayments and an amount due from SDS.

Creditors £2520 is amount both MS and SMT are due to pay. Corporation tax I have already

referred to and other creditors of £46,538 includes £30,000 annual subs already paid, £7317 Corporate members pre paid, Exec expenses not paid £2107 and Verner Wheelock £2544.

The Balance Sheet on page 10 also gives a good barometer of the state of play with Cash in the bank up from £107,000 to £180,000.

Back to page 9, the operating surplus comes to £59318.

I conclude in the same way as I did last year, I feel that the organisation has spent it money wisely to service the current membership and train future generations. I hope that you agree!

Beaton Lindsay said Douglas had done a good job.

The accounts were approved by Ian Faulds and seconded by Jamie Chapman.

BUDGET PROPOSAL: Douglas Scott reported.

Douglas has compiled a budget which included the Trade Fair in the next financial year. The Finance Committee has considered the figures and are budgeting for a small surplus of £2k. In order to do that and after a chat with Hamish Deans they agreed to propose a freeze on branch shops rate of £65 + vat and an increase of £5 on the main shop to £275.

The meeting agreed the proposal.

PRESIDENT: Paul Boyle was nominated for position of President and his instillation would take place after lunch. Ian Faulds had great pleasure to nominate Paul Boyle as President, he said he was highly respected and active contributes at our executive meetings. This was seconded by Sandy Crombie.

PRESIDENT ELECT: There were no nominations.

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
Lanarkshire	Jamie Chapman
Dundee	A Kennedy

The following nominations were adopted by the meeting.

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

TREASURER: Ian Faulds was 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.

AOCB: Stewart Dempsie thanked Douglas and all the staff for their hard work through the year.

Douglas said we will all have noticed we are light on practitioners coming along to executive meetings to give guidance on the work of the organisation. We have drawn up a list of movers and shakers that we would like to come along (not named) and also suggest reducing the number of times people would have to meet.

Those people who attend will notice we go over the same things fairly often. Our vision would be less meetings with executive to get feedback in February, June and October. We would have to revisit our Articles of Association, we could not change that without the consensus of the members. If we reduced the number of meetings we may get better commitment from those whom wanted to get involved.

Beaton Lindsay agreed it was key to get working butchers to the meetings. Ian Faulds said it was a double edge sword as members are obviously happy with what they get. Happiness brings about a certain amount of complacency. There is no great need to get involved. The staff in Perth appear to do the job fine. How you get a discussion going with 400 member shops he said he had no idea we are probably a victim of our own success.

Jamie Chapman said with the modern communications emails etc you know about things right away. Douglas said that Perth is a central venue and you can get to most places easily from there. He also said there is a programme which allows meetings to take place with groups of people, we currently use this for Facebook training with members.

Paul Boyle said you need butcher members at the meetings to give you an up to date analysis of what is happening in their business and around about in local businesses. They tend to speak more about it at the regional meetings. A lot of working shop owners would be good for the meetings. Douglas said we need a bit more direction from the people at the grass roots to find out what they want. Paul Boyle said if there is a meal or coffee afterwards people seem to open up more.

Ian Faulds observed that the culture of putting back into something does not seem to be there anymore. Chris Wright suggested that there are people willing to put some time back in and we just need to find them. Douglas said we may not have asked enough people.

Sandy Crombie suggested a forum was set up on maybe email to get feedback too and the respondents get to hear what others are saying to compare and maybe adjust your course of action. Douglas said that this was a good idea Beaton Lindsay said that it was work in progress.

CRAFT BUTCHER TRAINING AWARDS: This is the first year these awards have been presented and Douglas gave a background of their introduction and thanked SQA for their sponsorship.

Congratulations to all our trainees, employers and supporters - we look forward to receiving your nominations next year.

SVQ Level 2 Modern Apprentice of the Year

Winner - Chris Wright, Anderson Butchers Ltd , Shetland

Finalist: Ryan Briggs, AJ Learmonth Butchers, Jedburgh

Finalist: Louise Gillanders, John Mi Munro Ltd Butchers and Wholesalers, Dingwall

SVQ Level 3 Modern Apprentice of the Year

Winner - Nicola Gaffney, Falleninch Farm Shop, Stirling

Finalist: Robbie Henderson, Charles MacLeod, Stornoway

Training Mentor of the Year

Winner - Mark Ramsay, Falleninch Farm, Stirling

Finalist: John Johnstone, Dunnabie Farm Shop, Lockerbie

Finalist: Steven Strachan, Hendersons of Hamilton

Training Partner of the Year

Winner - Anderson Butchers Ltd , Shetland

Finalist: Falleninch Farm Shop, Stirling

Extra Mile Award

Winner - Jenna Douglas, JC Douglas Butchers, St Boswells

Finalist: Erin Conroy, Falleninch Farm Shop, Stirling

ADJOURNMENT FOR LUNCH

WELCOME:

President Beaton Lindsay welcomed members training award finalists and guests.

VALEDICTORY ADDRESS BY PRESIDENT BEATON LINDSAY

It seems no time at all since this chain was pinned on me by my predecessor Ian Faulds. It was with great pride that I read the names of my grandfather and father inscribed upon it as Presidents before me.

I have enjoyed my time in office because I feel that the Federation continues to provide valuable service to its members through the Members Services and Training Services.

Both sides aim to provide quality support to the meat industry, and the craft butcher sector in particular. They also perform the role of representing the sector and responding to consultations, consumer questions and requests.

During my term I have had the pleasure of visiting members from the most northerly on Whalsay in Shetland to Coldstream on the border. I have been warmly welcomed and what I have noted is that we all share the same problems and difficulties, and it always seems better when we compare notes and talk about it.

Federation members continue to have issues over inconsistency of food safety regulations but our Chief Executive's membership of the Scottish Food Enforcement Liaison Committee continues to provide an important and useful contact with the enforcement community.

Both ourselves and those authorities continue to be burdened with complicated nutritional labelling and the ridiculously unmanageable 1% tolerance on carry over between species.

This week my local authority sampled my pork sausages for carry over and I will be pleasantly surprised if, what I feel is impossible in a butchers shop, is actually achieved!

We are constantly advising members to have EHO's demands formally documented so that all parties can try to achieve some sort of uniformity of approach.

Representation continues on the Scottish Government's Animal Health and Welfare Stakeholder Group and the Federation is proud of its working partnerships with the likes of the National Sheep Association, the Scottish Association of Meat Wholesalers, Scottish Pig Producers and the National Farmers Union Scotland.

Membership has held up well in the face of economic uncertainty. There continues to be a few retirals but the Federation Newsletter has had less shops for sale or lease.

Businesses have been changing hands but 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 is up by five on last year: 312 businesses plus 91 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.

It has continued to be important for the Federation to provide members with guidance and advice to enable their businesses 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 successful forums, and product evaluation events have kept the independent butcher in the news with quality meat products being highlighted.

Our training arm, Scottish Meat Training continues to contract with SDS for funding of Modern Apprenticeship places. 205 trainees are currently on funded training, 141 trainees achieved Modern Apprenticeships in the last contract year. A huge number - 168 trainees came on to training in the last contract year.

Under the guidance of Paul Batch two Meat Managers HACCP and Hygiene Courses were held in Perth during the year with the 26 candidates attending achieving a high standard of certification.

All our Scottish Meat Training assessors are encouraged to become fully qualified internal verifiers and with the recent departure of Stewart McClymont, Sean Graham has been recruited in his place. Sean will be trained to become both an assessor and verifier.

We have 36 Corporate members, three more than last year but some have left and others have joined and they have been great supporters to the Federation and hopefully they have gained sufficient business in return to justify their continued support.

The Craft Butcher logo was refreshed in 2015 and van decals, shop vinyls, counter strips, aprons, ties 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 SFMTA looks forward to playing our part in building a stronger craft butcher sector.

Finally I would like to thank my wife Louise and girls Lola and Olivia who have tried very hard to keep me right. Thank you all for allowing me to be your President, although I now look forward to spending more time in my business, it has been a great two years.

PRESIDENTIAL ADDRESS BY PRESIDENT PAUL BOYLE:

Ladies & Gentlemen, firstly I would like to thank Beaton for his hard work over the last two years. He has a lot of good ideas and has added another chapter to the Lindsay Butchers history, I thought his lamb tasting in Perth town centre was an excellent idea. I have this Past President's medal for you and it has been very well earned.

After a phone call two years ago from the then President Ian Faulds asking if I would like to be nominated for the position of President Elect I was both shocked and honoured, after a lot of thought I accepted. I watched on when Ian was giving his final speech and felt the passion he has for the SFMTA Presidency.

I am again honoured today at the start of my two years as President and will serve the members to the best of my ability.

My business has been given great support by Douglas and all his staff, the advice that is given has always kept me on the right track during all new regulations, HACCP and product evaluations and I felt the right thing to do was to give a little back to the Federation this I was allowed to do when I was asked to join the executive committee.

I now find myself in new territory, but I feel passionate enough about this trade. Butcher shops are having to change to fight back against the supermarkets. The introduction of kitchen ready products and ready meals are going to be the way ahead for butcher shops.

Customer eating habits are changing and the norm now parents are arriving home in the evening with about 40 minutes to present a meal for the family and our older customers are getting a wholesome nourishing meal ready in around four minutes.

Butchers can take on the supermarkets in this field and win, we make our own products and with menu and cooking advice available first hand. Supermarkets don't make anything they rely on sourcing suppliers, butchers have fresh produce available at their fingertips.

I entered this trade after serving 6 years apprenticeship as a chef working in the North British Hotel, Edinburgh (now the Balmoral) I never thought the experience I gained there could be put to such good use.

Marks & Spencer announced last week that they are to close 60 stores but will make 30 of these stores into food shops, they must have done their homework and they don't often get it wrong, they must feel that there is a further gap in the market.

I know that internet shopping is here to stay but let's keep the butchers on the high street we have wonderful unique products and quality meat to attract customers they know this because they come to us for special occasions like Christmas and Easter the way ahead to keep the high street's alive has to be in getting them through our door's more regularly.

We have an excellent training department at the SFMTA who will give members all the help they require, and possibly the Scottish Meat Training could include a ready meal or Kitchen Ready module for trainees.

When we look at the talent we have here today I am sure our meat trade is in good hands for the future. A special thanks to the apprentices who have travelled many miles to be with us today, the assessors, the mentors and the people that go that extra mile to make our training department into the success it is today.

Very recently I spoke with another past president and he was very happy to bring a member of staff from a catering background into his shop and he told me this is very successful and could give us all something to think about.

I would like to thank everyone for coming along today and I am sure you will enjoy the speakers Brindon Addy, Tom Courts and Gary Raeburn and I know we will have a very interesting afternoon.

SPEAKERS:

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

BRINDON ADDY, from Holmfirth in Yorkshire
Immediate Past Chairman of the Q Guild.
Meat Trades Journal North of England Butchers Shop of the Year.

TOM COURTS

SFMTA Member formerly in Cowdenbeath, now in Burntisland.

GARY RAEburn

GB team member in the 2016 World Butchers Challenge in Australia.

VOTE OF THANKS

A vote of thanks to all the speakers and since there was no other business President Boyle will formally closed the meeting at 4.10pm.