MINUTE OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD WITHIN 8/10 NEEDLESS ROAD PERTH, ON WEDNESDAY 22nd OCTOBER 2014

PRESENT: Ian Faulds, President
Douglas Scott, Chief Executive

President Elect: Beaton Lindsay
Past Presidents: Adam McLay
Executive Members: Jack Meade, Paul Boyle, Alan Kennedy Neil Cameron, Stewart Dempsie
Minutes: Bruce McCall

APOLOGIES FOR ABSENCE: James Pender, Hugh Pender, Jim Preston, Hamish Deans, Stuart Christie, Arthur Matthew

APPROVAL OF MINUTES OF EXECUTIVE MEETING 10th SEPTEMBER 2014: The minutes were approved by Stewart Dempsie and seconded by Paul Boyle.

MATTERS ARISING: Stewart Dempsie was present at the meeting but not on the minutes.

Douglas said he had sent a card on behalf of the Executive to Roy Baird, the card had a picture of Paris on it as we know he liked his trips there.

Alan Kennedy asked if Lawrie and Symington had been sent a Corporate membership pack. Bruce McCall confirmed it had been sent.

Douglas said Jack Broussine has left QMS and his replacement is Graeme Sharp who's father is one of our members in Linlithgow.

Ian Faulds asked who was selling Mrs Bridges products. Alan Kennedy said that his customers prefer the range to what he had been getting before from Forest Products. They are also local to him.

PRESIDENTS REPORT: President Ian visited Members in Shetland with Douglas Scott. One of the butchers (Globe) has closed but a new one has opened up in the Toll Clock Shopping mall in Lerwick by Scalloway Meats. The shop which closed may be opened up again by another one of our members there. They also visited the abattoir there. It is very efficiently run, it was a successful visit. There is now more beef cattle on the islands as farmers come out of dairy.

The President had visited shop in the Manchester area on a tour with Federation members. The first visit was to MRC HQ including a tour of their factory. Taylors Farm shop was next on the agenda. It was unusual that for an out of town development that it did not have a tea room, it was too busy without it. They raise their own cattle which are slaughtered locally having been rested for two days prior to slaughter.

Then it was on to Gabbots Farm which is not a farm but the trading name for a major butchery business, it's one of the top five retailers of beef in the UK. First was to their Cash and Carry, they will buy in goods from any country as long as the price and quality are acceptable. Five kilos of chicken fillets were selling at £20. They have five shops. The previous week at this one outlet they had turnover of £44k. The staff encourage customers to purchase saving stamps for Christmas.

Next day was a visit to John Mettrick shop in Glossop including the abattoir attached to the shop. Then it was on to the Gabbots shop in the Arndale shopping centre in the Manchester city centre. The hot takeaway food in this premise was extremely busy. The rental is £60k a year with his mall charges and rates above that. It was an open shop. A Pearson, Ashton Under Lyme is in an open market and it is very impressive, Wednesday afternoon he is doing a very good trade. The last visit was to Corrys at Stockport a small shop but has a wide range of amazing products. Everyone on the visits enjoyed it.

CHIEF EXECUTIVE REPORT: Douglas Scott reported.

The last six weeks have been filled in the usual hectic way. From the last meeting I travelled to Dundee for the Regional meeting there that night. Then it was Broxburn the following night hosted at Capital Cooling. That morning we did a photocall in Bathgate presenting the trophy for the best Year of the Haggis product to Boghall Butchers.

The following day I visited Copas Turkeys since they requested a feature for the Newsletter. As it really required being in the October edition I had no option but to squeeze that into an already busy week.

I did manage four days off the following week as annual holidays but both Bruce and Claire did comment that because of the high number of emails they received from me it was as if I wasn't away!

Monday and Tuesday of the following week were in Shetland and President Ian has already reported on that. Along with Helen, our Internal Verifier, I met Graeme Hendry of Skills Development Scotland to investigate ways of Scottish Meat Training winning a contract to deliver Get Ready For Work certificate courses. He was very keen for us to get involved and Helen has been working on this application ever since. The targeted areas for delivery are Lanarkshire and Dundee. We will need cooperation and commitment from employers in these areas to progress this project. They will be contacted very soon to gather their support. This does not include actually employing anyone coming through the programme.

Bruce, Paul Boyle and I attended another meeting of the Scotch Pie Club on Tuesday 30th September. That is progressing well but as entries close on Friday, a Bruce has been phoning previous entrant to remind them that 24th October is the absolutely final day for entering. This can be done online at the Scotch Pie Club website. I will be having a further planning meeting with Robert Ross and Scottish Bakers tomorrow.

That night I travelled to York for a Q Guild Executive Meeting the following day. I also attended the Scottish Region meeting held in this office on the following Monday.

Tuesday I joined the 10 members on the 2 day SFMTA tour to MRC and Manchester already mentioned by our President. A full report and pictures will be included in the next Newsletter.

Last week Bruce, Christine and I were at the City of Glasgow College to run the Smithfield Awards on behalf of the Q Guild. We get paid an additional £1000 to do this for them. It was a major task involving meticulous planning and organisation by the office. There were 479 entries and judging took place over two days. All went very well and the awards are now being organised with the presentation lunch at Butchers Hall on 13th November.

We have had various members visit the office including the new marketing person at Simon Howie's Clair Smith. Alan Kennedy came in to listen to Kate Ritchie from 121HR make a pitch for the Employment Law support to members. This is of interest since the existing provider, Davidson Chalmers have asked for an increase of almost £1 per member per month. I met with Davidson Chalmers in Edinburgh this morning and told them that this meeting would give guidance. We have had no complaints with Davidson Chalmers and two members and one Corporate member have relied very heavily on them. I think we need to ask the membership to gauge whether we should bin a firm who is doing a good job to go elsewhere. Quotes will be obtained from Lindsays and MacRoberts.

For the rest of this week I have a catch up meeting tomorrow with Murdo Morrison of the Robert Burns World Federation, a visit to AK Stoddart with the Scottish Meat Training assessors and representatives from Scottish Enterprise and the Scottish Manufacturing Advisory Service to explore delivery of Modern Apprenticeships in Food a Manufacturing Excellence (Lean

Manufacturing). Friday we will have a visit from Calum Morrison of Two Sisters group who want to explore ways of supplying Scottish Chicken into Scottish butchers.

On Tuesday of next week I will be in Edinburgh all day starting at the Radisson for a Scottish Food and Drink Academy seminar, followed by the Business Seminar we are running in conjunction with Scottish Bakers, a possible meeting with Don Wallace of Dalesman Group and an evening seminar by Scotland Food and Drink called Ingredients For Success.

Alan Kennedy asked if the service from Davidson Chalmers was indemnified. Douglas said no but he was going to ask the audience on what we should do with the employment law service. Beaton Lindsay said that when he used Davidson Chalmers it was good and this particular service to members is invaluable. Douglas said that the law firms do want to keep this sort of business even though it may not be profitable in case they get other business on the back of it.

FINANCE REPORT: Douglas Scott reported.

Unlike some previous years including last year, it is not always possible for me to commence by saying that it is a pleasure to present before you the annual accounts for the year. This year however it is indeed a pleasure. That is because as you will see at the foot of page 9. There is a surplus to report of almost £44000.

From a deficit situation last year this shows a turnaround of £66000. I hasten to add that this does not come about through inactivity and not providing members and trainees with services expected. I will try and explain this in the narrative that follows but it should be said that there has been some pretty hard work and lengthy hours put in to achieve this.

Staying on page nine you will note a £2000 increase in Member Services income and a £37000 increase in Training turnover. Coupled with lower expenditure on each side, a £4000 gain on investments, improved performance from investments and even taking into account a tax liability this leaves a tidy sum.

If you turn now please to page 10 and the balance sheet. Cash in the bank, always a good barometer of well being, sits at £26203 in comparison to just £2585 the previous year. That being achieved despite £14000 more being due to us and nearly £10000 less being due by us. As a result net current assets are £47500 more than at the same time last year. The £43899 surplus has boosted the Profit and Loss Account to £268,772.

Page 14, note 9 Creditors
These are self explanatory I feel except for the £43327 lumped under Other creditors and accruals. This is made up as follows:-

On page 15 we can start to see where the surplus has arisen from. Subscriptions are up £2250 reflecting the increase we put on subscriptions lat AGM. Handbook advertising is down but we have discussed this in the past and it is a timing issue since we are asking businesses to renew corporate membership, take out handbook advertising and every second year pay for trade fair stands all at the same time.

Corporate membership stands at 31, the same as last year and it is just timing issues bringing them all into line with subscriptions due in January that have caused the slight increase.
Newsletter income has dipped but it does seem that more corporate members are using the ability to advertise free of charge three times per year.

The two biggest changes in Operating Income are no Trade Fair and income from servicing Q Guild. Income is £15000 less because there is no Trade Fair in these accounts but expenditure is also down £17500.

Income from Q Guild was £28000 - i.e. £2250 per month plus an additional £1000 for running the Smithfield Awards. Direct cost of servicing Q Guild is recorded overleaf at £6321 creating a gross profit on that exercise of just short of £22000 but any surplus is taxable, the accountant has done a paper exercise allocating overhead costs and staff costs to reduce that figure to £2373 and that is why we have a tax liability that you may have noticed in note 4 on page 12 and in the Income and Expenditure Account on page 9.

The income from Q Guild activity should therefore be considered apart from Member Services financing. There is no guarantee that job will always be there, though we hope it will be, so any funding of Member Services should still be done out of subscriptions and other Member Services related income.

The Operating surplus shown here for Member Services is £17609 and when investment income is added that takes net surplus to £28639.

Overleaf Regional meetings show a 50% increase in costs. This is just the Lowland Scotland area since the Highland and Islands area is under Member Development meetings at the foot of Operating Expenses under Scottish Meat Training on page 18. At a cost of around £3000 I do not see the Highlands and more specifically probably Islands being so well serviced should there be no ESF funding.

The current ESF project runs out in December and currently there is no news of any follow up ESF programmes. You will note that on page 17 the worth of these ESF Grants in Highlands and Islands was £45000 in the accounting period we are looking at.

Continuing with expenditure on page 16. Salaries show a £7000 increase but if you look at Salaries on page 18 they show a £7000 decrease. This has come about because more of my time has been allocated to Member Services due to commitment to Q Guild.

Promotion costs are up but this reflects the increased activity during 2014 promoting the Year of the Haggis. Handbook costs have been reduced by printing a slightly smaller volume and a bit surprisingly really both stationery and postage costs are down.

On page 17, the Training income from SDS is up by nearly £60,000. This is very necessary as there is £7000 less from ESF. The Tasty Jobs Project was specific to 2013 and that contributed £8000 in the previous year's accounts. Course income is down since demand for courses dropped in 2014. That all means that income on training is up from £328,779 to £365,476.

Overleaf on page 18, operating expense is down from £346,848 to £367,732. Expenses are pretty much in line with last years. There is a reduction in salaries allocated to this side as explained previously. SVQ registrations are up, but this is always a good sign since that will mean guaranteed future income. Stationery here too is £3000 down, irrecoverable VAT is down £2500 and there was no Meat Skills Competition that cost us £7000 to stage in 2013.

When these expenses are matched against income you can see on page 17 that translates into a £18,628 surplus and when combined with the Members Services surplus back on page 9 that makes a surplus for the year of £44,894.

Alan Kennedy said that there was a lot more positive stuff here even though everyone is working on a tighter schedule. He said it was a very good set of results.

The accounts were approved by the meeting.

Alan Kennedy asked how much time does the Q Guild administration take. Douglas said it was 15% of the time for himself.

Douglas said the surplus for member services was £17609 we made £22k on Q Guild we would take £2k off promotions taking it nearer to the breakeven. The finance committee felt little and often was the way to go with subscriptions. The current fee is £260 plus vat for main shop. A £5 increase is proposed, taking it to £265 for the main shop and £65 for branch shops would remain. The meeting agreed on the recommendation.

MEMBERSHIP AND DEVELOPMENT REPORT: Beaton Lindsay reported.

316 members have joined this year so far with 91 additional branches.

A & I Quality have closed their shop in Inverness and Sandy Guthrie in Pittenweem has also recently retired.

CORPORATE MEMBERS – 30 corporate members have renewed.

REGIONAL MEETINGS:
There were three meetings took place since the last meeting. On Wednesday 10th September the third of the four regional meetings for September was held Dundee at the Double Tree Hilton formerly the Landmark Hotel and Swallow Hotel. The following night a similar meeting was held at Capital Cooling in Broxburn. Attendances at both were good and the content was as reported last month, presentations from Paragon Products, Mrs Bridges and Jack Broussine from QMS. At the Broxburn event Capital Cooling also gave a presentation.

A Regional meeting was held in Lerwick on Monday 22nd September but with the Globe Butchers closing and Scalloway Meats being the first to try and fill that vacuum. Andersons of Whiteness are likely to re-open the Globe Butchers before the end of the year. Iris from Tetley & Anderson in Whalsay was forced to call off due to a family bereavement so it was little surprise that only one of the two other members actually came to meet the President. Both Scalloway shops and Andersons at Whiteness were visited however, as was the abattoir as you heard the President report.

SFMTA VISIT TO MANCHESTER
This has also been fairly compressively covered by the President in his report. It would be interesting to know if there would be interest from the membership to next visit shops in Northern Ireland in early March.

SFMTA AGM
The AGM will take place on Sunday 23rd November at McDiarmid Park, Perth. It would be nice for the installation of the new President to be in front of a company of working butchers and colleagues. I would therefore like to propose a slightly different AGM.

All Convenors reports have been condensed into the Annual report, a draft of which you have just received and this, along with the Annual Accounts can all be reported on before lunch. This will free up time for one or two guest speakers in the afternoon.

The first can be John Mettrick President of NFMFT. We can take advantage of having such a high profile member of the industry attending our AGM. He has been asked and has agreed, to talk about the various strands of his business including his appearances on BBC 3's Kill it, Cook it, eat it programme. The second could either be one of our members talking about their business.

My hope is that we can attract new faces along for an interesting afternoon. The installation of the new president would also happen after lunch. Your opinions would be welcomed.

Ian Faulds said John Mettrick would be good he is high profile with a diverse business reaching into all aspects of the trade. Douglas said it would be good to get a good audience for the installation of the President; we actually get a bigger audience for our regional meetings. Douglas felt John Mettrick and one other would be good to get members inspired.

Douglas said it was a seismic change for the AGM with all the business done in the morning and a listen and learn in the afternoon including the president installation.

Ian Faulds suggested that Murdo Morrison, World Burns Federation would come along and talk about our year long partnership.

LIVESTOCK REPORT: Ian Faulds said that informally we are no further forward. We have two people we potentially wish to consider and talk to them about filling the position.

TRAINING & DEVELOPMENT REPORT: Claire reported.

Scottish Meat Training currently has a total of 228 trainees funded through Skills Development Scotland and two through Falkirk ETU.
Seventy-five trainees have achieved their Modern Apprenticeship since 1 April 2014.

SKILLS DEVELOPMENT SCOTLAND CONTRACT:
We have been awarded 102 places for 2014/2015 with assurances that we will be allocated more places when we require them. We are in the processing of applying for additional places as we have run out of 20+ age group places. Skills Development Scotland has set targets for each quarter of the contract year. We have surpassed our induction target of 20 for the first two quarters and have to date inducted 77 new trainees onto the programme. We have met the financial claim target set by SDS for the second quarter and will now concentrate on meeting the 3rd quarter claim.

ADOPT AN APPRENTICE:
Skills Development Scotland has an incentive available for new employers of trainees who are made redundant. If a new employer agree a contract with the trainee to employ them for at least a year and also to allow them to complete their Modern Apprenticeship then they will be eligible for a £2,000 incentive. We have had eleven apprentices re-employed through this scheme.

WAGE INCENTIVES:
Most local authorities are offering wage incentives for the recruitment of young people. Employers need to contact either their own local authority or jobcentre to find out what is available. SMT now has a contact list for the local authorities to fast-track queries. This incentive has proven very popular and over eighty businesses have taken on employees through this incentive.

COMMONWEALTH LEGACY:
SMT secured 35 places from the Commonwealth Legacy incentive aimed at 16-19 year olds newly employed and entered onto apprenticeship training. We have inducted 32 trainees so far and will apply for additional places if there are any available. This has provided an additional £1,300 per trainee for employers.

CERTIFICATE OF WORK READINESS:
SMT have applied for an interim contract for the above SDS programme. We have been awarded funding for 16 candidates and will tender for a full contract in March 2015. DS and HJ have met with SDS to discuss progression of this qualification and how best to deliver it to suitable candidates. SMT will be contacting members who may be able to provide work placements.
SDS have indicated that funding will be concentrated in future on the younger age group 16-24 year olds and with this is mind we are looking at other programmes that we could deliver.

COURSES:
A waiting list is being held for Intermediate Hygiene contact Claire.
A Meat Managers Hygiene and HACCP course is being held at We Hae Meat on 28th October 2014 – contact Claire if any additional candidates who would like to attend

On Wednesday 5th November there will be an all day visit for members to DEVRO.

PROMOTIONS REPORT: Douglas Scott reported.

Every year BPEX (the British Pig Executive) promote British Sausage Week. This year it is from 3rd to 9th November but this is an English promotion body that few Scottish butchers can have access to. SFMTA have therefore stepped in again to give Scottish butchers something to promote around Halloween and Bonfire Night when sausages can be very popular buys.

With the help and advice of our corporate members, Lucas Ingredients we have selected a pork sausage to promote at this time. It is a Red Onion & Sage Pork Sausage that hopefully you will feel is worthy of promoting.

A poster has been made to promote the sausage and this is distributed now with the recipe in plenty time for everybody to make and perfect the product.

SFMTA feels that this is an ideal way for members up and down the country to obtain some free publicity as part of Scottish Sausage week. We have requested that if members are going to make and sell the Red Onion & Sage Sausage, to please let us know and SFMTA can put a press release out to your local newspaper and invite them to attend a photocall with them and the new sausage on Thursday 23rd October at 11.00am.

No date has been printed on the posters but we would suggest that Scottish Sausage 'week' should cover both Halloween and Bonfire Night and therefore run from Monday 27th October to Saturday 8th November. Since the posters do not carry a date they will be good for British Sausage Week as well.

Christmas Beef posters have been requested and we are working on designing and producing them. There are also over runs of last year's St Andrews Night poster which were circulated with the Red Onion and Sage Sausage posters.

The World Scotch Pie Championships and product evaluations will be held on Tuesday 11th November. Once again the Federation will be working with Scottish Bakers to organise and promote this event. Closing date for entries is this Friday 24th October.

The only major change suggested for this year's competition is to move the awards lunch in January to Westerwood.

A Burns Night poster and a Valentines Day poster will be worked up for distribution in the first mail of 2015.

LEGISLATION REPORT: Douglas Scott reported.

SCOTTISH FOOD ENFORCEMENT LIAISON COMMITTEE: Bruce McCall attended and reported discussions took place about the new labelling regulations coming in December. There is a no final guidance available as yet to enforcement officers. Alan Kennedy said in Angus they did not know what was going on. Bruce McCall said Stephen Hendry FSAS has the most knowledge and the SFELC group has asked to put his knowledge on paper. We have a fair amount of knowledge on the Allergen side of things to help members comply.

ANY OTHER COMPETENT BUSINESS:

We are getting calls to the office from members about the carrier bag charge. The main thing is to ensure the VAT is accounted for in the charge as this is what HMRC is looking for. If the items are put in to carrier bag as primary packaging there would be no charge applied. The items could then be put into a box. Alan Kennedy said you can put a dedicated button on your scales for the bag which will give a read out which his accountant says is important to show you have sold the bags. Neil Cameron said it is the individual who gets done if they do not sell the bag to you not the shop. Douglas suggested you could give a 5p discount on what you are buying to cover the charge of 5p.

Ian Faulds said he phoned EBLEX to join their Gourmet Burger Club. They asked him where he sources his meat. Ian replied Paisley abattoir. They said that is fine and they are sending him lots of materials.

Alan Kennedy said he has a contact called Jim Fraser whom is excellent at fixing things. He was going to pass on his details to Douglas.

Stewart Dempsie noted that it was Ian Faulds last meeting as President in Perth. He said on behalf of all of the Executive, we have enjoyed your presidency, humour, style and you have made good friends with a lot of people. Stewart thanked Ian for his term of office. APPLAUSE.

Ian Faulds said it had been a joy a privilege and pleasure and he has really, really enjoyed the last two years.

DATE OF NEXT MEETING: Wednesday 7th January 2015.