

REPORT OF COUNCIL

of

THE SCOTTISH POTATO TRADE ASSOCIATION

for the year to 31st October, 1988

to

THE ANNUAL GENERAL MEETING OF MEMBERS

With Reports of Meetings of Council continuing to be circularised to all Association members, this Annual Report on Council's activities during the year remains essentially a summarisation of those circularised Reports.

Traditionally, the subject of the Association's Membership Roll is dealt with first. At 1st November, 1987 the Roll comprised a total of 102 Members. During the course of the year to 31st October, 1988 6 of those Members resigned, 2 went into liquidation and 2 were suspended from Membership. Offsetting this reduction of 10, 9 new Members were accepted into Membership during the same period, so that a net loss of only one Member occurred and the Roll comprised a total of 101 Members at 31st October, 1988. It is encouraging to be able to add that since that date, up to and including today, a further 3 Members have been accepted into Membership and the Roll now totals 104 Members.

Last year's Report highlighted the prolonged and extremely demanding efforts devoted to formulation of and adoption of Price Support for the seed potato sector. It was most gratifying especially to those principally concerned, that the remaining opposition was finally overcome and the P.M.B. voted overwhelmingly to adopt the Scheme for implementation in the current 1988/89 Season, initially on a one year's trial basis and to be reviewed thereafter. While establishment of the principle of Support for the seed sector has clearly been of prime importance, its establishment immediately before the review of the post-1990 role of the P.M.B. has further increased its significance.

As all Members will be aware that review, officially entitled "Potato Market Policy in Great Britain after 30th June, 1990", has been at the top of the Agenda for discussion throughout the whole potato industry during past the year. Council's consideration of the matter necessitated four extra meetings devoted specifically to this single subject. The first two
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of these, held in March last year, identified a number of acceptable possibilities, which were "floated" informally before the Agricultural Departments' Consultation Paper, originally expected last Easter, but eventually issued on 6th September, 1988. By that date a number of Council's ideas had already won support among other interests and Council's earlier preparatory work had facilitated a well considered response to the Consultation Paper from this Association.

The formal responses submitted indicated that there is a fairly high degree of convergence of the views of many of the interested parties including ourselves. The decisions of the Government, in due course, is awaited with keen interest.

Your Association was involved in the discussions with DAFS concerning amendments to statutory disease tolerances as from the beginning of the current Season, which had been a pre-condition for introduction of the Seed Support Scheme. The Department's proposal to prohibit the planting of unclassified seed in the High Grade Seed Area has to date made little apparent progress but, bearing in mind that the retaining of the High Grade Seed Area is part of wide and complex governmental negotiations in Brussels, rapid progress is not to be expected. Such a prohibition could assist the current efforts of the holders of Plant Breeders' Rights to eradicate the trade in so called "small ware". On the other hand such a prohibition could disadvantage Scottish ware growers against their English counterparts in the production of certain varieties in respect of which the Breeders' Rights are being restrictively exercised.

Council continues to be extremely disappointed at the worryingly low level of "feed back" from Members. Not only is there a lack of response to ordinary, everyday matters but even highly topical and very important subjects appear to arouse little interest. Regrettably this lack of participation carries over into the election of Members of Council, as is exemplified by the most recent return of only five (all unopposed) Council Members to fill seven vacancies. As a result of a lack of nominations for the third year in succession/

succession a postal Ballot has not been necessary.

The Agenda for the Annual General Meeting anticipates a full, discussion of these problems to which it is hoped remedies will be forthcoming.

TREASURER'S REPORT

for the year to 31st October, 1988

to the

ANNUAL GENERAL MEETING OF MEMBERS

of

THE SCOTTISH POTATO TRADE ASSOCIATION

The Association's Annual Account for the year to 31st October, 1988 has been Audited and a copy has been issued to every Member of the Association.

In its virtually unchanged format I believe the Account can be quite easily understood and I propose only to comment in general terms.

First I refer to the Income side of the Account. At the top right-hand quarter of the page, SUBSCRIPTIONS are shown at £9,647.00. Although this is an increase of £337 (3.6%) over the preceding year, it is nonetheless a disappointing outcome of the increased rates of Subscriptions determined at the last A.G.M. which had been estimated to provide total Subscription Income of £10,075. The shortfall of £428 from this figure is due to changes in the Membership Roll and to movements between tonnage-brackets, neither of which can be accurately forecasted.

The next Item, INVESTMENT INCOME, shown at £432.31 (net), which is £11.68 more than the previous year, reflects the reduced tax rate applicable in the second half of the year. A small increase of £2.62 net, due to the change of interest rate on the Scottish & Newcastle Stock, will be receivable during the current year.

BANK INTEREST shown at £167.21 (gross) compares favourably with a budget estimate of £150 (which took account of expected reduced interest rates).

You will remember that in my Report last year I mentioned the Auditor's recommendation regarding treatment of CORPORATION TAX REPAYABLE. The next Item on the Income side of the Account, shown at £151.89 although not yet actually received, is the first step in the adoption of this recommendation, the other effects of which I will cover later in this Report. The DEFICIT
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FOR THE YEAR (£94.94) is thus now a "true" figure for the excess of Expenditure over Income during the year under review.

I turn now to the Expenditure side of the Account at the top left-hand quarter of the page. EXPENSES OF MEETINGS increased by almost £330 over the previous year to £873.49, compared with a budgetted figure of £600. Although this includes the costs of both the 1987 and the 1988 meetings in Edinburgh with NASPM, the major part of the over-budget spending was incurred as a result of five extra meetings. The first of these was the Open Meeting for Members with Guest Speakers in December, 1987, the other four were Special Meetings of Council specifically to discuss and formulate the Association's views on the post-1990 position of the P.M.B. It is expected that this year's meetings costs will be contained within a budgetted figure of £650.

The next Item, GENERAL at £705.65 was also higher than the preceding year by nearly £75, mainly reflecting an increased contribution to the expenses of the British Potato Trade Consortium including the European Union Subscription. The current year's budgetted figure for this heading has been increased to £700.

PHOTOCOPYING at £725 shows a minor increase of only £5 over the preceding year and was £25 less than budget. It has been felt prudent to budget for expenditure of £800 under this heading during the current year, to meet expected higher paper prices.

POSTAGES and TELEPHONES both show modest increases of £28 and £20 respectively over the previous year although, together, they were less than budgetted. To offset higher postage costs now in operation, Council has decided that non-urgent circularisations will be sent in future by second class mail.

The reductions of £167 in TRAVELLING EXPENSES and £130 in EXCEPTIONAL ITEMS (together over £400 less than budget) are welcome counterweights to increases elsewhere.

The SECRETARY'S SALARY disclosed conforms with Council's decision at the start of that year. The salary for the current year has been increased to £7,500.

I now refer to the BALANCE SHEET, in the bottom half of the page.

LIABILITIES/

LIABILITIES, on the left side contains the first part of a two-year effect of the adoption of the Auditor's recommendation to which I referred earlier. The Revenue Surplus to 31.10.87, brought forward from the previous Account, at £1,031.47 is the figure after deduction of the deficit for 1987 but before receipt of the Corporation Tax repayment for that same year. Adding the repayment back when received provides the figure of £1,191.97 as shown, which was the "true" Revenue Surplus to 31.10.87. Thereafter, the Deficit (for the year to 31.10.88) has been deducted in the usual way, but the figure of £94.94 as shown has already been adjusted for this year's Corporation Tax repayment (even though it has not yet been received). Thus the figure of £1,097.03 is also the "true" Revenue Surplus to 31.10.88. When this is carried forward into the current year's Account, the second part of the two-year effect of the adoption of the Auditor's recommendation will be seen in only one single adjustment, either an addition for Surplus, or a deduction for a Deficit, for the current year to 31.10.89. I am sure this will then come to be seen as an acceptable simplification of what is already a basically straightforward Account and that the formerly recurrent confusion and misunderstanding over this point will be finally resolved.

Finally, the ASSETS side of the BALANCE SHEET shows that despite "Black Monday" on the Stock Exchange in October, 1987 the Association's Investments are still showing a healthy £716.87 (12.86%) increase in value over their cost. The reduction in overall cash from the previous year principally reflects the Deficit for the year, while the introduction of a Sundry Debtor heading (to reflect that the Corporation Tax repayment has still to be received) is the other effect of the adoption of the Auditor's recommendation.

I trust this Report has clarified your understanding of the Association's Account but if there are any questions from the meeting I shall be pleased to provide replies.