THE BRITISH COFFEE ASSOCIATION

AGM & Board Combined Meeting Minutes
Thursday 26th March 2020
Via Conference Call

Present at meeting:

Paul Rooke	BCA Executive Director
Tracy Brown	BCA Secretariat
Thomas Blackwall	Finlays (BCA Chair)
Andy Kerr	OCR Commodities (Vice Chair)
Angus Kerr	Coffee ag Ltd (A&CC Chair)
Nick Boxall	Complete Coffee (Technical Chair)
Ian Breminer	Complete Coffee Ltd
Austin Sugarman	FFI
Chris Coates	Taylors of Harrogate
SHED:	Sebastian Stokes
Bronsens	Phil Burton

1. Apologies for Absence

Esme Knight	Costa (Comms Joint Chair)
David Rogers	Lavazza
Martin Andreasen	JDE
Krisztina Szalai	Taylors of Harrogate (Sustainability Joint Chair)

2. Competition Law Compliance

It was proposed that the meeting would run under the revised FDF competition law compliance rules previously distributed. TBlack read out the Do's and Don'ts for this meeting.

3. Minutes of the Last AGM

No comments received – minutes approved. Proposed by AK.

4. Minutes of the Last Board Meeting

No comments received – minutes approved. Proposed by AK.

5. Matters Arising from Previous Meeting Minutes

No matters arising.

6. Introduction from Executive Director

Paul Rooke noted that he joined the BCA on Monday, he joined from another Trade Association, with experience at UK and European level in the Agricultural Sector. His main focus area is on the policy side, which he hopes to develop further with the BCA.

PR added that a number of you had received meeting requests over the next couple of weeks, which we will now to revise how we hold these.

7. Covid-19 Update
TBlack noted that hopefully a number of you would have seen the Q&A that was put together by PR and distributed out this morning. PR noted no further feedback at this time but if Members do have any questions please do come back to us.

Following the Technical Committee meeting this morning, there was a question around have a statement on Covid-19. PR noted that we do have a statement on the website, and we will look to update this and references that food and drink are not the vectors for transfer of the virus, just as a reassurance.

At the Executive Committee meeting yesterday, the BCA were asked to try and put together issues that were coming out of Origin. The BCA to approach members asking for any input they have; the BCA will collate into one document for distribution to the Members.

TBlack asked how often do we think that the BCA will update the information provided, around once or twice a week, PR noted around that or when anything specific arises.

PR added that a question on force majeure was raised and we will be looking into this as well.

8. Re-Election of Chair & Vice Chair
- Thomas Blackwall (Finlays) (Chair)
- Andrew Kerr (OCR Commodities) (Vice Chair)

Proposed by AK and Seconded by AS

9. Re-Election of PR Co-Chairs
- Esme Knight (Costa) (Co-Chair)
- Howard Crosskey (Nestlé) (Co-Chair)

Proposed by DR and Seconded by AS

10. Re-Election of Committee Chair's
Arbitration & Contracts Committee – Angus Kerr (Coffee AG Ltd)

Brexit Sub-Committee – Chaired by Paul Rooke

Member Services Committee (Social Activity) – Alex Rogers (AGC Commodity Store Ltd)

Sustainability Committee (Co-Chairs) – Victoria Moorhouse (Costa) and Krisztina Szalai (Taylors of Harrogate)

Technical & Regulatory Committee – Nick Boxall (Complete Coffee Ltd)

Trade & Logistics Committee – Mike Watson (TRC Specialty Commodities)

The above positions we proposed and accepted by those on the call.

CC posed the question were those being re-appointed aware, AK noted that they would have been aware with the details of the AGM.

11. Re-Appointment of Auditors - Bronsens
Proposed by AK and Seconded by AS

12. BCA Accounts
- **Audited Management Accounts to 31/12/19**

PB noted the accounts were fairly straightforward. Income was slightly up on budget, most due to an increased number of Arbitrations, up on the previous year.

Costs were lower than expected due to the Executive Director leaving part way through the year.

PB noted that we need to have a view what Covid-19 could be as a threat to the Association, but it is hoped that the coffee industry would rally and see the continuation of the BCA in the future. PB noted that he is therefore happy to sign off these accounts that the organisation would be going in a years' time.

TBlack noted that of course for all Members it is a difficult time, some more than others.

PB noted that the 2nd page shows the balance sheet of a balance of around £250k.

PB noted that the way VAT returns changed, and is now done digitally, the FDF had issues with the software they use, which caused an error – which we understand has now been rectified.

TBlack asked for the Accounts to be approved. Proposed by AS and those on the call.

PB noted that he will ensure that a clean set of the documents are printed out and sent through to TB for signature.

Action: PB/TB

- **BCA 2020 Working Budget**

TBlack noted that this had been distributed previously does anyone have any questions or comments.

AS noted, that he has a question for PR in regard to the figure set for New Member Subscriptions as this was much larger than that set in previous years. It was agreed that we needed the budget to show a positive number for 2020 rather than a deficit. TBlack noted that this was discussed at the interview stage and then again at the Strategy Day, there were a number of initiatives that we hoped to undertake in April which will of course be pushed back. AS noted, this is where we have a problem with this projection, as this was set before the current situation with Covid-19, and therefore might not be achievable. PR noted that he was going to raise, and that this figure is an aspirational figure but happy it should remain unchanged.

TBlack asked for the Budget to be approved. Proposed by AS and those on the call.

- **BCA Dinner 2019 Accounts**

TBlack noted that we again have seen a surplus of around £17.5k.

TBlack asked TB is she also had 2020 dinner working budget that could be shared and reviewed during this meeting.

TB noted that we had worked on the budget, there would be a slight increase in ticket price this year.

IB asked what was the capacity of the venue, TB confirmed we would look to have around 400 people again.

TB added that we do have a cost in the budget for the Industry Event room rental during the day.

TBlack confirmed that SS and SHED and working on lining up a number of speakers for the Industry Event.

AK asked if the Industry Event would be included within the ticket cost. TBlack noted that we were possibly looking at doing this, but this does need to be reviewed. AK noted that perhaps we can have 2 costs 1 for the dinner and 1 to attend both event and dinner.

TBlack noted that we have had a number of sponsors for the dinner confirmed already.

TBlack added that at this point we are expecting the event to go ahead.

TBlack asked TB to consult with Pacific7 what the cost implications would be if we need to move the dinner to the following year, TB noted that we do have a date in the diary for 2021.

Action: TB

13. General Communications Update
SS noted that yesterday agreement was received at the Communications Committee to reset our objectives to support the overarching OGSM.

In regard to Covid-19, SS noted that we will continue to support PR and TB in communications to the members. SS said he would like to reiterate PR's call for any feedback as to how we might be able to support members during this time.

SS added much more broadly this year is a much busier year for Public Affairs in regard to the Plastics Tax and in the coming months as well as the Waste and Resources Consultation. A proposal in regard to the BCA inputting into the Plastics Tax consultation was requested from Matthew Orman, SHED will report back on this. The consultation closes Mid-May.

SS noted that the European Green Deal will be looking at single use plastics, we will be liaising with the ECF, who have pulled together a working group on this.

Waste and Resources Strategy was due later this year, but possibly this may get pushed back, but this will be discussed with Communications Committee at our June meeting

The CEBR report was due to be launched in April, we are in the final stages of the 2020 report, but of course the figures/data used only go up to 2019, and will not be able to take in account the impact of Covid-19, we will therefore hold off on launching till later in the year.

LinkedIn saw a really good point in time to profile each of our Committees – Growing Together, and has generated some really good dialogue and interest in membership of the BCA.

Industry Event as again got the green light, we will be working on the agenda with our Sustainability Chairs over the next couple of weeks. We would like to include speakers from the BCA, as well as those from organisation such as World Coffee Research, bio-bean etc.

DR asked if we have held the CEBR report, SS confirmed we are in the last stages of finalisation of the report and with current Covd-19 situation we will look to hold off launching until a better time.

14. Estate of the Late Dr Euan Paul
TBlack noted that things are moving very slowly, we had a communication back end of 2019, there had been an agreement to suspend the limitation period up until 31st May 2020. Out Solicitors would try to obtain more information from Dr Paul's estate solicitors before we make a decision.

DR noted that he understood that with Ian Bryson at a previous Board Meeting we had already made a decision and agreed not to spend good money after bad on this. Providing these discussions are not incurring large additional costs, then fine but otherwise we do not commit to spend more money.

Action: TB

15. BCA Strategy Update & OGSM
TBlack made reference to the Strategy Day held on the 21st January.

The 3 main objectives identified

1. Identify Member Need
   Why does the Association exist?
   This will lead to our scope.
2. BCA Mission Statement
   Review and revised current.
3. Define 5 Year Objective and Create a Roadmap (OGSM)

BCA's Market Share
TBlack noted that this has been adjusted slightly since the meeting following AndK research.

- Currently we have 60 Members spanning the UK industry
- There are currently over 700 coffee roasters in the UK

- Is the market share 8.5%
- In 2018 the UK imported 299,28 metric tons (75k exported) Total 224,213 metric tons
- Our Members processed 147,000 metric tons
- Or are we at 49%

Following the initial part of the strategy day we undertook a SWOT Analysis. What was raised by the Members was not really much of a surprise, and is similar across all Associations.

From doing the SWOT Analysis, what was encouraging were the number of opportunities, and weaknesses that could be rectified.

One of the activities on the day was to create a mission statement.
"The BCA represents, promotes and supports all aspects of the UK coffee trade and industry"

Following the SWOT Analysis and the redefining of the Mission Statement we wanted to define the Member need. This will likely not come as any great surprise to those on the call. What is key is that we have never really defined on a document what our Members really want.

From all of this we were able to come up with the OGSM or The House. TBlack noted that he would want this available at every one to have at every single meeting, to make sure what we are discussing everything that is relevant to our strategy.

It is important to note that these are current 5-year goals, and that each year we review this document to make sure that we stay relevant and that Members are getting what they need from the Association.

Objective 1
Increase Value For Money (by reducing reliance on Member income)

Currently BCA Member fees account for 90% of BCA income we can to reduce this to 50%.

For note we have put some timelines against activities, those timelines in the 2nd pillar/objective are likely to get pushed out due to the current situation.

Objective 2
Increase Market Share (and visibility to Trade & Public)

BCA market share currently 49% on volume, this will look to increase to 75%.

As noted by AS we have put some ambitious targets against new membership recruitment. We wish to revitalise a recruitment plan with a recruitment committee, this was due to start in April but likely to be pushed back now into the Summer.

Objective 3
Obtain & Demonstrate Relevance (to enable the BCA to be the Voice of the Coffee Industry)

TBlack noted that our aim is to become the go to resource for coffee in the UK, and we are seen as the expert in coffee in the UK.

To do this we need to make sure we get our structure and structure of Committees right.

It was also agreed that we would conduct both a Member and Non-Member survey to keep understanding our relevance.

Changes to be made……

- Simplify structure and review articles of association
- Refocus and reprioritise committees
- Re-evaluate member need, member categories and fee structure

TBlack noted that the first thing we would like to propose to the Board is the New Structure. The proposal would be that we now look to eliminate the Executive Committee and this is replaced by the Board. That the Committees report directly into the Executive Director who in turn reports into the Board.

We are also proposing that a new Committee be added, currently called New Member Committee, this will have a focus on Member Retention and Recruitment. This job was done by the Member Services Committee, but as we expand our Education, Networking and Events there would be too much for them to undertake this as well.

Changes to be made……

- Re-evaluate member need, member categories and fee structure
  - o Members to be categorised into 4 sectors
    - Trade
    - Industry
    - Retail
    - Services

- Associate membership would be scrapped so all members would be Full Members.

TBlack noted that we undertook a survey out to all of our Members, asking them to rank/prioritise what activities were important to them.

The top 3 most important areas were

- Association Collaboration
- Communication
- Sustainability
-

TBlack noted that Members felt if the Dinner could also have an education section on the day, this would add more relevance to them.

TBlack went on to detail importance on Member need by there sector, Trade, Industry, Retail and Services.

Changes to be Made…….

- Membership Fee Structure

We are muting a potential change to the Membership Fee Structure, including scrapping of Associate Membership Fee.

We are intending to create a base line fee for Trade, Industry of £500 depending on turnover of volume and the Retail a £500 participation fee plus £500 per retail outlet, with Services having a flat fee of £1000.

AK noted that having to be a Full Member to sit on Committees was a bit of a hinderance, and thinks having an entry fee of £500 was a good idea.

AndK noted that calculations had been made to ensure that the BCA was not put into a financial deficit.

AS noted, that for many years we have been trying to sort out a fee structure to suit all Members, and it this works then good news.

DR asked if this has been put to some of the larger Members. TBlack noted that for our larger Members the fees won't currently change at this time, but would we hoped to do is encourage more companies to join the BCA, then we don't have to rely so much on the larger Members, and start to reduce the cost of the current categories.

AK asked if there was any value to have a Soluble Committee once again, it was discussed and thought that we have moved on from having a separate committee and no benefit or value seen at this time.

DR asked if those paying a fee of £1000 would have the same voting rights of one of the larger companies paying a considerably larger fee. TBlack noted they would have the same voting rights. DR asked through the research was this not an issue? TBlack felt that having discussions with a number a people this did not seem to be a problem, and that the Association needs to be all encompassing.

PR added that he was surprised that we did not have a defined Board, and that we need to have a defined Management Board, perhaps we need revisit and give a longer look at the Articles. AS asked, who would be Member of the Board, DR added that everyone who pays a £1000 can attend. AS stated, that perhaps we need some clarity around this.

AndK noted that he thought that the Chair, Vice Chair, Committee Chairs and Executive Director would be on the Board, AS noted that this is the current structure of the Executive Board which eliminates other Members.

CC noted that he feels that this needs just some fine tuning as to parameters who would be entitled to sit on the Board.

TBlack noted that he thanked everyone for their input, and that he, AndK and PR will go away and review this and the Articles, and come up with a suggestion of the restructuring prior to the next Board Meeting. AS asked if perhaps suggestions could be circulated prior to the Board meeting so that they can be reviewed.

PR noted he thanks for feedback that he has received so far, but guidance from people as to what you the Member wants from the Association and what we need to stay away from. PR again extends his thanks to TBlack, SS and TB for holding the fort in the last few months.

All on the call thanked TBlack for his hard work.

TBlack noted that we can all get out into the sunshine and meet our families in the new future.

16. Committees Update
Due to time constraints no updates were reviewed at this meeting.

17. Review of Articles of Association
Following comments received during the Strategy Update, further work would be required and to be re-presented at the next Board meeting.

18. Member Segregation & Fee Structure
Following comments received during the Strategy Update, further work would be required and to be re-presented at the next Board meeting.

19. Vote to Approve Path Forward
The vote was delayed until the next Board meeting.

20. Dates of the next Board meeting:
Wednesday 4th November 2020 – BCA Board Meetings – 11.00a.m.-4.00p.m. - FDF, 6th Floor, 10 Bloomsbury Way, London, WC1A 2SL – Room Cleminson

- Technical Meeting / Board Meeting