

NATIONAL RIFLE ASSOCIATION

Annual General Meeting

Minutes of the Annual General Meeting
held in the NRA Pavilion, Bisley on Wednesday 29th June 2011 from 6.00pm.

Present:

Chairman	Dr R. Pizer
Vice Chairman of the Council	Mr C.J. Murton
Treasurer	Mrs D.C. Meredith
Member of Council & Non-Executive Director of NSC	Mr D. Mabbott
Head of Finance	Mr G. T. Gold
Members	39 Registered Members

ANNUAL GENERAL MEETING

PROCEEDINGS

Attached hereto and initialled by the Chairman of the meeting as a record of the meeting is the report as published in the Journal.

ORDINARY RESOLUTIONS

a. **Election of Officers.**

- (1) **Re-election of the President.** The Chairman proposed on behalf of The Council that H.R.H. the Prince of Wales KG, KT, GCB, AK, QSD, CD, PC, ADC(P) be re-elected as President.

The Resolution was approved.

- (2) **Election of Vice-Presidents.** The Chairman proposed on behalf of The Council that the existing Vice-Presidents be elected en bloc.

The Resolution was approved.

- b. **Reappointment of the Auditors.** The Chairman proposed on behalf of the Council the re-appointment of Baker Tilly UK Audit LLP as Auditors.

The Resolution was approved.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2011

The Statement of the Chairman, the Report of the Trustees and the Audited Accounts were received.

CHAIRMAN'S SPEECH AND OPEN FORUM.

Attached at Annex.

Chairman

Annual General Meeting – 29th June 2011

Proceedings

Chairman

Welcome to the 2011 Annual General Meeting which has been adjourned from the earlier date of the 10th June. I don't know whether you are familiar with everyone on the top table, do you all know them?

NO.

Well, hopefully you still remember who I am, Robin Pizer, Chairman; I have on my right Charles Murton, Vice Chairman of the Council; on his right Derrick Mabbott, who has been leading a lot of the work that I'll talk about later; on my left I have Debbie Meredith, who has just taken over as Treasurer, she has been Treasurer for just over two weeks most of which have been spent on holiday so she is not here to answer questions but she is I am told a six sigma black belt in process improvement so beware; on her left I have Graham Gold, who is our head of finance and if I get stuck on some of your questions I shall turn in his direction. Glynn Alger, our Secretary General, should have been here but has gone home for unforeseen personal reasons.

The first item on the agenda is the re-election of the President and I have very great pleasure in proposing that H.R.H. The Prince of Wales be re-elected and I propose this on behalf of the Council.

AGREED UNANIMOUSLY.

Then there is the re-election of the Vice Presidents and again I have very much pleasure in proposing on behalf of the Council that the existing Vice Presidents be re-elected en bloc.

AGREED UNANIMOUSLY.

Item three is the re-election of the Auditors and the proposal, again by myself, on behalf of the full Council is that Baker Tilly UK Audit LLP be re-appointed. Can I have a show of hands to re-appoint the Auditors? All those in favour? Against? None against.

AGREED.

Before moving to the financial results, I need to announce that we have begun consultation on a proposed restructuring which would bring the NRA and NSC together in a single organisation under a Group Chief Executive. NSC will continue to exist separately but only as an accounting entity. I cannot say any more about this because of ongoing formal consultation with potentially affected staff namely the NRA Secretary General and the NSC Managing Director.

I have to report some very poor financial results. Firstly I will explain what went wrong and then what the Council has done and is currently doing to change our financial system.

Between 2003 and 2008 we recovered from most of the debts of 2002 which suggested our financial system was sound. Up to 2007 the finances were paper based rather than computer based. We now know that the transfer to a computer based system was both incomplete and poorly done.

As preparation for the 2009 audit progressed, it became apparent that the audited accounts for 2009 were showing a surplus £100,000 **less** than the management accounts. By then it was too late to stop the employment of extra staff or the modernisation of the ablution blocks.

The Finance Director went sick about the beginning of April 2010 and resigned in June 2010. Most of the invoices which the finance department would normally initiate, failed to go out. Coupled with this and independent of it, some invoices from the range office also failed to go out. The NRA Treasurer stepped in to get matters resolved.

By August 2010, we knew we had a cash flow problem and a potential loss of £100,000. This was reported to members in September with further updates in the Winter and Spring Journals.

In clearing out year end effects for the 2010 audit, it became necessary to make £274,000 of prior year adjustments. So the reported surplus for 2009 of £89,000 was in fact a loss of £185,000.

An organisation does not go from health to £600,000 loss inside 2 years. There are systemic issues that go back a long way:

- An organisational structure that creates inefficiency and confusion and lack of accountability, which we are now addressing.
- Financial accounting which is opaque to the Trustees and senior managers which is now being fixed, one prime example being the management accounts which were near impossible to reconcile against the budget.
- Leases that have been poorly worded for years with a good deal of income foregone as a result. These disputes are now partly resolved but we are looking to evict in some cases.
- Bad debts that have been building since 2007 of which £148,000 are now recognised in the 2010 accounts but are still being pursued vigorously.
- Invoices not going out on time, not going at all, or going more than once leading to changes in the invoicing process.
- A culture whereby senior management were not required to take responsibility for finance, but rather responsibility was assigned to a Trustee which will be addressed in the proposed new structure.
- A culture that lacks any commercial discipline or proper levels of HR management which will also be addressed in the proposed new structure.

In order to address these issues, we have:

- Recruited a new Head of Finance, Graham Gold, who has made significant progress on the accounting and financial issues.
- Instituted a review of the Financial System to make it fit for purpose.
- Instituted fortnightly meetings of managers, NSC Directors and Trustees at which the managers are expected to take financial responsibility for their part of the organisation; such meetings have never happened before.
- Instituted regular staff meetings at which all staff members are briefed on the state of the organisation and given the opportunity to express their views. The last such meeting was held in 2001.
- Staff have been instructed to concentrate on generating new sales from the Police and MOD and only undertake essential expenditure. Regretfully we have had to tell staff that

we could not consider a pay rise until later in the year when we will know the financial position following the Imperial Meeting.

So you will now appreciate why we are proposing a restructuring of the NRA and NSC.

I now open the meeting to questions and comments.

Philip Bassett

I hear what you say about generating more income from the MoD and the Police but as a retired lay shooter we find it very difficult sometimes to reconcile the need for both and we are told at very short notice that we cannot shoot because the Police have the range. Once upon a time we had the luxury of knowing that the ranges would be closed on Mondays for maintenance. Why can't fixed dates be given to these other organisations so that we as lay members know when we cannot shoot?

Chairman

Both the MoD and the Civil Nuclear Constabulary are the main users at the moment and are contributing very considerable sums of money and are paying a great deal more than you or I as individuals would pay to hire targets. We are charging the targets out at commercial rates. They are here Monday to Friday and yes, if you are say a Thursday Club shooter, or something like that then there may be some constraints on what you can do but the bigger constraints I think are to do with the use of Melville Range, so you are a Gallery Rifle shooter there are potential problems there but I understand that there are times during the week that are set aside for the non-commercial shooters like you or I.

Derrick Mabbott

You are quite right in what you say but if I could give you perhaps a little insight into the experience that we have had with dealing with the Police on this stuff. I don't know if we have any CNC Policemen in the room? We have found it challenging to just get a decent forward look in terms of what their requirements are going to be and it has bounced around a lot and that has meant sometimes we have had some issues for people like yourself. What we have sought to do early in the process is two things. One, we are being much more robust with them and in fairness helping them to actually plan their own requirements. They are moving from different facilities and they are committing an increasing amount of their business to us and I think it is catching them by surprise but we are working much more effectively with them than we were a couple of months ago as we have become more robust in the way we manage that. The second thing is that we are looking to open up new facilities and are looking very actively at reopening Winans and so introduce greater capacity into the system and accommodate them with much less impact on people like yourself.

Philip Bassett

Thank you very much for the answer, I do understand the problem that we have to make money rather than spend money it is just the case of making it a little bit more open for us lay shooters.

Derrick Mabbott

The key to that is us being able to get a more managed forward view of their requirements and they and we are getting better at it.

Mick Barr

One on the accounts please, Robin. I am afraid my accounting is pretty crude and if I've got money in my pocket then I like to spend it, if I haven't got money in my pocket then I don't spend it. I sympathise, and that is the strongest word I can dare use, with the Treasurer and the job they

have got to try and do. If the NRA and NSC accounts have been in such an incredible mess for about ten years why didn't the Auditors pick up the problems or was it just simply dodgy accounting and should someone be looked at rather severely for that, or is it too late?

Chairman

I did ask to see the Auditor's findings for the last five or six years and it is quite clear that they did warn us on a number of these problems. Unfortunately it appears to have become a culture within this organisation that those findings were not shared with the Trustees other than the Treasurer. All I was told in 2009, when I had just taken over, was that the then Director of Finance should 'pull his socks up' and if I had known quite how far he would have had to pull his socks up I am sure something would have happened in 2009 but the information did not come through.

Mick Barr

Mr Chairman, under the new regime are people going to be seriously encouraged to talk to one another so that if there is any dodgy accounting going on it can be discovered? And I am sorry this appears to be landing in your lap Graham and I apologise for that. It just seems rather messy and untidy to me and somebody needs to sort it out.

Chairman

The way the accounts are handled at the moment is much more complicated than is necessary and part of the job of Graham, and Debbie too to refine the process, and Debbie has already put forward half a dozen or more recommendations which the Council will no doubt approve in due course. Graham, do you want to say anything more on the accounts that you inherited?

Graham Gold

Not really or I shall end up finding myself talking an awful lot.

Derrick Mabbott

You are quite right, the accounts have been a shambles and have been a shambles for a long time and I'm not going to spare Graham's blushes in saying that what he has had to do since he came in August is a monumental task. You know the old saying about 'building your own car and driving it at the same time' that's exactly what Graham has had to do for not just 2010 but for 2009 as well basically re-constructing all the accounts from accounting systems and processes that were simply not fit for purpose. In achieving getting sign off for the accounts for 2010 is a great achievement. What we have sought to do in recent times is to have fortnightly meetings with all of the key managers in the organisation to discuss key operational requirements, key revenue generation activities and key cost programmes and each of those people are generating their own weekly cash reconciliation of what's going on so that they are both able to flag variances immediately and truly address the commercial realities in their area in a way that's never happened before. That in some way lays the foundations for the work that Graham moves on to with Debbie's help given her finance process experience and skills to actually build that finance process we need for the future. It has been an enormous task of basically clearing the Augean Stables.

Ian Patrick

There was some discussion about the possibility of CNC investing in the Cheylesmore Range with a view to them using it during the week and us at the weekend. Is that still a possibility and if so when?

Chairman

It is very definitely a possibility, negotiations have certainly been taking a very long time but that perhaps is not surprising with a change of Government and the state of the finances of the Country. I am not able to say when those negotiations will be completed but they are very definitely

ongoing and letter that was drafted and signed today is going back to the CNC, so yes, we are actively discussing terms and conditions and when we are able to announce something we will. Clearly if we get Cheylesmore upgraded that will take a lot of pressure off Melville also of course it will allow us to bring other Police Forces in if they wish.

Martin Townsend

Mr Chairman, ladies and Gentlemen, Martin Townsend, I am Chairman of the OTF which is the Overseas Team Fund and we have raised monies for overseas teams. Currently one of the main functions at which we can raise money is by corporate/guest days and we have been in competition with the NSC. We make fairly heavy profits when we do these for the benefit of overseas teams because sending teams abroad these days is getting more and more expensive. So I did send a question can you please tell me how much profit or loss is being made by the NSC from the corporate/guest days that the NRA hold at Bisley.

Chairman

The profit being made on the main corporate days (excluding the clays) is in 2009 £32,000 and in 2010 was £23,000 and so far this year, to 1st May £14,000. On the clays in 2009 it was £58,000, in 2010 it was £27,000 and to 1st May £6,000. It is useful income. Does that answer your question?

Martin Townsend

Not entirely, it gives me an indication that the amount of profit you are making is very small because we can hold some our corporate days and make £8,000-£10,000 in one day. Have you taken into account staff costs when you have done these figures? What my main fact is whether you can meet with us as a representation and we can therefore get together with the NSC or whatever it will become and the OTF and GB teams to form some method where we are not competing with each other, we can share the model, both make money and at the same time do the proper thing and use GB touring team people to help with the days.

Chairman

Firstly you ask if we are including full staff costs, no we are not. Unfortunately we have a culture of not knowing what our full staff costs are for virtually any activity we take part in and that has got to change. I would certainly welcome a discussion between you and perhaps Debbie and Graham to look at the way we price things compared to the way you price things because if we are charging too little then we need to adjust and certainly we should be co-operating not competing.

Martin Townsend

Could we perhaps leave that as something we can have a meeting and discussion and move forward from.

Graham Gold

Very happy to do that.

Rae Wills

I welcome the review of the NRA/NSC divide. At the set up I was against the NSC being 'in the front window' and not just a service company in support of the NRA, operating in the background. The present set up merely confuses patrons, and is very divisive for staff relations. One organisation only please.

I would also caution that in seeking to raise income, the importance marginal income should not be overlooked. Many ranges are busy, but not all the time and therefore by lowering prices at slack times further income might be obtained. Melville pricing, especially bay A should be looked at. Rather an occupied lane at £4 than empty at £8.

Chairman

We already have a pricing policy that results in higher prices at popular times and lower prices at other times. This will be reviewed again as we set the budget for 2012; if we are to subsidise any of our activities it is important that we understand the degree of subsidy and apply it consciously.

Ian Brown

I spent some time on the NRA Council, which ended about fourteen years ago. A new chairman had arrived and asked various Council members whether they had any suggestions as to what might be done. I and one or two others penned some suggestions and I ended my two penneth worth with the suggestion that this outfit needed to be run as a business and I got a very nice charming note back asking me why. I am now delighted to perceive a glimmer of hope that the necessary step might now be starting to be taken and the best of luck.

Chairman

Thank you. I think all of the Trustees would be quite unanimous in this that we have to run this organisation on business lines but we do have a charitable arm and some activities just may not be cost effective if we made the full charge so we need to know where we are subsidising, why we are subsidising and then we can identify where the charitable money is being spent.

Brian Taylor

I think one of the reasons these AGMs the last couple of years have been so short is that one of the people who from this side of the fence used to ask searching questions is now on the other side of the fence and I think its highly beneficial to us and the NRA that he is there now and I think we should all give our maximum support to Robin in what he is trying to do at the moment in a very difficult task.

HEAR HEAR.

Chairman

Thank you very much but do be aware I couldn't possibly do this without the full support of the other Trustees and the Non-Executive Directors of the NSC and also the support of the staff. Any more? In that case I will call the meeting closed. Thank you very much for attending.

The meeting closed at 18.30pm

