

## **Secretary's Report, 2010.**

The finances for the past two years have remained robust. While we have felt some pressure from the effects of the world financial climate, we have remained on track and avoided major losses. Our turnover for this year was £116,553.03 which yielded a surplus of £21,929.65.

The past two years have been a roller coaster in many ways. With the reorganisation of our admin, splitting the role into two main areas: Financial and Membership, we were able to add to the facility. As the workload was already there to fill the time it was the obvious move. At the same time it has increased the number of hours that we have a member of the admin team on the other end of the phone for you.

At the same time that this was going on and plans were coming together for the 2009 Conference, the big wide world went into financial turmoil. Because of this, we conducted a review of the financial health of the NCH. While, broadly speaking, the finances were found to be in a robust state, revised forecasts for the Conference threw up a problem. When the bookings over time were compared to those of previous events it became obvious that attendance would be substantially down, both on previous years and on that predicted for this event. This meant we were in danger of triggering serious financial penalties on the booking of the venue, something in the region of £14,000 + vat! It was realised that this, with other negative financial forecasts, would place a serious strain on our finances. So the painful decision to cancel was taken. Initially, there was concern that we would not be able to continue without an AGM but, as our M&A do not specify that we have to hold an AGM and the amended Companies Acts no longer required one, we decided to develop new ways of holding such events. We trialled the CPD Extravaganza as an event and found it very cost effective and even capable of producing a small profit to add to the funds. Then there was the question of how to incorporate an AGM. Another issue that we had to tackle in this process was the perennial problem of generating a quorum, even with the use of proxy votes. As more of the changes to Company Law have become clear we have discovered new ways to amend our M&A and to enable more members to vote at the meeting. In fact there has been a crucial change in the law that recognises the growing use of electronic meeting spaces and networking environments. So we have joined Co-operatives UK and they are going to guide us through redeveloping our M&A to include the requirement for an AGM and the use of electronic, e.g. web based, means for members to vote as if present at the meeting.

In taking this opportunity to renovate the M&A we will be consolidating our safeguards regarding quorum levels, while at the same time developing the flexibility that will enable us to move on through times of change to come. I think the term is "future proofing". Even with the potential changes that Regulation may bring we will be better able to introduce new and extend existing member services. With Regulation coming, we expect a clear and substantial shift in the emphasis of our policies towards even greater support of the members. This will be because the regulatory elements of our business will be very greatly reduced, leaving us with more time and funds to direct to the support of the membership.