

Ladies and Gentlemen, as you may know, I have only recently taken on the position of Treasurer, so my comments consist inevitably of some first impressions.

I would like to thank General Council for their confidence expressed by electing me to this post, and also to the other members of Council for proposing me. My intention is to serve for three years and I do so in the same spirit exhibited by many NRA members in the service of shooting – running teams and clubs, training and coaching, keeping our ranges running & our clubhouses operating and so on. Along with all of Council and General Council, I am looking to the support of the wider membership as we seek to serve the interests of shooting as a whole.

I believe that 2012 will come to be seen as something of a transition year. The remaining effects of what precipitated the restructuring, and the process of the restructuring itself, will have been reflected in the 2012 accounts. Given certain provisions that have been taken, we do not anticipate substantial items relating to the restructuring to appear in future accounts.

As you will see from the Annual Report, while there was a loss in 2012 of £65k, it does represent improvement on both 2011 and the budget set for 2012. This improvement stands to the credit of all staff who have contributed to the broadest health of the NRA, whether out on the ranges or in the office. This includes some very effective work in the resolution of disputes and chasing debtors early on in the respective tenures of our Chief Executive, Andrew Mercer, and our Head of Support Services, Ray Hutchings.

The significant item mentioned by the Chairman was £426k spent on a variety of professional fees and contractor costs. Some of this was to catch up on work which should have been done in previous years and for which the costs, albeit perhaps lower, would have appeared earlier in any event. This includes, most obviously, the extensive work required to plumb in the Dimensions accounting system to its fullest effectiveness. In the finance department contractors were brought in to run the payroll, purchase ledger and management and statutory accounts functions. Since the appointment of the new Head of Support Services, there has been a progressive transfer from the use of consultants to employees and other streamlining such as outsourcing payroll to a bureau. The phasing of the replacement of the contractors has allowed efficient resolution of the PAYE and VAT issues, as well as training for new employees.

Some of the professional fees related to the work of the restructuring itself. Charity Law required us to seek professional advice on employment law and human resources, since the Council did not contain experts in these areas. Costs were higher than we would have wished because of defending Employment Tribunal claims and other litigation. The associated professional fees and settlements of all main claims have been included in the 2012 accounts.

The positive sides of the transition in 2012 was a significant improvement in revenue: by over 10%, to £4.9m from £4.4m in 2011.

Nearly two thirds of this improvement was from increased range use, most notably from our clients in the Civil Nuclear Constabulary. They remind us of the NRA's duty to marksmanship, which is broader than consideration of even our flagship events. We remember that our charitable objects include the promotion of marksmanship in support of the defence of the realm, which is as much domestic and civilian as it is overseas and military.

A quarter of 2012's improvement in revenue has come from estate income. All users of Bisley have borne the frustration of some issues relating to the state of Camp in recent years

and we should be particularly grateful for the patience of those many who lease accommodation, whose experience has been the worst. The last six months have seen significant initiatives in the maintenance of the estate, both on the ranges and around the sites, and we look forward to more during the remainder of this year.

A turnover figure of nearly £5m puts a number of other issues into perspective. The £65k loss for 2012 is little more than 1% of our turnover: in other words, for an organisation that has seen a lot of flux, a loss could easily be substantially greater than the narrow margin of 1% and in previous years it was. By contrast, I don't believe that any upcoming loss would be acceptable, especially given the NRA's need to build reserves if it is to approach the more robust financial standing which we all should wish.

Even moderate changes in our income and expenditure have the potential to return us to an equivalent amount in profit, if not more. The budget for 2013, set in December last year, is to generate a profit of £150k. The figures available to Council last month indicate, if anything, slightly better financial results for the year so far than had been planned in the budget. Clearly there is also a long way to go.

A robust financial standing for the NRA should come from its balance sheet in addition to sustained positive income. The most representative figure in the accounts is the net current assets or liabilities, in other words the assets deemed to be at our realistic disposal in the short-to-medium term. At the end of 2012, the NRA had net current liabilities of £247k, which is a position that must be reversed. The NRA needs positive net current assets, ideally cultivated by several years of steady modest profitability. As far as possible, this should be generated by maximised commercial income and improvements in and streamlining of financial procedures.

So far in 2013, we have seen satisfactory resolution of the PAYE question, for an amount well within our provision. At a VAT inspection last week, we presented a net amount due which is very close to the amount we had reserved, and we anticipate repaying the last £150k of the bank loan in the coming weeks. In this context, I would particularly like to recognise the work of the finance team in setting about these priority areas while also normalising some of the practises in our routine activities to ensure collection of amounts that are due into our association.

We can all be grateful for the commendable approach of those who have tried to remind the NRA, sometimes repeatedly, to issue invoices. Conversely, it is in the interests of all members that if bills are disputed, then at least the undisputed elements of those bills should be paid. We all need to remember that a pound paid into the NRA is a pound available to sustain our sport; one that is not spent is a drain on our sport; and a pound that is delayed is asking fellow members to carry it.

Some very positive work in all of these areas has served to reduce the net current liabilities figure to something closer to £200k already this year.

I would like to comment on one last financial area – that of pricing. Part of the balance to be struck is to make every realistic effort to optimise value for money, without expecting one constituency among our members to subsidise another. Within the bounds of our charitable objectives, we should seek to generate suitable support for shooting activities from other parts of the estate, bearing in mind that in many cases this income is from shooting sources also.

*Derek Lowe*  
*Treasurer*