

Treasurer's Speech

Turning to the consolidated NRA/NSC Group financial statements and the Income and Expenditure Accounts to start with:

In the year to December 2023 total consolidated income rose 14% year on year to £10million producing a consolidated net surplus, including a £9,000 gain on restricted fund investments, of £51,000 or a net margin of just 0.5%.

This compares with a surplus of £160,000 in 2022.

The main drivers for this year-on-year deterioration in performance was a 75% or £250,000 hike in utilities bills and an increase in staff costs by about 12% to £3.4M, which was the result of a combination of wage and staff number increases.

The Group also spent over £500,000 during 2023 on maintenance of the estate and ranges which was in line with the amount spent in the prior year.

The Group's revenue has historically had three main sources: range fees, membership subscriptions and estate income. However, as mentioned last year, the importance of the BSG business which we acquired in August 2020 remains pivotal: its divisional profit in 2023 was 5 times that of the consolidated Group for the year. It is clear that BSG makes a very significant financial contribution to the Charity's ability to pursue its charitable objectives such as holding marksmanship competitions and training. To that end, during 2023 the NRA provided £94,000 to support the training and resources for members to participate safely and responsibly on the ranges, and £378,000 support for the extensive programme of competitions, including £60,000 for young shooters under 25 with the Imperial Meeting discount.

Both programs aim to ensure that future generations will appreciate the discipline, focus and camaraderie integral to our activities.

Moving to the Group Balance Sheet:

The group's net assets remained at £9.1million although the Charity's free reserves, which considers our liquidity, continued to be negative as a significant proportion of the Group's assets are in the form of Fixed Assets such as Land and Buildings.

However, a RICS valuation obtained in August 2020 of £10million for the estate, obtained for the sole purpose of financing security, continues to enable us to access a £1million overdraft facility. This facility is an important part of the Charity's reserves policy in the absence of an unrestricted sinking fund.

Thankfully, the overdraft was not needed much through 2023 and the year-end unrestricted cash balance, which is historically the peak point in the year, was a healthy £600,000.

However, the year-end net current liability position gives greater colour around this cash balance: The NRA received its 2024 subscriptions during the last month of the year, which flatters the year-end cash balance as this is almost entirely 2024 revenue.

This brings us on to our Cash Flow.

The Group remains very much hand to mouth with discretionary capital and maintenance expenditure being adjusted in order to cope with lower net operating cashflow generation and continued higher working capital requirements. The latter in particular was caused by higher ammunition stock given the question mark over possible supply issues.

Despite this, the NRA managed to invest just under £500,000 on range and estate improvements and on freehold and leasehold additions.

The tight liquidity has been monitored monthly in one of the Trustees' Key Performance Indicators - the Acid Test Ratio – which measures the proportion of cash and readily monetizable assets to the level of current liabilities.

The Trustees have set a floor threshold at 1x cover, but this was in breach for 10 months of 2023.

Our expectation is for the unrestricted net cash position to remain positive throughout 2024 and our base case forecasts provided to our Auditors, haysmacintyre, during the external audit are that we will also end 2024 with an improved net positive cash balance and will have made headway in reducing the acid test ratio breaches.

As a result, the primary financial aim for the Trustees in 2024 remains for us to continue to improve our balance sheet resilience as described in our Reserves Policy.

Our projections for the current year are that the Group will generate a surplus before changes in investments of around £400,000, which would represent about a 3% net margin on the Group's turnover.

This will allow for expenditure of around £1.1M on capital assets and maintenance to enhance our members' experience and ensure the highest standards of safety.

We also plan to maintain a significant level of support for the Group's charitable objectives with a projected spend of £275,000 on mixed military and civilian competition and youth shooting.

In closing, the Charity looks forward to a 2024 with fewer adverse economic headwinds but I am sure you will all acknowledge that the global geo-political situation underscores an ever-greater need for the NRA and its role in promoting and encouraging marksmanship in defence of the Realm.

This will only be possible with your continued support. Each one of you plays a vital role in the lifeblood of our association and only together, will we continue to uphold the values of tradition, safety, and excellence that defines the National Rifle Association.