

## **TREASURER'S SPEECH**

Looking at the group financial statements in a bit more detail and in particular to kick off with the income and expenditure. In the year to December 2024, total consolidated income rose 11% year on year to £11million, producing a consolidated net surplus, including a £28,000 gain on restricted fund investments of £572,000, or a net margin of 5%. This compares with a surplus around one-tenth of this in 2023.

The main drivers for this year-on-year improvement in performance was due to stronger operating performance at the NSC, in particular Bisley Shooting Ground, and reduced pressure on overheads such as utilities, which had seen significant hikes in 2023.

The group also spent around £500,000 during 2024 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 2024 represented around three quarters of the consolidated group profit for the year.

It is clear that BSG continues to make 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 2024, the NRA provided £59,000 to support the training and resources for members to participate safely and responsibly on the ranges and £367,000 support for the extensive program of competitions, including £78,000 for young shooters under 25 with the Imperial meeting discount.

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

Moving to the balance sheet, the group's net assets grew to £9.7 million although the Charity's free reserves, which considers our liquidity, continue to be negative as a significant proportion of the Group's assets are in the form of fixed assets such as land and buildings.

The NRA continues to have access to 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 at all during 2024 and the year-end unrestricted cash balance, which is historically the peak point in the year, was a healthy £1.2million.

However, the year-end current net current viability position gives greater colour around this cash balance. The NRA received its 2025 subscriptions during the last month of the year, which flatters the year end cash balance as this is almost entirely this year's revenue.

Moving to the cash flow, as mentioned previously, through the planning of the finance team, we have enjoyed the ability to adjust our discretionary capital and maintenance expenditure to our operating cash flow generation and working capital requirements. This has included maintaining higher ammunition stock given the continued perceived vulnerability of our supplies. Despite this, the NRA managed to invest around £400,000 on range and estate improvements aside from the Wharncliffe development.

The Group's liquidity has been monitored monthly in one of the Trustees' Key Performance Indicators, and this year I'm happy to report that this was met for the majority of the months during 2024, showing the headway that we'd have made in building back our resilience post Covid.

Our expectation, however, is for the unrestricted net cash position to remain positive throughout 2025 and our base case forecasts provided to our auditors HaysMac during the external audit are that we will also end 2025 with an improved net positive cash balance and will have made headway in reducing the acid test ratio breaches.

Despite unfavourable changes in employer taxation costs, projections for the current year are that the Group will generate a surplus before changes in investments of around £500,000, which would represent about a 4% net margin on the Group's turnover. This will allow for expenditure of around £1.3million 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 £450,000 on mixed military and civilian competition and youth shooting.

In closing, the Charity looks forward to a 2025 with fewer adverse economic headwinds, but an ever-greater need for the NRA and its role in promoting and encouraging skill at arms and marksmanship in defence of the Realm.