

Charity No. 219858

**NATIONAL RIFLE ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NATIONAL RIFLE ASSOCIATION

CONTENTS	Page
Chairman's statement	1
Trustees' report	2
Trustees' responsibilities in the preparation of financial statements	17
Independent auditor's report	18
Consolidated statement of financial activities	20
Group & charity balance sheets	22
Consolidated cash flow statement	23
Accounting policies	24
Notes to the financial statements	28

NATIONAL RIFLE ASSOCIATION

STATEMENT BY THE CHAIRMAN FOR THE YEAR ENDED 31 DECEMBER 2019

I am pleased to report that the NRA has had another successful year.

The appeal and popularity of marksmanship promoted by the NRA as part of its charitable purposes continues to grow. NRA membership numbers have grown by over 28% over the past 6 years and there is increasing interest in marksmanship, both at Bisley and around the country.

During 2019, National Shooting Centre Limited ("NSC"), the NRA's wholly-owned subsidiary has made significant improvements in the shooting experience it offers, including the installation of more electronic targets, winter covered firing points and the commissioning of Chobham Ridge range.

We engaged with the Charity Commission for England and Wales throughout 2019 to implement the Action Plan that the Commission provided to the NRA under s.15(2) of the Charities Act 2011. The Trustees have implemented the regulatory advice that the Commission issued, which included a Co-operation Agreement between the NRA and NSC to clarify the role of each of them, an updated Real Estate Policy, a new Disciplinary Code, a new licence setting out the terms on which NSC uses buildings at Bisley and the appointment of an independent director to NSC to strengthen its management.

The Commission also helpfully endorsed the policy adopted by the Trustees of granting leases on market terms. This has been a contentious issue in the past, with some tenants arguing that their rent should not reflect market terms.

The Commission has expressed doubt on whether civilian marksmanship can be considered to contribute to Defence of the Realm, but the Trustees are committed to working with the Commission to ensure the ongoing success of the charitable activities of the NRA,

We have also spent significant time and resources with those responsible for regulation. We all recognise the need for effective regulatory oversight of firearms ownership and the NRA contributes to an informed and rational approach to this important issue. We will continue to work with government and police to enable people to develop their marksmanship skills in ways that are responsible and affordable.

Net cash provided by operations remains strong at £1,008,158 for the year, a significant increase on the £581,016 generated in 2018. This funded capital expenditure totalling £1,178,075. The net surplus for the year is £21,645 compared to £32,845 in 2018; this includes a gain on investments of £52,369 compared to a loss of £46,167 in 2018.

The net deficit in our general funds for 2019, which do not include investments, was £60,002, largely due to an increase in expenditure of professional fees.

The success of the NRA would not be possible without a committed executive team. Andrew Mercer, our Secretary-General, has assembled an executive team that is committed to continuing on this path, and securing the best outcomes. Their work is often greatly under-appreciated and misunderstood. I would like to thank them all for their continued commitment. They continue to draw on the ability and commitment of our Trustees, who have volunteered to spend many hours forming and articulating critical policy for the executive to implement.

David Lacey
May 2020

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

This is the Trustees' Annual Report and the financial statements of the National Rifle Association ("the NRA") for the year ended 31 December 2019. In preparing this report, the Trustees have had regard to the Guidance published by the Charity Commission for England and Wales in *Public benefit: reporting (PB3)*.

1 Objectives and Activities

1.1 The charitable objectives for which the NRA was established are set out in the Second Schedule to the Royal Charter of the NRA. These objectives are:

“to promote and encourage marksmanship throughout the Queen's dominions in the interests of defence and the permanence of the volunteer and auxiliary forces, naval, military and air.”

1.2 The NRA promotes its purposes for the public benefit in three main ways:

- (a) by promoting military and "mixed" (i.e. civilian and military) competitive shooting, in furtherance of the promotion of the efficiency of the armed forces of the Crown and the efficiency of the police, fire and rescue services and ambulance services;
- (b) by promoting civilian youth shooting, both competitive and non-competitive, for the advancement of education; and
- (c) by promoting competitive adult civilian-only shooting for the promotion of the Defence of the Realm.

1.3 The Trustees are aware that the Charity Commission believes that the connection between civilian marksmanship and Defence of the Realm is tenuous. That is not a view shared by the NRA, but at this stage the NRA has not sought to challenge that view while information is collected on the participation levels of military, emergency services and cadet personnel in events organised by the NRA. Despite the huge advances in military technology during the period since the founding of the NRA, expertise with small arms remains an essential skill within our defence and security services and marksmanship is a key element of that expertise. In what continues to be a troubled world the maintenance of efficient and skilled defence and security services is of immense benefit to the public of the United Kingdom and the populations in the many other corners of the world where our armed forces may be deployed.

1.4 The competitive shooting organised by the NRA is open to military, emergency services and civilian marksman and the Trustees believe that this activity promotes the purpose described in paragraph 1.2(a). The lack of verified data on participation rates of military emergency service personnel and cadets limits the ability of the Trustees in 2019 to evidence the contribution that the NRA makes to that activity. As a result the Trustees will throughout 2020 be collecting information to verify that this is the case as part of its on-going engagement with the Charity Commission.

1.5 The NRA conducts the following activities as part of furthering its charitable objectives:

- (a) publishing the NRA Journal;
- (b) operating a membership scheme;
- (c) organising shooting competitions to promote charitable purposes open to current and former military, police and other emergency service personnel, cadets, students and civilians;

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

- (d) promoting marksmanship for cadets and students at schools and higher education institutions;
 - (e) providing information and advice to politicians and civil servants in relation to matters concerning marksmanship;
 - (f) maintaining and curating the NRA Museum and Trophies for marksmanship competitions;
 - (g) conducting training courses in marksmanship and in instruction of marksmanship that are open to current and former military, police and other emergency service personnel, cadets, students and civilian marksmen;
 - (h) publishing rules for marksmanship competitions and training manuals for use in connections with training courses;
 - (i) organising marksmanship competitions open to current and former military, police and other emergency service personnel, cadets, students and civilian marksmen including the Imperial Meeting, the Phoenix Meeting, the Trafalgar Meeting and the Adaptive Championship;
 - (j) operating a Home Office Approved Rifle Club to facilitate acquisition and use of firearms in connection with marksmanship and providing advice and guidance for compliance with firearms licensing laws; and
 - (k) publishing guidance for the safe operation of ranges.
- 1.6 The consolidated accounts limit the scope for demonstrating the contribution of each activity in the financial information published below.
- 1.7 The NRA, along with the wider shooting community, recognises that safety in the use of firearms is of paramount importance. There are obvious risks of harm associated with the careless use, or deliberate misuse, of firearms. The NRA firmly believes that by encouraging participants to undergo organised training, and by the maintenance of a rigorous disciplinary code for its membership, it helps to minimise the chances of accidental harm arising from the use of such equipment.
- 1.8 There are, as with many activities, incidental harms associated with target shooting, such as a degree of noise pollution, contamination of small areas of land by spent projectiles and restrictions on access to range danger areas. All of these are kept to a minimum, the success of which contributes to the flourishing of rare fauna and flora found on the large Site of Special Scientific Interest that covers most of the Bisley ranges.
- 1.9 In addition to those of military service age, target shooting is an activity in which the young, the elderly, the able-bodied and those with physical disabilities can all participate. There are few constraints on involvement except for those arising out of firearms legislation. In 2019, major competitions attracted competitors between 13 and 96 years of age. Shooting provides an activity which can be, and is, continued by members of the armed services who have been injured in the line of duty - to the considerable benefit of participants' morale.

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

- 1.10 Non-competitive or “recreational” shooting activities are conducted by National Shooting Centre Limited (“NSC”), the wholly-owned subsidiary of the NRA. This is consistent with the fact that target shooting is not currently recognised as a sport for charitable purposes and so the NRA is not able to promote marksmanship as a sport.
- 1.11 Civilian marksmanship is often misunderstood by the public and its contribution to the public good is often understated. The NRA seeks to tackle these issues as part of pursuing its charitable objectives and through its activities make a difference to the way civilian marksmanship is perceived. A positive perception of these activities will encourage more people to engage in them, which is a key measure of the success of the NRA in pursuing its charitable objectives.
- 1.12 The achievement of its aims will further its legal purposes by demonstrating that its charitable objectives make a contribution to the public good through its commitment to the Efficiency of the Armed Forces and education.
- 1.13 The strategies used by the NRA for achieving its aims and objectives include:
- (a) promoting marksmanship in schools;
 - (b) engaging with cadet forces through the Council for Cadet Rifle Shooting;
 - (c) working with the British Army, Navy and Air Force to develop and improve our engagement with it as part of our contribution to Efficiency of the Armed Forces; and
 - (d) providing firearms training facilities to police forces and other armed services.
- 1.14 The NRA uses the following criteria and measures in assessing its success in achieving its aims and objectives:
- (a) participation levels in the marksmanship events that it organises;
 - (b) growth in its membership; and
 - (c) the number of people engaging in the training activities provided by the NRA.
- 1.15 The significant activities undertaken in 2019 were organising the Imperial meeting and providing ranges and other training facilities for police forces and these contributed to the achievement of the NRA’s aims and objectives by providing competitions to test and improve the marksmanship of military personnel, and train and improve the skills of police firearms officers.
- 1.16 The short-term aims and objectives of the NRA are to:
- (a) promote effective communication with members and the wider public about the charitable activities of the NRA;
 - (b) continue to develop effective procedures for the management of its land and buildings;
 - (c) provide empirical evidence of the contribution of civilian marksmanship to the Efficiency of the Armed Forces; and
 - (d) improve range and other training facilities at Bisley [for the use by the NSC as part of its business].
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NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

- 1.17 the NRA are to:
- (a) ensure that the land and buildings owned by the NRA are maintained and used in an effective way in the best interests of the NRA;
 - (b) engage comprehensively across the Armed Forces as part of promoting the contribution of civilian marksmanship to all branches of the military; and
 - (c) increase access to regional ranges.
- 1.18 The aims and objectives for 2019 provide a base from which to develop the longer-term aims and objectives of the NRA. The Trustees will draft, consult and publish the 2021 to 2023 NRA Strategic and Development in 2020. The strategy of the Trustees is to see steady year-on-year growth in key metrics, recognising that there are limits on the extent to which civilian marksmanship can grow in the United Kingdom.
- 1.19 Social investment does not form a material part of the charitable and investment activities of the NRA.
- 1.20 The grant-making policy of the NRA facilitates and improves access to ranges and marksmanship improvement. Grants are made to provide support to organisations that promote civilian marksmanship or enhance the engagement of the NRA with the armed forces and cadets. This contributes to the aims and objectives of the NRA by providing alternative routes for the NRA to contribute to the public good provided by civilian marksmanship activities. This can be particularly useful as a way of promoting the objects of the NRA across the United Kingdom, away from the base of the NRA at Bisley Camp.
- 1.21 The NRA welcomes the contribution that volunteers make to the ability of the NRA to undertake activities such as acting as range officers, instructors and competition administrators. The difficulty in attributing an economic value to that contribution prevents it being included in the statement of financial activities, but the Trustees are keen to recognise and acknowledge it.

2 Achievements and Performance

- 2.1 The key measures of success as assessed by the Trustees are:
- (a) increases in the membership of the NRA;
 - (b) growth in demand for, and increasing use of, the Bisley range complex managed by NSC;
 - (c) monitoring and increasing involvement in competitive shooting, particularly amongst military, emergency services and cadets;
 - (d) delivering a financial surplus in accordance with the annual budget; and
 - (e) organising a range of competitions and training programmes in the year with an increase in participation.

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

2.2 The NRA organised the following training courses during 2019:

Type of Course	Participants 2019	Participants 2018
Probationary	1,064	1,145
Range Conducting Officer / Range Safety Officer	328	226
Instructor, Renewal, Conversion	391	515
Skills Courses	189	165

2.3 The Pavilion training centre at Bisley provides a permanent base for the team of instructors and coaches. The facilities continue to prove popular and serve a growing portfolio of training programmes. The large number of NRA membership applications has increased the demand for Probationary training. Other training delivered in the year included courses for Range Conducting Officers for military ranges, and firearms awareness for police firearms licensing officers, arctic expedition team leaders and regional range operators.

2.4 A series of Discipline Days were delivered to provide specific training by enthusiastic volunteers respected within their shooting discipline. The courses offer fundamental skills coaching and help encourage new shooters to compete in competitions; courses run for Civilian Service Rifle, Gallery Rifle and Pistol, Target Rifle and Target Shotgun were well received.

2.5 The NRA provides, and continues to invest to improve, a centre of excellence in marksmanship at Bisley for the use of the Regular Services, Reserve Forces, Cadets, Police and civilians.

2.6 The NRA works with Government, European organisations and the Police to facilitate the implementation and administration of firearms legislation, recognising the importance of this to civilian marksmanship.

2.7 NSC staff regularly provide advice and guidance to range operators and those wishing to develop new ranges.

2.8 The NRA continues to maintain a close dialogue with the Ministry of Defence as part of discharging its charitable objectives. The MoD use the NRA's Range Conducting Officer qualification and Shooter Certification Schemes to validate the competency of civilian shooting on MoD ranges. The NSC works with the MoD to identify any impending range closures so that early negotiations can take place over their feasibility, and the potential for the lease or purchase of such ranges to enable their continued use by civilians, cadets and reserve forces in support of marksmanship nationally.

2.9 The NRA maintains its governance of full bore target shooting, including the upkeep and publication of the rules and regulations. These are set out in the "Bisley Bible", which is published in the spring of each year, and in a number of ancillary publications.

2.10 The NRA encourages full bore target shooting by organising, or causing to be organised, competitions at various levels; and positive promotion through social media and other channels. The NRA's Facebook page has become an increasingly important communication and promotional tool with a weekly reach of up to 250,000.

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

2.11 The participation in major events and competitions held during 2019 were as follows:

Event	Participants 2019	Participants 2018
Imperial Meeting		
- Schools	433	448
- Service Rifle (Teams/Indiv.)	130/249	139/318
- Civilian Service Rifle	440	387
- Match Rifle	156	133
- F Class	81	58
- Target Rifle	970	870
- Pistol & Gallery Rifle	136	116
- Historic Arms	72	90
- Cadets	160	155
- McQueen	246	181
-Teams	721	610
Gallery Rifle Events		
- Spring Action Weekend	206	219
- Gallery Rifle Nationals	186	171
- Autumn Action	168	179
Civilian Service Rifle League	973	891
Inter Counties (teams/individuals)	20/149	20/124
Phoenix Meeting	505	543
Trafalgar Meeting	176	193
Shotgun League	335	604
F Class European Championship	274	287
Hand Gun League	248	279
Mini Rifle	176	198
Total	7,210	7,213

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

2.12 During 2019, the NRA continued the programme of investment in upgrading its land and buildings at Bisley. This work included the upgrading of roads and car parking, refurbishment of accommodation that is licensed to NSC as part of its commercial activities and refurbishing buildings prior to letting them to tenants.

2.13 The NRA promotes membership of the NRA as a way of enabling and encouraging people to contribute to the charitable activities of the NRA. The changes in the membership numbers during 2019 were as follows:

Membership type	31/12/19	31/12/18	Net change
Individual Total	9,497	9,209	+288
Clubs	770	751	+19
Schools	39	37	+2
Associations	46	49	-3

2.14 The NRA seeks to maintain a sound financial base. The financial results for the year, as set out below, show a reasonable surplus, after investment gains, in the NRA's financial position. The surplus is vital for the organisation to fund the refurbishment of the landholdings of the NRA and improve and expand the charitable activities of the NRA across the country.

2.15 The work of the NRA has benefitted society as a whole by continuing to promote the Efficiency of the Armed Forces so that it is better able to discharge its important functions. The work of the NRA with cadets and students has enhanced their education. While recognising the different view taken by the Charity Commission, the NRA believes that promoting opportunities for civilian marksmanship also plays a role in the Defence of the Realm for the good of the nation.

2.16 The NRA does not engage in any material fundraising activities. The NRA does provide a membership scheme for people who wish to support the objectives of the NRA. The number of members increased by 288 individual and 18 affiliated organisations during 2019.

2.17 Listed investments increased in value by £52,369 (decreased £46,167 in 2018).

2.18 No material expenditure was incurred to raise income in the future.

2.19 The important work of the Armed Forces is enhanced by the activities of the NRA through the competitions it organises and thus the charitable activities of the NRA produced a benefit at a societal level. At an individual level, the activities of the NRA provide an opportunity for people to develop personal skills by providing training and access to the facilities needed to pursue marksmanship activities.

2.20 The NRA fosters positive relations with its employees as the employees are key to the effective delivery of the charitable activities of the NRA. This also applies to its engagement with the members of the NRA, as they provide an important contribution to the funding of the NRA and of course are essential to enhancing the competitions that the NRA organises. The Trustees are also committed to positive engagement with the wider community. This is important to demonstrate the public benefit that flows from the pursuit of the NRA's charitable activities. The NRA recognises the importance of fostering a

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

positive public appreciation of its activities and to dispel misunderstandings particularly in relation to safety and responsibility of the activities that it conducts.

3 Financial Review

The NRA's consolidated income for the year to 31 December 2019 was £6,572,231 (2018: £6,221,825). Expenditure increased to £6,602,955 (2018: £6,142,823). This has resulted in a consolidated surplus for the year of £21,645 (2018: £32,835) including gains on the market value of investments of £52,369 (2018: Loss: £46,167).

- 3.1 References to "Group" or "Consolidated" refer to the combined total of NRA and NSC.
- 3.2 Principal income sources are, as in previous years' membership subscriptions, fees for range use, fees for entry into competitions, revenue from sales of ammunition and rents receivable.
- 3.3 The result is driven by increases in revenues and careful control of cost of sales and overhead costs. In 2019, increased resources were expended in improving the Bisley infrastructure, particularly the ranges and building stock. This inevitably has an impact on cash flow but is essential to the long term success of the NRA.
- 3.4 The NSC continues to improve integration with specialised IT systems for armoury storage, range bookings and ammunition sales. This integration is yielding improved accuracy and timeliness of management and financial reporting by NSC, which in turn facilitates effective financial management of the Group.
- 3.5 The Pavilion is being progressively refurbished to provide a permanent base for the training team, and ancillary offices. Works to provide a new cafe, range office, retail outlet, and improved hotel accommodation will continue in 2020.
- 3.6 Sustained high levels of capital expenditure during 2019 of £1,178,075 (2018: £488,199) have been funded mainly from cash flow and have largely focused on projects to improve the effective conduct of marksmanship activities at Bisley. This has resulted in an annual depreciation charge of £500,325 in 2019 (2018: £457,466).
- 3.7 To address a large backlog of maintenance, expenditure on estate maintenance and associated permanent staff costs in 2019 was £681,239 (2018: £723,655).
- 3.8 The Trustees consider that surplus financial resources should be available to the NRA in order to:
 - (a) ensure continued achievement of its charitable objects during an unforeseen temporary reduction in income and to mitigate the impact of other risks, and
 - (b) accumulate funds for major projects which cannot be financed out of annual income.
- 3.9 The Group's financial exposures include the short-medium term considerations of maintaining a sufficient cash balance and the medium-longer term capacity to fund capital projects, whether for reinvestment or development.

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

- 3.10 In the strategic plan published for 2018 - 2020, the Trustees set financial policies intended to address these and other exposures, including ensuring that during any year the expenditure of surpluses on capital or development is managed so as to sustain a forecast cash balance of at least £250,000.
- 3.11 The Trustees consider that the accumulation of financial resources for major projects and to mitigate any unforeseen temporary reduction in income is most effectively measured by the liquid resources readily available from the Group's unrestricted funds.
- 3.12 The Trustees approved a liquidity matrix to ensure that current liabilities are covered by cash or readily monetised assets.
- 3.13 The Trustees consider that there is a need to generate additional funds beyond these levels, but recognise recent improvements in the surplus and cash flow will be required to fund much needed capital and revenue projects on Bisley camp after many years of under-investment.
- 3.14 Trustees consider that surplus financial resources should be available to the charity to enable the continuation of charitable activity during unforeseen events and mitigate the impact of other risks, and accumulate funds for major projects which cannot be financed by annual income.
- 3.15 At the end of 2019 the NRA held funds of £8,499,434, including £184,480 (Overseas Team Fund) and £58,315 (Young Shooters Fund) as restricted funds and £366,814 (Special Prizes Fund) as Endowment Fund. The amount of free reserves at the end of the reporting period, after making allowance for any restricted funds, the amount of designations, commitments and the carrying amount of functional assets which the NRA considers to represent a commitment of the reserves it holds is negative £1,203,296 (2018: negative £468,168).
- 3.16 The Trustees have considered the level of negative free reserves and consider it sustainable for a charity with substantial property fixed assets; this allows continuing substantial investment in capital expenditure especially as membership and rents in advance are £1,137,133 (2018: £1,119,194) and are not included in the reserves figure. Trustees expect the backlog in capital expenditure to have reduced by 2025 allowing free reserves to improve thereafter.
- 3.17 The Trustees believe that the amount of reserves is consistent with their policies and plans.
- 3.18 The closure of the Bisley Range complex in March 2020 caused a significant loss of income for NSC. The Trustees have carefully reviewed various forecasts, plans and procedures developed in response to the impact of Covid-19 and are satisfied that the NRA can continue to meet its obligations through the current crisis on the basis of reasonable expectations and planning assumptions. The Trustees also remain of the view that liquidity will be maintained through a combination of grants covering the payroll costs of furloughed staff, rigorous cost control, an overdraft facility for the NRA from Barclays Bank plc and a Coronavirus Business Interruption Loan for NSC. However, there must remain significant uncertainty over what will happen during the remainder of 2020 and early 2021 and these uncertainties could have a material effect on both the NRA and NSC. For example, long-term or repeated closures of the ranges would have a significant negative effect on cashflow, especially if combined with a reduction in the furlough payment scheme.
- 3.19 The litigation instigated by Bisley Shooting Ground Limited in June 2019 relating to their refusal to vacate Bisley property at the expiry of a lease and licence has had a significant financial effect on the NRA.
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NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

- 3.20 The agenda of matters for consideration at each trustee meeting is largely determined by an assessment of the risks affecting the charity and the need for Trustees to consider means by which those risks may be mitigated. Consideration of risks and their mitigation is therefore a routine part of the business of Council.
- 3.21 Key risks that are likely to affect the financial position of the NRA and its subsidiary going forward as identified in the risk register are:
- (a) a shooting incident involving a lawfully owned firearm leading to the implementation of restrictive firearms legislation;
 - (b) noise complaints leading to restrictions being imposed on organised marksmanship events at Bisley;
 - (c) safety failures leading to restrictions on insurance cover which then limits the scope for organised marksmanship; and
 - (d) the COVID-19 pandemic that occurred in early 2020 which has resulted in the closure of Bisley Camp to civilian shooting, furloughing of 60 NRA staff, and significant strain on cash flow.
- 3.22 The principal funding sources of the NRA during the reporting period were:
- (a) rent and licence fees paid in respect of leases and licences of land belonging to the NRA;
 - (b) membership and affiliation fees paid to the NRA by members and affiliated organisations; and
 - (c) gift aid payments from NSC.
- 3.23 The NRA does not operate a defined benefit pension scheme.
- 3.24 The NRA segregates its restricted and endowment funds from its unrestricted funds and invests them separately. The Trustees have wide ranging powers, conferred upon them by the Association's Royal Charter, to invest and divest the funds of the charity at their discretion and as they think fit.
- 3.25 In practice, the Trustees take professional advice on the suitability of investments within their portfolio from their investment managers, Investec and Philip J Milton & Company. The NRA have instructed its investment companies to act on a discretionary basis with a medium risk profile. Targeted performance is for a yield of 5% per annum plus capital growth of 5% per annum. Market forces dictate whether these targets are achieved. The Trustees have not imposed any particular social, environmental or ethical constraints on the management of the investments.
- 3.26 The NRA does not have any fund that can be realised only by disposing of tangible fixed assets or programme-related investments.
- 3.27 The NRA has no fund or subsidiary undertaking that is materially in deficit.

4 Plans for future periods

- 4.1 The NRA will continue to pursue its objectives as set out above. In addition to its on-going day-to-day activities it will:
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NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

- (a) continue to increase investment in the shooting facilities at Bisley as a centre of excellence for marksmanship and improve its financial position;
 - (b) explore the opportunities to improve the usage of the Bisley assets by the Civil Nuclear Constabulary, armed forces, and other firearms training organisations as well as commercial tenants who enhance the income of the NRA;
 - (c) continue its discussions with MoD and private range operators with the goal of ensuring the maximum possible availability of ranges for civilian use;
 - (d) improve and enhance the reputation of the NRA as promoter of competitive target shooting and improve the public profile of competitive target shooting;
 - (e) ensure that NSC delivers consistently good value and invests cash surpluses where appropriate in its business; and
 - (f) increase membership with particular emphasis on increasing the number of younger shooters.
- 4.2 The Trustees have published a Strategic and Development review for 2018 to 2020. This document is reviewed each year to assess progress and review priorities for following years. The key principles include maintaining and improving the landholdings of the NRA, increasing membership support of the NRA, increasing participation in competitions organised by the NRA and improving the public perception of target shooting through improved communications with the media.
- 4.3 The Trustees' perspective of the future direction of the NRA is that it must not simply pursue its charitable objectives, but it must be able to demonstrate the way in which it does so. This will have an impact on how it allocates resources. One example of this is the need for clarity between the charitable activities of the NRA and the commercial activities of the NSC. Also, as a registered charity the NRA must not just comply but be able to evidence compliance with law and guidance.
- 4.4 Greater resources will need to be allocated to this in 2020. Our engagement with the Charity Commission during 2019 emphasised the importance of not just complying with law and guidance but being able to demonstrate this compliance. There are inevitably costs involved in the compliance process but this will be essential for the long term interests of the NRA. The Trustees are using the experience gained from this to direct future plans and are conscious of the need to ensure that resources are allocated effectively to promote those plans and for the overall success of the charity.

5 Structure, governance and management

- 5.1 The NRA was founded in 1859. The NRA was incorporated in England and Wales by Royal Charter dated 21 October 1890, and became a registered charity on 21 March 1963. The governing document of the NRA is the Royal Charter and its two Schedules.
- 5.2 The NRA has a single wholly-owned subsidiary, The National Shooting Centre Limited ("NSC"), which is a company incorporated with limited liability in England and Wales. NSC carries out trading and commercial activities, which the NRA is not permitted to carry out because of its charitable status.
- 5.3 Under the Royal Charter, the direction of the affairs and concerns of the NRA and the entire management of its property and funds are vested in the Council. The Council consists of the
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NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees who are appointed in accordance with the Second Schedule of the Royal Charter as follows:

- (a) the Chairman is elected by the General Council of the NRA;
- (b) the Treasurer is elected by the General Council of the NRA;
- (c) the Chairman of the Disciplinary Body is a Trustee by virtue of holding that office and is elected by the other members of the Disciplinary Body;
- (d) the Chairman of the Shooting Committee is a Trustee by virtue of holding that office and is elected by the General Council of the NRA;
- (e) the Chairman of the Membership Committee is a Trustee by virtue of holding that office and is elected by the General Council of the NRA;
- (f) up to three Trustees are elected by General Council from among its members; and
- (g) up to four Trustees are selected by the other Trustees with the approval of General Council.

5.4 The General Council is a representative body formed under the Second Schedule to the Royal Charter by election of the members of the NRA. Its role is to advise and make recommendations to the Council and provide representation of the membership of the Association. The General Council consists of up to 72 members including the Chairman, the Treasurer, 15 elected Ordinary members, 15 elected Regional members, 12 elected Shooting Discipline members, up to 19 ex-officio members and up to 9 co-opted members.

5.5 No external body is entitled to appoint any Trustee.

5.6 The Council has established the following Committees:

- (a) Remuneration Committee;
- (b) Investment Committee;
- (c) Audit Committee; and
- (d) Real Estate Committee.

5.7 The Remuneration Committee reviews and approves all salaries that exceed £40,000 per annum. These are proposed by the Chief Executive and are commensurate with responsibilities taken and performance achieved. The remuneration of the Secretary General and Chief Executive is reviewed and approved by the Trustees each year. The benchmarks, parameters and criteria apply by the Trustees include measured performance against objectives, inflationary impact and market conditions.

5.8 The Investment Committee liaises with the investment manager appointed by the Trustees and monitors the performance of the investments of the NRA. .

5.9 The Audit Committee liaises with the auditors of the NRA and is involved in the preparation and oversight of the annual audit of the NRA.

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

- 5.10 The Real Estate Committee provides advice, guidance and recommendations at the request of the professional staff of the NRA in relation to the granting, administration and renewal of leases, monitors the process of granting and renewing leases and the administration of leases during their term and advises the Trustees on strategy and policy in relation to the management of the real estate of the NRA.
- 5.11 The Trustees are all volunteers. The NRA has a full time Secretary General supported by other professional staff tasked with the day-to-day running of the NRA.
- 5.12 The Secretary-General also serves as Chief Executive of NSC. A number of employees of the NRA are seconded to NSC. NSC pays NRA for the services of those employees under the secondment provisions of the Co-operation Agreement.
- 5.13 The NRA has appointed Ashley Abrahams as an independent director of the NSC in accordance with guidance from the Charity Commission. A director is “independent” for these purposes if he or she is not a Trustee or an employee of the NRA. NSC obtains independent professional advice when its directors consider it is appropriate to do so.
- 5.14 As part of the process for the induction of new trustees, each Trustee:
- (a) signs the Code of Conduct and Confidentiality Undertaking to agree to their terms;
 - (b) completes a register of interests as part of the management of conflict of interests;
 - (c) receives a detailed briefing upon appointment including an explanation of the proceedings of Council and the duties of trustees;
 - (d) receives a copy of the Charity Commission publication *The essential trustee: what you need to know, what you need to do* (CC3); and
 - (e) receives a detailed tour of the Bisley Camp, which represent the key landholdings of the NRA.
- 5.15 The NRA co-operates closely with the NSC under the terms of a Co-operation Agreement. That agreement deals with such matters as gift aid payments by NSC to NRA, the conduct of business by NSC, financial reporting, the secondment of NRA staff to NSC and data protection issues.

6 Reference and Administrative Details

- 6.1 The NRA is registered as a charity under the name “National Rifle Association”. The NRA does not use any other name apart from the abbreviation “NRA” or “the Association”.
- 6.2 The charity registration number of the NRA is 219858 and it has two company registration numbers: RC000372 for National Rifle Association and RC000791 for The National Rifle Association. The NRA is not registered in any jurisdiction other than England and Wales.
- 6.3 The principal office of the NRA is at Bisley Camp, Brookwood, Surrey GU24 0PB. As a Royal Charter company, the NRA does not have a registered office address.

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

6.4 The Trustees in office at the date this report was approved or who served as a Trustee during the reporting period are:

John Webster

David Lacey

David Evans

Derek Lowe

Andrew Reynolds

Gary Alexander

Alice Gran

James Harris

Nick Brasier

Silke Lohmann

Barry Morgan

Christopher Putt

Robert Bruce

Andrew Nebel

Reg Roberts

6.5 The NRA has no corporate trustees.

6.6 No person holds the title to property belonging to the NRA as custodian, trustee or nominee except the Investment Managers named below, who hold certain investments as nominee for the NRA.

6.7 No person who served as a Trustee holds any title to property belonging to the NRA.

6.8 The Trustees engaged the following professionals during 2019:

(a) Solicitors: Barlow Robbins LLP, 55 Quarry Street,
Guildford, Surrey GU1 3UE

Bates Wells & Braithwaite London LLP, 2-6
Cannon Street, London EC4M 6YH

Farrer & Co, 66 Lincoln's Inn Fields, Holborn,
London WC2A 3LH

(b) Auditors: Haysmacintyre LLP, Chartered Accountants, 10
Queen Street Place, London EC4R 1AG

NATIONAL RIFLE ASSOCIATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

- (c) Surveyors: Crosthwaite Ltd, Lime Tree House, Coome Bissett, Salisbury, Wiltshire SP5 4LR
Gascoignes, Gillingham House, 2 Pannells Ct, Guildford GU1 4EU
- (d) Bankers: Barclays Bank PLC, Town Gate House, Church Street East, Woking, Surrey GU21 1AE
- (e) Investment Managers: Investec Wealth & Investment Ltd, 43 London Road, Reigate, Surrey RH2 9PW
Philip J Milton & Company Pie, Sterling House, 17 Joy Street, Barnstaple, Devon EX31 1HE

6.9 The following key senior members of staff, who are the Executive of the Association, are or have been responsible for the day-to-day management of the charity, and its subsidiary undertaking, National Shooting Centre Limited, in the course of 2019:

- (a) Andrew Mercer, Secretary General of the NRA and Chief Executive of the NSC; and
(b) Ray Hutchings, Head of Support Services of the NRA and Company Secretary of the NSC

7 Exemptions from Disclosure

The Trustees have not requested authority from the Charity Commission for England and Wales to omit any information from this report.

8 Funds held as custodian trustee on behalf of others

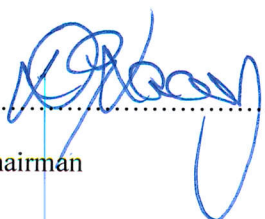
No Trustee is acting as custodian trustees. The National Rifle Association acts as custodian, managing a bank account on behalf of ICFRA members' funds belonging to the Beneficial Owners.

9 Auditors

9.1 Haysmacintyre LLP have confirmed their willingness to be reappointed as auditors for the next year.

9.2 The Trustees at the date of approval of this Trustees' Annual Report confirm that so far as each of them is aware, there is no relevant audit information of which the NRA's auditors are unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the Trustees on 15 May 2020 and was signed on their behalf by the Chairman.


.....
Chairman

NATIONAL RIFLE ASSOCIATION

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charity and of incoming resources and application of those resources, including income and expenditure for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities Statement of Recommended Practice (SORP);
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in operation.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the requirements of the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

NATIONAL RIFLE ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of National Rifle Association for the year ended 31 December 2019 which comprise the consolidated statement of financial activities, group and parent charity balance sheets, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2019 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Material uncertainty related to going concern

We draw attention to pages 10, 11, 24, 35 and 44 in the financial statements, which indicates that the COVID-19 pandemic has caused significant loss of income in 2020 and put strain on the Group's liquidity. As stated in the going concern accounting policy on page 24, these events or conditions, along with the other matters as set forth on pages 10, 11, 24, 35 and 44, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

NATIONAL RIFLE ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report and the Chairman's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

15 May 2020

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

NATIONAL RIFLE ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including an Income & Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £	2018 Total £
Income and endowments from:						
Donations and legacies	1	1,127,187	16,328	-	1,143,515	1,053,001
Other trading activities:						
- Operations	2	2,724,530	-	-	2,724,530	2,751,470
- Estate	3	1,405,015	-	-	1,405,015	1,285,007
Investments		-	6,226	8,521	14,747	13,504
Charitable shooting activities	4	1,271,662	12,762	-	1,284,424	1,118,843
Total income		6,528,394	35,316	8,521	6,572,231	6,221,825
Expenditure on:						
Raising funds:						
- Operations	2	3,065,553	-	-	3,065,553	2,874,909
- Estate	5	1,306,278	-	-	1,306,278	1,287,260
Charitable shooting activities	6	2,216,565	6,038	8,521	2,231,124	1,980,654
Total expenditure		6,588,396	6,038	8,521	6,602,955	6,142,823
Gains/losses on investments	12	-	11,899	40,470	52,369	(46,167)
Transfer	18,20	-	-	-	-	-
Net income		(60,002)	41,177	40,470	21,645	32,835
Net movement in funds	8	(60,002)	41,177	40,470	21,645	32,835
Reconciliation of funds						
Fund balances brought forward at 1 January 2019		7,949,827	201,618	326,344	8,477,789	8,444,954
Total funds carried forward at 31 December 2019		7,889,825	242,795	366,814	8,499,434	8,477,789

All income and expenditure are derived from the group's continuing activities.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been recognised in the Statement of Financial Activities.

NATIONAL RIFLE ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including an Income & Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2018

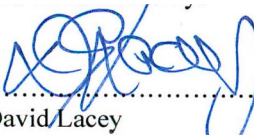
	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total £
Income and endowments from:					
Donations and legacies	1	1,030,442	22,559	-	1,053,001
Other trading activities:					
- Operations	2	2,751,470	-	-	2,751,470
- Estate	3	1,285,007			1,285,007
Investments		-	5,564	7,940	13,504
Charitable shooting activities	4	1,107,735	11,108	-	1,118,843
Total income		<u>6,174,654</u>	<u>39,231</u>	<u>7,940</u>	<u>6,221,825</u>
Expenditure on:					
Raising funds:					
- Operations	2	2,874,909	-	-	2,874,909
- Estate	5	1,287,260	-	-	1,287,260
Charitable shooting activities	6	<u>1,927,688</u>	<u>45,026</u>	<u>7,940</u>	<u>1,980,654</u>
Total expenditure		<u>6,089,857</u>	<u>45,026</u>	<u>7,940</u>	<u>6,142,823</u>
Gains on investments	12	-	(20,097)	(26,070)	(46,167)
Transfer	18,20	(17,813)	-	17,813	-
Net income		<u>66,984</u>	<u>(25,892)</u>	<u>(8,257)</u>	<u>32,835</u>
Net movement in funds	8	66,984	(25,892)	(8,257)	32,835
Reconciliation of funds					
Fund balances brought forward at 1 January 2018		7,882,843	227,510	334,601	8,444,954
Total funds carried forward at 31 December 2018		<u>7,949,827</u>	<u>201,618</u>	<u>326,344</u>	<u>8,477,789</u>

NATIONAL RIFLE ASSOCIATION

GROUP AND CHARITY BALANCE SHEETS AS AT 31 DECEMBER 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Tangible fixed assets					
Fixed assets	11	9,103,329	8,428,195	6,710,818	6,197,831
Investments	12	505,478	453,109	593,866	541,497
Social investments: loans to clubs > 1 year	13	6,000	17,293	6,000	17,293
		<u>9,614,807</u>	<u>8,898,597</u>	<u>7,310,684</u>	<u>6,756,621</u>
Current assets					
Social investments: loans to clubs < 1 year	13	9,293	9,334	9,293	9,334
Stocks	14	366,608	350,608	26,059	16,759
Debtors	15	637,193	638,464	1,710,577	1,633,006
Cash at bank and in hand		549,619	696,289	394,826	452,259
		<u>1,562,713</u>	<u>1,694,695</u>	<u>2,140,755</u>	<u>2,111,358</u>
Creditors					
Amounts falling due within one year	16	(2,044,488)	(1,736,081)	(1,660,532)	(1,465,278)
Net current (liabilities) / assets					
		<u>(481,775)</u>	<u>(41,386)</u>	<u>480,223</u>	<u>646,080</u>
Total assets less current Liabilities					
		<u>9,133,032</u>	<u>8,857,211</u>	<u>7,790,907</u>	<u>7,402,701</u>
Deferred income					
	17	<u>(633,598)</u>	<u>(379,422)</u>	<u>(540,868)</u>	<u>(277,330)</u>
Net assets					
		<u>8,499,434</u>	<u>8,477,789</u>	<u>7,250,039</u>	<u>7,125,371</u>
Funds of the Charity					
Unrestricted Funds					
	18	7,889,825	7,949,827	6,640,430	6,597,409
Restricted Funds					
Overseas Team Fund	19	184,480	144,936	184,480	144,936
Young Shooters Fund	19	58,315	56,682	58,315	56,682
Endowment Fund					
Special Prizes Fund	20	366,814	326,344	366,814	326,344
Total Charity Funds					
		<u>8,499,434</u>	<u>8,477,789</u>	<u>7,250,039</u>	<u>7,125,371</u>

The financial statements on pages 15 to 40 were approved by the Council and authorised for issue on 15 May 2020 and are signed on its behalf by:


.....
David Lacey
Chairman of the Council


.....
Andrew Reynolds
Treasurer

NATIONAL RIFLE ASSOCIATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	£	2019 £	£	2018 £
Net cash provided by operating activities	27		1,008,161		581,017
Cash flow from investing activities:					
Dividends, interest and rents from investments		14,747		13,504	
Proceeds from the sales of property, plant and equipment		8,500		5,540	
Purchase of property, plant and equipment		(1,178,078)		(488,199)	
Net cash provided by (used in) investing activities			<u>(1,154,831)</u>		<u>(469,155)</u>
Change in cash and cash equivalents in the reporting period	27		<u>(146,670)</u>		<u>111,862</u>
Cash and cash equivalents at the beginning of the reporting period	27		696,289		584,427
Cash and cash equivalents at the end of the reporting period	27		<u>549,619</u>		<u>696,289</u>

NATIONAL RIFLE ASSOCIATION

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

The principal accounting policies that have been adopted in the preparation of these accounts are as follows:

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain fixed assets and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standards 102. The financial statements comply with all current statutory requirements, the Royal Charter and By-Laws of the Association. The recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102) second edition (effective 1 January 2019) issued by the Charity Commission have been followed. The National Rifle Association meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Preparation of the accounts on a going concern basis

The Trustees have assessed whether the going concern assumption is appropriate and taken into account all available information about the future, which is at least, but is not limited to, twelve months from the date these financial statements are authorised for issue. In making their assessment, trustees have reviewed detailed forecasts which, given the rapidly evolving nature of the COVID-19 pandemic, are being updated regularly. These forecasts have reflected potential scenarios and management's plans. The trustees consider that the going concern basis for preparation of the charitable group's financial statements remains appropriate. In arriving at this conclusion they have taken into consideration the surplus realised in the year ended 31 December 2019, the forecasts to 31st May 2021, and cash flow projections for the period of twelve months from the date of approval of these accounts. They have also taken into account the substantial positive net assets position of the charitable group and the availability of bank finance and government grants and loans.

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking National Shooting Centre Limited. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because it has taken advantage of the exemption afforded by the Charities SORP.

Income

All income is included in the statement of financial activities when the charity is entitled to the income, and the amount can be quantified with reasonable accuracy. Donations are normally brought into account when received, and are stated gross of any attributable tax recoverable. Government and institutional grants are accounted for on a receivable basis. Donations and grants given for specific purposes are treated as restricted income.

All other income, including investment income, is accounted for on a receivable basis as and when earned.

Expenditure

All expenditure is accounted for on an accruals basis and is allocated as direct costs in the statement of financial activities where the costs can be identified as being directly related to generating funds, to a charitable activity, or to governance matters. Where costs cannot be directly attributed, they have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 7.

Since the property at Bisley is the Association's major asset, the income and expenditure relating to the Estate is shown separately.

NATIONAL RIFLE ASSOCIATION

ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Irrecoverable value added tax

Where expenditure relates to specific events, the relevant irrecoverable Value Added Tax is charged to that event. Irrecoverable Value Added Tax on attributable purchases is charged to Support Costs.

Gift Aid payments

The charity encourages all donors to provide funds to the group by way of tax efficient Gift Aid payments wherever possible.

Pension contributions

The group makes contributions into money purchase pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the group, being invested with independent insurance companies.

The amount charged against income in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

The charity does not undertake taxable activities. However, the Association's wholly owned trading subsidiary is liable to UK corporation tax on its profits after deduction of payments made under gift aid.

In respect of the trading subsidiary, deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Fixed assets and depreciation

Individual fixed assets costing more than £500 are capitalised at cost. Fixed assets are written off on a straight line basis over their estimated useful lives by depreciation through the Statement of Financial Activities on the following basis:

Freehold land	Not depreciated
Long leasehold land	Over the period of the lease
Buildings (Freehold & Leasehold)	2% on cost or valuation
Range modifications, plant & equipment	2%, 5%, 10% or 25% on cost or valuation
Fixture, fittings & equipment	25% on cost
Rifles for hire	10% on cost
Historical assets	Not depreciated

The NRA's collection of firearms, paintings, books and ephemera artefacts is reported in the Balance Sheet at cost. Trophies are not included on the Balance Sheet; the cost of these items is not readily available.

NATIONAL RIFLE ASSOCIATION

ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Investments

Investments are stated at market value at the balance sheet date. Realised and unrealised gains and losses on investments are taken to the Statement of Financial Activities in the period in which they arise.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon the estimated selling price less further costs expected to be incurred at disposal. Provision is made for obsolete and slow-moving items.

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership (“finance leases”) the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are “operating leases” and the annual rentals are charged to the profit and loss on a straight-line basis over the lease term.

Rent-free periods received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Life & term members fund

Life and term membership subscriptions received are credited to the Life & Term Members Fund in full. These subscriptions are then amortised, and released to the Statement of Financial Activities as income, over 20 years for life members, over 8 years for junior life members, or over the number of years applicable for term membership on the sliding scale.

Accounting for grants

All grants are credited to income in the period to which they relate.

Fund accounting

General funds comprise the accumulated surplus of unrestricted incoming resources over resources expended as adjusted for other recognised gains and losses, other than those allocated to the Designated Fund. They are available for use in furtherance of the general objectives of the group.

Designated funds comprise the accumulated capital grants received less the accumulated depreciation on the assets acquired with those grants.

Restricted funds are subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year-end are carried forward in the balance sheet, and the underlying assets are segregated from the Association’s general funds.

NATIONAL RIFLE ASSOCIATION

ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

Endowment funds are capital funds, which are held in trust to provide a continuing income stream. The income is then used subject to any specific conditions imposed by the donors of the original capital funds. The underlying assets are also segregated from the Association's general funds.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical estimate and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There are no specific critical estimates, uncertainties or judgements in the view of the trustees.

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Subscriptions	981,453	-	981,453	940,617
Gift aid	88,339	-	88,339	87,413
Donations	57,395	16,328	73,723	24,971
	<u>1,127,187</u>	<u>16,328</u>	<u>1,143,515</u>	<u>1,053,001</u>

2 Other trading activities - operations

The charity owns 100% of the issued share capital of National Shooting Centre Limited (“NSC”), which carries on the trading operations of the group. Audited financial statements for NSC are filed annually with the Registrar of Companies.

A summary of the profit and loss account and statement of changes in equity is set out below:

	2019 £	2018 £
Turnover	3,407,125	3,355,711
Costs		
Cost of sales	1,299,363	1,311,231
Other operating expenses	1,766,190	1,563,678
	<u>(3,065,553)</u>	<u>(2,874,909)</u>
Profit on ordinary activities after taxation	341,572	480,802
Gift Aid payment to the National Rifle Association	(395,133)	(450,000)
Retained profit	<u>(53,561)</u>	<u>30,802</u>

The turnover of £3,407,125 (2018: £3,355,711) includes inter-company revenue of £633,133 (2018: £554,779) and lottery fund write down of £49,462 (2018: £49,462) which have been excluded on consolidation.

A summary of the balance sheet of the subsidiary is set out below:

Fixed assets		
Tangible assets	2,392,511	2,230,364
Current assets		
Stocks	340,549	333,849
Debtors	119,767	82,167
Cash at bank and in hand	154,793	244,031
Carried forward	<u>615,109</u>	<u>660,047</u>

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

2	Other trading activities - operations (continued)			2019	2018
				£	£
	Brought forward			615,109	660,047
	Creditors				
	Amounts falling due within one year			(1,626,752)	(1,397,670)
	Net current (liabilities)			(1,011,643)	(737,623)
	Total assets less current liabilities			1,380,868	1,492,741
	Creditors				
	Amounts falling due after more than one year			(957,411)	(1,015,723)
	Net Assets			423,457	477,018
	Capital & Reserves				
	Called up share capital			88,388	88,388
	Profit and loss account			335,069	388,630
	Shareholders' funds			423,457	477,018
3	Other trading activities – estate				
		Unrestricted funds	Restricted funds	Total 2019	Total 2018
		£	£	£	£
	Rents	1,031,590	-	1,031,590	948,714
	Services and utilities recovered	293,192	-	293,192	281,236
	Other	80,233	-	80,233	55,057
		1,405,015	-	1,405,015	1,285,007
4	Charitable shooting activities				
		Unrestricted funds	Restricted funds	Total 2019	Total 2018
		£	£	£	£
	Imperial meeting	865,230	12,762	877,992	719,785
	Course hire	224,660	-	224,660	204,175
	Other shooting events	181,772	-	181,772	194,883
		1,271,662	12,762	1,284,424	1,118,843

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

5 Expenditure on raising funds - Estates

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Permanent staff costs	376,358	-	376,358	333,289
Maintenance	305,898	-	305,898	390,366
Utilities	305,779	-	305,779	296,250
Rents, rates and cleaning	41,791	-	41,791	40,204
Depreciation	124,972	-	124,972	108,257
Rent charged to National Shooting Centre Limited	(41,000)	-	(41,000)	(41,000)
	<u>1,113,798</u>	<u>-</u>	<u>1,113,798</u>	<u>1,127,366</u>
Support costs (see note 7)	192,480	-	192,480	159,894
	<u>1,306,278</u>	<u>-</u>	<u>1,306,278</u>	<u>1,287,260</u>

6 Charitable shooting activities

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total 2019 £	Total 2018 £
Permanent staff costs	763,468	-	-	763,468	727,768
Imperial Meeting	494,034	2,527	-	496,561	370,714
Imperial Meeting prizes	-	-	5,764	5,764	5,331
Courses and other NRA events	254,569	-	-	254,569	218,383
Support of other bodies/teams	6,548	1,142	-	7,690	8,070
Support of young shooters	-	369	-	369	1,180
Team travel	-	145	-	145	39,980
Membership insurance	125,937	-	-	125,937	108,484
Insurance	51,902	-	-	51,902	60,508
Depreciation	111,086	-	-	111,086	96,228
	<u>1,807,544</u>	<u>4,183</u>	<u>5,764</u>	<u>1,817,491</u>	<u>1,636,646</u>
Support costs (see note 7)	409,021	1,855	2,757	413,633	344,008
	<u>2,216,565</u>	<u>6,038</u>	<u>8,521</u>	<u>2,231,124</u>	<u>1,980,654</u>

£633,133 (2018: £554,779) of inter-company costs (£408,484 (2018: £340,701) Imperial Meeting, £187,135 (2018: £184,643) Courses and other NRA Events, £36,699 (2018: £29,127) Support of other bodies and teams, £815 (2018: £308) general overheads), primarily ammunition supplies and range hire, have been excluded on consolidation.

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two key charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

		Support £	Governance £	2019 £	2018 £
General fund	Basis				
Permanent staff costs	Support	194,655	-	194,655	204,794
Trustee costs	Governance	-	11,582	11,582	3,358
Information technology costs	Support	31,106	-	31,106	37,949
Office and banking costs	Support	87,454	-	87,454	102,897
Professional fees	Support	222,681	-	222,681	110,191
Audit Fee	Governance	-	12,366	12,366	11,890
VAT Recovery		-	-	-	(7,497)
Depreciation		41,657	-	41,657	36,086
		<u>577,553</u>	<u>23,948</u>	<u>601,501</u>	<u>499,668</u>
Allocated to:					
Expenditure on raising funds – estate				(192,480)	(159,894)
Charitable shooting activities				(409,021)	(339,774)
				<u>-</u>	<u>-</u>
Restricted fund					
Investment management charges				1,855	1,625
				<u>-</u>	<u>-</u>
Endowment fund					
Investment management charges				2,757	2,609
				<u>-</u>	<u>-</u>

8 Net movement in funds

	2019 £	2018 £
Net movement in funds is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
- Owned assets	500,392	457,466
Rent receivable under operating leases	(669,402)	(614,003)
Operating lease rentals payable:		
- Land and buildings	20,155	20,015
Auditor's remuneration:		
- Audit fees	19,121	18,385
- Fees for other services	3,809	2,725

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Staff costs

	2019 Number	2018 Number
The average monthly number of persons employed by the group during the year was:		
Office, maintenance, range staff and instructors	80	74

Total emoluments for the period for all the Association's and its trading subsidiary's employees, including temporary staff and markers employed during the Imperial Meeting, were:

	2019 £	2018 £
Wages and salaries	2,291,192	2,097,288
Redundancy costs	-	6,096
Social security costs	215,854	197,515
Other pension costs	89,834	93,530
Other benefits	16,193	16,071
	<u>2,613,073</u>	<u>2,410,500</u>

The group pays an employer's contribution of between 2% and 5% of basic salary into the personal pension funds of certain of its employees, and contracted in national insurance contributions are paid in respect of all staff.

Based on remuneration and benefits in kind, as defined for income tax purposes, two (2018: two) employee's annual emoluments were between £60,000 and £69,999, one (2018: one) employee's annual emoluments were between £120,000 and £129,999.

The key management personnel comprise the Chief Executive Officer, Head Of Support Services, Head Of Shooting & Training, Head Of Range Services, Commercial Operations Manager, Regional Ranges Manager, Membership Services Manager, General Manager National Clays Shooting Centre and Group Accountant. The nine (2018: eight) key management personnel remunerations for the year totalled £601,972 (2018: £533,705).

10 Transactions relating to trustees

Trustees' costs

No trustee (2018: none) received remuneration. Two trustees (2018: two) received reimbursements of £871 (2018: £426) for out of pocket travel and subsistence expenses.

Property transactions

Five (2018: six) trustees occupy accommodation at Bisley for shooting purposes at rentals available to all members of the Association with total rental income during the year of £5,633 (2018: £8,440).

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

11 Fixed assets

Group	Freehold land & buildings £	Leasehold land & buildings £	Range modifications, plant & machinery £	Fixtures fittings & equipment £	Historical assets £	2019 Total £
Cost or valuation:						
1 January 2019	5,793,684	1,019,256	5,532,768	1,113,162	269,776	13,728,646
Additions	-	-	1,061,867	116,211	-	1,178,078
Disposals	-	-	(17,682)	-	-	(17,682)
31 December 2019	5,793,684	1,019,256	6,576,953	1,229,373	269,776	14,889,042
Depreciation						
1 January 2019	1,433,269	429,789	2,532,895	904,498	-	5,300,451
Charge for the year	54,572	18,990	314,889	111,872	-	500,323
Disposals	-	-	(15,061)	-	-	(15,061)
31 December 2019	1,487,841	448,779	2,832,723	1,016,370	-	5,785,713
Net book value						
31 December 2019	4,305,843	570,477	3,744,230	213,003	269,776	9,103,329
31 December 2018	4,360,415	589,467	2,999,873	208,664	269,776	8,428,195

The net book value of fixed assets comprises:

	2019 £	2018 £
Assets held for charity use	1,577,715	1,457,112
Estate assets	4,741,285	4,378,854
Assets held for administrative purposes	391,818	361,865
Assets held by trading subsidiary	2,392,511	2,230,364
	9,103,329	8,428,195

The trustees have taken the option provided by the transitional provisions contained within FRS 102 to rebase the valuation of land and buildings and range modifications as at 1 January 2014 and treat this as a deemed cost.

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

11 Fixed assets (continued)

Charity	Freehold land & buildings £	Leasehold land & buildings £	Range modifications, plant & machinery £	Fixtures fittings & equipment £	Historical assets £	2019 Total £
Cost or valuation:						
1 January 2019	5,793,684	636,306	2,325,255	653,099	269,776	9,678,120
Additions	-	-	703,675	87,028	-	790,703
Disposals	-	-	(13,982)	-	-	(13,982)
31 December 2019	5,793,684	636,306	3,014,948	740,127	269,776	10,454,841
Depreciation						
1 January 2019	1,433,269	295,771	1,204,545	546,704	-	3,480,289
Charge for the year	54,572	11,331	160,509	51,304	-	277,716
Disposals	-	-	(13,982)	-	-	(13,982)
31 December 2019	1,487,841	307,102	1,351,072	598,008	-	3,744,023
Net book value						
31 December 2019	4,305,843	329,204	1,663,876	142,119	269,776	6,710,818
31 December 2018	4,360,415	340,535	1,120,710	106,395	269,776	6,197,831

The net book value of fixed assets comprises:

	2019 £	2018 £
Assets held for charity use	1,577,715	1,457,112
Estate assets	4,741,285	4,378,854
Assets held for administrative purposes	391,818	361,865
	6,710,818	6,197,831

Range fixtures, modifications, plant and machinery, office equipment and furniture are included in the accounts at cost. Range modification expenditure incurred in order to obtain the 904 certificate has been included at cost. The construction cost of the clay ranges, built with the support of the Lottery Grant, is included within range modifications.

Heritage Assets

The NRA maintains a large collection of firearms together with paintings books and ephemera which date back to the formation of the association in 1860. Due to the size of the collection and limitations on the display area of the museum it is not possible to display the whole of the collection. Acquisitions are made by purchase or donation.

The ephemera comprises of medals, brochures, targets and other objects which reflect the history of target shooting.

(a) Current year transactions

No acquisitions were made in the year.

(b) Five year summary

	2019 £	2018 £	2017 £	2016 £	2015 £
Additions:					
Purchases of rifles	-	-	-	-	7,776
Donations	-	-	-	-	-
Total additions:	-	-	-	-	7,776

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Investments

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
At 1 January 2019	453,109	499,276	541,497	587,664
Additions	34,119	-	34,119	-
Disposals	(33,374)	-	(33,374)	-
Increase/(decrease) in valuation	51,624	(46,167)	51,624	(46,167)
At 31 December 2019	505,478	453,109	593,866	541,497

At 31 December 2019, the market value and historical cost of the investments were represented by:

	Group market value 2019 £	Group historical cost 2019 £	Charity market value 2019 £	Charity historical cost 2019 £
Special Prizes Funds				
Category A Funds	349,529	271,381	349,529	271,381
Category B Funds	17,285	13,148	17,285	13,148
	366,814	284,529	366,814	284,529
Overseas Team Fund	138,664	127,104	138,664	127,104
Subsidiary company shares	-	-	88,388	88,388
At 31 December 2019	505,478	411,633	593,866	500,021
At 31 December 2018	453,109	407,699	541,497	496,087

The Special Prizes Fund is the Endowment Fund referred to in Note 20 and invested in investment trusts and unit trusts and loan stocks. The portfolio is split into category A funds where the NRA is the ultimate beneficiary and category B funds where the donor has named the ultimate beneficiary.

The Overseas Team Fund is a Restricted Fund referred to in Note 19 and invested in a portfolio of quoted unit trusts and investment bonds £138,664 (2018: £126,765).

The market value of investments declined significantly after the year end as a result of the COVID-19 pandemic, before recovering moderately in volatile conditions.

The Association's wholly owned subsidiary company, National Shooting Centre Limited, is incorporated in the United Kingdom and carries out that portion of the Association's business which is assessed to be of a trading nature.

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

13 Social Investments: loans to clubs

	Group and Charity 2019 £	2018 £
Killingholme Full Bore Club	2,293	4,627
Penrhiwpal Shooting Club	-	2,000
Colchester Rifle Club	4,000	8,000
Baildon Rifle & Pistol Club	9,000	12,000
Loans to Clubs carried forward	<u>15,293</u>	<u>26,627</u>
Loans to Clubs brought forward	26,627	36,961
Repayments received	(11,334)	(10,334)
New loans granted	-	-
Loans to Clubs carried forward	<u>15,293</u>	<u>26,627</u>

The loans to clubs are usually repayable in annual instalments, and are interest free. The current year balance of £15,293 (2018: £26,627) includes a figure of £6,000 (2018: £17,293) which is repayable in greater than one year.

14 Stock

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Ammunition	277,399	259,869	-	-
Medals and badges	15,276	16,759	15,276	16,759
Souvenirs	13,011	2,387	10,783	-
Clays	12,462	23,273	-	-
Hire and other stock	48,460	48,320	-	-
	<u>366,608</u>	<u>350,608</u>	<u>26,059</u>	<u>16,759</u>

15 Debtors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Amounts due within year:				
Trade debtors	436,910	460,018	332,428	395,302
Amounts owed by group undertakings	-	-	1,193,151	1,076,709
Other debtors and prepayments	200,283	178,446	184,998	160,995
	<u>637,193</u>	<u>638,464</u>	<u>1,710,577</u>	<u>1,633,006</u>

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

16 Creditors

Amounts falling due within one year:

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	463,045	195,380	241,604	119,824
Membership in advance	745,398	675,211	745,398	675,211
Rents and utilities in advance	391,735	443,983	388,877	441,150
Other creditors	267,314	295,160	127,011	137,968
Accruals	66,474	88,638	55,785	61,385
Deferred income (note 17)	110,522	37,709	101,857	29,740
	<u>2,044,488</u>	<u>1,736,081</u>	<u>1,660,532</u>	<u>1,465,278</u>

The association's banking facilities are secured by way of a legal charge over the charity's freehold properties.

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

17 Deferred income

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Due within one year (see note 16)	110,522	37,709	101,857	29,740
Due after more than one year	633,598	379,422	540,868	277,330
	<u>744,120</u>	<u>417,131</u>	<u>642,725</u>	<u>307,070</u>
	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Deferred lease premium income:				
At 1 January 2019	217,171	234,405	217,171	234,405
Additions during the year	-	-	-	-
Transferred to Estate income	(17,236)	(17,234)	(17,236)	(17,234)
At 31 December 2019	<u>199,935</u>	<u>217,171</u>	<u>199,935</u>	<u>217,171</u>
Deferred lease premium income:				
At 1 January 2019	71,720	76,203	-	-
Additions during the year	-	-	-	-
Transferred to Operations income	(4,483)	(4,483)	-	-
At 31 December 2019	<u>67,237</u>	<u>71,720</u>	<u>-</u>	<u>-</u>
Life & Term Members Funds:				
At 1 January 2019	77,496	87,269	77,496	87,269
Additions during the year	682	1,432	682	1,432
Transferred to Membership income	(12,573)	(11,205)	(12,573)	(11,205)
At 31 December 2019	<u>65,605</u>	<u>77,496</u>	<u>65,605</u>	<u>77,496</u>
Rifle Donation:				
At 1 January 2019	12,403	-	12,403	-
Additions during the year	-	12,509	-	12,509
Transferred to Charitable income	(1,239)	(106)	(1,239)	(106)
At 31 December 2019	<u>11,164</u>	<u>12,403</u>	<u>11,164</u>	<u>12,403</u>
Optics Donation:				
At 1 January 2019	38,341	-	-	-
Additions during the year	-	41,827	-	-
Transferred to Operations income	(4,183)	(3,486)	-	-
At 31 December 2019	<u>34,158</u>	<u>38,341</u>	<u>-</u>	<u>-</u>

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

17 Deferred income (continued)

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Deferred caravan rent income:				
At 1 January 2019	-	-	-	-
Additions during the year	366,667	-	366,667	-
Transferred to Estate income	(27,646)	-	(27,646)	-
At 31 December 2019	339,021	-	339,021	-
Tank building deposit:				
At 1 January 2019	-	-	-	-
Additions during the year	27,000	-	27,000	-
Transferred to Estates income	-	-	-	-
At 31 December 2019	27,000	-	27,000	-
	744,120	417,131	642,725	307,070

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

18 Unrestricted funds

Group	Balance 1 January 2019 £	Income £	Expenditure £	Transfers £	Balance 31 December 2019 £
National Shooting Centre	388,630	2,724,530	(3,065,553)	682,595	730,202
Lottery capital grant funds	963,788	-	-	(49,462)	914,326
Designated Fund	<u>1,352,418</u>	<u>2,724,530</u>	<u>(3,065,553)</u>	<u>633,133</u>	<u>1,644,528</u>
General Fund	6,597,409	3,803,864	(3,522,843)	(633,133)	6,245,297
	<u>7,949,827</u>	<u>6,528,394</u>	<u>(6,588,396)</u>	<u>-</u>	<u>7,889,825</u>

Designated Funds included within the Unrestricted Funds of the group at the balance sheet date are profits retained within the balance sheet of the charity's wholly owned subsidiary and the net book value of the capital assets purchased with the Lottery grant.

Included within the General Fund at the balance sheet date are unrealised gains of £3,036,356 (2018: £3,036,356) relating to the revaluation of certain fixed assets, calculated by reference to the implementation of FRS102 under the transitional arrangements.

19 Restricted funds

Group & Charity

	Balance 1 January 2019 £	Income £	Expenditure £	Unrealised Investment Losses £	Balance 31 December 2019 £
Overseas Team Fund	144,936	33,314	(5,669)	11,899	184,480
Young Shooters Fund	56,682	2,002	(369)	-	58,315
	<u>201,618</u>	<u>35,316</u>	<u>(6,038)</u>	<u>11,899</u>	<u>242,795</u>

The Overseas Team Fund detailed in Note 12 provides support for overseas travel for teams of our various shooting disciplines. During the year, the fund received donations and investment income, and paid for the travel costs of teams overseas. Income for the year was £33,314 (2018: £38,155), expenditure £5,669 (2018: £43,845) and unrealised losses on investments £11,899 (2018: loss £20,097).

The Young Shooters fund (formerly the Millennium Scholarship Fund) was formed to help young shooters continue in the target shooting in the year just after they have left school. Income for the year was £2,002 (2018: £1,076) and expenditure £369 (2018: £1,181).

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

20 Endowment funds

	Balance 1 January 2019 £	Purchases £	Sales £	Unrealised Gains/ (Losses) £	Balance 31 December 2019 £
Fund A	310,872	24,394	(24,152)	38,415	349,529
Fund B	15,472	-	-	1,813	17,285
	<u>326,344</u>	<u>24,394</u>	<u>(24,152)</u>	<u>40,228</u>	<u>366,814</u>

The Special Prizes Fund referred to in Note 12 is an endowment fund comprising amounts held on trust to provide prizes at the Imperial Meeting from the income generated by investment of the capital. Included within the Special Prizes Fund at the balance sheet date are unrealised gains of £138,664 (2018: £123,284) relating to the revaluation of investments.

21 Funds Held As Custodian Trustee

The National Rifle Association acts as custodian, managing a bank account on behalf of ICFRA members' funds belonging to the Beneficial Owners. Assets held in this way are not aggregated in these financial statements as the Association does not control them. The assets held in this way may be summarised as follows:

	2019 £	2018 £
ICFRA	<u>29,213</u>	<u>24,994</u>
Total assets held as custodian trustee	<u>29,213</u>	<u>24,994</u>

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

22 Analysis of net assets between funds

Fund balances at 31 December 2019 are represented by:

Group	Designated & General Funds £	Overseas Team Fund £	Young Shooters Fund £	Special Prizes Fund £	2019 Total £
Tangible fixed assets	9,093,129	-	10,200	-	9,103,329
Fixed asset investments	-	138,664	-	366,814	505,478
Loans to Clubs > 1 year	6,000	-	-	-	6,000
Current assets	1,465,842	48,756	48,115	-	1,562,713
Current liabilities	(2,041,548)	(2,940)	-	-	(2,044,488)
Deferred income	(633,598)	-	-	-	(633,598)
	<u>7,889,825</u>	<u>184,480</u>	<u>58,315</u>	<u>366,814</u>	<u>8,499,434</u>

Note: Tangible fixed assets of £9,103,324 (2018: £8,428,195) include £914,326 (2018: £963,788) representing the total of Designated Funds in relation to Capital Grants in the charity's wholly owned subsidiary.

Fund balances at 31 December 2018 are represented by:

Group	Designated & General Funds £	Overseas Team Fund £	Young Shooters Fund £	Special Prizes Fund £	2018 Total £
Tangible fixed assets	8,417,995	-	10,200	-	8,428,195
Fixed asset investments	-	126,765	-	326,344	453,109
Loans to Clubs > 1 year	17,293	-	-	-	17,293
Current assets	1,627,102	21,111	46,482	-	1,694,695
Current liabilities	(1,733,141)	(2,940)	-	-	(1,736,081)
Deferred income	(379,422)	-	-	-	(379,422)
	<u>7,949,827</u>	<u>144,936</u>	<u>56,682</u>	<u>326,344</u>	<u>8,477,789</u>

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

22 Analysis of net assets between funds (continued)

Fund balances at 31 December 2019 are represented by:

Charity	Designated & General Funds £	Overseas Team Fund £	Young Shooters Fund £	Special Prizes Fund £	2019 Total £
Tangible fixed assets	6,700,618	-	10,200	-	6,710,818
Fixed asset investments	88,388	138,664	-	366,814	593,866
Loans to Clubs > 1 year	6,000	-	-	-	6,000
Current assets	2,043,884	48,756	48,115	-	2,140,755
Current liabilities	(1,657,592)	(2,940)	-	-	(1,660,532)
Deferred income	(540,868)	-	-	-	(540,868)
	<u>6,640,430</u>	<u>184,480</u>	<u>58,315</u>	<u>366,814</u>	<u>7,250,039</u>

Fund balances at 31 December 2018 are represented by:

Charity	Designated & General Funds £	Overseas Team Fund £	Young Shooters Fund £	Special Prizes Fund £	2018 Total £
Tangible fixed assets	6,187,631	-	10,200	-	6,197,831
Fixed asset investments	88,388	126,765	-	326,344	541,497
Loans to Clubs > 1 year	17,293	-	-	-	17,293
Current assets	2,043,765	21,111	46,482	-	2,111,358
Current liabilities	(1,462,338)	(2,940)	-	-	(1,465,278)
Deferred income	(277,330)	-	-	-	(277,330)
	<u>6,597,409</u>	<u>144,936</u>	<u>56,682</u>	<u>326,344</u>	<u>7,125,371</u>

23 Related party transactions

The transactions during the year with the wholly owned subsidiary, National Shooting Centre, are set out within Note 2. The amounts due from the subsidiary as at the yearend is set out in Note 15.

There are no other disclosable related party transactions during the year (2018: none).

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

24 Contingent liability

On 10 July 2000, a 50 year debenture was created in favour of The English Sports Council, representing a fixed and floating charge over all the assets of the subsidiary company, against the performance of the company's obligations under the Lottery Fund Agreement relating to the grant for the clay shooting complex for the 2002 Commonwealth Games. The amount repayable to The English Sports Council in the event that these obligations crystallise is £2,036,647 (2018: £2,036,647).

25 Commitments under operating leases

At 31 December 2019, the group and charity had total commitments payable under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Land and buildings:				
- Less than 1 year	6,000	6,000	6,000	6,000
- 1-5 years	21,947	21,947	21,947	21,947
- Greater than 5 years	190,252	196,252	190,252	196,252
	<hr/>	<hr/>	<hr/>	<hr/>
	218,199	224,199	218,199	224,199
	<hr/>	<hr/>	<hr/>	<hr/>

26 Post Balance Sheet Event

Since the year end the worldwide COVID-19 pandemic has presented the United Kingdom with unique and unprecedented challenges. The NSC was obliged to close the Bisley ranges to civilian shooting in March 2020; and the charity cancelled the Imperial Annual Prize Meeting and placed 60 full time on furlough leave. 17 staff remained working at Bisley and from home to keep the range open for police and military firearms training, support members and affiliated organisations, and maintain the Bisley real estate. Trustees continue to closely scrutinise and review management plans and forecasts to ensure the charity is able to safely re-open the ranges when Government restrictions permit. The financial impact of this event on the group is set out on pages 10, 11, 24, and 35.

NATIONAL RIFLE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

27 Notes to the consolidated cash flow statements

27.1 Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income	21,645	32,835
(Gains)/Loss on investments	(52,369)	46,167
Dividends received	(14,747)	(13,504)
Surplus on disposal of tangible fixed assets	(5,879)	(2,479)
Depreciation	500,323	457,466
(Increase) in stocks	(16,000)	(29,683)
Decrease in loans to clubs	11,334	10,334
Decrease/(Increase) in debtors	1,271	(118,140)
Increase in creditors	562,583	198,021
Net cash inflow from operating activities	1,008,161	581,017

27.2 Reconciliation of net cash flows to movements in net debt

	£
Decrease in cash in the year	(146,670)
Net cash at 1 January 2019	696,289
Net Cash at 31 December 2019	549,619

27.3 Analysis of changes in net debt

	At 1 January 2019 £	Cash flow £	Non-cash changes £	At 31 December 2019 £
Cash at bank and in hand	696,289	(146,670)	-	549,619
Net cash	696,289	(146,670)	-	549,619