Company number 03525563

NATIONAL SHOOTING CENTRE LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2006

Baker Tilly UK Audit LLP
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

DIRECTORS & OFFICERS

DIRECTORS

C A J Oliver-Bellasis	(Chairman)
J E Staples	(Managing Director)
D T Argent	
S C Bunch	
S C W Dixon	
M G Farnan, MBE TD	
M Maksimovic	

SECRETARY

M J Blythe, FCA

REGISTERED OFFICE

Bisley Camp
Brookwood
Woking
Surrey GU24 0PB

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

DIRECTORS' REPORT

The directors submit their report and the financial statements of National Shooting Centre Limited for the year ended 31 December 2006

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the operation of the trading activities of the company's charitable parent, the National Rifle Association These activities include the hiring of shooting ranges to clubs and individuals, the hiring of casual accommodation, and sundry retail sales

REVIEW OF THE BUSINESS & FUTURE DEVELOPMENTS

In the opinion of the directors the results for the year and the financial position of the company at 31 December 2006 were satisfactory

RESULTS & DIVIDENDS

The trading profit for the year before gift aid and taxation was £175,616 (2005 15 months £120,660)

The company has donated £140,000 (2005 £105,000) to its charitable parent under gift aid Corporation tax of £8,533 (2005 £4,900) has been charged leaving £27,083 (2005 £10,760) retained profit to be transferred to reserves

The directors do not recommend the payment of a dividend

DIRECTORS

The following were directors, who have held office since 1 January 2006

C A J Oliver-Bellasis	
J E Staples	
D T Argent	
S C Bunch	
S C W Dixon	
M G Farnan, MBE TD	
J D I Hossack	(resigned 31 January 2007)
M Maksimovic	(appointed 24 February 2007)

DIRECTORS' INTERESTS IN SHARES

The directors have no beneficial interest in the shares of the company

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5) Baker Tilly UK Audit LLP has indicated its willingness to continue in office

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the board

M J Blythe, FCA Secretary

26 April 2007

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

a select suitable accounting policies and then apply them consistently,
b make judgements and estimates that are reasonable and prudent,
c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL SHOOTING CENTRE LIMITED

We have audited the financial statements on pages 6 to 16

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
The directors' responsibilities 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) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion
In our opinion
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

30 APRIL 2007

PROFIT & LOSS ACCOUNT
for the year ended 31 December 2006

	Notes	Year ended 31 December 2006	Fifteen month period ended 31 December 2005
TURNOVER	1	1,266,712	1,396,508
Cost of sales		853,958	1,014,592
Gross profit		412,754	381,916
Other operating expenses		210,675	221,988
OPERATING PROFIT		202,079	159,928
Interest payable	2	26,463	39,268
		175,616	120,660
Gift aid payment	3	140,000	105,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	35,616	15,660
Taxation	5	8,533	4,900
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TO BE RETAINED	17	£ 27,083	£ 10,760

The operating profit for the year arises from the company's continuing activities

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

BALANCE SHEET
31 December 2006

	Notes	2006	2005
FIXED ASSETS			
Tangible assets	9	1,955,353	2,044,194
CURRENT ASSETS			
Stocks	10	165,627	164,940
Debtors	11	100,739	111,048
Cash at bank & in hand	12	45,318	34,980
		311,684	310,968
CREDITORS			
Amounts falling due within one year	13	191,950	184,548
NET CURRENT ASSETS		119,734	126,420
TOTAL ASSETS LESS CURRENT LIABILITIES		2,075,087	2,170,614
CREDITORS			
Amounts falling due after more than one year	14	275,000	330,000
DEFERRED INCOME	15	1,580,463	1,648,073
		£ 219,624	£ 192,541
CAPITAL & RESERVES			
Called up share capital	16	88,388	88,388
Profit & loss account	17	131,236	104,153
EQUITY SHAREHOLDERS' FUNDS	18	£ 219,624	£ 192,541

The financial statements on pages 6 to 16 were approved by the board of directors and authorised for issue on 26 April 2007 and are signed on its behalf by

C A J Oliver-Bellasis Director

26 April 2007

J E Staples Director

26 April 2007

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers recognised on an accruals basis

GIFT AID PAYMENTS

The company donates its results for the year less profits to be retained for the purpose of its business to its charitable parent company, the National Rifle Association, by means of a gift aid payment

PENSION CONTRIBUTIONS

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

The amount charged to the profit and loss account 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

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 profit and loss account

DEFERRED TAXATION

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

ACCOUNTING POLICIES

TANGIBLE FIXED ASSETS

Individual fixed assets costing more than £500 are capitalised at cost

Fixed assets are written off over their estimated useful lives by depreciation through the profit and loss account on the following basis

Long leasehold land	Over the period of the lease
Buildings	2% on cost or valuation
Plant & machinery	2%, 5% or 10% on cost or valuation
Fixtures, fittings & equipment	25% on cost

STOCKS

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

LEASED ASSETS & 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 profit and loss account in proportion to the remaining balance outstanding

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

Rent free periods or other incentives 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

ACCOUNTING FOR GRANTS

Grants on capital expenditure are credited to a deferred income account, and are released to the profit and loss account by equal annual amounts over the expected useful life of the asset to which they relate

Grants of a revenue nature are credited to income in the period to which they relate

1 **TURNOVER**

The turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

	Year 31 December 2006	Fifteen month period ended 31 December 2005
2 INTEREST PAYABLE		
Bank loans and overdrafts	-	750
Loans from group undertakings	26,463	38,518
	£ 26,463	£ 39,268
3 GIFT AID PAYMENT		
Donation to the National Rifle Association	£ 140,000	£ 105,000
4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation of tangible fixed assets		
Owned assets	81,887	107,614
Amortisation of deferred income	(67,610)	(89,423)
Operating lease rentals		
Land and buildings	36,000	45,000
Auditors' remuneration		
Audit fees	4,000	3,250
Other services	1,600	3,325

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

	Year ended 31 December 2006	Fifteen month period ended 31 December 2005
5 TAXATION		
Domestic current year tax.		
UK corporation tax	8,600	4,900
Over provided in earlier years	(67)	-
Current tax charge	£ 8,533	£ 4,900
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	35,616	15,660
Profit on ordinary activities before taxation multiplied by the relevant rate of UK corporation tax of 19% (2005 19%)	6,767	2,975
Effects of		
Non-deductible expenses	19	1,675
Short-term timing differences	1,899	409
Over provided in earlier years	(67)	-
Other tax adjustments	(18)	(154)
	1,833	1,925
Current tax charge	£ 8,600	£ 4,900

At the balance sheet date, the company had an unrecognised deferred tax liability in respect of capital allowances in excess of depreciation on qualifying assets This deferred tax liability, which on the basis of a tax rate of 19% amounted to £ 467 (2005 £597), had not been recognised on the grounds of immateriality

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

		Year ended 31 December 2006	Fifteen month period ended 31 December 2005
6	**EMPLOYEES**		
		No	No
	The average monthly number of persons (including directors) employed by the company during the year		
	Office and maintenance	14	13
	Staff costs for the above persons		
	Wages and salaries	372,404	410,272
	Social security costs	33,233	37,888
	Other pension costs	7,512	19,060
	Other benefits	3,273	4,415
		£ 416,422	£ 471,635

7 **PENSION COMMITMENTS**

The company pays an employer's contribution of 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, except non-executive directors

		Year ended 31 December 2005	Fifteen month period ended 31 December 2004
8	**DIRECTORS' REMUNERATION**		
	Aggregate emoluments		
	Salaries	74,663	97,261
	Medical insurance	1,186	1,396
		75,849	98,657
	Pension contributions	3,940	4,675
		£ 79,789	£ 103,332

Retirement benefits are accruing to two (2005 two) directors under money purchase pension schemes

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

9 TANGIBLE FIXED ASSETS

	Long leasehold buildings	Plant & machinery	Fixtures, fittings & equipment	TOTAL
Cost				
1 January 2006	382,950	2,017,997	42,341	2,443,288
Disposals	-	(6,954)	-	(6,954)
31 December 2006	382,950	2,011,043	42,341	2,436,334
Depreciation				
1 January 2006	34,454	324,029	40,611	399,094
Charge for the year	7,659	72,498	1,730	81,887
31 December 2006	42,113	396,527	42,341	480,981
Net book value				
31 December 2006	340,837	1,614,516	-	£ 1,955,353
31 December 2005	348,496	1,693,968	1,730	£ 2,044,194

10 STOCKS

	2006	2005
Ammunition	84,861	95,098
Souvenirs	8,409	7,019
Target materials	32,640	26,219
Clays	10,026	10,077
Rifles and other	29,691	26,527
	£ 165,627	£ 164,940

11 DEBTORS

	2006	2005
Due within one year		
Trade debtors	36,668	30,343
Amounts owed by group undertakings	56,142	78,217
Prepayments	1,708	2,488
Other debtors	6,221	-
	£ 100,739	£ 111,048

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

		2006	2005
12	**CASH AT BANK & IN HAND**		
	Collection account	26,227	13,238
	Operating account	151	622
	Cash in hand	18,940	21,120
		£ 45,318	£ 34,980

		2006	2005
13	**CREDITORS**		
	Amounts falling due within one year		
	Trade creditors	10,481	10,252
	Amounts owed to group undertakings (note 14)	55,000	55,000
	Corporation tax	8,600	4,900
	Other taxes and social security costs	34,253	30,862
	Other creditors	11,400	13,477
	Accruals	4,606	2,447
	Deferred income (note 15)	67,610	67,610
		£ 191,950	£ 184,548

		2006	2005
14	**CREDITORS**		
	Amounts falling due after more than one year		
	Amounts owed to group undertakings		
	Repayable by instalments		
	Due within one year (note 13)	55,000	55,000
	Due after more than one year		
	Due in one to two years	55,000	55,000
	Due in two to five years	165,000	165,000
	Due after more than five years	55,000	110,000
		275,000	330,000
		£ 330,000	£ 385,000

The above amounts owed to group undertakings represent a loan from the company's charitable parent Interest at the rate of 2 5% over the Barclays Bank base rate is payable annually on the loan The loan is repayable by annual instalments of £55,000, and is secured by way of a second legal charge over all the assets of the company

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

		2006	2005
15	**DEFERRED INCOME**		
	Claim under Lottery Grant		
	At 1 January 2006	1,715,683	1,805,106
	Amortisation for the year	(67,610)	(89,423)
	At 31 December 2006	£ 1,648,073	£ 1,715,683
	Due within one year (note 13)	67,610	67,610
	Due after more than one year	1,580,463	1,648,073
	At 31 December 2006	£ 1,648,073	£ 1,715,683

On 10 July 2000, a debenture was created in favour of The English Sports Council, representing a fixed and floating charge over all the assets of the company, against the performance of the company's obligations under the Lottery Fund Agreement

		2006	2005
16	**SHARE CAPITAL**		
	Authorised		
	100,000 ordinary shares of £1 each	£ 100,000	£ 100,000
	Allotted, issued and fully paid		
	88,388 ordinary shares of £1 each	£ 88,388	£ 88,388
17	**PROFIT & LOSS ACCOUNT**		
	1 January 2006	104,153	93,393
	Profit for the year	27,083	10,760
	31 December 2006	£ 131,236	£ 104,153
18	**RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS**		
	Profit for the financial year	27,083	10,760
	Opening shareholders' funds	192,541	181,781
	Closing shareholders' funds	£ 219,624	£ 192,541

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

		2006	2005
19	**COMMITMENTS UNDER OPERATING LEASES**		
	At 31 December 2006, the company had annual commitments under non-cancellable operating leases as follows		
	Land and buildings		
	Expiring after more than five years	£ 16,000	£ 16,000

20 **CONTROLLING PARTY**

The company's immediate and ultimate parent and controlling party is the charity, the National Rifle Association, which owns the entire share capital, and which is incorporated under Royal Charter and registered as a charity in England Copies of the group accounts can be obtained upon application to this company's registered office address

23 **RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 Related Party Disclosures, and has not disclosed transactions with fellow group undertakings, where more than 90% of the voting rights are controlled within the group, on the grounds that group accounts are publicly available