

Company number: 03525563

NATIONAL SHOOTING CENTRE LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2002

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



DIRECTORS & OFFICERS

DIRECTORS

Col C A Ewing, OBE
C A J Oliver-Bellasis
S C Bunch
M G Farnan, MBE TD
J D I Hossack
J M Kynoch
C S O'Brien
J M A Thompson

SECRETARY

M J Blythe, FCA

REGISTERED OFFICE

Bisley Camp
Brookwood
Woking
Surrey GU24 0PB

AUDITORS

Baker Tilly
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 30 September 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year 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

The use of ranges and accommodation remained at similar levels to last year despite significant price increases, and after allowing for the disruption caused by The Commonwealth Games. Ammunition sales increased following a widening of our product range. The new clay range was profitable in its first full year of trading.

The shooting events of the Manchester 2002 Commonwealth Games proved our range facilities are World Class, although the teams had to be accommodated elsewhere because of inadequate accommodation at the National Shooting Centre.

Following negotiations an additional grant of £179,978 was received from a Lottery Grant via The English Sports Council. The Lottery sponsored project for building the clay ranges was completed during the year.

During the year the company's balance sheet was strengthened by the conversion of the parent charity's current account into a long term loan.

RESULTS & DIVIDENDS

The trading profit for the year before taxation was £105,766 (2001: £371).

The company has donated £75,766 (2001: £371) to its charitable parent under gift aid. Corporation tax of £8,887 (2001: £Nil) has been provided leaving £21,113 (2001: £Nil) 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 October 2001:

Col C A Ewing OBE	
C A J Oliver-Bellasis	(appointed 11 September 2002)
S C Bunch	(appointed 10 August 2002)
M G Farnan MBE TD	(appointed 10 August 2002)
J D I Hossack	
J M Kynoch	
C S O'Brien	
J M A Thompson	

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES

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

AUDITORS

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Baker Tilly, Chartered Accountants, are deemed to be reappointed for each succeeding financial year.

By order of the board

..... *M J Blythe* Secretary
M J Blythe, FCA

..... *17 January* 2003

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which 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 those 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 for 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.

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 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs at 30 September 2002, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



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

20 January 2003

PROFIT & LOSS ACCOUNT
for the year ended 30 September 2002

	Notes	2002	2001
TURNOVER	1	1,131,743	646,094
Cost of sales		745,616	506,212
Gross profit		<u>386,127</u>	<u>139,882</u>
Other operating expenses		229,097	138,963
OPERATING PROFIT		<u>157,030</u>	<u>919</u>
Interest payable	2	51,264	548
		<u>105,766</u>	<u>371</u>
Gift aid payment	3	75,766	371
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	30,000	-
Taxation	5	8,887	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TO BE RETAINED	17	<u>£ 21,113</u>	<u>£ -</u>

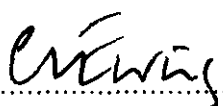
The operating profit for the year arises from the company's continuing activities.

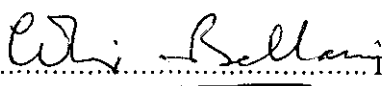
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.


BALANCE SHEET
30 September 2002

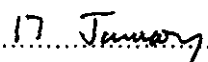
	Notes	2002	2001
FIXED ASSETS			
Tangible assets	9	2,310,020	2,314,533
		<u> </u>	<u> </u>
CURRENT ASSETS			
Stocks	10	167,485	189,401
Debtors	11	194,106	92,705
Cash at bank & in hand	12	44,999	134,933
		<u> </u>	<u> </u>
		406,590	417,039
CREDITORS			
Amounts falling due within one year	13	234,483	856,420
		<u> </u>	<u> </u>
NET CURRENT ASSETS/(LIABILITIES)		172,107	(439,381)
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,482,127	1,875,152
		<u> </u>	<u> </u>
CREDITORS			
Amounts falling due after more than one year	14	495,000	-
DEFERRED INCOME	15	1,877,626	1,786,764
		<u> </u>	<u> </u>
		£ 109,501	£ 88,388
		<u> </u>	<u> </u>
CAPITAL & RESERVES			
Called up share capital	16	88,388	88,388
Profit & loss account	17	21,113	-
		<u> </u>	<u> </u>
EQUITY SHAREHOLDERS' FUNDS	18	£ 109,501	£ 88,388
		<u> </u>	<u> </u>

Approved by the board on 17 January 2003.

 Director

 Director

 2003

 17 January 2003

Financial statements for the year ended 30 September 2002

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

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.

Financial statements for the year ended 30 September 2002

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2002

1. TURNOVER

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

	2002	2001
2. INTEREST PAYABLE		
Bank loans and overdrafts	172	548
Other loans	51,092	-
	£ 51,264	£ 548
	=====	=====

3. GIFT AID PAYMENT

Donation to the National Rifle Association	£ 75,766	£ 371
	=====	=====

**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	88,680	22,654
Amortisation of deferred income	(72,520)	(13,981)
Operating lease rentals:		
Land and buildings	36,000	3,000
Auditors' remuneration	2,000	2,000
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2002

	2002	2001
5. TAXATION		
Domestic current year tax:		
UK corporation tax	8,887	-
Current tax charge	£ 8,887	£ -
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	30,000	-
Profit on ordinary activities before taxation multiplied by the average rate of UK corporation tax of 19.5%	5,850	-
Effects of:		
Non-deductible expenses	2,210	-
Short term timing differences	827	-
	3,037	-
Current tax charge	£ 8,887	£ -
6. EMPLOYEES		
	No.	No.
The average monthly number of persons (including directors) employed by the company during the year:		
Office and maintenance	12	9
Staff costs for the above persons:		
Wages and salaries	275,096	197,074
Social security costs	20,962	16,205
Other pension costs	9,987	7,225
Other benefits	1,132	454
	£ 307,177	£ 220,958

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2002

	2002	2001
8. DIRECTORS' REMUNERATION		
Aggregate emoluments:		
Salaries	32,222	30,216
Fees	7,695	3,290
Medical insurance	727	-
	<u>40,644</u>	<u>33,506</u>
Pension contributions	1,500	1,500
	<u>£ 42,144</u>	<u>£ 35,006</u>
	=====	=====

Retirement benefits are accruing to one (2001: One) director under money purchase pension schemes.

9. TANGIBLE FIXED ASSETS	Long leasehold buildings	Plant & machinery	Fixtures, fittings & equipment	TOTAL
Cost:				
1 October 2001	380,542	1,918,497	39,825	2,338,864
Additions	2,408	81,759	-	84,167
30 September 2002	<u>382,950</u>	<u>2,000,256</u>	<u>39,825</u>	<u>2,423,031</u>
Depreciation:				
1 October 2001	1,903	17,034	5,394	24,331
Charge for the year	7,659	71,119	9,902	88,680
30 September 2002	<u>9,562</u>	<u>88,153</u>	<u>15,296</u>	<u>113,011</u>
Net book value:				
30 September 2002	<u>373,388</u>	<u>1,912,103</u>	<u>24,529</u>	<u>£ 2,310,020</u>
	=====	=====	=====	=====
30 September 2001	<u>378,639</u>	<u>1,901,463</u>	<u>34,431</u>	<u>£ 2,314,533</u>
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2002

	2002	2001
10. STOCKS		
Ammunition	116,310	127,266
Souvenirs	8,132	13,414
Target materials	15,069	22,724
Clays	8,954	7,356
Rifles and other	19,020	18,641
	<u>£ 167,485</u>	<u>£ 189,401</u>
	=====	=====
11. DEBTORS		
Due within one year:		
Trade debtors	135,198	85,525
Amounts owed by group undertakings	58,908	-
Other debtors	-	7,180
	<u>£ 194,106</u>	<u>£ 92,705</u>
	=====	=====
12. CASH AT BANK & IN HAND		
Operating account	-	76,176
Collection account	30,079	33,707
Cash in hand	14,920	25,050
	<u>£ 44,999</u>	<u>£ 134,933</u>
	=====	=====
13. CREDITORS		
Amounts falling due within one year:		
Bank overdrafts	1,511	-
Trade creditors	29,660	122,464
Amounts owed to group undertakings (note 14)	55,000	608,948
Corporation tax	8,887	-
Other taxes and social security costs	31,158	10,174
Other creditors	13,908	51,817
Accruals	21,839	7,093
Deferred income (note 15)	72,520	55,924
	<u>£ 234,483</u>	<u>£ 856,420</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2002

	2002	2001
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	-
Due after more than one year:		
Due in one to two years	55,000	-
Due in two to five years	165,000	-
Due after more than five years	275,000	-
	<u>495,000</u>	<u>-</u>
	<u>£ 550,000</u>	<u>£ -</u>
	=====	=====

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.

	2002	2001
15. DEFERRED INCOME		
Claim under Lottery Grant:		
At 1 October 2001	1,842,688	1,199,783
Additions during the year	179,978	656,886
	<u>2,022,666</u>	<u>1,856,669</u>
Amortisation for the year	(72,520)	(13,981)
	<u>£ 1,950,146</u>	<u>£ 1,842,688</u>
	=====	=====
Due within one year (note 13)	72,520	55,924
Due after more than one year	1,877,626	1,786,764
	<u>£ 1,950,146</u>	<u>£ 1,842,688</u>
	=====	=====

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2002

	2002	2001
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	£ 88,838	£ 88,388
	=====	=====
17. PROFIT & LOSS ACCOUNT		
1 October 2001	-	-
Profit for the year	21,113	-
	=====	=====
30 September 2002	£ 21,113	£ -
	=====	=====
18. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS		
Profit for the financial year	21,113	-
Opening shareholders' funds	88,388	88,388
	=====	=====
Closing shareholders' funds	£ 109,501	£ 88,388
	=====	=====
19. COMMITMENTS UNDER OPERATING LEASES		
At 30 September 2002, 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. CAPITAL COMMITMENTS		
Capital expenditure contracted for, but not provided in the financial statements	£ -	£ 99,000
	=====	=====
21. 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 in England.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2002

22. 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.

DETAILED PROFIT AND LOSS ACCOUNT
 for the year ended 30 September 2002

	2002	2001
TURNOVER	1,131,743	646,094
Cost of sales:		
Staff costs	336,531	262,193
Materials	404,842	238,059
Maintenance	4,243	5,960
	<u>745,616</u>	<u>506,212</u>
GROSS PROFIT	<u>386,127</u>	<u>139,882</u>
Other operating expenses:		
Salaries and NI	89,841	77,596
Directors fees	7,695	3,290
Support of teams and bodies	-	2,500
Office expenses	14,638	7,899
Telephone and postage	6,566	8,164
Printing and stationery	4,691	6,816
Audit fees	2,000	2,000
Legal and professional	9,255	3,414
Recruitment	4,379	-
Travel expenses	809	1,185
Repairs and maintenance	10,329	3,170
Sales expenses	7,071	5,686
Rent	39,000	3,000
Service charges	4,166	-
Sundry expenses	12,497	5,570
Depreciation	88,680	22,654
Amortisation of deferred income	(72,520)	(13,981)
	<u>229,097</u>	<u>138,963</u>
OPERATING PROFIT	<u>157,030</u>	<u>919</u>
Interest payable:		
Interest on bank loans	172	548
Other loans	51,092	-
	<u>51,264</u>	<u>548</u>
Gift aid payment	75,766	371
PROFIT ON ORDINARY ACTIVITIES		
BEFORE TAXATION	<u>£ 30,000</u>	<u>£ -</u>
	=====	=====

This page does not form part of the statutory financial statements.