

It goes without saying that the last financial year was exceptional, both in terms of the effect that the Covid-19 pandemic had on the financial performance of the NRA / NSC group, but also in terms of the actions taken in order to preserve our liquidity and ride out the storm.

In the year to December 2020, total consolidated income fell 13% year on year to £5.7M, producing a consolidated net loss, including gains and losses on investments, of £427k. The group's net assets have fallen as a result to £8.1M, a significant proportion of the group's assets with a net book value of around £4.3M relates to freehold land and buildings. These were valued during the year at £10M.

The year-end cash balances in the balance sheet are shown gross, a positive balance of £267k, which includes £109k of restricted cash, and an overdraft of £404k, i.e. a net overdraft of £137k. This was significantly below our target positive balance of £250k unrestricted cash set in the 2018-2020 Strategic and Development review, but well within our overdraft limit of £1M.

A deterioration in the liquidity of the group was also noted in one of the Trustees monthly key performance matrix, the acid test ratio. This is measured by looking at the proportion of cash and readily monetisable assets to the level of current liabilities. The Trustees set a floor threshold of 1 x cover which was breached early on in the pandemic. The year end figure of 0.26, whilst significantly below target, has proved to be manageable thanks to the efforts of Andrew Mercer and his team, as well as the cooperation of certain creditors.

The expectation is for the net liquidity position to continue to improve through 2021 and our base case forecasts provided to Haysmacintyre during the audit, are that we will end the year with a net positive unrestricted cash balance of £160k and a much improved acid test ratio.

During 2020 net cash from operating activities fell to £246k from £1M in the prior year, reflecting the obvious decline in net income, but also the one-off Waldegrave site premium received during 2019.

In February 2020, the Trustees took the decision to freeze discretionary capital expenditure. As a result, during the year £939k was spent on capex. This may seem high in the circumstances, but more than half of this balance related to the acquisition of the Bisley Shooting Ground business at Cottesloe Heath and Council Club. The mediation process which led to the purchase completed in August 2020 and settled the litigation that began in June 2019. The transaction is represented in the statutory accounts solely by way of the mandatory disclosure around acquisition of goodwill.

It is noteworthy that even in the five months of NSC ownership, Bisley Shooting Ground generated income and profit of £288k and £44k respectively.

Maintenance exposure during the year was obviously curtailed, totalling £241k. This was below the strategic target of £400k per annum, but was driven by the need to preserve liquidity and ensure the going concern of the group.

Looking ahead into 2021, the overarching aim of the Trustees is to build back our cash reserves and balance sheet resilience. The Trustees passed an updated reserves policy at the beginning of 2021, in which we have indicated that the group's aim will be to reduce the overdraft to zero, and maintain a net unrestricted cash position of at least £250k, and an acid test ratio of a least 1 x cover.

This will take some time, but we are well on our way. At May month end this year we already showed a positive net cash position of £60k and an acid test ratio of 20 basis points up on the lows we saw during 2020.

We have postponed publication of a new three year strategy whilst we regroup this year, and will maintain reduced capital and maintenance expenditure budgets of £120k and £240k respectively.

As I said a couple of years ago, a key theme for me was to continue to support decisions which would build the charity's reserve base, sufficient to both weather unforeseen problems and allow us to be a position to capitalise on new opportunities. I did not expect that both would occur simultaneously. However, during 2020 we have successfully navigated the exceptional circumstances of the pandemic, and managed to acquire a business which supports Bisley as a centre of excellence across multiple shooting disciplines, and does so in a way which is both financially beneficial to the group, thereby supporting the charity to fund its charitable objectives, and maintains the maximum flexibility of use across Bisley Camp.

Finally, as I commend these accounts to the General Meeting and hand over to the Secretary General, I would again like to thank Andrew and his finance team who continue to make an invaluable contribution to the sound financial management of the Association.

Andrew Reynolds
NRA Treasurer