

## ***Treasurer's Statement***

The ranges were finally re-opened on March 29<sup>th</sup> last year and this allowed the NRA and NSC to operate in some semblance of normality for the remainder of the year.

In summary, the continued focus on restricting discretionary expenditure, preserving liquidity and building back our balance sheet resilience resulted in exceptional one-off profitability in 2021. However this needs to be contextualized with the significant loss we had incurred in the prior year and the significant way to go to repair the effect the pandemic had on the Group's balance sheet.

Looking at the financial statements, in the year to December 2021 total consolidated income rose 30% year on year to £7.5mm producing a consolidated net profit, including a £47k gain on investments, of £846k. This compares with a loss of £427k in 2020.

The group's net assets recovered to £8.9mm although the Charity's free reserves (which considers our liquidity) remain negative as a significant proportion of the Group's assets are in the form of Fixed Assets such as Land and Buildings. However, a market valuation of £10mm for the estate was obtained during 2020 and this continues to afford us access to a £1mm overdraft facility.

Thankfully, this has not been needed since April 2021 and the year-end unrestricted cash balance, which is historically the peak point in the year, was a healthy £717k.

The improvement in the liquidity of the Group was also reflected in one of the Trustees' monthly Key Performance Indicators - the Acid Test Ratio. This is a conservative metric which considers whether the Group could pay all its current liabilities from cash and readily monetizable assets. The Trustees previously set a minimum threshold of 1x cover, which was breached early on in the pandemic.

The year-end figure was just above this floor at 1.13x, which was the first time that we had achieved this since December 2019.

The expectation is for the net liquidity position to remain positive throughout 2022 and our base case forecasts provided to haysmacintyre during the audit are that we will end 2022 with a net positive cash balance of £694k and a comparable acid test ratio.

During 2021 net cash from operating activities increased to £1.2mm from £246k in the prior year reflecting in the main the improvement in net income. This traditionally has three main sources: range fees, membership subscriptions and estate rentals. However in 2021 just under a quarter of net income was generated by the Bisley Shooting Ground business, which continues to perform well.

The primary financial aim for the Trustees in 2022 is to fully restore our balance sheet resilience. We will measure this against the Reserves policy in which we aim to maintain a net cash position of at least £250k and an Acid Test Ratio of at least 1x cover at all times.

I hope that we can achieve this by the end of this financial year but to manage expectations it is worth reiterating that several one-off factors led to 2021 being an exceptional year: namely, the continued receipt of furlough support, the postponement of discretionary spending and reduction in headcount. On top of that, the economic conditions in 2022 are not without their own challenges and we are certainly not immune from the effects of inflationary pressures on our cost base in particular through rising wages and increasing energy bills.

Nevertheless, our projections for the current year are that the Group will generate a profit before changes in investments of around £228k allowing for expenditure just shy of £1mm on capital assets and maintenance, which will improve the experience of customers of the NSC at Bisley and assist the NRA in pursuing its charitable objectives across the UK.

In conclusion, while 2021 has been a fantastic year, putting the Charity and Group in a strong position coming out of the pandemic, it is important to keep in mind that we will continue to face challenges in 2022.

Finally, the strong financial performance last year was due in no small part to the continued efforts of Andrew and his Finance team and I would like to take the opportunity to thank them on behalf of all of us.