



Supporting the hair, beauty
and barbering industries

**81st ANNUAL GENERAL MEETING
of the National Hair & Beauty Federation**

Holiday Inn Regents Park, Carburton Street, London, W1W 5EE

AGENDA

Sunday 23 July 2023 at 1pm

- 1 President's welcome - Amanda Lodge-Stewart
- 2 Notice of convening the AGM
- 3 Apologies
- 4 To receive and approve minutes of 80th Annual General Meeting (29 January 2023)
- 5 Matters arising
- 6 Board report & accounts for year ended 31 December 2022

That the Board Report and Accounts for the year ended 31 December 2022 be received.
- 7 Appointment of the auditors

That Streets LLP Chartered Accountants be and are hereby appointed auditors of the Federation for the ensuing year and that their remuneration be determined by the NHBF Board.
- 8 Installation of Board members
- 9 Chief Executive's report - Richard Lambert
- 10 To consider any other business proposed by a member of which due notice has been given
- 11 Close of meeting



Supporting the hair, beauty
and barbering industries

MINUTES OF THE NATIONAL HAIR & BEAUTY FEDERATION ANNUAL GENERAL MEETING 2022

The 80th Annual General Meeting of Members of the National Hair & Beauty Federation was held at the Holiday Inn, Carburton St, London, W1W 5EE on Sunday 29 January 2023 at 1pm.

Present

Ian Egerton (President) in the Chair
Mandy Lodge-Stewart (Vice President)
Members of the NHBF Board
Richard Lambert (CEO)
Kishon Mather (Director, Finance and Administration)

1 President's welcome

The President welcomed all present and called the meeting to order.

2 Notice

Richard Lambert read the Notice convening the meeting.

3 Apologies

Apologies had been received from Fiona Johnston and Jamie Mettyear.

Ian Egerton noted that 8 of those present had requested to rescind their previously cast proxy votes and vote in person at the meeting. Ian Egerton confirmed that, with the proxy votes received, the quorum of 40 had been met in this meeting. He also confirmed that, where a proxy vote had been given to the President to use as he wished, he would be casting those votes in favour of the motions.

4i Minutes of the 79th Annual General Meeting, held 14 November 2021

Ian Egerton went through the minutes of the 79th Annual General Meeting held on 14 November 2021, which had been previously circulated.

Vice-President Mandy Lodge-Stewart proposed the approval of the minutes and Tom Robinson seconded the proposal. The minutes were signed by the President.

4ii Minutes of the Extraordinary General Meeting, held 13 November 2022

Ian Egerton went through the minutes of the Extraordinary General Meeting held on 13 November 2022, which had been previously circulated.

Tom Robinson proposed the approval of the minutes and Vice-President Mandy Lodge-Stewart seconded the proposal. The minutes were signed by the President.

5 **Matters arising**

There were no matters arising.

6 **NHBF Board report and accounts for year ended 31 December 2021**

Kishon Mather presented a brief overview of the accounts.

Mark Coray proposed the motion to approve the NHBF Board report and annual accounts. Kevin Huggins seconded the proposal. The Members were asked to vote on the proposal.

That the Board Report and Accounts for the year ended 31 December 2021 be received.

53 voted for, 1 voted against, 7 abstained.

The item was carried. The Board Report and accounts were formally adopted. The accounts were signed by the President and Chief Executive.

7 **Appointment of the auditors**

Carolyn Sweeney proposed the motion to reappoint the auditors, Streets LLP. Tom Robinson seconded the motion. The Members were asked to vote on the proposal.

That Streets LLP Chartered Accountants be and are hereby appointed auditors of the Federation for the ensuing year and that their remuneration be determined by the NHBF Board.

54 voted for, 0 voted against, 6 abstained.

The item was carried. Streets LLP were reappointed as the auditors for 2022.

8 **Installation of officers and Board members**

Ian Egerton installed Amanda Lodge-Stewart as President for a three-year term (2022-25).

Amanda Lodge-Stewart took the Chair of the meeting.

Carolyn Sweeney was re-installed as a Board member for a second three-year term (2022-25).

Samantha Cunningham, Joanne Johnson and Jamie Mettyear were co-opted as Board members until the next Annual General Meeting.

9 **Chief Executive's report**

Richard Lambert gave his report. He reported that the NHBF had successfully lobbied for additional support for the sector during the lockdown in the early months of 2021. The Board had agreed a significant investment from reserves to develop projects and resources to support Members in recovering from the business impact of the

lockdowns, and this would continue into 2022. The Board had also accepted and agreed to implement the findings of a governance review, which would lead to wide-ranging improvements to the governance of the Federation.

10 **Any other business**

Richard Lambert advised the President that no other business had been received.

11 **Close of Meeting**

Amanda Lodge-Stewart gave a short address, thanking the Members for electing her as President.

She thanked everyone who had attended and formally closed the meeting.

.....
Amanda Lodge-Stewart
President

.....
Date

National Hair & Beauty Federation Limited
Financial Statements
For the year ended
31 December 2022

National Hair & Beauty Federation Limited

Financial Statements

Year ended 31 December 2022

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National Hair & Beauty Federation Limited

Officers and Professional Advisers

NHBF board

M Coray
K Huggins
A Lodge-Stewart - President
C Sweeney
B Bates
F Johnston
J Mettyear
J Johnson
S Cunningham

Secretary

R Lambert - Chief Executive Officer

Registered office

One Abbey Court
Fraser Road
Priory Business Park
Bedford
MK44 3WH

Auditor

Streets Audit LLP
Chartered accountants & statutory auditor
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ

Bankers

Lloyds
34 High Street
Bedford
Bedfordshire
MK40 1SB

National Hair & Beauty Federation Limited

NHBF Board Report

Year ended 31 December 2022

The officers present their report and the financial statements of the society for the year ended 31 December 2022.

Principal activities

The Federation is the largest organisation representing the owners of hairdressing salons, barber shops and beauty salons in Great Britain, as well as self-employed hairdressers, barbers and beauty therapists working in salons, plus educators and other parties with an interest in the sector. Membership is open to individuals, partners, directors and all those who meet the above criteria. A range of benefits and services are provided by a professional secretariat.

Constitution

The National Hair & Beauty Federation Limited is incorporated under the Co-operative and Community Benefit Societies Act 2014. It is also registered as an Employer Association with the Trade Union and Employers' Association certification offices in England and Wales and Northern Ireland.

Officers

The officers who served the society during the year were as follows:

I Egerton – President	(Resigned 29 January 2023)
M Coray	
K Huggins	
A Lodge-Stewart – Vice-President	(President from 29 January 2023)
A Ball	(Resigned 11 June 2022)
S Hall	(Resigned 18 May 2022)
T Robinson	(Resigned 29 January 2023)
C Sweeney	
B Bates	
F Johnston	
J Mettyear	(Appointed 29 January 2023)
J Johnson	(Appointed 29 January 2023)
S Cunningham	(Appointed 29 January 2023)

Structure, governance and management

The Federation is governed by the Board and it conducts the general affairs of the Federation, subject to the approval of the members, as provided in the Federation rules.

NHBF board's responsibilities statement

The NHBF Board is responsible for preparing the NHBF Board report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the NHBF Board to prepare financial statements for each financial year. Under that law the NHBF Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Co-operative and Community Benefit Society legislation the officers must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and the profit or loss of the society for that period.

National Hair & Beauty Federation Limited

NHBF Board Report *(continued)*

Year ended 31 December 2022

In preparing these financial statements, the NHBF Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The NHBF Board is responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is an officer at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the society's auditor is unaware; and
- they have taken all steps that they ought to have taken as an officer to make themselves aware of any relevant audit information and to establish that the society's auditor is aware of that information.

This report was approved by the NHBF Board on 20 March 2023 and signed on behalf of the board by:

A Lodge-Stewart - President
Committee Member

C Sweeney
Committee Member

R Lambert - Chief Executive Officer
Secretary

Registered office:
One Abbey Court
Fraser Road
Priory Business Park
Bedford
MK44 3WH

National Hair & Beauty Federation Limited

Independent Auditor's Report to National Hair & Beauty Federation Limited

Year ended 31 December 2022

Opinion

We have audited the financial statements of National Hair & Beauty Federation Limited (the 'society') for the year ended 31 December 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, 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 FRS 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 society's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

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 respective responsibilities of NHBF board and auditor section of our report. We are independent of the society 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the NHBF Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the NHBF Board with respect to going concern are described in the relevant sections of this report.

National Hair & Beauty Federation Limited

Independent Auditor's Report to National Hair & Beauty Federation Limited *(continued)*

Year ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The NHBF Board is responsible for the other information. 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

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the NHBF Board report.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account or has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the society's books of account; or
- we fail to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Respective responsibilities of the NHBF board and independent accountant

As explained more fully in the NHBF Board's responsibilities statement, the NHBF Board is 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 NHBF Board determines 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 NHBF Board is responsible for assessing the society'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 NHBF Board either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

National Hair & Beauty Federation Limited

Independent Auditor's Report to National Hair & Beauty Federation Limited *(continued)*

Year ended 31 December 2022

Respective responsibilities of NHBF board and auditor

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the society through discussions with the management committee and other management, and from our commercial knowledge and experience of the organisation and the hair and beauty sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the society, including the Co-operative and Community Benefit Societies Act 2014, taxation legislation, data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the society's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.
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National Hair & Beauty Federation Limited

Independent Auditor's Report to National Hair & Beauty Federation Limited *(continued)*

Year ended 31 December 2022

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the society's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the management committee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the NHBF Board.
- Conclude on the appropriateness of the NHBF Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

National Hair & Beauty Federation Limited

Independent Auditor's Report to National Hair & Beauty Federation Limited *(continued)*

Year ended 31 December 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society those matters we are required to state to it 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 society, for our audit work, for this report, or for the opinions we have formed.

Alan Endersby ACA (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered accountants & statutory auditor
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ

National Hair & Beauty Federation Limited

Statement of Comprehensive Income

Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		1,587,862	1,802,712
Cost of sales		<u>396,352</u>	<u>393,922</u>
Gross profit		1,191,510	1,408,790
Administrative expenses		<u>1,608,649</u>	<u>1,374,715</u>
Operating (loss)/profit		(417,139)	34,075
Loss on impairment or disposal of operations		(1)	–
Income from other fixed asset investments		76,486	74,657
Other interest receivable and similar income		<u>6,122</u>	<u>4,031</u>
(Loss)/profit before taxation	5	(334,532)	112,763
Tax on (loss)/profit		<u>–</u>	<u>–</u>
(Loss)/profit for the financial year		<u>(334,532)</u>	<u>112,763</u>
Gains/(losses) on listed investments		<u>(432,622)</u>	<u>316,539</u>
Total comprehensive income for the year		<u>(767,154)</u>	<u>429,302</u>

The notes on pages 12 to 17 form part of these financial statements.

National Hair & Beauty Federation Limited

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	6	20,634	30,951
Tangible assets	7	301,777	321,730
Investments	8	3,447,421	3,821,397
		<u>3,769,832</u>	<u>4,174,078</u>
Current assets			
Debtors	9	128,242	115,200
Cash at bank and in hand		193,418	681,367
		<u>321,660</u>	<u>796,567</u>
Creditors: amounts falling due within one year	10	<u>402,696</u>	<u>513,736</u>
Net current (liabilities)/assets		<u>(81,036)</u>	<u>282,831</u>
Total assets less current liabilities		<u>3,688,796</u>	<u>4,456,909</u>
Net assets		<u>3,688,796</u>	<u>4,456,909</u>
Capital and reserves			
Share capital		5,531	6,490
Revaluation fund		354,143	845,962
Tangible fixed asset fund		322,411	352,681
General fund		3,006,711	3,251,776
Members funds		<u>3,688,796</u>	<u>4,456,909</u>

These financial statements have been prepared in accordance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the NHBF Board and authorised for issue on 20 March 2023, and are signed on their behalf by:

A Lodge-Stewart - President
Committee Member

C Sweeney
Committee Member

R Lambert - Chief Executive Officer
Secretary

Registration number: 30905R

The notes on pages 12 to 17 form part of these financial statements.

National Hair & Beauty Federation Limited

Statement of Changes in Equity

Year ended 31 December 2022

	Share capital £	Revaluation fund £	Tangible fixed asset fund £	General fund £	Total £
At 1 January 2021	6,828	744,471	362,454	2,914,192	4,027,945
Profit for the year				112,763	112,763
Other comprehensive income for the year:					
Reallocation of 'Profit for the year' between reserves/funds	–	–	(21,035)	21,035	–
Gains/(losses) on listed investments	–	316,539	–	–	316,539
Transfers between reserves/funds	–	(215,048)	11,262	203,786	–
Total comprehensive income for the year	–	101,491	(9,773)	337,584	429,302
Cancellation of subscribed capital	(338)	–	–	–	(338)
Total investments by and distributions to owners	(338)	–	–	–	(338)
At 31 December 2021	6,490	845,962	352,681	3,251,776	4,456,909
Loss for the year				(334,532)	(334,532)
Other comprehensive income for the year:					
Reallocation of 'Profit for the year' between reserves/funds	–	–	(30,270)	30,270	–
Gains/(losses) on listed investments	–	(432,622)	–	–	(432,622)
Transfers between reserves/funds	–	(59,197)	–	59,197	–
Total comprehensive income for the year	–	(491,819)	(30,270)	(245,065)	(767,154)
Cancellation of subscribed capital	(959)	–	–	–	(959)
Total investments by and distributions to owners	(959)	–	–	–	(959)
At 31 December 2022	<u>5,531</u>	<u>354,143</u>	<u>322,411</u>	<u>3,006,711</u>	<u>3,688,796</u>

The notes on pages 12 to 17 form part of these financial statements.

National Hair & Beauty Federation Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The National Hair and Beauty Federation is a Community Benefit Society and its registered office is One Abbey Court, Fraser Road, Priory Business Park, Bedford, MK44 3WH.

The Federation is principally engaged in the representation of owners of hairdressing salons, barber shops and beauty salons in the United Kingdom.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Standard applicable in the United Kingdom and the Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the Federation.

Revenue recognition

Membership subscriptions are recognised on an accruals basis over the period of the subscription.

Insurance commission income is recognised in the income and expenditure account on an accruals basis.

All other income is recognised in the income and expenditure account on an accruals basis.

Taxation

The Federation is not trading with a view to profit, but only to meet its expenses for the mutual benefit of its members. As such the Federation's only liability to corporation tax arises on investment income received in bank deposits and on activities for non-member organisations.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease terms.

National Hair & Beauty Federation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Computer software - 3 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property - 50 years straight line

Office furniture, fittings and equipment - 4 years straight line

Computer equipment - 3 years straight line

Investments

Non-listed investments are valued at cost with provision being made for any permanent diminution in value. Listed investments and investments whose fair value can be measured reliably are stated at their fair value as at the end of the financial period. Investments in joint ventures are valued at less provision for diminution in value.

Investments in joint ventures

In accordance with applicable standards, NHBF jointly controls the joint ventures with one or more other entities. None of the entities alone can control this entity but all together can do so and decisions on financial and operating policy essential to the activities, economic performance and financial position of that venture require each venturer's consent. This joint venture has been accounted for as an investment.

National Hair & Beauty Federation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments

The Federation only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and other third parties.

Defined contribution plans

Contributions in respect of defined contribution pension schemes are charged to the income and expenditure account in the period in which they are due to the scheme.

4. Employee numbers

The average number of persons employed by the society during the year amounted to 14 (2021: 15).

5. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£	£
Amortisation of intangible assets	10,317	–
Depreciation of tangible assets	19,953	21,035
Fees payable for the audit of the financial statements	<u>10,500</u>	<u>8,500</u>

6. Intangible assets

	Computer software
	£
Cost	
At 1 January 2022 and 31 December 2022	<u>125,437</u>
Amortisation	
At 1 January 2022	94,486
Charge for the year	10,317
At 31 December 2022	<u>104,803</u>
Carrying amount	
At 31 December 2022	<u>20,634</u>
At 31 December 2021	<u>30,951</u>

National Hair & Beauty Federation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

7. Tangible assets

	Long leasehold property £	Office furniture, fittings and equipment £	Computer equipment £	Total £
Cost				
At 1 January 2022 and 31 December 2022	<u>493,789</u>	<u>40,945</u>	<u>64,186</u>	<u>598,920</u>
Depreciation				
At 1 January 2022	188,453	38,248	50,489	277,190
Charge for the year	<u>9,876</u>	<u>1,632</u>	<u>8,445</u>	<u>19,953</u>
At 31 December 2022	<u>198,329</u>	<u>39,880</u>	<u>58,934</u>	<u>297,143</u>
Carrying amount				
At 31 December 2022	<u>295,460</u>	<u>1,065</u>	<u>5,252</u>	<u>301,777</u>
At 31 December 2021	<u>305,336</u>	<u>2,697</u>	<u>13,697</u>	<u>321,730</u>

8. Investments

	Listed investments £	Treasurers deposit £	Unlisted investments £	Total £
Cost				
At 1 January 2022	3,319,405	501,985	7	3,821,397
Additions	700,745	5,943	–	706,688
Disposals	(562,053)	–	–	(562,053)
Revaluations	(563,991)	–	–	(563,991)
Cash held by investment managers awaiting investment	<u>45,381</u>	<u>–</u>	<u>–</u>	<u>45,381</u>
At 31 December 2022	<u>2,939,487</u>	<u>507,928</u>	<u>7</u>	<u>3,447,422</u>
Impairment				
At 1 January 2022	–	–	–	–
Impairment losses	<u>–</u>	<u>–</u>	<u>1</u>	<u>1</u>
At 31 December 2022	<u>–</u>	<u>–</u>	<u>1</u>	<u>1</u>
Carrying amount				
At 31 December 2022	<u>2,939,487</u>	<u>507,928</u>	<u>6</u>	<u>3,447,421</u>
At 31 December 2021	<u>3,319,405</u>	<u>501,985</u>	<u>7</u>	<u>3,821,397</u>

National Hair & Beauty Federation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

8. Investments *(continued)*

Listed investments

Listed investments comprise holdings in UK Government Bonds, Corporate bonds and debt, UK and international equities and unit trusts. These investments are all listed on active markets where directly observable prices are available. The valuation of such investments is based on these available market prices.

Treasurers Deposits

Treasurers deposits comprise monies held in long term deposits accruing interest which are held for appreciation.

Investments held at valuation

In respect of investments held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Listed investments £	Treasurers deposit £	Unlisted investments £	Total £
At 31 December 2022				
Aggregate cost	2,585,341	507,928	6	3,093,275
Aggregate depreciation	—	—	—	—
Carrying value	<u>2,585,341</u>	<u>507,928</u>	<u>6</u>	<u>3,093,275</u>
At 31 December 2021				
Aggregate cost	2,473,442	501,985	7	2,975,434
Aggregate depreciation	—	—	—	—
Carrying value	<u>2,473,442</u>	<u>501,985</u>	<u>7</u>	<u>2,975,434</u>

Subsidiaries, associates and other investments

Investments in associates and joint ventures

Priory Park Management Limited:

The investment in Priory Park Management Limited comprises six, fully paid £1 'A' shares representing 9% of the total share capital of the company. The company is responsible for the management of the common areas of the Abbey Court development where the Federation's National Operations is based.

World Hair Limited:

The investment in the joint venture company represented one ordinary, fully paid £1 share in World Hair Limited. This represented 50% of the total called up and fully paid ordinary share capital of the company. During the year the company ceased trading and an application to strike off the company was made to Companies House. As result, this investment has been impaired during the year.

National Hair & Beauty Federation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

9. Debtors

	2022	2021
	£	£
Trade debtors	6,786	14,271
Other debtors	121,456	100,929
	<u>128,242</u>	<u>115,200</u>

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	56,980	68,821
Social security and other taxes	16,086	15,966
Other creditors	329,630	428,949
	<u>402,696</u>	<u>513,736</u>

11. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	18,377	17,547
Later than 1 year and not later than 5 years	24,129	14,607
Later than 5 years	943	–
	<u>43,449</u>	<u>32,154</u>

12. Pension commitments

The Federation operates a defined contributions scheme. The assets of the scheme are held separately from those of the Federation in a fund administered by trustees. The pension cost charge represents contributions payable by the Federation to the fund and amounted to £59,595 (2021: £60,376). There were no amounts outstanding payable to the fund at the statement of financial position date (2021: £Nil).

13. Related party transactions

8 members (2021: 8) of the Board were reimbursed expenses of £3,925 (2021: £1,898) by the Federation in respect of travel and accommodation costs incurred in attending committee meetings held during the year.

The members of the Board are all members of the Federation and pay membership subscriptions to the Federation.

All remunerated members of the Board and certain senior employees who have authority and responsibility for planning, directing, and controlling activities of the Federation are considered to be key management personnel. Total remuneration in respect of these individuals was £430,768 (2021: £445,267).



Supporting the hair, beauty
and barbering industries

ANNUAL REPORT 2022





ANNUAL REPORT 2022

MEMBERSHIP

2022 was probably the most difficult year the NHBF has ever experienced in terms of membership, with member numbers falling throughout the year. We ended the year with 5,531 Members, a loss of 959.

We spoke directly to around one third of those Members who did not renew, more than half whom said the reasons were primarily financial, with another quarter saying that they were ceasing trading or retiring. It was clear from the number who did not renew at the end of their first year that many those who had joined during the 2021 lockdown saw membership as a distress purchase to help them through the COVID crisis, and not something that they needed for the long-term. Recruitment actually held up until the final quarter of the year, but fell away as the cost of living business crisis bit hard in the autumn.

CORONAVIRUS

ADDITIONAL RESTRICTIONS GRANTS

The year began with the sector still reeling from the impact of the Omicron surge in December 2021, which devastated the pre-Christmas trade and resulted in a slow January. Our lobbying had helped secure top-up funds for the Additional Restrictions Grant (ARG) to support those businesses affected. However, despite the Government's guidance making clear that the additional money was intended to support personal care businesses, amongst others, we began to receive reports from Members across England that their local councils had not included our sector in their distribution plans.

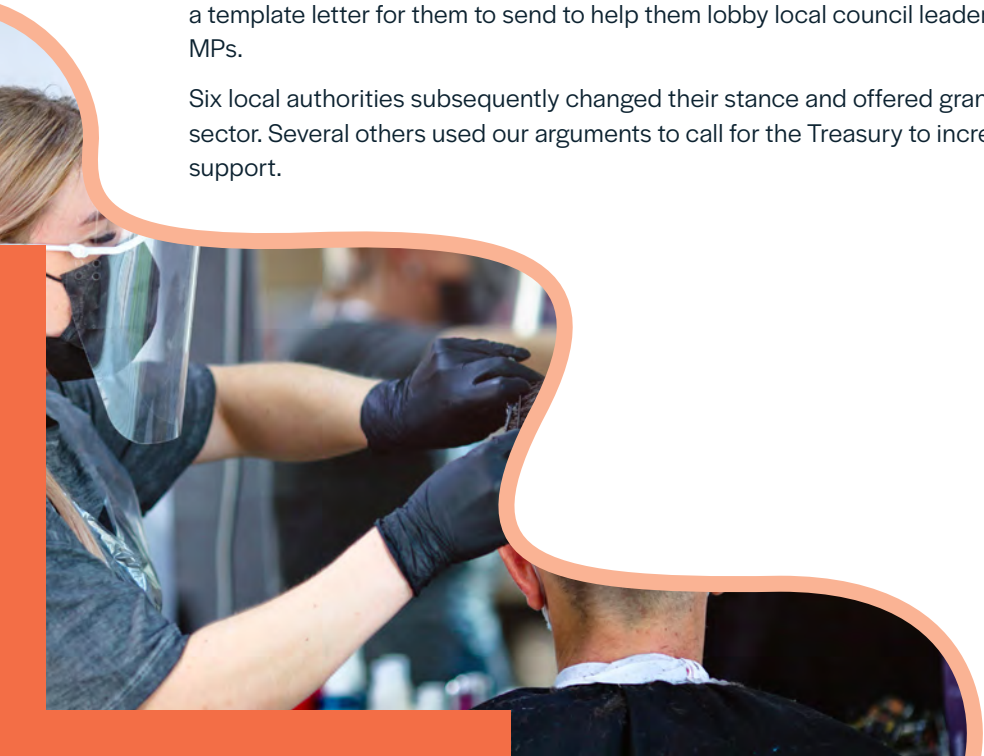
We passed all these reports to the **Department for Business (BEIS)**, and sent a list of those councils we had confirmed were not giving grants to personal care services to the Chancellor. Working with the **British Beauty Council** and other sector organisations, we wrote a joint letter to all councils reminding them of the Government's intention that personal care should be included. We also named and shamed the councils that were either delaying or rejecting grant applications, issued advice to Members on applying for the ARG and produced a template letter for them to send to help them lobby local council leaders and MPs.

Six local authorities subsequently changed their stance and offered grants to the sector. Several others used our arguments to call for the Treasury to increase its support.

ENERGY

The dramatic rises in energy bills became an increasing cause for concern as we went through the year and the cost of doing business crisis intensified.

The sector organisations ran a joint survey on the impact of rising energy costs in March to support the case for additional support. **The Energy Bill Relief Scheme** announced in the budget was welcome, but could not offset the full impact of the increases, and we continued to raise the issue regularly with **BEIS** and providing data from our Members, to support the case for continued support after the initial six months. We were relieved when the Chancellor announced that support would continue for all sectors until March 2024, albeit at a lower level. We also offered Members more practical support through a partnership with an energy broker, **Direct Business Services**, to help them find the most suitable contract available in a complex and rapidly changing market.



NON-SURGICAL COSMETIC (AESTHETICS) REGULATION

The early months of the year saw an intense lobbying campaign to secure an amendment to the **Health & Care Bill** to regulate non-surgical aesthetic treatments. The NHBF worked closely with the **Chartered Institute of Environmental Health (CIEH)** and the **Beauty Industry Group (BIG)** as the amendment was debated in the House of Lords. In the end, the Government brought in its own amendment. The NHBF and BIG suggested several technical changes, which, in the end were acknowledged, but not accepted. The Bill received **Royal Assent as the Health and Care Act 2022** in April.

We are now waiting for the Government's consultation on the details of the regulatory regime. We are also talking to the Scottish and Welsh governments about their respective legislative plans for non-surgical cosmetic (aesthetic) procedures.

CAREERS AT THE CUTTING EDGE SKILLS REPORT

In April, the NHBF published a **landmark report** which sought to document and quantify the true extent of the skills and recruitment crisis facing the sector. The report found that with the accumulation of longstanding issues in relation to **recruitment, qualifications and training** and **financial pressures** meant that the sector was now facing a perfect storm.

We distributed the report widely through Government, Parliament, the devolved administrations, key business organisations and thinktanks, and embarked on a series of meetings to outline the detail of the report and gauge the response to it. In the autumn, we held a roundtable meeting with 10 sector organisations where we agreed a **Sector Skills Action Plan** to address the issues arising from the report.

OTHER POLICY WORK

We continued our support for the All-Party Parliamentary Group on Beauty, Aesthetics and Wellbeing, contributing to its enquiry and report on the value of complementary therapies.

We represented the sector by responding to consultations and making submissions to parliamentary committees on a wide range of topics throughout the year.

We undertook our regular annual engagement with the **Low Pay Commission** as it considered its recommendations for the **National Minimum Wage (NMW)** and **National Living Wage (NLW)**, giving both written and oral evidence, gathering data via a survey and encouraging Members to speak directly to Commissioners during their regional visits.

We published a report summarising the cumulative results from two years of our quarterly **State of the Industry surveys**, which increasingly form the foundation of our conversations with Government, showing the trends over time. The report illustrates a story of survival, but also that every time the sector appeared to be on the verge of recovery, something happened to choke it off.



DEVOLVED ADMINISTRATIONS

The **NHBF** has developed good contacts within the devolved administrations in Scotland, Wales and Northern Ireland. We contributed to the **COVID review** exercises undertaken by the Scottish Government and the Department for Economy in Northern Ireland about their respective handling of lockdown restrictions, policy development and communications to business.

Director of policy & public affairs **Rosina Robson** had two further meetings with officials in the Scottish Government, one on the general business environment, the other on mental health advice and support within the sector.

BUCKINGHAM PALACE SMALL BUSINESS RECEPTION

The NHBF was invited to nominate industry representatives to attend a reception hosted by the King at Buckingham Palace in November to celebrate the contribution of small businesses to the economy.



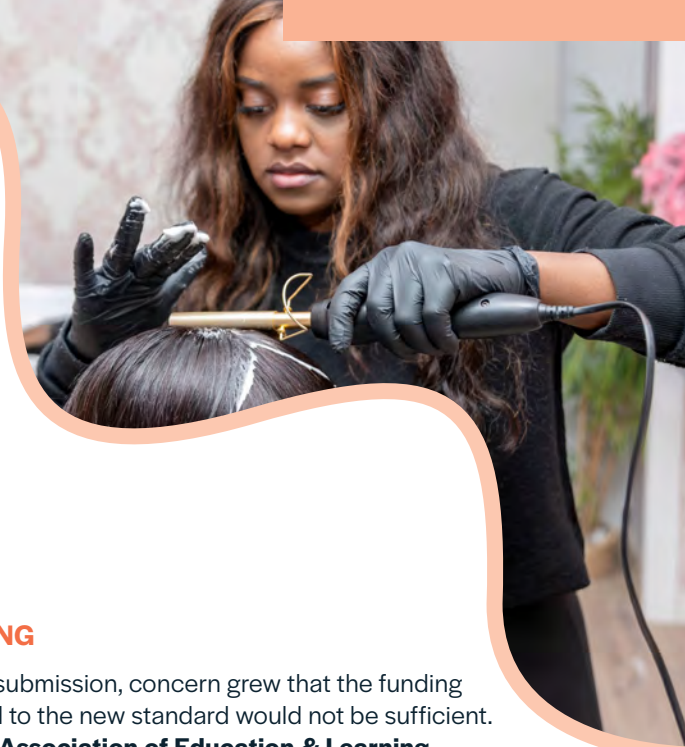
QUALIFICATIONS AND STANDARDS

REVISION OF THE HAIR AND BARBERING APPRENTICESHIP STANDARDS

REVISION OF THE STANDARDS

Director of quality & standards **Caroline Larissey** devoted much of her time over the year to supporting the apprenticeship steering groups and the **Institute for Apprenticeships and Technical Education (IfATE)** on the submission of the hairdressing professional and barbering professional apprenticeship standards. These were originally scheduled for submission in May 2021, but in the event were submitted almost a year late in May 2022.

However, it was only after a series of meetings, the submission of additional evidence and extensive consultation, that the standards were approved with conditions. There then followed several months of difficult negotiations between the steering group and the **IfATE** as they sought to find a compromise which would meet both employer needs and the Institute's criteria. The revised standard and assessment plan was eventually re-submitted and agreed by the IfATE in December, and is expected to be formally published in 2023.



APPRENTICESHIP FUNDING

During the run-up to the initial submission, concern grew that the funding band which would be allocated to the new standard would not be sufficient. Through our contacts with the **Association of Education & Learning Providers (AELP)** hair and beauty forum, we knew that training providers anticipated that they would simply not be able to continue providing the standard on the lower funding rate. We lobbied hard for the funding band to be increased, writing to the **Secretary of State for Education** to make the case, as well as pressing the IfATE, BEIS and the Treasury. The ESFA and IfATE developed a new funding model, which allowed a broader cost base. Caroline co-ordinated the submission of data from training providers to build the case for the new funding band proposal, which was submitted in January 2023.

Caroline Larissey and **Rosina Robson** also provided a short briefing to the **Personal Care team** in **BEIS** on the **Apprenticeship Levy**, with ideas for reform and how to redistribute the funds to small sector businesses, based on input from the Trailblazer group. As a result of this, we met the **Head of Apprenticeships Policy** at **HM Treasury (HMT)** to discuss the same subject and were also able to raise other related issues.



QUALIFICATIONS AND STANDARDS

REVISION OF THE HAIR AND BARBERING APPRENTICESHIP STANDARDS

AESTHETICS APPRENTICESHIP

Caroline continued to support the **Beauty Professional & Aesthetics Steering Group (BPASG)** to develop the **Aesthetic Practitioner** skin rejuvenation standard and assessment plan at level 5. The proposal was submitted and approved with conditions, and is due for consultation in the New Year.

A new apprenticeship standard for a holistic and wellbeing therapist was developed at level 3.

AWARDING ORGANISATIONS AND T-LEVELS

Caroline Larissey supported **VTCT** on the development of the T-Level specification for beauty, hairdressing and barbering. She was also involved in the **Department of Education's (DfE)** development of the transitional T-Level programme development at level 2, as a preparatory programme for level 2 students who aspire to progress onto a T-Level or apprenticeship.

As a T-level ambassador, Caroline liaised with the **DfE's Employer Advocacy and Ambassador Network**, explaining how the department could support the sector via the T-Level programme, using the findings from the skills research report to highlight where there were opportunities to make an impact. This led to the development of a communications plan for the sector.

Caroline's contribution was recognised by the **DfE's Director, Professional & Technical Education**, who acknowledged her **valuable personal contribution** in the panel of experts' review of the national technical outcomes for the hair and beauty subject area, which helped shape the future national T-Level Transition Programme.

We were invited by the Education and Training Foundation to join their expert group supporting the development of the T-level course at **Milton Keynes College**. Caroline worked with them to support the development of resources for colleges and lecturers, filming training videos, and taking part in an **Industry Insights workshop**.



MEMBER SERVICES AND SUPPORT

1,479 Members used the **employment and health & safety helpline** during 2022, 31% of all eligible members (Solo Members are not entitled to use the helpline).

The top five issues handled by the employment team were:

- Discipline
- Contracts and contract terms
- Sickness-related absence
- Apprentices
- Resignation

The top four issues handled by the commercial team were:

- Commercial contracts
- Commercial property
- Miscellaneous commercial
- Data protection

PRIMARY AUTHORITY

We agreed with Milton Keynes Borough Council that we should end our primary authority partnership when it became clear to us both that they were not able to provide the level of support that we needed. We have established a new partnership with **East Surrey** and **Woking Councils**. We have agreed an action plan which includes their re-validating the **Primary Authority Partnership** approval of all NHBF documents, as well as a series of webinars, blogs and news features to run throughout 2023.



CONSUMER CODE OF PRACTICE

We saw a substantial increase in the number of applications for our alternative dispute resolution (ADR) service across the year, with a corresponding increase in the number progressing to mediation.

77% of the proposed mediation outcomes were successfully agreed.

SELF-EMPLOYMENT END OF SERVICE DATA AGREEMENT

Following a call from a Member, we realised that, as salons and barbershops chose to move from employing staff to operating a self-employed model, it was likely that the issues relating to client data would increase over time. We liaised with the Information Commissioner's Office (ICO) to create an end of service data agreement which would allow salon and barbershop owners and self-employed contractors to agree at the outset of their arrangement what would happen with the contractor's client data held on the salon's systems when the self-employed contract is ended. This will be accompanied by guidance notes to enable them to understand and select the agreement most appropriate for their business model.

MARKETING

TOP 100 INFLUENCERS INDEX

We ran the **NHBF Top 100 Hair & Beauty Professional Influencers Index** for a second time, following the success of the inaugural year. There were 250 nominations from across the sector, and as before, the **Top 100** were announced in a series of teaser countdown videos released each day in the week running up to the launch of the Top 20 on **Sunday 13 November**. The launch event, which was sponsored by **Pirkx, City & Guilds** and the **Hair & Beauty Charity**, took place again at **Electric Space** in London, hosted by beauty journalist Keeks Reid, and was watched by 300 people as a livestream across the NHBF YouTube channel.

EXHIBITIONS AND SPONSORSHIPS

We attended **Professional Beauty, Barberfest, Professional Beauty North** and **Salon International** in 2022, sponsoring the business and marketing stages. We organised panel sessions on the state of the industry, building a brand on social media and apprenticeships as part of that arrangement.

The NHBF also sponsored the **Spa Team of the Year** category at the **Professional Beauty Awards** and the **Best New Independent Salon** category at the **British Hairdressing Business Awards**.



SOCIAL MEDIA

	TOTAL FOLLOWERS	CHANGE OVER YEAR
Facebook	13,184	-68
Instagram	137,219	+804
Twitter	83,977	-3,852
LinkedIn	1,405	+205
Clubhouse	582	+56

The decline in our **Instagram** following was attributed to changes in the algorithm and the need to post more mixed and engaging content, particularly video. Following a review of our approach to social media, we have begun to post more 'lifestyle' content (including the team photos, and what's going on in the business reels and carousels) resulting in much better engagement from our followers. We have been increasing the content on our **LinkedIn** profile and plan to set up an NHBF **TikTok** account.

CLUBHOUSE

The NHBF **Clubhouse** room, hosted by **Ian Egerton** and **Steph Stevenson**, ran through the early months of the year, covered topics such as keeping safe online, the impact of rising energy costs and when and how to increase prices. Attendance numbers fell, so we decided to pause the Clubhouse rooms for the summer. All previous Clubhouses can be found on the Members' website and are hosted on a private **NHBF YouTube Channel**.



WEBINARS

We continued to host **webinars** through the year, building a bank of pre-recorded sessions focusing on specific technical topics, available exclusively to Members. These included two webinars in January provided by **HMRC** discussing how to avoid them common errors with the **National Minimum Wage**, such deductions, unpaid leave and the importance of good record-keeping. Another highlighted the new legislation being brought in to tackle commercial rent debts built up during the pandemic.

NHBF APP

The **NHBF app** launched in January. By the end of the year, it had been downloaded 1,104 times from the Apple App Store and 178 time from the Google Play Store.

PODCAST

The NHBF launched its podcast, **NHBF Shines On...** in May. Hosted by **Brooke Evans**, one of the industry's fastest rising stars, **NHBF Shines On** sought to inspire by featuring some of the leading names in the industry talking about the tough times they had been through and celebrating their successes. The episodes were initially available only to Members, then put on general release.

INDUSTRY SUPPORT PROGRAMME AND STRATEGY DEVELOPMENT

The **Industry Support Programme** was conceived as the way for the NHBF to support its **Members** to improve their business skills and acumen to enable them to recover from the pandemic. As the needs and concerns of salon and barbershop owners evolved with changing circumstances, we sought to evolve our plans and activities to match. We were helped by the advice of an expert working group, drawn from our Members to help us to screen and develop the programme activities.

The Programme was structured around three themes to support the recovery of each hair and beauty business:

1. **CONNECTION & VOICE** - being part of a connected community with a clear and powerful voice.
The activities within this strand included the **Careers at the Cutting Edge** report, and the subsequent public affairs campaign to raise awareness of the skills and recruitment crisis and the NHBF Shines On podcast. We also began to explore the potential for an online community. In response to concern about rising energy prices, we sought to provide practical support, negotiating the energy brokerage partnership with **Direct Business Services (DBS)**.

2. **PERSONAL GROWTH** - becoming the best business owner that you can be through providing access to high quality accessible Member only learning experiences.
3. **EXCELLENCE** – raising standards and implementing best practice within your salon or barbershop.

We partnered with e-learning provider **Pivot Point** to provide Members with learning materials to help them toward complying with the NHBF professional code of conduct, using simple, mobile friendly content on an easy-to-understand roadmap, as a guide towards upholding high professional standards and implementing best practice. This is the first step in the development of a wider digital learning strategy for an **NHBF learning hub**.

As we developed the projects, it became clear that they would only succeed if they could be delivered efficiently and effectively online. This would require a significant enhancement of the NHBF's digital capacity and capability. The work which began specifically to support the project evolved over the year towards a complete digital transformation programme which is expected to complete in 2024.



The work on the **Industry Support Programme** informed the parallel development of the **NHBF's strategy for 2023-25**. The Strategy's themes echoed those of the ISP:

1. **IMPROVING THE INDUSTRY** – Supporting business recovery and tackling the skills crisis
2. **ENGAGING MEMBERS** – Providing content that support, engages and inspires
3. **CONNECTION AND VOICE** – Connecting the hair & beauty industries and improving Government and society's understanding of the sector
4. **BUILDING A STRONGER NHBF**

The Board approved the strategy in July, and agreed a further investment from the reserves to support it.

AWARDS

The NHBF was again recognised in several industry awards:

NATIONAL ASSOCIATION AWARDS

- **National Association/Federation of the Year** (up to 10,000 members)
- **Best Social Media**

ASSOCIATION EXCELLENCE AWARDS

- **Best New Event** (for the Top 100 Influencer Index launch)

We were also highly commended for **Member Engagement** at the **Trade Association Forum Awards** and in the **Best Social Media Presence** category at the **MemCom Awards**.

STAFF

Tori Priestley returned from maternity leave to her role as Director of Marketing in January, but left in August to pursue a career change as a primary school teacher. **Samantha Turner- Meyern** joined in October to take on the refocused role of **Director of Digital & Marketing**.

Tom Shelston worked with the staff team as a consultant throughout the year, helping to develop the **Industry Support Programme**, the corporate strategy and the strategic project programme which emerged from that.

CERTIFICATION OFFICER

The **NHBF** has been officially removed from the Certification Officer's list of Trade Unions and Employers Associations and the Northern Ireland Certification Officer's list of Trade Unions and Employer Associations, as the 'regulation of relations' between workers and an employer, or between employers and workers is no longer one of its principal purposes.

WORLD HAIR LTD

World Hair has now formally dissolved. The NHBF received a cash payment of around £3,000 as its share of the remaining funds.



THE NHBF BOARD (FROM NOVEMBER 2022)

IAN EGERTON
NHBF president

MANDY LODGE-STEWART
NHBF vice president

MARK CORAY
Welsh region

BEVERLEY BATES
Central England region

KEVIN HUGGINS
Eastern counties region

FIONA JOHNSTON
Scotland

TOM ROBINSON
East Midlands region

CAROLYN SWEENEY
Southern region

Susan Hall resigned in February. Adrian Ball resigned in March. The Board elections and AGM were postponed because of the delay in securing approval of the new Rules from the Financial Conduct Authority.

GOVERNANCE REVIEW

The Financial Conduct Authority (FCA) raised several technical queries regarding the new Rules adopted at the AGM in November 2021. Consequently, we had to delay the elections and the AGM until these were resolved.

Several of the queries raised appeared to cover points which had not been questioned when previous versions of the Rules were approved. Nevertheless, when we eventually received a much-delayed response to our reply, we were informed that several longstanding provisions conflicted with the Co-operative and Community Benefit Societies Act 2014, which governs registered societies such as the NHBF. We eventually agreed the wording to change the Rules to address these points, and the changes were approved at an Extraordinary General Meeting in November.

We have still to address one further issue, namely that Trade Members appear to have been accorded shares in the society without being granted a corresponding right to vote. It appears that this was an administrative error at the time the Trade (formerly Affiliate) status was created, but as it has no substantive bearing on the day-to-day running of the Federation, the FCA agreed to allow us to resolve the issue on the next application for a Rule change.

The 2022 elections and Annual General Meeting will take place in January 2023.



FINANCIALS 1

National Hair & Beauty Federation Limited **Summarised Income and Expenditure Account** for the year ended 31 December 2022

INCOME	2022 £	2021 £		2022 £	2021 £
Members fees	1,451,209	1,625,207	Operating surplus for the year	(334,532)	112,763
Insurance commission	62,081	98,498	Realised (losses) on listed investments		20,245
Sales to members	16,025	27,812	Corporation tax	-	-
Competition and event income	4,267	42	Total recognised gains relating to the year	-	-
Magazine advertising and sponsorship income	45,240	37,973	Re-analysis of unpaid share capital from previous years	-	-
Investment income and interest receivable	82,607	78,688	Unrealised gains on listed investments	(432,622)	296,294
Other income	9,040	13,180	Net movement in funds	(767,154)	429,302
Total income	1,670,469	1,881,400	Issue / (withdrawal) of shares	(959)	(338)
EXPENDITURE			Balance brought forward at 1 January 2022	4,456,909	4,027,945
Direct membership services	593,590	378,913	Balance carried forward at 31 December 2022	3,688,796	4,456,909
Meeting costs	19,080	14,516			
Affiliation fees and subscriptions	16,733	18,046			
Competition and event costs	23,148	36,086			
Publicity and promotional costs	160,205	263,286			
Honoraria	9,053	8,875			
Staff costs	686,141	730,594			
Premises and office equipment costs	208,928	124,753			
Administration costs	272,443	176,270			
Irrecoverable VAT	15,680	17,343			
Insurance premium tax	-	-			
Total expenditure	2,005,001	1,768,637			
Surplus for the year before exceptional items	(334,532)	112,763			

The Income and Expenditure Account and Balance Sheet have been extracted from the audited financial statements for the year ending 31 December 2022. If you wish to have a copy of the full Financial Statements please visit www.nhbf.co.uk or contact us on **01234 831965**.

FINANCIALS 2

National Hair & Beauty Federation Limited **Summarised Financial Position** for the year ended 31 December 2022

	2022 £	2021 £
FIXED ASSETS		
Intangible assets	20,634	30,951
Tangible assets	301,777	321,730
Investments	3,447,421	3,821,397
	3,769,832	4,174,078
CURRENT ASSETS		
Debtors	128,242	115,200
Short term bank deposits and cash at bank	193,418	681,367
	321,660	796,567
CREDITORS		
Amounts falling due within one year	(402,696)	(513,736)
Net current assets	(81,036)	282,831
Total net assets	3,688,796	4,456,909
Represented by: Capital, funds and reserves		
Capital, funds and reserves		
Share capital	5,531	6,490
Income & expenditure account	3,006,711	3,251,776
Designated funds		
Revaluation fund	354,143	845,962
Tangible and intangible fixed assets fund	322,411	352,681
Regions and networking groups fund	-	-
Total capital, funds & reserves	3,688,796	4,456,909

REPORT OF THE AUDITOR

The auditor's report on the full accounts for the year ended 31 December 2022 was unqualified.

Streets Auditors LLP
Statutory Auditor, Chartered Accountants
Wyboston, Bedfordshire

Date: 20 March 2023



NHBF

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