

A smiling man with a full beard and short brown hair stands in a barbershop. He is wearing a blue and white checkered button-down shirt over a light blue t-shirt. His arms are crossed. The background features a brick wall, a wooden bar counter with various bottles, and framed pictures on the wall.

# Annual Report 2017

**NHF**

Supporting the hair, beauty  
and barbering industries



# A challenging year

NHF research in 2017 showed that the hair and beauty industry makes a huge contribution to the British economy, generating more than £7bn of revenue, and employing around 270,000 people within the 40,000 hair and beauty salons spread across the UK.

Trading conditions have been getting tougher for our members. Factors affecting them were:

- Economic uncertainty due to Brexit and a consequent drop in consumer confidence
- Rising inflation coupled with falling wages (in real terms)
- Employment rates at the highest levels since the 1970s making recruitment for apprentices and experienced team members difficult

Each year we carry out a survey of NHF members and found that in 2017 the numbers reporting increased turnover has steadily dropped over the last 3 years, with more members reporting that turnover had stayed the same or gone down.

<b>TURNOVER</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Gone up</b>	43%	37%	28%
<b>Stayed the same</b>	32%	37%	42%
<b>Gone down</b>	24%	25%	30%

Against this backdrop, recruiting and retaining members has been more challenging than usual. It was also a year when we implemented major projects to update our brand, to redevelop our website and to move onto a modern Customer Relationship Management (CRM) system to better equip us for delivering the updated 3-year strategy for 2017-2019.

We set ourselves four objectives:

- Increase membership
- Raise the NHF's profile and influence
- Develop new member services
- Develop the NHF for growth

Our continued focus on the business of salon ownership has meant that the NHF has become increasingly recognised as a reliable source of advice and support for anyone running hairdressing, barbering or beauty salon businesses as well as the trade press.

At the time of writing, I am just coming to the end of my second term of office as President. I am very proud to have been the NHF's President in a year when we celebrated our 75 year anniversary. I am keen to carry on the tradition of delivering valuable support and offering an expanded range of services and events to our members. We will continue to deliver exciting changes and find new ways of engaging with our existing salons owner members and the up-and-coming entrepreneurs who will be our members in the future. With your support, we will remain at the forefront of our industry.

**Agnes Leonard**  
NHF President

## 1. Membership

### RECRUITING AND RETAINING MEMBERS

In order to raise our profile, meet salon owners and recruit them as members, we were exhibitors at a number of major shows:

- Pro Hair Live, Manchester and London
- Barbers Connect, Newport

### EVENTS

Working with the Regional Coordinator team, during 2017 the events programme included:

- Changes to apprenticeships
- Colour workshops on balayage / ombre, in association with Goldwell, Matrix and Mood
- Hair loss solutions
- Bridal hair and make-up
- Barbering workshops

## 2. Developing membership services

During 2017 we launched the following new member services:

- Switched to a new provider for our employment law / HR helpline from 1 January
- Launched the NHF Business Awards with an awards dinner to celebrate the NHF's 75th anniversary
- Business coaching and free business helpline
- Health and safety toolkit for hair salons and barbershops, which was approved for Primary Authority so all local authorities work to common standards
- A new guide on Trailblazer apprenticeships in England, including information on funding and updated apprenticeship agreements for England, Wales, Scotland and Northern Ireland
- Updated all the employment contracts and reviewed the chair renting / room renting agreements
- New or update guides on business topics, complemented by blogs which are also accessible to non-members





### 3. Raising the NHF's profile and influence

#### REBRAND

We completed our rebrand during 2017 with the launch of a new website with routes for hair salons, barbershops and beauty salons. The imagery used was taken from films made of members at work in their businesses.

#### 75 YEARS

To celebrate the NHF's 75 years since being formed in 1942, we launched the NHF Business Awards. We were delighted to attract sponsorship from: Takara Belmont, Coversure Insurance Services Ltd, VTCT, Radiant Hair & Beauty Consultancy, Global Payments, UNITE and MindBody. The fabulous awards dinner, attended by 250 guests, was held in November at the Vox Conference Centre, part of the Resorts World complex at the NEC in Birmingham.

#### AMBASSADORS

In 2017, we appointed our first NHF Ambassadors, Hooker & Young, who are so successful in both business and creative work that they provide inspiration for our members. They have commented on business issues, provided case studies and testimonials as well as speaking at the Awards evening.

#### SOCIAL MEDIA

Our following on social media continued to grow over the year, using our monthly schedule of targeted communications. As well as our established social media presence on Facebook and Twitter, our following on Instagram has grown significantly.

#### CAMPAIGNING

During 2017 we appointed a public affairs consultancy to help us campaign effectively on the topics which matter most to members and their businesses:

- Apprenticeships and apprenticeship funding
- Business rates
- National Living Wage/ National Minimum Wage
- Self-employment
- Tax and VAT

With the introduction of the National Living Wage in 2016, we carried out a second survey of members in 2017 to find out what impact the new rates had had upon their businesses. Coupled with pensions auto-enrolment and changes to apprenticeship funding, increases to minimum wages have put pressure on labour-intensive industries, particularly the smaller salons.

## CAMPAIGNING

We consulted members regularly on a variety of topics including:

- Self-employment and competition between businesses with employees and self-employed workers
- Impact of National Living Wage / National Minimum Wage on businesses
- Recruitment for apprentices and experienced team members
- Preparedness for the General Data Protection Regulation which comes into effect in May 2018

## INDUSTRY STATISTICS

We updated our research into key facts and figures for the hairdressing, barbering and beauty industries for 2017. The key finding was the continuing increase in self-employment within the hair and beauty sector.

## COMPETITIONS

The following competitions took place in 2017:

### National competitions:

- Britain's Best, sponsored by Denman
- Photographic Stylist of the Year, sponsored by UNITE
- Before & After competition via Instagram

### Regional competitions:

- Blackpool, sponsored by Mood
- Wales, sponsored by Mood
- Welsh Awards, sponsored by Gilmor Hair and Beauty

A special souvenir edition of SalonFocus magazine was produced to celebrate the success of all the winners and our congratulations go to all of them.

The **Christofer Mann Step Up & Shine scholarship** (in association with the Fellowship of British Hairdressing) took place again in 2017. The competition provides an opportunity for an 'uncut diamond' to win a year of bespoke training worth £2500 in memory of hair industry legend, Christofer Mann. It was won by Evie Scrowston from Hays Salon in Hull who received her prize at the Fellowship's President's Night in London in April.





## 4. Developing the NHF for growth

The final strand of our strategy was to invest in systems infrastructure and to complete the modernisation of the NHF's governance arrangements.

### INVESTMENT

Our new CRM system, Oomi from Centrepint, was launched in May 2017 at the same time as the fully integrated website. As happens with many IT projects, there were some initial teething problems which affected our members and their user experience. These were resolved as quickly as possible, but further development work on both the website and Oomi was needed to ensure the functionality worked as expected.

### GOVERNANCE

The final changes to governance were approved by members at the Annual General Meeting in 2017. The main rule change agreed was renaming the NHF's governing body as the NHF Board rather than the National Executive Council (NEC).

### THE NHF BOARD (FROM MAY 2017)

**Agnes Leonard**

NHF president

**Ian Egerton**

NHF vice-president

**Yvonne McConnell**

Honorary treasurer

**Kevin Huggins**

Eastern counties region

**Mark Coray**

Welsh region

**Adrian Ball**

South west region

**Eileen Clough**

North west region

**Steven Scarr**

North east region

**Joe Cownley**

Central England region

**Julie Wells**

Southern region

**Ann Goddard-Wilson**

West of Scotland region

**Roy Sparkes**

East Midlands region

**Mandy Lodge-Stewart**

Yorkshire region

## Forward plans for 2018

Building on the investment made in rebranding, a new CRM and a new website, 2018 will be the year when we expect to start seeing concrete returns.

We will focus on helping our members prepare for big changes which affect their business, for example, the introduction of the General Data Protection Regulation in May 2018, employment law reforms which might affect self-employment and possible changes to VAT.

The NHF will continue to prioritise you, our members - and what matters most to you. We will continue to help you build and develop your businesses, to keep up-to-date on ever-changing employment law and ensure that your voice as a salon or barbershop owner is heard and listened to.



## Financials 1

National Hairdressers' Federation Limited **Summarised Income and Expenditure Account** for the year ended 31 December 2017

	<b>2017</b>	<b>2016</b>		<b>2017</b>	<b>2016</b>
<b>Income</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
Members fees	<b>1,260,212</b>	1,239,231	<b>Operating surplus for the year</b>	<b>100,908</b>	58,958
Insurance commission	<b>97,843</b>	107,983	Realised (losses) on listed investments	<b>1,235</b>	(25,447)
Sales to members	<b>27,178</b>	34,111	Corporation tax	-	1,382
Competition and event income	<b>48,379</b>	55,884	<b>Total recognised gains relating to the year</b>	-	34,893
Magazine advertising and sponsorship income	<b>64,947</b>	54,363	Unrealised gains on listed investments	<b>185,239</b>	232,488
Investment income and interest receivable	<b>72,718</b>	62,680	<b>Net movement in funds</b>	<b>287,382</b>	267,381
Other income	<b>34,854</b>	19,126	<b>Balance brought forward at 1 January 2017</b>	<b>3,185,479</b>	2,918,098
<b>Total income</b>	<b>1,606,131</b>	1,573,378	<b>Balance carried forward at 31 December 2017</b>	<b>3,472,861</b>	3,185,479
<b>Expenditure</b>					
Direct membership services	<b>346,517</b>	404,833			
Meeting costs	<b>45,887</b>	64,040			
Affiliation fees and subscriptions	<b>13,072</b>	11,242			
Competition and event costs	<b>132,507</b>	104,444			
Publicity and promotional costs	<b>156,841</b>	206,878			
Honoraria	<b>8,240</b>	8,052			
Staff costs	<b>503,111</b>	417,033			
Premises and office equipment costs	<b>119,638</b>	100,114			
Administration costs	<b>141,847</b>	161,149			
Irrecoverable VAT	<b>37,563</b>	28,256			
Insurance premium tax	-	8,379			
<b>Total expenditure</b>	<b>1,505,223</b>	1,514,420			
<b>Surplus for the year before exceptional items</b>	<b>100,908</b>	58,958			

The Income and Expenditure Account and Balance Sheet have been extracted from the audited financial statements for the year ended 31 December 2017. If you wish to have a copy of the full Financial Statements please visit our website [www.nhf.info](http://www.nhf.info) or contact us on **01234 831965**.

## Financials 2

National Hairdressers' Federation Limited **Summarised Financial Position** for the year ended 31 December 2017

	2017 £	2016 £
<b>Fixed assets</b>		
Intangible assets	70,731	94,973
Tangible assets	353,108	367,900
Investments	3,112,947	2,874,790
	<b>3,536,786</b>	3,337,663
<b>Current assets</b>		
Debtors	52,130	114,259
Short term bank deposits and cash at bank	238,969	110,502
	<b>291,099</b>	224,761
<b>Creditors</b>		
Amounts falling due within one year	(355,024)	(376,945)
<b>Net current assets</b>	<b>(63,925)</b>	(152,184)
<b>Total net assets</b>	<b>3,472,861</b>	3,185,479
<b>Represented by: Capital, funds and reserves</b>		
<b>Capital, funds and reserves</b>		
Share capital	5,230	5,271
Income & expenditure account	2,536,339	2,357,240
<b>Designated funds</b>		
Revaluation fund	507,453	360,095
Tangible and intangible fixed assets fund	423,839	462,873
<b>Total capital, funds &amp; reserves</b>	<b>3,472,861</b>	3,185,479

### Report of the Auditor

The auditor's report on the full accounts for the year ended 31 December 2017 was unqualified.

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

**Date: 13 May 2018**



**NHF**, One Abbey Court, Fraser Road, Priory Business Park, Bedford MK44 3WH.

**Phone:** 01234 831965 | **Email:** [enquiries@nhf.info](mailto:enquiries@nhf.info) | **Web:** [www.nhf.info](http://www.nhf.info)

