

AGM 2023

# NACFB

HELPING FUND UK BUSINESS

## Annual Report, Accounts & AGM Agenda 2023



# NACFB

HELPING FUND UK BUSINESS

NACFB Head Office  
33 Eastcheap  
London  
EC3M 1DT

020 7101 0359

# NACFB

HELPING FUND UK BUSINESS

## Contents

3	Chair's introduction
4	AGM agenda 2023
5	Resolution detail
6	Finance report
7	Auditors' report
8	Consolidated accounts 2022
10	Budget 2024
11	AGM 2022 minutes

# United we stand

## Finding certainty where we can



**Paul Goodman**  
Chair  
NACFB

**A**s the adage goes: “Uncertainty is an uncomfortable position. But certainty is an absurd one.” And in an era where economic and business confidence seems to ebb and flow with the tides, I am left wondering, if uncertainty has truly become the norm, can it really still be said to be uncertain?

2023, in many respects, was yet another testament to resilience. Despite incremental rises in interest rates for most of the year, the lending community did what it does best and adapted. Lenders and brokers alike have not only persevered but thrived in the face of challenge, ensuring that growth finance remained available to the myriad small businesses burning with the ambition to grow. Yet, this year was not without its tests. External factors were numerous – from the rate hikes to a surge in inflation, leading to escalating living costs. Amidst these challenges, creditworthiness faltered, and the appetite of some lenders dwindled.

### Seeking certainty

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The question of an impending recession has loomed large over all those in the lending ecosystem, differing from one economist to the next. It seems we narrowly avoided slipping into one in early Q4, but the economy is far from out of the woods. So how do we seek firmer ground in perennially uncertain times?

The answer, I believe, lies not in searching for certainty in external circumstances, but in fostering it within our own community. The NACFB has always thrived on the immovable principles by which its

Members conduct their business. It is the collective solidarity of our community and the unwavering commitment to excellence and ethics that make us a force to be reckoned with.

As we usher in 2024, the anticipation is palpable. We eagerly await the findings of our annual membership survey, while simultaneously pushing ahead with the Association’s Assurance Consultation Process. Moreover, our focus is laser-sharp on elevating the value proposition of your membership fees.

### Recognising responsibilities

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The NACFB board is acutely aware of our dual responsibilities. We’re not just torchbearers of the NACFB’s longstanding legacy, but also trusted custodians of all Member and Patron fees. I say with a good measure of confidence that the upcoming year is poised to be a monumental one in our 32-year journey.

I hope you will recognise that our influence in parliamentary quarters is also burgeoning, and our industry ties are more robust than ever. But what truly excites me is the imminent raising of the trade body’s public profile. But as the saying goes, with great power comes great responsibility. Our expanding public footprint brings with it heightened accountability, greater expectations, both from external stakeholders and from within, and yes, we anticipate a spike in competition. Yet, it’s a future we step into with unwavering resolve. The challenges are formidable, but so is our spirit. The path of progression is one laden with responsibilities, but it’s a journey we’re thrilled to embark upon.

In closing, I have a simple but honest and humble request. Proudly walk alongside us. Engage with the excellent NACFB team. Together, let’s continue to bolster and enhance the UK’s largest independent trade body for commercial finance professionals. Our collective horizon is vast, and our shared ambition really can be boundless. Here’s to forging ahead with greater certainty, unity, and a mutual vision for excellence. ●

# Annual General Meeting Agenda 2023

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National Association of Commercial Finance Brokers (NACFB)

(A Company Limited by Guarantee)

Notice is hereby given that the 2023 Annual General Meeting of the Company will be live streamed from 2.00pm on Thursday 14<sup>th</sup> December 2023 at: [nacfb.org/agm-2023](https://nacfb.org/agm-2023)

You can also cast your votes in advance of the AGM online at: [nacfb.org/agm-2023](https://nacfb.org/agm-2023)

## 2023 AGM Agenda

- Managing Director's introduction and apologies
- Chair's opening remarks
  - a. Approval of the Minutes of the Annual General Meeting 2022
  - b. Matters arising
- To consider and approve the profit and loss accounts and balance sheet and the reports of the Board and the Auditors for the year ending 31<sup>st</sup> December 2022
- To receive the budget and approve the subscriptions for Members and Patrons, for the year ending 31<sup>st</sup> December 2024
- To appoint Auditors UHY Hacker Young as auditors for the financial year ending 31<sup>st</sup> December 2023
- To transact any other business which can properly be raised at an Annual General Meeting

# Your vote matters

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Further detail behind each of this year's proposed resolutions

## Ordinary Resolution 1

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To consider and approve the profit and loss accounts and balance sheet and the reports of the Board and the Auditors for the year ending 31<sup>st</sup> December 2022

The first resolution seeks to approve the Association's year end accounts for December 2022 and the Auditors' report for the same year. Full details of both can be found in this AGM brochure.

## Ordinary Resolution 2

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To receive the budget and approve the subscriptions for Members and Patrons, for the year ending 31<sup>st</sup> December 2024

The second resolution proposes an increase in membership fees for 2024. Membership fees will increase starting on 1<sup>st</sup> January 2024, by £3.75 per month for each firm and by £1.25 for each Registered Individual (RI). This will bring the single Member firm fee to £68.75 per month, with each additional RI fee rising to £23.75 per month for most firms. RI fees for the very largest firms, those with more than 50 RIs, will increase to £18.75 per month. These small increases are necessary to cover rising staff and supplier costs, but the trade body aims to minimise the impact on Members and ensure that fees continue to offer good value. Lender Patron fees will also increase in January 2024, from £6,000 to £6,300 per annum, representing a 5% uplift in line with inflation levels.

## Ordinary Resolution 3

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To appoint Auditors UHY Hacker Young as auditors for the financial year ending 31<sup>st</sup> December 2023

The NACFB Board proposes the reappointment of auditors UHY Hacker Young for the year ending 31<sup>st</sup> December 2023. The team at UHY Hacker Young has audited the NACFB for the last seven years and has a good understanding of our Association. UHY Hacker Young is also keen to continue its working relationship with the NACFB. ●



# The past, present, and future

## Building from firm foundations



**Nicola Newborough**  
Finance Director  
NACFB

**T**he NACFB's accounts for 2022 show a profit before tax of £172,649. While this is lower than the profit before tax of £323,531 in 2021, the result is ahead of the budget and a very positive position for Members. The NACFB remains a 'not-for-profit' Association, continually aiming to optimise benefits offered to Members rather than resolutely focusing on delivering profit growth.

Administrative expenses were tightly controlled during 2021 as we started to recover from the impacts of COVID-19 and reintroduce our key events. In contrast, 2022 provided an opportunity to reinvest in our organisational structure, reassessing reductions made throughout the pandemic. This opportunity was possible due to growth across our key income streams, including membership and patronage fees, magazine advertising, and key events.

The launch of the NACFB Mutual and the trade body's Broker Academy were both major milestones for the Association in 2022. The Summer Party, celebrating our 30th year, was also a huge success, enjoyed by all those who attended.

### Continued growth

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2023 sees the Association on course to again exceed budgeted profit before tax, with expectations currently in the region of £165,000. Costs are expected to be broadly in line with the budget, with higher income driving the overperformance. We've seen stronger growth in membership and patronage fees, plus stronger NACFB Expo sales.

This upside will allow the Association to continue to invest in further benefits for Members and the commercial finance community as we move into 2024. We have added new roles in compliance, communications, and events this year and will continue to reap the benefits from these moving forward.

The budget for 2024 shows growth in both income and expenditure, with a profit before tax of £75,219. We expect to expand our membership offering throughout the year while continuing to build relationships with our broad group of stakeholders.

### Providing value

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The income in the budget is based on the 2024 Patron fee increasing from £6,000 to £6,300 per annum, a 5% uplift, in line with inflation levels. Membership fees will increase from 1st January 2024, by £3.75 per month for each firm and by £1.25 for each RI.

This takes the Member firm fees to £68.75 per month and RI fees to £23.75 per month for most firms. RI fees for the very largest firms will increase to £18.75 per month. These increases are required to cover rising staff and supplier costs, but we continue to strive to limit the impact on our Members and ensure that our fees continue to offer good value.

### A balanced outlook

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As with any budget, there are naturally risks and opportunities to these numbers, but overall these are well balanced. The political, economic, and regulatory landscape remains uncertain as we enter 2024. Nevertheless, the Association stands on a firm financial footing.

The trade body's finances are carefully monitored on an ongoing basis, with oversight provided by the NACFB Board. This level of engagement drives focus on long-term growth and stability. ●

# Auditors' report

## Independent auditors' statement to the Members of the National Association of Commercial Finance Brokers



We have examined the summary financial statement for the year ended 31<sup>st</sup> December 2022.

### Respective responsibilities of the Directors and Auditor

....

The directors are responsible for preparing the summary financial statement in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual financial statements, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements.

We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

### Opinion

....

In our opinion the summary financial statement is consistent with the full annual financial statements of the National Association of

Commercial Finance Brokers for the year ended 31<sup>st</sup> December 2022 and complies with the applicable requirements of section 427 of the Companies Act 2006, and the regulations made thereunder.

We have not considered the effects of any events between the date on which we signed our report on the full annual financial statements on 31<sup>st</sup> July 2023 and the date of this statement.

Andrew Timms  
Senior Statutory Auditor  
UHY Hacker Young  
Chartered Accountants and Registered Auditors  
14 Park Row  
Nottingham, NG1 6GR

25/10/2023

### Directors' Statement

....

The auditor has issued unqualified reports on the full financial statements and on the consistency of the directors' report with those financial statements.

Their report on the full annual financial statements contained no statement under sections 498(2)(a), 498(2)(b) or 498(3) of the Companies Act 2006.

# Consolidated accounts 2022

The National Association of Commercial Finance Brokers and its subsidiary companies (a company limited by guarantee)

## Group Balance Sheet as at 31<sup>st</sup> December 2022

	2022 £	2021 £
Fixed Assets		
Tangible Assets	20,263	9,319
Current Assets		
Debtors	991,892	1,101,887
Cash at bank and in hand	1,833,531	1,624,508
	2,825,423	2,726,395
Current Liabilities – Creditors:		
Amounts falling due within one year	(1,429,052)	(1,483,737)
Net Current Assets	1,396,371	1,242,658
Total Assets Less Current Liabilities	1,416,634	1,251,977
Provision for Liabilities	-	-
Net Assets	1,416,634	1,251,977
Accumulated Funds		
Retained Surplus brought forward	1,251,977	932,455
Income & Expenditure account for the year	164,657	319,522
Accumulated Funds Carried Forward	1,416,634	1,251,977

The summary financial statement is derived from the audited full annual financial statements of the National Association of Commercial Finance Brokers and its subsidiary companies.

Members of the National Association of Commercial Finance

Brokers are entitled to a copy of the company's full annual financial statements, which can be obtained from the Association's head office.

The accounts were approved by the Board on 18<sup>th</sup> October 2023.

N. C. Newborough, Finance Director



# Consolidated accounts 2022

## Group Income and Expenditure Account for the year ended 31<sup>st</sup> December 2022

	2022 £	2021 £
Income		
Membership Fees	799,137	783,377
Patronage Income	741,932	613,989
Expo Income & Sponsorship	692,394	580,843
Gala Dinner Income & Sponsorship	279,754	273,360
Summer Party Income & Sponsorship	40,610	-
Magazine Advertising	188,788	176,628
Broker Academy Income	50,900	-
Regional Events & Sponsorship	44,500	30,720
Compliance Services Income	15,124	18,708
PI Commission Income	-	4,783
Commercial Broker Awards Income & Sponsorship	80,743	71,516
	2,933,882	2,553,924
Direct Costs	(1,006,604)	(774,178)
Gross Profit	1,927,278	1,779,746
Administration Expenses	(1,787,552)	(1,463,892)
Operating Profit	139,726	315,854
Other interest receivable and similar income	32,923	7,677
Surplus before taxation	172,649	323,531
Taxation	(7,992)	(4,009)
Surplus after taxation	164,657	319,522

# Budget 2023

	Proposed Budget 2024 £	Latest Forecast 2023 £	Original Budget 2023 £	Final Actual 2022 £
<b>Income</b>				
Membership Fees	1,086,863	939,599	892,434	799,137
Patronage Income	900,778	847,930	819,807	741,932
Expo Income & Sponsorship	875,000	829,459	755,405	692,394
Gala Dinner & Sponsorship	324,000	312,500	276,500	279,754
Summer Party & Sponsorship	-	66,178	90,058	40,610
Magazine Income	56,425	131,546	177,700	188,788
Broker Academy	29,090	36,677	30,000	50,900
Regional Events & Sponsorship	43,000	41,000	40,000	44,500
New Strategic Event	20,000	-	10,000	-
Compliance Income	15,000	13,114	15,000	15,124
Commercial Broker Awards	96,800	88,117	84,198	80,743
Mutual Income	72,000	72,000	72,000	18,000
<b>Total</b>	<b>3,518,955</b>	<b>3,378,120</b>	<b>3,263,102</b>	<b>2,951,882</b>
<b>Expenditure</b>				
Gala Dinner Costs	249,000	239,111	187,000	183,294
Expo Costs	450,000	417,796	409,716	374,969
Magazine Costs	56,425	134,056	145,000	143,849
Broker Academy Costs	19,700	25,575	30,000	50,900
Administration Expenses	2,475,714	2,190,695	2,202,744	1,787,552
Summer Party	-	70,828	90,058	81,871
Compliance Services Costs	130,098	101,058	98,662	95,655
Commercial Broker Awards	88,800	83,514	74,998	68,323
Broker & Patron Days	4,000	1,464	-	7,743
New Strategic Event	20,000	-	35,000	-
<b>Total</b>	<b>3,493,736</b>	<b>3,264,098</b>	<b>3,273,178</b>	<b>2,794,156</b>
<b>Operating Surplus /(Deficit)</b>	<b>25,219</b>	<b>114,022</b>	<b>(10,076)</b>	<b>157,726</b>
Other interest receivable	50,000	50,631	20,000	14,923
<b>Surplus before taxation</b>	<b>75,219</b>	<b>164,653</b>	<b>9,924</b>	<b>172,649</b>

# Annual General Meeting 2022 – Minutes

Meeting held virtually with Members invited to join via live stream at <https://nacfb.org/agm-2022/>

14:00 – Thursday 15<sup>th</sup> December 2022

National Association of Commercial Finance Brokers (NACFB)  
Thirtieth Annual General Meeting

Present: Directors and 16 attendees joined proceedings live via the webpage

## Chair's Opening Remarks

- Paul Goodman, (PG) opened the meeting and welcomed those who were joining via the live stream to the thirtieth AGM held by the NACFB. PG expressed his delight at the significant milestones achieved by the Association, notably reaching 160 Patron lenders—a record-breaking achievement. PG also highlighted the NACFB's commitment to shaping the future of the industry through the launch of the NACFB Broker Academy, ensuring a robust foundation for the years ahead. PG also praised the launch of the NACFB Mutual, a strategic response to the challenges posed by rising professional indemnity premiums. PG praised the launch of the NACFB Summer Party, an opportunity for brokers and lenders to meet in the heart of London to celebrate the successes of the industry. Finally, PG referenced the work the Association is undertaking to strengthen relationships with the British Business Bank (BBB), HM Treasury and the Bank of England, and was pleased to inform attendees that the Association has this year taken its place on the Business Finance Council with an unwavering focus to support the Members of the NACFB.
- During the meeting, PG expressed gratitude to David Newborough and Phil Gray for their valuable contributions to the NACFB Board of Directors and the broader Association. PG also announced that both David Newborough and Phil Gray will be stepping down from their roles as Directors at the end of the year.

## Managing Director's Address

Norman Chambers (NC) welcomed NACFB Members to the 2022 AGM. He outlined the three ways that Members have been able to engage with this year's AGM, including how they could use webchat to interact with the NACFB Board during the meeting. He continued with the running order of the AGM formalities.

## Approval of the Minutes

The Annual General Meeting held on 20th December 2021.

The minutes having previously been circulated were approved and accepted as a true record of events.

Proposed: Paul Goodman

Seconded: Steve Olejnik

Matters Arising – There were no matters arising.

## The numbers

NC spoke of the strength of membership numbers compared to 2021, despite the challenges facing the country. NC also commented on the strength of the Association's in-person events, with the Commercial Finance Expo attracting over 1,800 delegates, the Commercial Broker Awards attracting 450 delegates and the Patron Awards & Gala Dinner hosting 760 delegates. He thanked the Members, Patrons, Partners, and support sponsors for their continued support through a challenging year for many.

## Resolution Voting

1. To receive and consider the profit and loss accounts and balance sheet and the Directors and Auditors' Reports for the year ending 31<sup>st</sup> December 2021

Proposed: David Newborough

Seconded: Mike Deacon

Vote carried by the majority.

2. To receive and approve the Group Budget for the year ending 31<sup>st</sup> December 2023

Proposed: Paul Goodman

Seconded: Kim McGinley

Vote carried by the majority.

3. To appoint Auditors UHY Hacker Young as auditors for the financial year ending 31<sup>st</sup> December 2022

Proposed: Steve Olejnik

Seconded: Russ Lewis

Vote carried by the majority.

4. To approve changes to the Articles of Association

Proposed: Paul Goodman

Seconded: Adrian Coles

Vote carried by the majority.

NC confirmed that all votes had been received; live online and in advance via proxy, it meant that the AGM was quorate, and all resolutions were passed by majority. He also thanked Members and Patrons for participating in the recent broker and lender survey and reminded attendees of the forthcoming events for 2023 and again thanked the Members, Patrons and Partners for their continued support. NC ended proceedings by thanking those that had attended online and looked forward to seeing Members next year.

The AGM was brought to a close at 14.20.

Norman Chambers

Company Secretary

15.12.2022



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