

AGM 2024

NACFB

HELPING FUND UK BUSINESS

Annual Report, Accounts & AGM Agenda 2024



NACFB
HELPING FUND UK BUSINESS

NACFB Head Office
33 Eastcheap
London
EC3M 1DT

020 7101 0359

NACFB

HELPING FUND UK BUSINESS

Contents

| | |
|----|---|
| 3 | Note from NACFB Interim Chair, Adrian Coles |
| 4 | Note from NACFB CEO, Jim Higginbotham |
| 5 | Note from Finance Director, Nicola Newborough |
| 6 | AGM agenda 2024 |
| 7 | Overview of changes to the NACFB's Articles |
| 8 | Auditors' report |
| 9 | Consolidated accounts 2023 |
| 11 | Budget 2024 |
| 12 | 2024 director appointments |

A year of change and opportunity

Steering through transition, building on success



Adrian Coles
Interim Chair
NACFB

This year has been a year of transformation on many fronts. As the UK adapts to a shifting political landscape and inflationary pressures begin to ease, with early signs of falling interest rates, these macroeconomic changes may signal a new chapter for the commercial lending sector. Whilst the full impact of these changes will become clearer in the coming months, the NACFB – your trade body – has remained agile and prepared to adapt to the evolving environment, positioning our membership to meet these new challenges and opportunities.

Perhaps most notably this year, October brought a Court of Appeal ruling that upended the established wisdom of how our community transacts business. Whilst the timing of this challenge was unforeseen, I am immensely proud of both our readiness and our swift response in supporting our community. It underscored the true value of having a proactive, trusted, and professional trade body to lean on – indeed, to depend on – during moments of industry upheaval.

This year has also marked pivotal changes here, within the NACFB. As Interim Chair, I have been proud to introduce Jim Higginbotham as our new CEO. Jim's leadership and fresh perspective, together with the strength of our dedicated team, signal an exciting new chapter for the NACFB. Alongside Jim, we also welcomed Sarah Cunningham as our new head of compliance. Her critical role will drive forward our Assurance Consultation Process (ACP), underscoring our ongoing commitment to maintaining high professional standards.

Milestones of growth

Amidst this backdrop of change, the NACFB has continued to expand both its membership and its influence. July marked our 25th consecutive month of membership growth, a remarkable achievement as we surpassed 1,300 Member firms for the first time in our 33-year history. This growth reflects the expanding role of the NACFB in the

intermediated commercial finance space, with more brokers than ever placing their trust in the Association.

Not only has our membership flourished, but so too has our roster of Patrons. This year, we completed a full complement of high-street lenders as Patrons – an accomplishment that underlines the value and trust placed in the NACFB by key financial institutions. We have also seen an expansion in the number of supplier support partners, now standing at 17, the highest in our history, broadening the range of services and support available to our Members.

Our NACFB Mutual has continued to provide industry-leading Professional Indemnity premiums, now covering 75% of eligible Members. This summer also marked the 2,500th Assurance Consultation – a key milestone that demonstrates our ongoing commitment to helping Members meet regulatory requirements.

Shaping governance for the future

....

As we approach this year's AGM, we look forward to presenting a number of key resolutions. These include the appointment of new Member directors, as we aim to further strengthen the Board's capacity to guide the Association through future challenges. We will also be proposing updates to our Articles of Association, reflecting our evolving governance needs and ensuring that our guiding principles remain aligned with the expectations of our Members and Patrons alike. The changes outlined will be pivotal to ensuring the NACFB remains robust and forward-thinking in its governance approach. Full details of these resolutions can be found enclosed in the AGM brochure.

One final significant milestone to note this year is the transition of Norman Chambers to the role of non-executive director. Norman has served as managing director with great dedication and, on behalf of the Board, I would like to thank him for his leadership and the strong foundation he leaves behind. We are fortunate that Norman will continue to offer his expertise and wisdom in his new capacity, ensuring continuity as we embrace new opportunities.

With Jim at the helm and a strong, resilient membership base, the NACFB is well-positioned to lead the intermediated commercial finance space confidently into 2025 and beyond. Thank you for your continued support. ●

Building on a strong foundation

Leading the trade body with renewed focus, collaboration, and trust



Jim Higginbotham
Chief Executive Officer
NACFB

As I pen this note, I'm coming to the end of my first week in the role, and it's fair to say I'm genuinely excited by the challenges and opportunities that lie ahead. I've inherited a fantastic team who are truly passionate about the role they play in supporting the commercial finance community.

The phrase 'supporting the commercial finance community' is deliberately broad, and it highlights the need for our services to continually adjust to meet the ever-changing needs of our Member brokers and lender Patrons. This adaptability will be crucial as we move forward into a period of further change and evolution in the sector.

I would like to take this opportunity to pay tribute to Norman and his team. Their hard work and dedication over the years have allowed me to inherit a highly respected trade body that is genuinely valued by both Members and Patrons. The NACFB is seen as the quality benchmark for our industry, and this is something we are all incredibly proud of.

My plans for the Association in the coming months and years will focus on building on this solid foundation. I aim to review and refresh all our key services to ensure they continue to meet the needs of our Members and Patrons while being delivered in the most effective way possible. This will involve greater collaboration with other trade bodies and industry partners to ensure that the products and services we offer remain best in class.

Another key focus will be maintaining and enhancing the NACFB's role in quality assurance. This is essential to building and maintaining trust between brokers, lenders, and the SMEs we all serve. Trust is

the cornerstone of our industry, and the NACFB plays a critical role in fostering that trust across all parties.

I also want to ensure that our market-leading events and publications continue to reflect the needs of our community. I envision the NACFB as the glue that knits our commercial finance ecosystem together.

As competition in the commercial finance sector becomes more intense and the number of brokers entering the market increases, I believe our Members' ability to deliver across multiple product lines will become even more critical. I want to ensure our offerings reflect this trend with a balanced focus across all key commercial finance products.

Change is a constant in this industry, and my goal over the coming years is to guide the NACFB through these changes, always keeping the needs of our Members and the wider commercial finance ecosystem at the forefront. It's an exciting challenge, and I'm eager to make a meaningful impact. ●



I aim to review and refresh all our key services to ensure they continue to meet the needs of our Members and Patrons while being delivered in the most effective way possible

Growth and financial stability

The enablers of continued investment



Nicola Newborough
Finance Director
NACFB

The NACFB's accounts for 2023 show a profit before tax of £155,727, slightly lower than 2022 (£172,649). The result is ahead of the budget, highlighting strong growth in membership and Patron numbers, plus increasing stand sales income at the NACFB Expo. These are positive signs that Members and Patrons alike recognise the value of being part of the NACFB community. Our flagship events are increasingly popular, but our overall proposition includes so much more.

As a not-for-profit Association, the NACFB continues to seek ways to optimise benefits offered to Members, rather than resolutely focusing on delivering profit growth. Continued investment in our organisational structure in 2023 demonstrated our commitment to that goal.

Organisational change

2024 sees the Association on course to again exceed budgeted profit before tax, with expectations currently in the region of £285,000. Profit is exceptionally high this year, in part due to changes and temporary gaps within both the Board and internal team structure. We don't expect this trend to continue into 2025 given the appointment of several key senior roles in Q4 2024, including a new CEO and a new head of compliance. The expertise of both our new and existing team will be critical in driving success for the benefit of our ever-growing community.

No increases in fees for 2025

As a result of strong financial performance in recent years, we will not be increasing membership fees or Patron fees in 2025.

2025 Patron fees will remain at £6,300 per annum. Membership fees will remain at £68.75 per month and RI fees at £23.75 per month for most firms. RI fees for the very largest firms will remain at £18.75 per month.

The budget for 2025 shows growth in both income and expenditure, with a profit before tax of £68,788. We expect to expand our membership offering throughout the year while continuing to build relationships with our broad group of stakeholders.

An exciting new chapter

As with any budget, there are naturally risks and opportunities to these numbers, both internal and external. Overall, these are well-balanced and the Association continues to stand on a firm financial footing. The appointment of our new CEO, Jim Higginbotham, presents an exciting new chapter for us. Whilst this will undoubtedly introduce some change, our focus on long-term financial growth and stability will remain. ●



As a not-for-profit Association, the NACFB continues to seek ways to optimise benefits offered to Members, rather than resolutely focusing on delivering profit growth

Annual General Meeting Agenda 2024

National Association of Commercial Finance Brokers (NACFB) (A Company Limited by Guarantee)

Notice is hereby given that the 2024 Annual General Meeting of the Company will be virtually live streamed from **11.30am** on **Thursday 12th December 2024** via nacfb.org/agm-2024

All permitted NACFB Members have the option to cast their votes in advance of the AGM through a proxy mechanism, with proxy ballots available to be submitted up to 12 noon on Wednesday 11th December 2024 via nacfb.org/agm-2024. Voting will then reopen during the live-streamed event to allow Members to participate in the session. Adrian Coles, the NACFB's interim Chair, will act as proxy and will cast any assigned votes on behalf of absentee Members on the day of the AGM.

The AGM will provide an opportunity to reflect on the Association's progress over the past year, review the financial health of the organisation, and consider several key resolutions that will shape the NACFB's future direction.

In lieu of reproduced minutes from last year's AGM, you can rewatch the entire proceedings online here: nacfb.org/agm-2023

NACFB Annual General Meeting 2024 - Agenda & Proposed Resolutions

- CEO's introduction and apologies
- Opening remarks

Special resolution (a majority of not less than 75% acceptance rate of the quorate NACFB membership)

- **Resolution 1: Amendments to the Articles of Association**
To approve the proposed amendments to the NACFB's Articles of Association.

Ordinary resolutions (a majority of not less than 50% acceptance rate of the quorate NACFB membership)

- **Resolution 1: Approval of subscription fees**
To receive the budget for the forthcoming financial year and to approve the holding of subscription rates for both Members and Patrons.
- **Resolution 2: Appointment of auditors**
To appoint UHY Hacker Young as the auditors for the financial year ending 31st December 2024 and to authorise the Directors to determine their remuneration.
- **Resolution 3: To approve a three-year extension in tenure for Gary Cain as Non-Executive Director.**
- **Resolution 4: To approve a one-year extension in tenure for Steve Olejnik as Non-Executive Director.**
- **Resolution 5: To approve the appointment of Tom Perkins for an initial two-year term as Non-Executive Director.**
- **Resolution 6: To approve the appointment of Evette Orams for an initial one-year term as Non-Executive Director.**

The NACFB's Annual Report and Financial Statements for the year ended 31st December 2023 can be accessed online [here](#).

View the NACFB's revised proposed Articles of Association [here](#).

Overview of Changes to the NACFB Articles of Association

This page seeks to provide a high-level overview of the updates to the NACFB's Articles of Association and the rationale behind these important changes. The trade body's Board identified that the current articles needed a comprehensive review to ensure they enable the Association to operate effectively and take advantage of future opportunities as they arise within the commercial finance industry.

The NACFB has transformed in recent years, growing in both its

membership and the breadth of services it provides, and the organisation recognised that it was essential for its governance framework to keep pace with these developments.

Working closely with independent solicitors at TLT, the NACFB set out to create a refreshed, streamlined Articles of Association. This process was conducted with an eye toward simplicity and operational flexibility, to better serve Members in a dynamic and fast-moving industry. ●

Key thematic changes

The NACFB's governance and structure

The new enhancements streamline the governance structure, clarifying roles and reducing unnecessary complexity. For instance, positions like Vice Chairperson and Observers to the Board have been removed to reflect NACFB's current needs. The updated articles also set a minimum and maximum for the Board's size, creating flexibility whilst maintaining essential oversight.

Membership definitions and requirements

Distinctions between Full and Associate Members have been clarified, ensuring a more structured process for membership type allocation. The Board now has the authority to determine membership status based on compliance reviews. Additionally, the updated articles specify requirements for membership, including compliance with the Code of Practice.

Board powers and responsibilities

The NACFB Board's powers have been adjusted to enhance operational efficiency and to focus these on the Objects of the Association. New provisions allow for the appointment of employees and consultants, as deemed necessary by the Board, together with clarification on director terms of office and ratification requirements at the AGM. These updates support flexibility while retaining sufficient checks and balances, particularly in crucial areas like director appointments and reappointments, and Board composition.

Membership engagement and meeting procedures

Changes to meeting quorums and voting ensure more efficient decision-making. The general meeting quorum has been set at a specific number of Members rather than a percentage, ensuring practicality as well as maintaining the scope for genuine debate to take place. This adjustment encourages active Member participation and simplifies meeting processes.

For those interested in a complete assessment of the changes, the full comparison document prepared by TLT can be accessed [here](#), whilst the proposed new Articles of Association can be read [here](#).

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 31st December 2023.

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 31st December 2023 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 20th September 2024 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

15/10/2024

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 2023

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

Group Balance Sheet as at 31st December 2023

| | 2023 £ | 2022 £ | 2021 £ |
|--|-------------|-------------|-------------|
| Fixed Assets | | | |
| Tangible Assets | 24,383 | 20,263 | 9,319 |
| Current Assets | | | |
| Debtors | 723,701 | 991,892 | 1,101,887 |
| Cash at bank and in hand | 1,955,614 | 1,833,531 | 1,624,508 |
| | 2,679,315 | 2,825,423 | 2,726,395 |
| Current Liabilities – Creditors: | | | |
| Amounts falling due within one year | (1,144,075) | (1,429,052) | (1,483,737) |
| Net Current Assets | 1,535,240 | 1,396,371 | 1,242,658 |
| Total Assets Less Current Liabilities | 1,559,623 | 1,416,634 | 1,251,977 |
| Provision for Liabilities | (865) | - | - |
| Net Assets | 1,558,758 | 1,416,634 | 1,251,977 |
| Accumulated Funds | | | |
| Retained Surplus brought forward | 1,416,634 | 1,251,977 | 932,455 |
| Income & Expenditure account for the year | 142,124 | 164,657 | 319,522 |
| Accumulated Funds Carried Forward | 1,558,758 | 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 accessed online [here](#).

The accounts were approved by the Board on Tuesday 17th September 2024.

N. C. Newborough, Finance Director

Consolidated accounts 2023

Group Income and Expenditure Account for the year ended 31st December 2023

| | 2023 £ | 2022 £ | 2021 £ |
|---|-------------|-------------|-------------|
| Income | | | |
| Membership Fees | 945,083 | 799,137 | 783,377 |
| Patronage Income | 853,379 | 741,932 | 613,989 |
| Expo Income & Sponsorship | 829,459 | 692,394 | 580,843 |
| Commercial Lender Awards Income & Sponsorship | 283,372 | 279,754 | 273,360 |
| Summer Party Income & Sponsorship | 66,178 | 40,610 | - |
| Magazine Advertising Income | 131,547 | 188,788 | 176,628 |
| Broker Academy Income | 36,767 | 50,900 | - |
| Regional Events & Sponsorship | 41,000 | 44,500 | 30,720 |
| Compliance Income | 15,546 | 15,124 | 18,708 |
| PI Commission Income | - | - | 4,783 |
| Commercial Broker Awards Income & Sponsorship | 88,117 | 80,743 | 71,516 |
| | 3,290,448 | 2,933,882 | 2,553,924 |
| Direct Costs | (1,062,271) | (1,006,604) | (774,178) |
| Gross Profit | 2,228,177 | 1,927,278 | 1,779,746 |
| Administration Expenses | (2,198,448) | (1,787,552) | (1,463,892) |
| Operating Profit | 29,729 | 139,726 | 315,854 |
| Other interest receivable and similar income | 125,998 | 32,923 | 7,677 |
| Surplus before taxation | 155,727 | 172,649 | 323,531 |
| Taxation | (13,603) | (7,992) | (4,009) |
| Surplus after taxation | 142,124 | 164,657 | 319,522 |

Budget 2024

| | Proposed Budget 2025 £ | Latest Forecast 2024 £ | Original Budget 2024 £ | Final Actual 2023 £ |
|---|------------------------------|------------------------------|------------------------------|---------------------------|
| Income | | | | |
| Membership Fees | 1,293,917 | 1,148,653 | 1,086,863 | 945,083 |
| Patronage Income | 982,800 | 916,963 | 900,778 | 853,379 |
| Expo Income & Sponsorship | 936,000 | 893,455 | 875,000 | 829,459 |
| Commercial Lender Awards Income & Sponsorship | 350,000 | 334,000 | 324,000 | 283,372 |
| Summer Party Income & Sponsorship | 0 | 0 | 0 | 66,178 |
| Magazine Advertising Income | 90,000 | 89,772 | 56,425 | 131,547 |
| Broker Academy Income | 0 | 28,167 | 29,090 | 36,767 |
| Regional Events & Sponsorship | 43,000 | 43,000 | 43,000 | 41,000 |
| Other Events | 40,000 | 25,500 | 20,000 | 0 |
| Compliance Income | 15,000 | 14,496 | 15,000 | 15,546 |
| Commercial Broker Awards Income & Sponsorship | 111,000 | 105,135 | 96,800 | 88,117 |
| Mutual Income | 72,000 | 72,000 | 72,000 | 18,000 |
| Total | 3,861,717 | 3,599,141 | 3,446,955 | 3,290,448 |
| Expenditure | | | | |
| Commercial Lender Awards Costs | 260,000 | 249,000 | 249,000 | 228,087 |
| Expo Costs | 548,000 | 454,779 | 450,000 | 417,797 |
| Magazine Costs | 21,000 | 57,482 | 56,425 | 134,102 |
| Broker Academy Costs | 0 | 15,850 | 19,700 | 25,665 |
| Administration Expenses | 2,833,310 | 2,435,935 | 2,475,714 | 2,198,448 |
| Summer Party Costs | 0 | 0 | 0 | 70,828 |
| Compliance Costs | 118,369 | 118,231 | 130,098 | 100,813 |
| Commercial Broker Awards Costs | 95,000 | 90,366 | 88,800 | 83,515 |
| Broker & Patron Days | 10,000 | 18,145 | 4,000 | 1,464 |
| New Strategic Event | 0 | 0 | 20,000 | 0 |
| Total | 3,885,679 | 3,439,788 | 3,493,736 | 3,260,719 |
| Operating Surplus /(Deficit) | -23,962 | 159,353 | -46,781 | 29,729 |
| Bank interest received | 62,750 | 78,500 | 50,000 | 53,998 |
| Other income received | 30,000 | 48,459 | 72,000 | 72,000 |
| Total | 92,750 | 126,959 | 122,000 | 125,998 |
| Surplus/Deficit before taxation | 68,788 | 286,312 | 75,219 | 155,727 |

2024 director appointments

This year's NACFB AGM resolutions include a proposal to appoint two new directors and extend the terms of two existing board members. Below are brief biographies of each individual to help inform your vote. ●

Director extensions



Gary Cain, Head of Funding – Leonard Curtis

An ACMA-qualified accountant, Gary Cain brings over 25 years of expertise in invoice finance and commercial funding to both his role at Leonard Curtis and on the board of the NACFB. Nearly 15 years ago, he founded the commercial finance brokerage, originally known as Reach Commercial Finance, building a nationwide team to deliver tailored funding solutions for SMEs. Under Gary's direction, the debt advisory team launched in 2022, expanding its services to include cash flow projection, HMRC negotiation, and RPO loan support. As head of funding at Leonard Curtis, Gary now leads both the commercial finance and debt advisory teams, ensuring that businesses receive responsive, strategic support for their funding needs, whether navigating challenges or seizing new opportunities.



Steve Olejnik, Founder – Dovecote Property Finance

With over 30 years in financial services, including 12 years at NatWest and more than two decades as a commercial mortgage broker, Steve Olejnik is a seasoned leader in property finance. Joining the NACFB as a director in 2020, Steve has been pivotal in driving initiatives such as the Broker Academy, dedicated to advancing skills in the sector. Now serving as Interim Vice-Chair, he applies his wealth of industry expertise and leadership to support the trade body's mission. Recognised as an authority in complex financing, Steve has received multiple awards, including Complex Buy-to-Let Broker of the Year (British Specialist Lending Awards, 2017) and Buy-to-Let Broker of the Year (British Mortgage Awards, 2012), underscoring his commitment to excellence in finance for property investors.

New appointments



Tom Perkins, Director & Co-Founder – Charles & Dean

Tom Perkins is a highly regarded leader in the finance industry with over a decade of experience at the helm of Charles & Dean, a prominent finance brokerage he co-founded. Known for his innovative approach, Tom has transformed Charles & Dean into a multi-disciplinary, customer-centric brokerage, supporting over 6,000 clients. He is a passionate advocate for best practices in the finance sector, regularly sharing his insights at major industry events like the NACFB's Commercial Finance Expo and Asset Finance Connect. As a non-executive director for NACFB, Tom brings a strategic vision, focused on bridging the needs of brokers and funders. His expertise includes leveraging technology, fostering partnerships, and driving educational initiatives that benefit the NACFB's Members. Tom's commitment to excellence, transparency, and ethical standards reflects his dedication to strengthening the finance industry and ensuring meaningful, sustainable impact for brokers and small businesses alike.



Evette Orams, Managing Director – Hilton-Baird Financial Solutions

Evette Orams is the managing director of Hilton-Baird Financial Solutions, a multi-award-winning commercial finance brokerage specialising in invoice finance. With an extensive background in the sector, she has successfully grown the brokerage, building strong partnerships with invoice and asset financiers. Her strategic leadership, operational excellence, and focus on mentoring high-performing teams have distinguished Hilton-Baird as a trusted industry leader. Evette's expertise in structuring deals, managing risk, and nurturing relationships allows her to deliver exceptional value to clients and stakeholders. Actively involved in promoting industry standards, she collaborates with UK Finance on training initiatives, advancing best practices and compliance. As a non-executive director for NACFB, Evette's collaborative leadership style and in-depth industry insights position her to make a meaningful impact, supporting the Association's mission to enhance standards and champion sustainable growth within the commercial finance sector.



NACFB
HELPING FUND UK BUSINESS