



Annual Report 2016



Supporting the hair, beauty
and barbering industries



A year of investment and change

NHF research in 2016 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.

After a year of improving growth within the industry in 2015, a survey of NHF members in 2016 suggested that this had slowed down, although more than a third had seen their turnover go up compared to the previous year.

TURNOVER

Gone up	37%
Stayed the same	38%
Gone down	25%

Against a backdrop of trading conditions which appear to have stabilised, the National Hairdressers' Federation continued implementing the changes needed to deliver the final year of our 2014-16 strategy. We also made significant investments in the NHF as a brand, in our website and IT systems to help us grow for the future. We set ourselves three objectives:

- Recruiting and retaining members
- Raising the NHF's profile and influence
- Developing the NHF for growth

Our continued focus on the business of salon ownership has delivered growth in membership numbers as the NHF has become increasingly recognised as a reliable source of advice and support for anyone running hairdressing, barbering or beauty salon businesses.

At the time of writing, I am just coming to the end of my first term of office as President. I am proud to have been elected to this prestigious role and to have the opportunity to further build on the achievements of my predecessor, Paul Curry. As each year passes, we are better placed to deliver valuable support and offer an expanded range of services and events to our members. I am keen to see us continue to deliver exciting changes so we find 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

Having seen a small growth in membership during 2015, membership numbers grew by more than 2.5% during 2016.

RECRUITING AND RETAINING MEMBERS

In order to increase 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
- Salon Smart, London
- Salon London (alongside Professional Beauty) where the NHF ran the business stage for the first time

EVENTS

Working with the Regional Coordinator team, the events programme was significantly expanded during 2016. As well as a range of business one-day training events and events on pensions auto-enrolment, we introduced new events on:

- Emergency first aid
- Barbering workshops
- Hair loss workshops, following on from trichology taster events in 2015
- Using Facebook to grow your business
- Managing conflict

PROMOTIONAL VIDEO

We filmed NHF members at work in their salons and barbershops, talking about their NHF membership and what that means to them and their businesses. The new video went live on the membership pages of the NHF website to encourage new members to join.

MEMBERSHIP SERVICES

During 2016 we launched the following new member services:

- Business coaching and free business helpline
- Health and safety toolkit for hair salons and barbershops
- Switching to a new provider for our employment law / HR helpline
- Improved the administration systems for the NHF pension scheme
- NHF business awards for 2017 to celebrate the NHF's 75th anniversary





2. Raising the NHF's profile and influence

The second strand of our strategy has been to raise our profile, not only externally but within our membership.

REBRANDING

While the NHF brand is well-recognised within the hairdressing industry, it is much less well-known in barbering and beauty although we have represented all three sectors since we were founded in 1942. We consulted with members on whether to change our name, as well as changing our logo and strapline. Views were evenly divided, and we decided to retain the NHF name but with the new strapline 'Supporting the hair, beauty and barbering industries'.

We did further filming in the salons of NHF members, giving us a great range of 'members at work' images to use on all our promotional materials and the NHF website, as well as updated video footage. Materials produced towards the end of 2016 all started using the new logo and imagery, with changes to the website to follow in 2017.

Our thanks go to the following members who generously gave us access to their businesses for filming:

- The Barber House
- Simon Paul Hair & Beauty
- Aesthetics Hair & Beauty

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, we made much greater use of Instagram.

WEBSITE

In preparation for a planned website relaunch in 2017, we have carried out a major review of website content. Materials have been rewritten to get better results through search engine optimisation (SEO).

CAMPAIGNING

During 2016 we continued to campaign on topics which matter to members and their businesses:

- Apprenticeships and apprenticeship funding
- Business rates
- National Minimum Wage
- Tax and VAT

NATIONAL LIVING WAGE

With the introduction of the National Living Wage in 2016, we carried out a survey of members to find out what impact the new rates would have. There is no doubt that, coupled with pensions auto-enrolment, increases to minimum wages will put pressure on labour-intensive industries, particularly the smaller salons.

APPRENTICESHIP STANDARDS

New 'Trailblazer' apprenticeship standards were approved in 2015, with assessment plans setting out how apprentices would be tested and the criteria for independent apprenticeship examiners who will carry out the tests gaining approval in 2016. This was followed by confirmation of funding arrangements which - after lobbying and other action by the NHF - were significantly better than originally proposed by the government, especially for small businesses taking on 16-18 year olds. We expect the new standards to be available for delivery in 2017.

We consulted members regularly on a variety of topics including:

- Tips and the voluntary code of practice
- Restrictive covenants
- Business rates

INDUSTRY STATISTICS AND WAGE SURVEY

We updated our research into key facts and figures for the hairdressing, barbering and beauty industries for 2016. For the first time we carried out a survey into wages paid by members to qualified and experienced stylists / barbers / beauty therapists, to those just starting out in their careers and apprentices in different parts of the UK. We plan to repeat this research each year.





COMPETITIONS

The following competitions took place in 2016:

National competitions:

- Britain's Best
- Photographic Stylist of the Year
- The Incredibles

Regional competitions:

- Blackpool
- North East
- Central England
- Wales
- Welsh Awards

We're very grateful to our sponsors - without their support the competition would not have been the success that it was. Thanks go to:

- Coversure Insurance Services
- Denman
- Aston & Fincher
- Trichocare Education
- OnZen
- MHD

Congratulations to all the winners of all the NHF competitions. For the first time, a special souvenir edition of SalonFocus magazine was produced to celebrate the success of all the winners.

The **Christofer Mann Step Up & Shine** scholarship (in association with the Fellowship of British Hairdressing) took place again in 2016. The competition provides an opportunity for an 'uncut diamond' to win a year of bespoke training worth £2,500 in memory of hair industry legend, Christofer Mann. It was won by Evangeline Barratt from Blondz Hair in Weymouth who received her prize at the Fellowship's President's Night in London in April.

3. 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

With support from NEC members Ian Egerton and Roy Sparkes, the NHF worked with consultancy firm Hart Square to identify our requirements for a new CRM system to replace our old membership database. We went out to tender for providers who could fulfil those requirements and work with our website provider, NetXtra, to integrate the CRM system and the website. We selected Oomi from Centrepont.

During the course of 2016 we ran various workshops to ensure that Oomi was fully tailored to our needs. This was followed by extensive user acceptance testing in the last months of the year and into 2017, ahead of a planned launch towards the end of March 2017.

We also upgraded our broadband and carried out a review of our IT systems and hardware.

GOVERNANCE

2016 saw the completion of the governance review which was started in 2014. The NHF Rules and the full suite of Regulations were given a final review to ensure that they reflect how the NHF is working in practice and to tidy up 'loose ends'. The updated Regulations were approved by the NEC for use after May 2017, following the AGM when proposed rule changes will be voted on by members.





NEC

The team of **Regional Coordinators** meets 3 times per year and is working well, providing a local presence for the NHF at events, helping to plan the national programme of events and running regional competitions.

YOUR NATIONAL EXECUTIVE COUNCIL (FROM MAY 2016)

Agnes Leonard

NHF President

Ian Egerton

NHF Vice-President

Paul Curry

Immediate Past President

Viren Voralia

Honorary Treasurer

Kevin Huggins

Eastern Counties Region

Mark Coray

Welsh Region

Elke Hayden (resigned November 2016)

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

Forward plans for 2017

2016 was the final year of our 2014-2016 strategy so the NEC has spent some time developing our three-year strategy for 2017-2019.

2017 will be an important year, when we should start to see the benefits of our investment in IT, a new CRM and the updated website.

It is also the 75th anniversary of the NHF being formed back in 1942, so we intend to celebrate this with the launch of the NHF Business Awards which will take place at the VOX conference centre at Resorts World near the NEC, Birmingham in November 2017 alongside the Britain's Best competition and a programme of small workshops.

Ultimately, the NHF will continue to prioritise you, our members: what matters to you; how to build and develop your businesses and profitability; how to navigate the increasingly complex employment law landscape; how to create a sustainable, thriving high street; how to ensure the voice of the salon owner, large or small, is not just heard but listened to.



Financials 1

National Hairdressers' Federation Limited **Summarised Income and Expenditure Account** for the year ended 31 December 2016

Income	2016 £	2015 £	Income	2016 £	2015 £
Members fees	1,239,231	1,167,781	Operating surplus for the year	58,958	142,325
Insurance commission	107,983	105,018	Realised (losses) on listed investments	(25,447)	(3,453)
Sales to members	34,111	38,318	Corporation tax	1,382	11,305
Competition and event income	55,884	33,764	Total recognised gains relating to the year	34,893	150,177
Magazine advertising and sponsorship income	54,363	46,952	Unrealised gains on listed investments	232,488	11,978
Investment income and interest receivable	62,680	51,372	Net movement in funds	267,381	162,155
Other income	19,126	11,372	Balance brought forward at 1 January 2016	2,918,098	2,755,943
Total income	1,573,378	1,454,577	Balance carried forward at 31 December 2016	3,185,479	2,918,098
Expenditure					
Direct membership services	404,833	310,072			
Meeting costs	64,040	76,989			
Affiliation fees and subscriptions	11,242	10,702			
Competition and event costs	104,444	57,296			
Publicity and promotional costs	206,878	199,026			
Honoraria	8,052	26,846			
Staff costs	417,033	379,042			
Premises and office equipment costs	100,114	99,327			
Administration costs	161,149	125,308			
Irrecoverable VAT	28,256	23,571			
Insurance premium tax	8,379	4,073			
Total expenditure	1,514,420	1,312,252			
Surplus for the year before exceptional items	58,958	142,325			

The Income and Expenditure Account and Balance Sheet have been extracted from the audited financial statements for the year ended 31 December 2016. If you wish to have a copy of the full Financial Statements please visit our website www.nhf.info or contact Head Office on **01234 831965**.

Financials 2

National Hairdressers' Federation Limited **Summarised Financial Position** for the year ended 31 December 2016

	2016	2015
	£	£
Fixed assets		
Intangible assets	94,973	1,344
Tangible assets	367,900	375,978
Investments	2,874,790	1,677,844
	3,337,663	2,055,166
Current assets		
Debtors	114,259	89,390
Short term bank deposits and cash at bank	110,502	1,088,162
	224,761	1,177,552
Creditors		
Amounts falling due within one year	(376,945)	(314,620)
Net current assets	(152,184)	862,932
Total net assets	3,185,479	2,918,098
Represented by: Capital, funds and reserves		
Capital, funds and reserves		
Share capital	5,271	5,130
Income & expenditure account	2,357,240	806,381
Designated funds		
Revaluation fund	360,095	114,203
Tangible and intangible fixed assets fund	462,873	377,322
Regions and networking groups fund	-	1,615,062
Total capital, funds & reserves	3,185,479	2,918,098

Report of the Auditor

The auditor's report on the full accounts for the year ended 31 December 2016 was unqualified.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

Date: 21 May 2017



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