



Annual Report 2019



Supporting the hair, beauty
and barbering industries



A year of developing our future strategy

NHBF research in 2019 showed that the hair and beauty industry makes a huge contribution to the British economy, generating more than £7.5bn of revenue, and employing around 250,000 people within the 43,000 hair and beauty salons spread across the UK.

According to our annual survey of NHBF Members, trading conditions were clearly tough in 2019 as well over one third of Members reported decreased turnover compared to the previous year.

TURNOVER	2018	2019
Gone up	34%	28%
Stayed the same	39%	34%
Gone down	26%	38%

Factors affecting trading conditions were:

- Economic uncertainty due to Brexit with the threat of a drop in consumer confidence.
- Rising wages as the National Minimum Wage and National Living Wage continue to rise at above-inflation rates.
- A continuing trend towards self-employment, making it more difficult for salons with employees to compete with salons with no employees.
- Increased competition.

INCREASED COMPETITION

Working on research with the Local Data Company in 2019, the NHBF Industry Statistics showed that there has been growth averaging 45% in the number of hair salons, barbershops and beauty salons over the last five years. This means that although the hair and beauty sector is growing, our Members are facing unprecedented levels of competition on the high street. Hair and beauty businesses are under growing pressure to stand out from the crowd in order to survive.

GROWTH OF BEAUTY

The number of beauty salons has grown more strongly than other kinds of hair and beauty businesses, showing 74% growth over the last 5 years. Hair and beauty salons grew by 50%, while hair salons showed the slowest growth at 21%. The NHBF's membership reflects these trends, with growing numbers of Members offering both hair and beauty. This was the rationale for launching the new National Beauty Federation (NBF) in 2018 as a sister brand to provide tailored support for the unique challenges of running a beauty salon.



NATIONAL HAIR & BEAUTY FEDERATION

Setting up the NBF was very successful, with three times the number of beauty salons joining in 2018 compared to the previous year. We consulted with Members about bringing the NHF and the NBF together and changing our name to the National Hair & Beauty Federation (NHBF). This was approved by Members at an Extraordinary General Meeting in October 2019. Preparations were made to update and rebrand 2020 membership materials with the new NHBF logo.

OBJECTIVES FOR 2019

We set ourselves four objectives for 2019:

- Increase membership
- Develop new Member services
- Raise the NHBF's profile and influence
- Develop the NHBF for growth

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

STRATEGY FOR 2020-2022

The Board and the NHBF team have worked hard to develop a new three-year strategy for 2020-2022, building on the success of the previous three-year strategy. As well as recruitment, our strategy focuses on increasing member retention. We have agreed a number of initiatives which will be implemented in 2020 to deliver great value for our Members, saving them time and money.

At the time of writing, I have just come to the end of my first term of office as President. I am very proud to have taken on this role and to have played my part in establishing the NHBF as a newly formed organisation with an exciting future.

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.

Ian Egerton

NHBF President



1. Membership recruitment

RECRUITING AND RETAINING MEMBERS

We saw growth in our beauty salon membership and also in group membership following the introduction of a new sliding scale of membership subscriptions making it more cost-effective to include all salons within the group.

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
- Pro Beauty, London
- Salon Smart, London
- Barbers Connect, Telford
- Salon International, London
- Pro Beauty, Manchester

EVENTS

During 2019 the events programme included:

- Wages, prices and profits
- Using social media to grow your business
- Motivating your team
- Wig styling and customisation
- A creative evening with Anne Veck

We began offering webinars to make it more convenient for Members to attend at a time to suit them. Topics included: hair loss, losing your top stylist and marketing to millennials.

We also held the following events:

- NHBF Business Awards in London in November
- Community Awards event at the House of Commons in May
- Our first stakeholder event in London in November

2. Developing membership services

In 2019 we switched the production of our Member magazine, salonfocus, to Redactive. The new format, look and feel have been very popular with Members. We now see far more engagement with the magazine and its content as well as positive comments on social media. We were delighted to win the very hotly contested category 'Magazine of the Year' at the Trade Association Forum Awards in May.

During 2019 we:

- Launched the NHBF guide for beauty salons on allergy alert testing and sensitivity testing, complete with healthcare questionnaire and client consultation forms for treatments up to and including level 3.
- Gained approval from the Chartered Trading Standards Institute (CTSI) for the NHBF Consumer Code of Practice, Trust My Salon.
- Successfully completed our first year audit as a certified provider of Alternative Dispute Resolution (ADR), Hair & Beauty Mediation. We continue to receive a steady stream of enquiries about ADR from consumers and also from salons which have been unable to resolve disputes with clients.
- Got approval for the Advanced Beauty Therapy apprenticeship standard. The Advanced Creative hair professional apprenticeship standard and assessment plan were also approved, although the funding appeal was rejected.
- Approval for T level outline content for hairdressing, barbering and beauty. The NHBF Director of Quality & Standards was a member of the panel developing T levels.
- The same director was appointed as a Small Business Intermediary by the Department for Education and the Education Skills & Funding Agency for hair and beauty apprenticeships and T levels.

3. Raising the NHBF's profile and influence

REBRAND

We developed new branding to support the launch of the newly formed National Hair & Beauty Federation (NHBF) in October 2019. A new logo was developed and membership materials for use in 2020 were updated. Changes to the website were agreed for implementation in 2020.

BUSINESS AWARDS

We held our most successful Business Awards event at the St Pancras Renaissance Hotel in London in November 2019. The sell-out event attracted 250 guests who had an amazing night celebrating with the best in the business until the small hours. We were delighted to attract sponsorship from: Loop HR, Coversure Insurance Services Ltd, VTCT, City & Guilds, Global Payments, Shedul, Salon by Premier Software and Phorest.

AMBASSADORS

We continue to enjoy fantastic support from our Ambassadors: Anne Veck Hair (hairdressing), Christian Wiles Traditional Gentleman's Grooming (barbering) and Hellen Ward from Richard Ward Hair & Metrospa (beauty). They provide comment on topical issues and regularly feature in salonfocus magazine.

STAKEHOLDER EVENT

We held our first stakeholder event in November 2019 to share what we do with the wider hair and beauty industry, and to give them an opportunity to share their views and contribute to the debate on key campaigning topics.

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 grew significantly over the year.

MEDIA RELATIONS

We regularly feature in the trade press: HJ, Professional Beauty, Modern Barber, Scratch magazine, Salon Magazine and Professional Salon and Spa Magazine with a mix of editorial, advertorials and comment.

CAMPAIGNING

Working with a public affairs consultancy, we campaigned on many issues which matter to our Members and affect their business. We have met with Ministers, MPs and government officials across the UK, including Scotland and Wales. We continue to survey our Members regularly to get their views so we can be confident we represent their views in these meetings on topics such as:

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

Towards the end of the year, the new Beauty, Aesthetics and Wellbeing All Party Parliamentary Group (APPG) was formed, co-chaired by Carolyn Harris MP and Judith Cummins MP. Due to the elections, a series of planned meetings were postponed to 2020.



COMMUNITY AWARDS

We held our first Community Awards event in 2019. These awards are designed to recognise the fantastic contribution hair salons, beauty salons and barbershops make to their local communities and also fundraising for charities. The awards were presented at the House of Commons, attended by the Minister for Small Business, Kelly Tolhurst, and a number of MPs.

INDUSTRY STATISTICS

We updated our research into key facts and figures for the hairdressing, barbering and beauty industries for 2019. The key finding was that the number of hair salons, barbershops, beauty salons, hair and beauty salons and nail salons has increased by an average of 45% over the last 5 years. Beauty salons and barbershops showed particularly strong growth.

COMPETITIONS

The following competitions took place in 2019:

National competitions:

- Britain's Best which was held again at Salon International in October.
- Photographic Stylist of the Year
- Before & After competition via Instagram
- Regional competitions:
- Blackpool, sponsored by JGR UK Distributions
- Welsh Awards, sponsored by Aston & Fincher

The Step Up & Shine scholarship (in association with the Fellowship of British Hairdressing) took place again in 2019. 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 Amanda Linehan from Hot Trends in Gillingham, Kent who received her prize at the Fellowship's President's Night in London in April 2019.





4. Developing the NHBF for growth

The final strand of our strategy was to continue investing in our CRM system, website and our team so we can grow to meet the changing external environment and the needs of our Members. We have also allocated funds to deliver on our strategy for 2020-2022.

INVESTMENT

We continue to invest in our CRM system, Oomi from Centrepont and also the website to give Members the best experience possible. We have developed plans for further upgrades to the website and our technology which will be implemented in 2020.

We have developed plans for refurbishing the office in Bedford to make provide suitable accommodation for an expanding team and to update the facilities which have not been changed since the NHBF took on the building. We changed our IT support provider towards the end of 2019 and will implement plans to reduce our dependence on aging hardware, to move onto the cloud and to upgrade our telephony in 2020. We also appointed new auditors in 2019.

We appointed a new Director of Policy & Public Affairs and appointed an external PR agency. Both appointments will give us more resources to support our members with campaigning.

GOVERNANCE

There were a few changes to governance arrangements at the 2019 Annual General Meeting, including the removal of the post of Honorary Treasurer. The Board also agreed to merge the West and East of Scotland into one Scotland region.

We held an Extraordinary General Meeting in October to gain approval from Members for establishing the National Hair & beauty Federation (NHBF) and to allow electronic voting.

As Agnes Leonard completed her term as President in May 2019, Ian Egerton was appointed as President and Steven Scarr as Vice president. We have been delighted by the enthusiasm Members have shown in getting involved with running the NHBF, with unprecedented numbers of applications for Board vacancies during the year. We are fortunate to have the support of dedicated Board members.



THE NHBF BOARD (FROM MAY 2019)

Ian Egerton
NHBF president

Steven Scarr
NHBF vice president

Agnes Leonard
NHBF immediate past president

Adrian Ball
South west region

Eileen Clough
North west region

Mark Coray
Welsh region

Joe Cownley
Central England region

Kevin Huggins
Eastern counties region

Mandy Lodge-Stewart
Yorkshire region

Marc McCune
Scotland

Tom Robinson
East Midlands region

Carolyn Sweeney
Southern region

Stephanie Stephenson
Co-opted

Forward plans for 2020

We will continue to deliver value for our Members in hairdressing, barbering and beauty. We will be implementing our strategy for 2020-2022, using technology to provide better services to Members and increasing value for money by providing more membership services for the same subscriptions.

We will continue to invest in our IT systems, the website, our team and office accommodation.

The NHBF 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 the owner of a hair or beauty salon owner or barbershop is heard and listened to.



Financials 1

National Hair & Beauty Federation Limited **Summarised Income and Expenditure Account** for the year ended 31 December 2019

	2019	2018		2019	2018
Income	£	£		£	£
Members fees	1,343,107	1,307,375	Operating surplus for the year	88,687	116,116
Insurance commission	105,006	103,739	Realised (losses) on listed investments	738	(12,420)
Sales to members	25,409	25,182	Corporation tax	-	-
Competition and event income	34,017	42,573	Total recognised gains relating to the year	-	-
Magazine advertising and sponsorship income	90,553	45,294	Re-analysis of unpaid share capital from previous years	5,387	-
Investment income and interest receivable	41,841	80,684	Unrealised gains on listed investments	347,647	(179,056)
Other income	28,501	20,576	Net movement in funds	442,470	(75,360)
Total income	1,668,434	1,625,423	Balance brought forward at 1 January 2017	3,397,501	3,472,861
Expenditure			Balance carried forward at 31 December 2017	3,839,971	3,397,501
Direct membership services	240,417	249,092			
Meeting costs	56,729	49,068			
Affiliation fees and subscriptions	12,017	11,607			
Competition and event costs	120,790	107,036			
Publicity and promotional costs	305,242	264,967			
Honoraria	8,615	8,446			
Staff costs	567,847	539,876			
Premises and office equipment costs	132,754	127,487			
Administration costs	124,669	135,750			
Irrecoverable VAT	10,667	15,978			
Insurance premium tax	-	-			
Total expenditure	1,579,747	1,509,307			
Surplus for the year before exceptional items	88,687	116,116			

The Income and Expenditure Account and Balance Sheet have been extracted from the audited financial statements for the year ended 31 December 2019. If you wish to have a copy of the full Financial Statements please visit our website 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 2019

	2019 £	2018 £
Fixed assets		
Intangible assets	7,845	38,895
Tangible assets	331,739	343,466
Investments	3,397,838	2,978,239
	3,737,422	3,360,600
Current assets		
Debtors	117,342	62,797
Short term bank deposits and cash at bank	344,877	322,998
	462,219	385,795
Creditors		
Amounts falling due within one year	(359,670)	(348,894)
Net current assets	102,549	36,901
Total net assets	3,839,971	3,397,501
Represented by: Capital, funds and reserves		
Capital, funds and reserves		
Share capital	5,396	5,387
Income & expenditure account	2,822,171	2,709,858
Designated funds		
Revaluation fund	672,820	299,895
Tangible and intangible fixed assets fund	339,584	382,361
Regions and networking groups fund	-	-
Total capital, funds & reserves	3,839,971	3,397,501

Report of the Auditor

The auditor's report on the full accounts for the year ended 31 December 2019 was unqualified.

Streets Auditors LLP
Statutory Auditor, Chartered Accountants
Wyboston, Bedfordshire

Date: 13 September 2019



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