

COMPANY NO. 3305378

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
AND ITS SUBSIDIARY COMPANY
(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2005



A23 *A194MJS2* 573
COMPANIES HOUSE 19/10/2006

A41 413
COMPANIES HOUSE 10/10/2006

BISSELL & BROWN LIMITED
Registered Auditor and Chartered Accountants

Branston Court, Branston Street
Birmingham B18 6BA

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
AND ITS SUBSIDIARY COMPANY
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2005

1. The directors present their report and financial statements for the year ended 31 December 2005.

2. PRINCIPAL ACTIVITIES

The principal activity of the group, which is a non profit making organisation, continued to be the promotion and protection of the professional interests of persons engaged in the business of acting as commercial finance brokers. The group continued to provide and maintain a Code of Practice for its members.

3. DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of the affairs of the group and of the profit or loss of the group for that year. In preparing these the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

4. DIRECTORS

The directors who served during the year and their interest in the ultimate parent company are:

S. E Barton	M. A. Flower	R.N Wells
S. H. Erentraut	P. Hellawell (Appointed 01.01.06)	K.A Jones
S.J Gray (Resigned 24.01.06)	P. S. Thompson	
P.J. Murray (Resigned 31.12.05)		

5. DIRECTORS' INTERESTS

The group is limited by guarantee and has no shares in which the directors can have an interest.

6. AUDITORS

A resolution for the re-election of Bissell & Brown Limited as auditor will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, was approved by the Board on the date below and signed on their behalf.

BY ORDER OF THE BOARD



MRS N.E CANN
COMPANY SECRETARY

Date 28.7.06

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION
OF COMMERCIAL FINANCE BROKERS & ITS SUBSIDIARY COMPANY
(A COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements of NACFB & Its Subsidiary Company for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the groups members, as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the groups members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the groups members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As described in the Statement of Directors' Responsibilities, the groups directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, as amended. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION
OF COMMERCIAL FINANCE BROKERS & ITS SUBSIDIARY COMPANY
(A COMPANY LIMITED BY GUARANTEE) CONTINUED

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 2005 and of the group's result for year then ended, and have been properly prepared in accordance with the Companies Act 1985 that are applicable to small companies.

Bissell & Brown Ltd

Bissell & Brown Limited
Registered Auditor &
Chartered Accountants
Branston Court
Branston Street
Birmingham
B18 6BA

Date

28 July 2006

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
AND ITS SUBSIDIARY COMPANY
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GROUP INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2005

	<u>Note</u>	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
<u>INCOME</u>	1	514,958	412,488
Direct Expenses		(208,552)	(156,075)
		<hr/>	<hr/>
		306,406	256,413
Administrative Expenses		(221,787)	(220,233)
<u>OPERATING PROFIT</u>	2	<hr/> 84,619	<hr/> 36,181
Other interest receivable & similar income		246	122
Interest payable & similar charges		-	-
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</u>		84,865	36,303
Taxation	3	-	-
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		<hr/> 84,865 <hr/>	<hr/> 36,303 <hr/>

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
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GROUP BALANCE SHEET

AS AT 31 DECEMBER 2005

	<u>Note</u>	<u>2005</u> <u>£</u>	<u>2004</u> <u>£</u>
<u>FIXED ASSETS</u>			
Intangible Assets	4	-	-
Tangible Assets	5	5,396	2,622
Investments	6	<u>83</u>	<u>83</u>
		5,479	2,705
<u>CURRENT ASSETS</u>			
Debtors	7	129,576	84,884
Cash at bank and in hand		<u>100,279</u>	<u>67,693</u>
		229,855	152,577
<u>CURRENT LIABILITIES</u>			
<u>CREDITORS:</u>			
Amounts falling due within one year	8	<u>(100,442)</u>	<u>(105,255)</u>
<u>NET CURRENT ASSETS</u>		<u>129,413</u>	<u>47,322</u>
<u>TOTAL ASSETS LESS LIABILITIES</u>		<u>134,892</u>	<u>50,027</u>
<u>ACCUMULATED FUNDS</u>			
Retained Surplus brought forward		50,027	13,724
Income & Expenditure account for the year		<u>84,865</u>	<u>36,303</u>
<u>ACCUMULATED FUNDS CARRIED FORWARD</u>		<u>134,892</u>	<u>50,027</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (2005).

The accounts were approved by the Board on

28 July 2006

P. Hallowell

DIRECTOR

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
(A COMPANY LIMITED BY GUARANTEE)

PARENT COMPANY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2005

	<u>Note</u>	<u>2005</u> £	<u>2004</u> £
<u>INCOME</u>	1	448,861	373,188
Direct Expenses		(153,674)	(124,608)
		<hr/> 295,187	<hr/> 248,580
Administrative Expenses		(209,498)	(192,447)
		<hr/>	<hr/>
<u>OPERATING SURPLUS</u>	2	85,689	56,133
Other interest receivable & similar income		13	-
Interest payable & similar charges		-	-
		<hr/>	<hr/>
<u>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		85,702	56,133
Taxation	3	-	-
		<hr/>	<hr/>
<u>SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</u>		85,702	56,133
		<hr/> <hr/>	<hr/> <hr/>

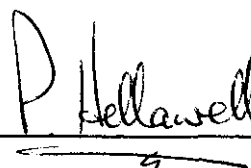
THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
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PARENT BALANCE SHEET

AS AT 31 DECEMBER 2005

	<u>Note</u>	<u>2005</u> £	<u>2004</u> £
<u>FIXED ASSETS</u>			
Tangible Assets	4	3,389	-
Investments	6	84	84
		<hr/>	<hr/>
		3,473	84
<u>CURRENT ASSETS</u>			
Debtors	7	185,334	149,372
Cash at bank and in hand		90,008	47,462
		<hr/>	<hr/>
		275,342	196,834
<u>CURRENT LIABILITIES</u>			
<u>CREDITORS:</u>			
Amounts falling due within one year	8	(97,778)	(101,583)
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		177,564	95,251
		<hr/>	<hr/>
<u>TOTAL ASSETS LESS LIABILITIES</u>		181,037	95,335
		<hr/>	<hr/>
<u>ACCUMULATED FUNDS</u>			
Retained Surplus brought forward		95,335	39,202
Income & Expenditure account for the year		85,702	56,133
		<hr/>	<hr/>
<u>ACCUMULATED FUNDS CARRIED FORWARD</u>		181,037	95,335
		<hr/>	<hr/>

SIGNATURE OF DIRECTOR:


P. Hallowell

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
AND ITS SUBSIDIARY COMPANY
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES:

1.1 Accounting Convention

The financial statements are prepared under the historical convention and in accordance with Financial Reporting Standard for Smaller Entities (2005).

1.2 Income

Income comprises patron fees, membership fees and exhibitions. Patrons fees and membership fees represent amounts received for the provision of services to members.

1.3 Basis of Consolidation

The group financial statements consolidate the accounts of NACFB and Its Subsidiary company made up to 31 December 2005.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Depreciation

Depreciation is calculated so as to write off the cost of tangible assets over their estimated useful lives, using the following rate:-

Fixtures & fittings, computer and equipment	25% straight line
Website design etc. costs	50% straight line

1.6 Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2. OPERATING PROFIT - GROUP

2005

2004

£

£

Operating Profit is stated after charging:

Operating lease rentals - premises	13,207	12,924
Operating lease rentals - car rental	6,469	7,677
Depreciation	2,347	957
Auditors Remuneration	<u>2,454</u>	<u>2,236</u>

3. TAXATION - GROUP

No corporation tax is provided on the surplus arising from the excess of members' subscriptions over general expenditure due to the exemption from taxation of mutual activities.

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

4.	<u>INTANGIBLE FIXED ASSETS</u>	Website Design etc Development Costs	
		Group £	Parent £
	<u>Cost</u>		
	At 1 January 2005	5,610	-
	Additions	-	-
	At 31 December 2005	5,610	-
	<u>Accumulated Depreciation</u>		
	At 1 January 2005	5,610	-
	Charge for the year	-	-
	At 31 December 2005	5,610	-
	<u>Net Book Values</u>		
	At 31 December 2005	-	-
	At 31 December 2004	-	-
5.	<u>TANGIBLE FIXED ASSETS</u>	<u>Fixtures & Fittings, Equipment</u>	
		Group £	Parent £
	<u>Cost</u>		
	At 1 January 2005	14,502	10,135
	Additions	5,121	4,519
	At 31 December 2005	19,623	14,654
	<u>Accumulated Depreciation</u>		
	At 1 January 2005	11,880	10,135
	Charge for the year	2,347	1,130
	At 31 December 2005	14,227	11,265
	<u>Net Book Values</u>		
	At 31 December 2005	5,396	3,389
	At 31 December 2004	2,622	-

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

6.	<u>INVESTMENTS</u>	<u>2005</u>		<u>2004</u>	
		Group £	Parent £	Group £	Parent £
	N.A.C.F.B Events Ltd	-	1	-	1
	First 4 Brokers Ltd	83	83	83	83
		<hr/>	<hr/>	<hr/>	<hr/>
		83	84	83	84
		<hr/>	<hr/>	<hr/>	<hr/>

N.A.C.F.B Events Ltd is a wholly owed subsidiary, incorporated in England.

The Shareholding in First 4 Brokers Ltd, a company incorporated in England, is 4.86% of the issued share capital at 31 December 2005.

7.	<u>DEBTORS</u>	<u>2005</u>		<u>2004</u>	
		Group £	Parent £	Group £	Parent £
	Amounts due from Subsidiary	-	78,663	-	65,663
	Other debtors & prepayments	129,576	106,671	84,884	83,709
		<hr/>	<hr/>	<hr/>	<hr/>
		129,576	185,334	84,884	149,371
		<hr/>	<hr/>	<hr/>	<hr/>

There are no amounts receivable after one year.

8.	<u>CREDITORS</u>	<u>2005</u>		<u>2004</u>	
		Group £	Parent £	Group £	Parent £
	Within one year				
	Trade Creditors	24,929	24,747	3,954	3,460
	Corporation tax payable	-	-	-	-
	Taxation and social security	3,869	2,138	5,398	2,872
	Deferred income	65,973	65,973	88,942	88,942
	Other creditors and accruals	5,671	4,920	6,961	6,309
		<hr/>	<hr/>	<hr/>	<hr/>
		100,442	97,778	105,255	101,583
		<hr/>	<hr/>	<hr/>	<hr/>

Deferred income represents the proportion of patrons fees and professional indemnity insurance contributions received that relates to 2006.

THE NATIONAL ASSOCIATION OF COMMERCIAL FINANCE BROKERS
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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

9. The company is limited by guarantee and does not have a share capital.

10. OTHER FINANCIAL COMMITMENTS

At 31 December 2005 the group had annual commitments under non-cancellable operating leases as follows:-

	<u>2005</u>		<u>2004</u>	
	Group £	Parent £	Group £	Parent £
<u>Expiry Date</u>				
Within one year	6,469	-	-	-
Between one and five years	14,684	14,684	26,451	12,924
	<hr/>	<hr/>	<hr/>	<hr/>

11. RESERVES

	<u>2005</u>		<u>2004</u>	
	Group £	Parent £	Group £	Parent £
Retained Surplus brought forward	50,027	95,335	13,724	39,202
Income & Expenditure account for the year	84,865	86,702	36,303	56,133
	<hr/>	<hr/>	<hr/>	<hr/>
	134,892	182,037	50,027	95,335
	<hr/>	<hr/>	<hr/>	<hr/>