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Registration number 03305378

The National Association of Commercial Finance Brokers

(A company limited by guarantee)

Directors' report and consolidated
financial statements

for the year ended 31 December 2010

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The National Association of Commercial Finance Brokers

Directors' report for the year ended 31 December 2010

The directors present their report and the consolidated financial statements for the year ended 31 December 2010

Directors of the company

The directors who held office during the year were as follows

Mr R N Wells

Mr K A Jones

Mr J W Phillips

Mr M J S Grimshaw

Miss D J Boyes

Mr R D J Spicer (appointed 1 January 2010 and resigned 19 May 2010)

Mr P Hellowell (resigned 1 January 2011)

Mr N Pointin (resigned 1 January 2011)

Mr D J Mogg (appointed 1 January 2010 and resigned 18 August 2010)

Mr A L Coles (appointed 1 January 2010)

Mr A P Bullard (appointed 1 January 2011)

Mr A W Pritchard (appointed 1 January 2011)

Mr N Simpson (appointed 1 January 2011)

Mr P Goodman (appointed 1 January 2011)

Principal activity

The principal activity of the group is to promote and protect the professional interests of persons engaged in the business of acting as commercial finance brokers through the non profit making organisation. The group continues to provide and maintain a Code of Practice for its members

Business review

Fair review of the business

In 2010 the Association faced its toughest year since the start of the recession, as it carried into this year's accounts a six year low in terms of number of Patrons and falling numbers of members. But the prudent changes made in the efficiency of the business and the income from the tenanted first floor premises offset some of this falling income. As the year progressed the number of Patrons began to increase again and the membership numbers stabilised, which gave us a good base to implement our plans for the recovery expected in the market in the coming years. This was further enhanced by the launch of NACFB Member Services which gave us the opportunity to give greater benefits to our members and produce more income for the Association. We also opened the first Commercial Finance Expo, which grew from our events programme from the previous four years and proved a real success, as did the Gala Dinner with a real increase in numbers over the previous two years. We therefore felt that we had established a new base in this financial year to expand our Member Services offering as well as the number of events we hold in the year. As a consequence at the year end, a difficult decision was made at management level, so that we could build a new team, which gave us wider coverage in the market place to make the most of the new opportunities that were beginning to emerge.

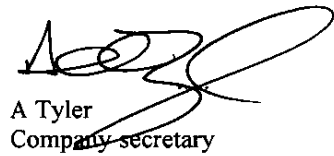
The National Association of Commercial Finance Brokers
Directors' report for the year ended 31 December 2010

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Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the board on 28/6/11 and signed on its behalf by



A Tyler
Company secretary

The National Association of Commercial Finance Brokers

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditor's report to the members of
The National Association of Commercial Finance Brokers**

We have audited the financial statements of The National Association of Commercial Finance Brokers for the year ended 31 December 2010, set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

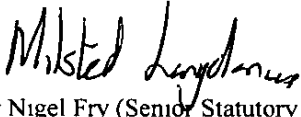
**Independent auditor's report to the members of
The National Association of Commercial Finance Brokers**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mr Nigel Fry (Senior Statutory Auditor)
For and on behalf of
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Taunton

12 July 2011

The National Association of Commercial Finance Brokers
Consolidated profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	413,128	412,870
Cost of sales		<u>(123,393)</u>	<u>(107,037)</u>
Gross profit		289,735	305,833
Administrative expenses		<u>(298,888)</u>	<u>(280,237)</u>
Group operating (loss)/profit	3	(9,153)	25,596
Other interest receivable and similar income	5	<u>3,246</u>	<u>1,441</u>
(Loss)/profit on ordinary activities before taxation		<u>(5,907)</u>	<u>27,037</u>
(Loss)/profit for the financial year attributable to members of the parent company	12	<u><u>(5,907)</u></u>	<u><u>27,037</u></u>

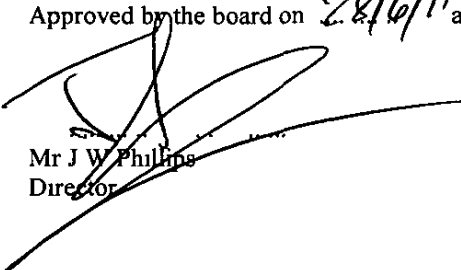
Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

The National Association of Commercial Finance Brokers
Consolidated balance sheet at 31 December 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible fixed assets	7		6,157		7,234
Current assets					
Debtors	9	65,924		73,020	
Cash at bank and in hand		<u>165,181</u>		<u>171,494</u>	
		231,105		244,514	
Creditors amounts falling due within one year	10	<u>(146,531)</u>		<u>(155,110)</u>	
Net current assets			<u>84,574</u>		<u>89,404</u>
Net assets			<u>90,731</u>		<u>96,638</u>
Capital and reserves					
Profit and loss account	12		<u>90,731</u>		<u>96,638</u>

Approved by the board on 28/6/11 and signed on its behalf by


Mr J W Phillips
Director

The National Association of Commercial Finance Brokers

(Registration number: 03305378)

Balance sheet at 31 December 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible fixed assets	7	3,905	5,112
Investments	8	<u>1</u>	<u>1</u>
		<u>3,906</u>	<u>5,113</u>
Current assets			
Debtors	9	55,208	64,733
Cash at bank and in hand		<u>167,006</u>	<u>171,386</u>
		222,214	236,119
Creditors amounts falling due within one year	10	<u>(140,434)</u>	<u>(145,097)</u>
Net current assets		<u>81,780</u>	<u>91,022</u>
Net assets		<u>85,686</u>	<u>96,135</u>
Capital and reserves			
Profit and loss account	12	<u>85,686</u>	<u>96,135</u>

Approved by the board on 28/6/11 and signed on its behalf by

Mr J W Phillips
Director

The National Association of Commercial Finance Brokers
Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2010

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account includes the results of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its loss for the financial year was £10,449 (2009 - £26,922 profit).

Turnover

Turnover represents the total invoice value of sales, net of value added tax where applicable, and adjusted for deferred income.

Amortisation

Amortisation is calculated to write off the cost in equal instalments over their estimated useful life.

Asset class	Amortisation method and rate
Website design	2 years

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	25% straight line

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the UK.

The National Association of Commercial Finance Brokers
Notes to the financial statements for the year ended 31 December 2010

..... *continued*

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2010	2009
	£	£
Operating leases - plant and machinery	1,934	2,113
Operating leases - other assets	29,279	29,025
Depreciation of owned assets	3,769	6,843
Auditor's remuneration	<u>5,914</u>	<u>4,643</u>

4 Auditor's remuneration

	2010	2009
	£	£
Audit of the financial statements	5,723	4,203
Other fees to auditors		
Other services	<u>191</u>	<u>440</u>
	<u>5,914</u>	<u>4,643</u>

£3,423 (2009 - £3,083) of the fee for auditing the financial statements relates to the company

5 Other interest receivable and similar income

	2010	2009
	£	£
Bank interest receivable	<u>3,246</u>	<u>1,441</u>

The National Association of Commercial Finance Brokers
Notes to the financial statements for the year ended 31 December 2010

..... *continued*

6 Intangible fixed assets

Group

	Patents £	Total £
Cost		
At 1 January 2010	5,610	5,610
At 31 December 2010	5,610	5,610
Amortisation		
At 1 January 2010	5,610	5,610
At 31 December 2010	5,610	5,610
Net book value		
At 31 December 2010	-	-
At 31 December 2009	-	-

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Group

	Fixtures and fittings £	Total £
Cost or valuation		
At 1 January 2010	40,026	40,026
Additions	2,692	2,692
At 31 December 2010	42,718	42,718
Depreciation		
At 1 January 2010	32,792	32,792
Charge for the year	3,769	3,769
At 31 December 2010	36,561	36,561
Net book value		
At 31 December 2010	6,157	6,157
At 31 December 2009	7,234	7,234

The National Association of Commercial Finance Brokers
Notes to the financial statements for the year ended 31 December 2010

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Company

	Fixtures and fittings £	Total £
Cost or valuation		
At 1 January 2010	35,216	35,216
Additions	1,428	1,428
At 31 December 2010	<u>36,644</u>	<u>36,644</u>
Depreciation		
At 1 January 2010	30,104	30,104
Charge for the year	2,635	2,635
At 31 December 2010	<u>32,739</u>	<u>32,739</u>
Net book value		
At 31 December 2010	<u>3,905</u>	<u>3,905</u>
At 31 December 2009	<u>5,112</u>	<u>5,112</u>

8 Investments held as fixed assets

Company

	2010 £	2009 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

The National Association of Commercial Finance Brokers
Notes to the financial statements for the year ended 31 December 2010

..... *continued*

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
NACFB Member Services Limited	Ordinary	100%	Organising events and providing services to members

The National Association of Commercial Finance Brokers
Notes to the financial statements for the year ended 31 December 2010

..... *continued*

9 Debtors

	2010	Group 2009	2010	Company 2009
	£	£	£	£
Trade debtors	48,983	56,158	45,263	51,322
Amounts owed by group undertakings	-	-	1,900	6,500
Other debtors	5,272	4,076	-	-
Prepayments and accrued income	11,669	12,786	8,045	6,911
	<u>65,924</u>	<u>73,020</u>	<u>55,208</u>	<u>64,733</u>

10 Creditors: Amounts falling due within one year

	2010	Group 2009	2010	Company 2009
	£	£	£	£
Trade creditors	6,914	9,291	5,617	6,418
Other taxes and social security	9,662	4,550	9,662	4,550
Accruals and deferred income	129,955	141,269	125,155	134,129
	<u>146,531</u>	<u>155,110</u>	<u>140,434</u>	<u>145,097</u>

11 Share capital

The company is limited by guarantee and does not have any share capital

12 Reserves

Group

	Profit and loss account £	Total £
At 1 January 2010	96,638	96,638
Loss for the year	<u>(5,907)</u>	<u>(5,907)</u>
At 31 December 2010	<u>90,731</u>	<u>90,731</u>

The National Association of Commercial Finance Brokers
Notes to the financial statements for the year ended 31 December 2010

..... *continued*

Company

	Profit and loss account £	Total £
At 1 January 2010	96,135	96,135
Loss for the year	<u>(10,449)</u>	<u>(10,449)</u>
At 31 December 2010	<u>85,686</u>	<u>85,686</u>

13 Reconciliation of movement in shareholders' funds

Group

	2010 £	2009 £
(Loss)/profit attributable to the members of the group	<u>(5,907)</u>	<u>27,037</u>
Net (reduction)/addition to shareholders' funds	(5,907)	27,037
Shareholders' funds at 1 January	<u>96,638</u>	<u>69,601</u>
Shareholders' funds at 31 December	<u>90,731</u>	<u>96,638</u>

Company

	2010 £	2009 £
(Loss)/profit attributable to the members of the company	<u>(10,449)</u>	<u>26,923</u>
Net (reduction)/addition to shareholders' funds	(10,449)	26,923
Shareholders' funds at 1 January	<u>96,135</u>	<u>69,212</u>
Shareholders' funds at 31 December	<u>85,686</u>	<u>96,135</u>

The National Association of Commercial Finance Brokers
Notes to the financial statements for the year ended 31 December 2010

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14 Pension schemes

Defined contributions pension scheme

The group operates a defined benefit pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £3,140 (2009 - £3,682)

Contributions totalling £nil (2009 - £nil) were payable to the schemes at the end of the year and are included in creditors

15 Commitments

Operating lease commitments

As at 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2010 £	2009 £
Land and buildings		
Over five years	<u>29,000</u>	<u>27,000</u>