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Annual Report

For the financial year ended 2003



Contents

Foreword by Kate Sharp	3
A Chairman's Perspective - by Ann Horan	4
FDA Members	5
FDA Public Relations 2003 - by Lawson Dodd	6-7
FDA Lobbying Strategy and 2003 Activity - by DLA Upstream	8-9
The Legislative Year 2003 - by Edward Wilde, Hammonds	10-12
FDA Educational Foundation Update - Day Courses and Distance Learning	13-14
Industry Statistics	15
FDA Events Review 2003	16-17
FDA Accounts	18-19
FDA Educational Foundation Accounts	20-21
FDA Sponsors	22

Foreword by Kate Sharp



The FDA is a UK based trade association representing an industry with forty years experience of providing much needed liquidity to UK businesses. The FDA's Members in the UK and Ireland provide financing to over 37,000 clients, serving primarily the manufacturing, distribution, transport and service sectors, and transact around £100 billion of clients' invoices each year.

It was a great privilege to be appointed CEO of the Association in July 2003. Robin Clarke had already established the team and begun to build on the programme of services provided by the Association, and as such the 2003 financial year proved to be an exciting one for the FDA. During this time our activities continued to mature, with successful educational courses and networking events taking place throughout the year.

2003 saw our Educational Foundation welcome delegates on our Day Course Programme from countries as far a field as Singapore, Iceland and Romania. This year also saw the recruitment of seven new trainers onto the FDA Day Course Programme. The Distance Learning Programme also continued to develop with, to name a few achievements, a re-writing of the Certificate course and 25 delegates attending the FDA Residential Week in July. In addition, the year saw over 600 people from Member companies come to three regional Staff Forums, and this is just the tip of the iceberg with regards to events.

The FDA annual events calendar is always a talking point. 2003 saw the FDA Annual Dinner host 750 of the industry's finest with Sir Richard Wilson OBE and Steven Norris MP entertaining everyone with their after-dinner speeches. The FDA Golf Day was also an enjoyable day out, but the highlight of the year was undoubtedly the 7th Annual Conference 'Pushing the Boundaries' in Amsterdam in November. High profile speakers such as the Rt Hon John Redwood MP and Lord Roy Hattersley joined the industries top professionals as they debated FDA Member opportunities in Europe and the future of the industry. Next year will also see the introduction of the FDA Educational Foundation Awards Dinner, another high-profile event to add to your calendar.

In the Lobbying area, the FDA continues to work diligently to raise the profile of the industry in key government circles, working closely with such organisations as the DTI and the Small Business Service. There is much more detail on this area of activity in the Lobbying 2003 overview section, which I would encourage you to note. Also, Public Relations continues to be high on the FDA agenda. Strategies for reaching key UK and Irish media are in place and some 2003 highlights included articles in The Times, The Independent, The Daily Telegraph, The Mail on Sunday and The Financial Mail on Sunday.

The invoice finance industry is a growing, vibrant and innovative industry providing much needed finance to many small businesses and playing an essential role in wealth generation in the UK and Ireland. The challenge for the FDA going forward is to serve the Members with the same energy and enthusiasm with which the Members serve the economy. I look forward to the challenge.

Kate Sharp



A Chairman's Perspective - by Ann Horan



The FDA as an association represents the interests of an exciting industry, which is constantly changing and developing. My year in the Chair was no exception and I am delighted to report that the past year has been

highly positive - both for the FDA and for the industry in general.

As we all know, the UK is the world's largest invoice finance market, with client turnover currently in excess of £117bn. Over the past 10 years, the industry value has grown by more than 500%. At the end of 2003 we supported over 35,000 businesses with funds in excess of £8bn.

The Irish market is likewise enjoying strong growth. This year, Irish client turnover exceeded €10bn. There are currently 1,790 Irish companies using invoice finance as a method of funding business growth, an 18% growth rate in a single year.

Irish companies are seeing the benefits of invoice finance as a more attractive method of funding. Irish invoice finance companies have learned from the UK experience. Through their membership of the FDA, they are now better positioned to offer a professional service to Irish SME's and to larger companies.

The UK, as the world's largest invoice finance industry, has a role to play in Europe. For our Members, export factoring and invoice discounting are the highest growth areas. Europe offers real potential and many of our customers are already there.

During my year in the Chair, the FDA made overtures to the industry associations in a number of European destinations. The FDA will continue to take the lead in this regard, aiming to convince our peers in Europe that better cooperation can help to promote the aims of the industry as a whole. We can help governments and the public to understand the key role that this industry can play in promoting the well being of European economies.

We now have a full time Chief Executive at the FDA, Kate Sharp. Kate and her energetic team are bringing the association to new levels of professionalism and our events and lobbying are becoming the envy of other industry associations. The FDA is seen to be young, vibrant and energetic.

As I hand over the Chair to David Robertson, I believe that the industry is in a strong position. Our education, events, lobbying and public relations activities are in good hands and will continue to serve the needs of the industry. There is energy and direction behind the FDA, and it was a privilege to have been given the opportunity to lead this industry over the past year.

Ann Horan

FDA Members

The FDA Membership is united by an entrepreneurial approach to the provision of invoice finance to Small Medium Enterprises (SMEs). FDA members provide finance for businesses by advancing payments against money owed to that business by their customers. In this scenario, the finance available to businesses grows in line with sales. Factoring and Invoice Discounting services primarily provide these facilities, but many members are able to extend their product offerings to include facilities secured against stock-in-trade, plant and machinery and property.

FDA membership is diverse; it includes divisions and subsidiaries of all the major UK banks, foreign banks, major global industrial companies, through to small owner managed finance companies.

In 2003 there were 41 member organisations of the FDA, providing billions of pounds of working capital finance to businesses across the UK.

MEMBERSHIP CRITERIA

To be a Member of the FDA an organisation must meet the following requirements:

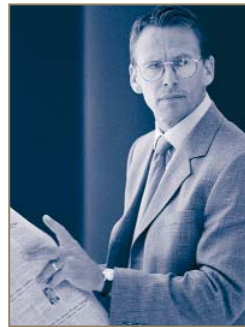
- Be established for more than 12 months
- Have a net worth of over £1 million
- 75% of the business must come from Factoring or Invoice Discounting services
- Clients' debts must not have been pledged to any lenders beyond that advanced to each individual client

Abbey National Business	Close Invoice Finance	London Scottish Invoice Finance
AIB Commercial Services	DCD Factors	Metropolitan Factors
Anglo Irish Bank Corporation	Enterprise Finance Europe (UK)	National Australia Group Europe
Aston Rothbury Factors	Eurofactor UK	NMB - Heller
Bank of America Business Credit	First Trust Bank	RDM Factors
Bank of Ireland Commercial Finance	Five Arrows Commercial Finance	Regency Factors
Bank of Ireland Finance	Fortis Commercial Finance	Royal Bank of Scotland Commercial Services
Bank of Scotland (Ireland) Commercial Finance	Gaelic Cashflow Finance	Skipton Business Finance
Bank of Scotland Cashflow Finance	GE Capital Commercial Finance	SME Invoice Finance
Barclays Bank Sales Financing	GE Commercial Distribution Finance	Transamerica Distribution Finance
Bibby Financial Services	GMAC Commercial Finance	Ulster Bank Commercial Services
Burdale Financial	HSBC Invoice Finance (UK)	UPS Capital UK
Cattles Invoice Finance	IGF Invoice Finance	Venture Finance
City Invoice Finance	Lloyds TSB Commercial Finance	



PR Public Relations 2003 continued

PR Public Relations 2003 - by Lawson Dodd



Lawson Dodd has been working successfully with the FDA since 2001. The public relations programme was carefully designed

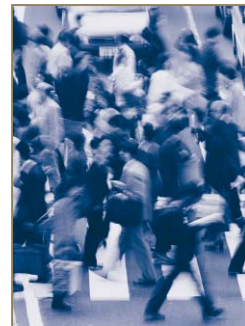
to support the Association's aim of promoting invoice finance, and its benefits, across the UK and Ireland.

The main objectives for the FDA's 2003 PR campaign were to:

- Raise the profile of the Association
- Position FDA spokes people as commentators on financial issues
- Support all members' interests (including Irish and Scottish members) by promoting the three main product areas - factoring, invoice discounting and asset based lending
- Provide visible media relations results - particularly in the national media
- Provide media relations support at a regional level to members

The PR campaign successfully achieved these goals through the execution of a focused media relations effort, generating both news and feature opportunities. Having established itself within the media over the preceding years, the objective for 2003 was to maintain this momentum so the FDA was recognised as the "voice" of the industry and seen as a leading trade association.

To support FDA members, it was important to send out a constant flow of information to recommenders of invoice finance i.e. the four key influencer audiences, which are made up of MDs and CEOs of current and prospective clients, and their key advisors, accountants and solicitors.



The 2003 campaign continued to focus on issues such as the new corporate insolvency regime and stepped up its efforts to further educate businesses regarding the benefits of invoice finance.

Lawson Dodd liaised with the FDA team to ensure that the information and points of view that we represented to the media were accurate, up to date and topical.

Throughout the year we used a variety of methods to generate coverage; we publicised the quarterly members statistics and we requested and utilised member case studies, four of which were placed in the media, always ensuring the FDA's key messages were conveyed.



Another focus of the campaign was putting FDA spokespeople in front of key journalists, achieved through a strategic journalist contact programme. In 2003, just one meeting with a

business correspondent from The Independent resulted in three subsequent pieces of coverage looking at available funding options for small businesses, one of which was entitled 'Shop around to stay in good financial health'.

Importantly, Lawson Dodd continued to work closely with DLA Upstream to ensure that the public relations campaign ran in conjunction with all policy developments. This in turn meant knowledge and understanding was passed on to the media. A good example of how this worked to the FDA's benefit was the Late Payment Legislation where we generated a substantial piece of coverage in The Sunday Times (February 2003), to coincide with the meeting DLA



Upstream had organised for the FDA with Nigel Griffiths, Minister for Small Business. Through these combined methods Lawson Dodd achieved 150 pieces of coverage; broken down as 12 nationals, 26 regional and 112 business pieces. We'd like to thank all FDA Members who assisted in achieving this whether it was through their time for briefings or offering case studies.

Lawson Dodd

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FDA Lobbying Strategy & 2003 Activity continued

FDA Lobbying Strategy & 2003 Activity - by DLA Upstream

PUBLIC AFFAIRS REVIEW - 2003



DLA Upstream has worked with the FDA since 2000 to ensure that the Association, the industry and the important services it provides to businesses

of all sizes in the United Kingdom and the Republic of Ireland are known and understood by politicians, policy-makers and other key organisations which condition the legislative and policy environments in which the industry operates, and who also influence perceptions of the industry more generally.

Integrated closely with the FDA's public relations programme, the public affairs activity is designed to support the Association's objectives to promote and represent the membership in a national, and increasingly European and global, environment. In this regard, the FDA's programme of activity focuses on fulfilling two interlinked objectives:

- **Monitoring the Legislative Environment - Ensuring that the FDA is aware early enough of policy initiatives and legislative**

proposals to allow the Association and its members to articulate the common position of the industry, where possible, and make a positive contribution to policy development.

- **Profile-Raising Public Affairs Briefing Programme - Ensuring that key contacts are briefed on the scale and contribution of the factoring, invoice discounting and asset-based financing industry. This means that the FDA is positioned as a source of expertise and authority to policy makers and is thus able to protect and enhance the interests of its members.**



Over 2003, the focus of activity continued to evolve from contact building to issue-based work and relationship deepening.

The FDA is now well-known and respected in policy-making circles and is routinely consulted as a matter of course on upcoming policy initiatives of relevance to the industry.

2003 was a significant year for the industry. After much negotiation, September saw the entering into force of the new corporate insolvency regime, brought

in by the Enterprise Act 2002. The FDA was closely engaged with the DTI and Insolvency Service during preparations for the Bill, as it proceeded through Parliament and during the preparation of the subsequent regulations coming from the Act. The FDA also undertook to keep the Insolvency Service informed about the impact of the new regime on members as it bedded in.

In addition to the high profile developments in insolvency law and business rescue, other policy issues of key focus during 2003 included the Law Commission's project on reforming the law relating to Registration of Security Interests and further measures brought forward by the Government aimed at encouraging entrepreneurial activity. The FDA was pleased to have been able to contribute to these and many other initiatives.

A central campaign issue for 2003 was that of ban on assignment, particularly where practiced by the Ministry of Defence, the main remaining public sector organisation to do so. Following meetings with the Small Business Service, the FDA was able to gain assurances from the MOD that this practice would not be cascaded down to subsidiary contractors, and the Association continues to watch this issue closely. The Association's regular meetings with the Small Business Minister, Nigel Griffiths MP, continued in 2003. Through the public affairs programme, the



FDA has been able to establish a close relationship with the DTI and Minister, who has proven to be a valuable supporter of the industry for several years.

Generously, the Minister will be hosting a gala reception for the Association at the FCO's prestigious Lancaster House in the Autumn of 2004 to showcase the industry's potential in supporting export promotion. This is sure to be a grand occasion and a suitable marker of the progress that the FDA has made in deepening its relationship with key political and policy audiences over recent years.

DLA Upstream

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The Legislative Year 2003 continued

The Legislative Year 2003 – by Edward Wilde, Hammonds

LEGAL ISSUES AFFECTING MEMBERS – 2003



The year 2003 produced threats and opportunities for members from all directions. The European Court of Justice, the Chancellor of the

Exchequer, the Law Commission, the UK Parliament, the High Court and the Financial Services Authority all raised important issues for action by your Legal and Technical Forum.

VAT

In January 2003 the European Court of Justice (ECJ) heard its first factoring case and the FDA were present. MKG-Kraft Fahrzeuge Factoring of Germany appealed against their inability to reclaim input VAT tax on their non-recourse factoring business. All European VAT legislation is intended to operate in the same way throughout Europe. If the German tax authorities' approach had been upheld by ECJ then the financial consequences for FDA members with non-recourse products would have been dire. Fortunately the ECJ decided that non-recourse factoring is an economic activity for tax purposes upon which VAT is chargeable and input tax deductible.

This is in line with the longstanding UK treatment of FDA members' activities. HM Customs and Excise have since opened a dialogue with the FDA which will result in a reissue of their official VAT notice relating to factoring and their internal guidance for their VAT Officers. Hopefully these should clarify a number of misunderstandings about the VAT treatment of Members' services.

LAW REFORM



The Law Commission keeps the law under review and recommends reform when needed. During 2003 the FDA were actively involved in the Commission's consultation process about public filing

of notices of security interests, including factoring agreements. There were several meetings with Commissioner Hugh Beale Q.C. We have supported the notice filing proposals and lobbied against bans on assignment, set-offs against receivables and the rights of ROT holders against financed stock and assigned receivables. Proposed legislation will be available for comment later in 2004, with a final report in 2005. The FDA will continue to lobby vigorously on behalf of members.

FSA - GENERAL INSURANCE

In the Autumn of 2003 the Financial Services Authority issued their proposed regulations for general insurance business, including credit insurance. After January 2005, if you introduce clients or prospects to an insurance broker or an insurer, advise on any policy or help with applications or claims you will need to be authorised by the FSA or become an appointed representative of a regulated insurer. Failure to do so will be criminal. Whichever route is taken, members will have to comply with FSA rules about standards of advice, supervision and training of staff, claims handling and disclosure of commissions.

CHARGES ON BOOK DEBTS



After the landmark Privy Council case from New Zealand of *Brumark* in 2001, banks were advised that fixed charges on book debts are possible only if collections are paid into a blocked account under the control of the lender. This has proved commercially impractical and resulted in increased receivables financing through factoring subsidiaries.

In 2003 the case of *National Westminster Bank Plc v Spectrum Plus Ltd* was prepared for a High Court trial and sought to overrule *Brumark*. It then went to the Court of Appeal in mid-2004. On the face of it, the

appeal judgment is good news for banks. It endorses the pre *Brumark* view that where a fixed charge on debts is held, if collections are paid into an account at the charge holding bank, from which the company can withdraw sums as needed, this does not negate the fixed nature of the charge.

This is contrary to the decision in *Brumark*. What happens next? Banks may believe that once again they can lend against security over book debts in a customer friendly manner. However, the Court of Appeal hinted heavily that if the *Spectrum* judgment were to be appealed to the House of Lords then *Brumark* might again be upheld. The blocked account or similar control mechanism would then always have to be used. An appeal has been lodged. This could be good news for FDA Members. A *Brumark* style judgment will make factoring and invoice discounting the dominant and most user friendly form of receivables financing.

ENTERPRISE ACT 2002

The corporate insolvency provisions of this Act affect debentures dated after 15 September 2003. Key features for FDA members include the abolition of your right to appoint administrative receivers. You will only be able to appoint an administrator, whose objective will be to rescue the company if possible and act for the benefit of all creditors. Crown preference has been abolished (but not the Crown right of set-off); you can appoint administrators out of Court; a proportion of the



The Legislative Year 2003 continued

funds subject to floating charges will be ring fenced for unsecured creditors. Members' standard form debentures and priority deeds need to be amended.



AUDIT AND ACCOUNTING THRESHOLDS

Members who rely on detailed audited accounts of debtors, clients and guarantors will have been disappointed by the

Chancellor's 2003 Budget speech proposing to increase the exemption from audit requirements for companies from £2.8 million to £5.6 million of turnover and to increase the level below which only abbreviated accounts need to be produced from £11.2 millions to £22.8 millions. The FDA unsuccessfully opposed these changes, which are now in force, on the grounds that the absence of audited information could restrict the availability of credit to the SME market and increase the likelihood of fraud.

STAMP DUTY

In December 2003 stamp duty on written assignments of debts was abolished. Over the years various devices have been set up to avoid written assignments of existing debts. Each creates an equitable assignment, leaving legal ownership of the debt with the client (albeit on trust for the factor). Although cumbersome, there are no major commercial or practical

consequences of these procedures. So it may be advisable to delay any major changes to your documentation, whilst HM Customs review of receivables financing is awaited, particularly as to the importance they may attach to equitable title.

FINALLY

Members with legal issues of general interest can raise these with the Secretariat and are welcome to attend the quarterly meetings of our Legal and Technical Committee.

Edward Wilde is Hon. Legal Adviser to FDA and a member of the London Finance Law Team at Hammonds, Solicitors.

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Education Update

DAY COURSES 2003

The FDA prides itself on delivering professional, industry-specialist training. The FDA Day Course Programme offers FDA members access to a wide range of one and two-day industry specialist courses. During 2003 the FDA delivered twenty-three courses with course topics ranging from the likes of Fraud and Loss Prevention to Account Management and Rescue and Recovery Options. Over 400 delegates attended the Day Course Programme, an increase of attendance of 15% on 2002.

Due to market requirements, 2003 also saw a number of new courses introduced. Advanced Financial Information, Advanced Fraud and Loss Prevention, Credit Insurance and Coaching Skills all proved to be popular additions to the FDA Day Course Programme. The year also saw the FDA deliver two courses specifically tailored to FDA Member needs in Ireland. Courses are also open to non-members and overseas factoring companies and 2003 saw FDA Day Courses attended by delegates from as far a field as Singapore, Reykjavik and Romania.

With the Day Course Programme continuing to grow, the FDA continually ensures that all of its' courses are delivered by industry professionals with excellent knowledge in their respective topic areas. To this end, 2003 saw the FDA arrange a two-day "Presentation Skills Workshop" which saw six key FDA lecturers from

member companies attend. This course was designed to fully equip them with the skills necessary to deliver on the FDA Day Course Programme. All of the individuals concerned successfully passed the course and have now been added to the FDA approved database of trainers.

The FDA also caters to bespoke, in-house training requirements. One member that made use of FDA in-house training during the year was RBSCS. They approached the FDA to deliver a customised course for their marketing department. The course involved training the team on products and services, sales and marketing techniques and the current challenges facing the industry. Should there be a requirement, more information on FDA in-house courses is always available.

In May 2003 at the FDA Annual Dinner the Lecturer of the Year Award was also presented to two presenters who were key contributors to the educational programme during the year. On the night this award was presented to Neil McGivern and Bernie Barrett, and we would like to give them a special thank you for their outstanding contribution to the programme.

Education Update continued

DISTANCE LEARNING 2003



The FDA Distance Learning Programme offers FDA members the chance to increase their knowledge of the industry and apply what they have learnt within their own organisations. For a student, choosing a Distance Learning option demonstrates a commitment to a year of hard work and dedication to increasing their knowledge and contribution to the Invoice Finance industry.

During 2003 the FDA Distance Learning structure remained unchanged – with the programme offering three tiers of qualifications – the FDA Foundation Course, the FDA Certificate Course and the FDA Diploma Course (inclusive of the Residential Week, which also acts as a stand alone industry qualification).

2003 saw 448 students enrol for Distance Learning Courses and also saw a number of developments. The FDA Foundation Course enrolled 260 students and became available to study on CD Rom. The

revised Certificate Course was also introduced in November 2003. The new format brought with it compulsory assignments, aimed at improving results. The legal and insolvency section of the course was also updated with regards to the implications of the Enterprise Act, and 2003 saw 132 students enrol on this particular FDA course. The Residential Week saw 25 students being put through their paces and 2003 also welcomed 16 students to the newly qualified FDA Dip status.

The quality and cost of the FDA's education programme is inextricably linked to the generosity of FDA sponsors, often contributing to the programme free of charge. Their contributions range from developing, hosting and presenting day courses; writing and updating the distance learning workbooks to attending the residential course as advisors and judges. We would like to take this opportunity to thank all of those companies and individuals who help to deliver and maintain the professional standards of the FDA Educational Programme.

Without you the professional, industry-specific training that the FDA provide would not be possible and we look forward to continuing to work with you in 2004!

Industry Statistics

FACTORING AND INVOICE DISCOUNTING

2003 proved another successful year for the invoice finance industry with an increase in turnover of 12% on the previous year and industry turnover exceeding £117 billion. Client numbers increased by 6% to 35,549, with the largest increase in the 'Over £10m' turnover band of 20%. At the end of the 2003 client advances exceed £8.7m.

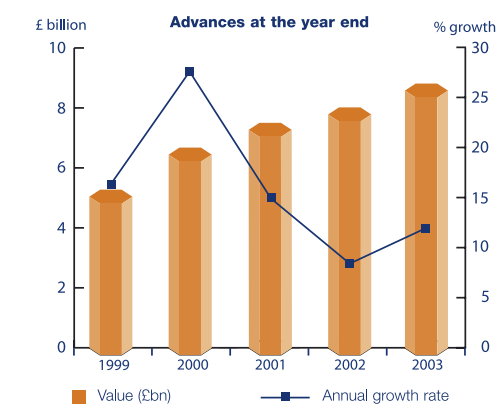
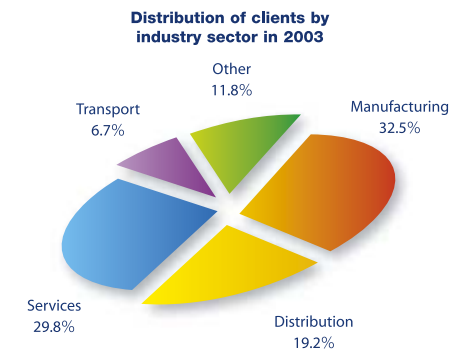
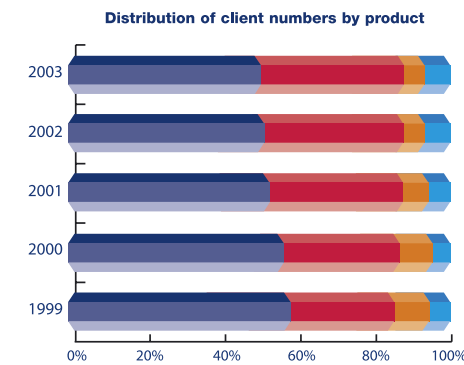
Clients' sales volumes (£m)	1999	2000	2001	2002	2003	% change
Domestic factoring	14,910	15,137	16,374	17,222	17,626	2%
Domestic invoice discounting	47,097	56,830	68,464	82,995	94,748	14%
Export factoring & ID	2,590	3,570	3,250	3,206	3,943	23%
Import factoring	696	711	701	713	744	4%
Total clients' sales	65,293	76,248	88,789	104,136	117,061	12%

Client numbers at the year end

Number of clients by product	1999	2000	2001	2002	2003	% change
Domestic factoring	15,210	15,715	16,529	17,472	17,908	2%
Domestic invoice discounting	7,552	8,298	10,380	12,416	13,775	11%
Export and mixed export plus domestic	2,145	2,151	2,195	1,953	2,238	15%
Import factoring	1,202	1,196	1,418	1,681	1,628	-3%
Total	26,109	27,360	30,522	33,522	35,549	6%

Analysis of client numbers by industry sector

At the end of 2003	Manufacturing	Distribution	Services	Transport	Other	Total
Number of clients	11,539	6,811	10,608	2,398	4,193	35,549



Events Review

Every year the FDA hosts a variety of events for the invoice finance industry. These events range from the black tie Annual Dinner in London, to smaller, informal networking Staff Forum events throughout the country. The FDA also put together an Annual Conference towards the end of the year, which is held abroad and addresses topical issues for the industry. Every year, well over 1,000 people enjoy the range of events that the FDA provides.

ANNUAL DINNER



May 29th, 2003 saw the annual events calendar kicked off in fine form with the FDA Annual Dinner at the Inter-Continental Hotel in London. Over 750 guests from the industry joined us to celebrate the growing industry. The event was Tony Cox's last as Chairman of the FDA, as he handed over the Chair to the first female Chair the FDA has seen - Ann Horan from Bank of Ireland Finance. On the night, the Educational Awards for 2002 were awarded to Top Students from the industry and also special guests joined us, including Stephen Norris MP (Conservative Candidate for London Mayor) who provided us with a very entertaining pre-dinner speech.

Also Richard Wilson OBE entertained the audience with his after-dinner speech before the festivities continued well into the night.

GOLF DAY



The 2003 Golf Day was held on June 26th at Wentworth Golf Club, Surrey and was sponsored by HPD Software.

The 'Voice of BBC Golf' Sir Alex Hay joined us for an 18-hole round and also provided us with a few stories for our after-dinner entertainment. The day was well attended and, with the weather being kind, the day provided a relaxing and good-humoured competitive networking day out for senior managers and sponsors from the industry.

STAFF FORUMS

The FDA Staff Forums are primarily informal social gatherings for all staff of FDA Member organisations. The FDA provides a motivational and entertaining speaker and a number of complimentary drinks and a buffet, totally free of charge.



In 2003 we held three Staff Forums throughout the year. The first was in the South-East at Gatwick on April 10th, 2003 with Kriss Akabusi MBE as our guest speaker. The FDA Chairman at the time, Tony Cox, was there to lend support to the Association and to introduce the main speaker and the evening (sponsored by Kroll's Corporate Advisory and Restructuring Group) proved to be a huge success. The audience was entertained by Kriss (and his unique presentation style) speaking about being FIT for business, with Focus, Innovation and Teamwork.

Events Review continued



On June 12th Robert Swann OBE arrived at the second FDA Staff Forum to be our guest speaker, complete with backpack on his back in true explorer style. Over 160 people turned out to listen to this extra-ordinary man talk about his expeditions to the poles.

The evening, generously sponsored by Experian, ICC Credit and RSM Robson Rhodes, was truly inspiring. Robert captivated the audience with his story of the challenges that he (a 20 year old who had never been camping) and his colleagues had faced in raising sponsorship and their gruelling physical challenges.

A true believer in inspiring people, he described good leadership as 'showing commitment' and Robert today focuses on communicating a positive message to people, businesses and governments about the environment and preserving places like Antarctica. All those who attended would agree that Robert provided a truly memorial and inspiring evening.

The final Staff Forum of the year was also a crowning glory, as it was the first FDA Staff Forum in Ireland and a fitting tribute to the first Irish FDA Chairman - Ann Horan. The legendary Jack Charlton OBE joined us on October 15th in Dublin to share his entertaining stories on football stars past and present. There was no shortage of Irish hospitality at the event, generously sponsored by Matheson Ormsby Prentice, as the celebrations went on well into the night.

These networking events always prove popular with FDA Member staff and we look forward to continuing to deliver inspiring and relaxing evenings for those working within the industry.

7TH ANNUAL CONFERENCE



The year ended on a high note, with 350 members, sponsors and guests joining us at the FDA's 7th Annual Conference 'Pushing the Boundaries' in Amsterdam. The event, themed around the opportunities awaiting our Members in Europe, was generally regarded as the FDA's best conference yet and the turn out reinforced the rate at which this thriving industry is continuing to grow.



The conference, sponsored by Dancerace, was held at the Hotel Okura in Amsterdam on the 26th-27th of November. The conference officially opened the morning of the 27th with the most amazing laser light show and the conference's host - John Humphrys proved to be the ultimate professional throughout - driving energy through the whole programme of outstanding speakers.

Guest speakers ranged from such well-known names as Rt Hon John Redwood MP and Rt Hon Lord Roy Hattersley, to Jeremy Peat, Group Chief Economist at the Royal Bank of Scotland. More industry specific speakers were also called upon to impart their knowledge, interspersed with fascinating stories of success from guests such as Debra Veal MBE, who rowed single handed across the Atlantic Ocean and Rene Carayol, the champion of 'Corporate Voodoo'. The evening saw all of the attendees enjoy a wonderful meal and the conference finished in style with an after-dinner speech by John Humphrys, who then took questions from the floor.



FDA Accounts

Profit & Loss Account

For the year ended 31 December 2003

Factors & Discounters Association Limited
(limited by guarantee)
Report of the officers of the committee and financial statements
For the year ended 31 December 2003

	Note	2003 £	2002 £
Turnover	1	346,880	305,812
Administrative Expenses		<u>(344,497)</u>	<u>(289,500)</u>
Operating profit		2,383	16,312
Interest receivable and similar income		<u>7,285</u>	<u>3,837</u>
Profit on ordinary activities before tax		9,668	20,149
Tax on profit on ordinary activities		<u>-</u>	<u>(2,579)</u>
Retained profit for the financial year		9,668	17,570
Retained profit brought forward		<u>83,073</u>	<u>65,503</u>
Retained profit carried forward		92,741	83,073

All income and profits are derived from continuing operations.

The Company had no recognised gains or losses other than those disclosed in the profit and loss account.

1. Turnover

Turnover excludes Value Added Tax and represents subscriptions and application fee income paid by the members of the Association, and income received from sponsors of the Association.

All of the company's turnover and profit on ordinary activities is derived in the UK from its principal activity.

FDA Accounts

Balance Sheet

As at 31 December 2003

Factors & Discounters Association Limited
(limited by guarantee)
Report of the officers of the committee and financial statements
For the year ended 31 December 2003

	2003 £	2002 £
Current assets		
Cash at bank	94,684	111,926
Debtors	<u>37,124</u>	<u>32,674</u>
	131,808	144,600
Creditors		
Amounts falling due within one year	<u>(39,067)</u>	<u>(61,527)</u>
Net Assets	92,741	83,073
Reserves		
Profit and loss account	<u>92,741</u>	<u>83,073</u>
Total members' funds	92,741	83,073

These financial statements were approved by the committee on 15 September 2004 and were signed on its behalf by:

D Robertson
Chairman

A Sainsbury
Vice Chairman



FDA Accounts

Income & Expenditure Account

FDA Educational Foundation
(limited by guarantee)
Governor's report and financial statements
For the year ended 31 December 2003

Income and expenditure account for the year ended 31 December 2003

	2003 £	2002 £
Income of continuing operations		
Sponsorship	19,000	27,500
Course and certificate fees	299,651	350,501
Interest received	6,951	4,527
Total income of continuing operations	325,602	382,528
Expenditure		
Direct charitable expenditure	206,359	229,706
Management and administration	69,472	59,209
Fundraising and publicity	60,436	50,022
Total expenditure	336,267	338,937
Net (deficit)/income for the year	(10,665)	43,591

The income and expenditure account has been prepared to comply with Companies Act requirements. It differs from the statement of financial activities by virtue of excluding the value of donated services.

FDA Accounts

Statement of Financial Activities

FDA Educational Foundation
(limited by guarantee)
Governor's report and financial statements
For the year ended 31 December 2003

Balance sheet at 31 December 2003

	2003 £	2002 £
Current assets		
Debtors	14,144	34,486
Cash at bank	251,152	227,249
	265,296	261,735
Creditors: Amounts falling due within one year	(29,717)	(15,491)
Total assets less current liabilities	235,579	246,244
Funds		
Unrestricted funds	235,579	246,244

These financial statements were approved by the Board of Governors on 14 September 2004 and were signed on its behalf by:

D Robertson
Governor

EMG Ettershank
Governor



FDA Sponsors

The FDA Sponsorship Programme has grown considerably in recent years. The support that the FDA receives from its sponsors enables the Association to continue its work promoting the industry and running educational programmes for those working within the industry.

Opportunities for companies to get involved with sponsorship of the FDA are always available. The Sponsorship Programme runs yearly from January to December, however organisations can become sponsors at any time throughout the year. Sponsors are then invited to get involved with FDA activities, events and the FDA educational programme.

We would like to thank all our Sponsors for their contribution to the FDA and the ongoing commitment they have shown on behalf of the best interests of the industry.

FOUNDER SPONSORS

BDO Stoy Hayward	Connell Associates	Henderson Boyd Jackson	Menzies Corporate Restructuring
Bermans Solicitors	Cuff Roberts Solicitors	Henry Butcher	Morton Fraser Solicitors
DLA	Dancerace Plc	Highams Business Solutions	Numerica
Hammonds	Deloitte & Touche	Hilco	Paul Davidson Taylor
KPMG LLP	DoveBid - Bache	Hilton-Baird Financial Solutions	Penningtons Solicitors
Morgan Cole	DWF	HPD Software	Pinsent Curtis Biddle
Smith & Williamson	D.M.H.	ICC Information Systems	PKF
Tenon Recovery	Edward Symmons & Partners	Jones Day	PriceWaterhouseCoopers
	Ernst & Young	Kennedys	Risk Factor Solutions
	Eversheds	Kingston Smith & Partners LLP	RSM Robson Rhodes
	Experian	Kroll's Corporate Advisory and Restructuring Group	Scott Wilks Legal LLP
	FA Simms & Partners	KSB Law	SJB Consultants
	Factoring UK	Latham & Watkins	The P & A Partnership
	Fanshawe Lofts	LCL Law	Vincent & Beatty Solicitors
	Gateley Wareing LLP	Lee Crowder	Wacks Caller
	Grant Thornton	Matheson Ormsby Prentice	Wragge & Co
	Hacker Young	Mazars	Xbridge
	Haines Watts		
	Halliwell Landau		