



Annual Report 2020

Leading, Supporting, Promoting: Because Natural Health Matters

Who's who in the HFMA

Council



Vitabiotics
Robert Taylor (Chair)



Natural Trade Brokers
Tom Moses (Treasurer)



Nelsons
Steve Mann (Vice-Chair)



Comvita
Nigel Browne



ADM Protexin
Aileen Green



Lehvoss UK/Gee Lawson
Julian Domszy



Holland & Barrett International
Sukhbinder Gill



Lamberts Healthcare
John Todd



Lanes Health
Janet Groves



MPL Marketing
Martin Last



The Bountiful Company
Raj Dhaliwal



Biocare
Emma Ellis

Secretariat



President
Penny Viner



Company Secretary
Mark Blackwell



Executive Director
Graham Keen



Communications Manager
Esther Mills-Roberts



Office Manager
Philippa Williams



Office Assistant
Denise Penfold

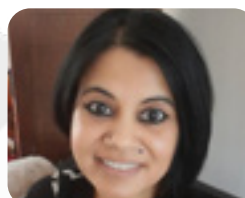
CLEAR CHECK



Code Administrator
Gwyneth Massey



Code Administrator
Katie Burren



Code Administrator
Meghna Dasgupta

Advisers



Political & Public Affairs
Simon Fitzpatrick
Cicero/AMO



Scientific Adviser
Dr Michele Sadler



Technical Adviser
Prof Paul Berryman



Public Relations
Beth Lowes
ROAD Communications



Robert Taylor

Message from the chair

After more than seven years, I shall shortly be stepping down as Chair of this amazing organisation. It has been an enormous privilege.

Since our 50th anniversary in 2015, there have been countless achievements and milestones. We stood shoulder to shoulder with the MHRA in the Royal Courts of Justice, to protect the future of glucosamine as a food supplement. We formed the 'Micronutrients and Health' All-Party Parliamentary Group. Following the Brexit result in 2016, we began our even more determined drive to engage with UK officials, from Business Expert Groups to Regulatory Delivery (RD). As Brexit dawned on the nation, we provided a voice for our industry, launching our Brexit position paper and helping to support members for what was to come.

But no-one could ever imagine that we would soon be facing a far bigger issue, that would eclipse our exit from the European Union. **During the COVID crisis, the HFMA has stepped up more strongly than ever in our history to protect the natural products industry.** This included our successful campaign to keep health stores and, critically, the chain that supplies them, open throughout the crisis and to have our employees classed as 'critical workers'.

Elsewhere in this report you can read about our 'Healthy Does It' campaign, launched in August last year, which drives home the importance of natural health products at a time when wellness is undisputedly the nation's number one priority.

There are many challenges ahead. As an industry we are still living with an inability to say what most of our ingredients actually do! This situation has to be addressed at a UK national level, on the basis of the best science possible. Serious regulatory issues are emerging at an unprecedented rate. **But I can reassure you that this organisation has never been in better shape, or more focused and ready to face every challenge ahead.**

"A few years ago I said 'for decades the official, standard approach to health has been to put an ambulance at the bottom of a cliff'. Now, as I step down as your Chair, I can truly say we've helped the nation to build a fence at the top of that cliff."

I thank you all for helping in protecting this vital industry, including our dedicated Executive Director, Graham Keen and our very able Secretariat, including Treasurer Tom Moses. Our wonderful office team, the CLEAR CHECK team, our technical, scientific, PR and political advisers and, last but certainly not least, all of the Council members who give so much of their time. Most importantly, I thank every member company for your essential support; we could not do this without you.

What our members think of us:

How likely are you to recommend HFMA membership to a non-member company?



9.1
out of 10

HFMA Member Survey, May 2021



Graham Keen

Executive Director's Report

"Keeping the lights on"

I don't think anyone could have imagined the traumatic year that 2020 turned out to be. The combined impact of our departure from the EU and the worst public health crisis in living memory meant that our member companies faced unprecedented challenges. And I am so proud to say that the HFMA more than played its part in helping them to meet and overcome these massive obstacles.

In March this year one of our member companies, over 25 years in membership, wrote to me saying: *"You helped keep the lights on and give people a healthy choice"*, and I think that brought home to me the significance of our efforts. Keeping health stores open throughout the pandemic-induced lockdowns was our crowning achievement in 2020. Not our only one by some way, but certainly the most important and no other organisation can claim to have done more to make that happen.

It was not a given that this *would* happen, there was every possibility that only supermarkets, general food stores and chemists might remain open. And even if we were successful in making sure health stores were given 'critical' status, it certainly wasn't a given that the chain supplying them – our members – would be similarly recognised.

Alongside our efforts to keep our sector 'open for business', I'm also very happy that our efforts to keep members briefed via our regular 'Covid-19 Member Updates' was greatly valued, and similarly we can now say that the same can be said of our major efforts to advise and support members through the inevitable post-transition challenges.

We wanted to emerge from the pandemic with the two strong initiatives and you can read more about these elsewhere in this report:

1. HealthyDoesIt, which is aimed at educating consumers about good health, and directing them to their local high street health store for the best products and advice.
2. The new 'Health of the Nation: Lockdown Focus' survey, the findings from which tell us that we have a consumer that is more engaged with our products than ever before.

Needless to say, the fight to protect and defend our members' interests is ongoing and, even now, we are still dealing with the staggeringly poor interpretation and enforcement of the Nutrition and Health Claims Regulation. Alongside this we are dealing with the still uncertain situation regarding botanical claims; the fight for the ongoing use of the term 'Probiotic'; the uncertain regulatory future for CBD products; and the impending ban on titanium dioxide and aloe products, to name but a few examples.

Our efforts over the last year have been recognised with, for the first time in HFMA's history, our nomination and subsequent shortlisting for the 'UK Association of the Year' award in this year's Association Excellence Awards. We have also been shortlisted for the 'Best Lobbying Campaign or Advancement of a Cause during Covid-19' award, which is gratifying.



It has always been my fervent hope that we could collectively emerge from the last year or so in sufficient good shape to build upon the challenges we currently face, and I think I can now say with confidence that this is happening.

My grateful thanks to the HFMA's superb secretariat and team of advisers for rallying so superbly to our members' needs in the last year. Profound thanks also to our member companies that look to us for the help and support they need, and who have shown in our most recent member survey that they recognise and appreciate everything we do.

HFMA Member Survey

This extensive online survey, last conducted in 2017, was conducted in May 2021. There were a total of 82 responses, compared with 66 in 2017, 70 in 2010, 54 in 2005 and 47 in 2003. The findings provide an invaluable resource as we strive to constantly improve and to meet and exceed our members' expectations.

The results of this latest survey suggest that we have continued to make good progress and our members are more engaged than ever.

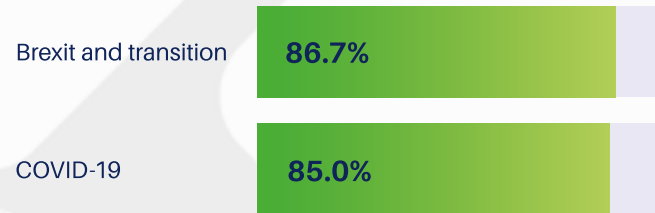
Importance and rating of key HFMA services:

	'Very' and 'Quite' Important	'Very good' and 'Good'
Regulatory and legislative updates	100.0%	95.1%
Mailouts and bulletins	96.4%	90.1%
Credible expert support	95.1%	85.4%
Lobbying in Westminster and Whitehall	90.2%	91.4%

'Strongly agree' & 'Agree': The HFMA...



How would you rate the HFMA's handling of ('Very good' and 'Good'):



Connection to the HFMA:

How 'connected' to the HFMA do you feel:



Over the last 1-2 years:



HFMA as a good investment:



Quantity of HFMA communications:



"No organisation did more than the HFMA to protect and champion the interests of the natural products industry in 2020."

Vicky McIver – Managing Director, Power Health Products

"The support of the HFMA has been invaluable throughout the COVID pandemic."

Jalal Janmohamed – Managing Director, Wrenlabs

"The HFMA provides the fundamental platform that allows us to work collectively, and the 'HealthyDoesIt' campaign epitomises that movement."

Amanda Williams – CEO, CytoPlan

"The HFMA's leadership is second-to-none. Every year, the strategic direction set by the association is innovative, focused on advancing and future-proofing our industry and never has this been more apparent than in 2020."

Cheryl Thallon – Managing Director, Viridian Nutrition

"Bionutri Ltd has been a member of the HFMA since our business first started trading in 2007, and HFMA has been part of the bedrock upon which our business sits since our beginning."

Robert Joy – Managing Director, Bionutri

Financial Report

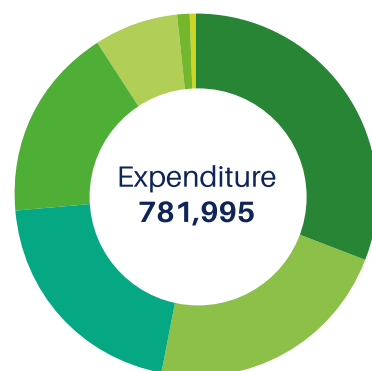
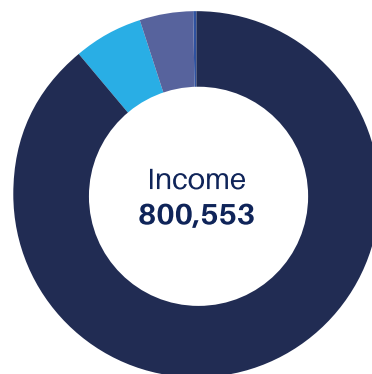
In general, the control of expenditure was as typically tight as ever, with the main portion of the increase accounted for by the addition of our dynamic new 'Healthy Does It' campaign and the associated costs in the creation of the new website completely from scratch, and the related social media campaigns and marketing costs.

The HFMA has changed beyond all recognition from 21 years ago and I'm delighted to say that its finances are in a healthier state than ever before. The recent annual audit conducted by Hartley Fowler bears this out, being as typically smooth and incident-free as ever.

As you will see from the table here, a pre-tax surplus of £18,700 was achieved, driven by a very healthy rise of 6.6% in member subscription income, a new record for the Association, and an overall rise of 8.9% in total income of over £800k. Our general operating overheads totalled £781,995, an increase over the previous year of 8.4%.

In general, the control of expenditure was as typically tight as ever, with the main portion of the increase accounted for by the addition of the new 'Healthy Does It' campaign and the increase in staff to accommodate this dynamic campaign. Like many businesses in 2020, many of the usual overheads were suppressed by the HM Government restrictions imposed throughout the year.

It is very pleasing to see that the HFMA is now more representative of the industry than ever before, interest in membership is high, and our members acknowledge the significant support and help given to them throughout the COVID-19 crisis over the last 15 months, and into the future.



Tom Moses
Treasurer

	2020 £	2019 £
Income		
Subscriptions	712,126	668,185
CLEAR CHECK - Members	37,036	33,727
CLEAR CHECK - Non Members	49,670	30,558
Other Income	1,721	2,505
Total Income	800,553	734,975
Expenditure		
Secretariat	241,336	254,785
Advisers	161,184	150,704
CLEAR CHECK & Communications	173,603	129,502
Head Office & Admin	135,113	102,898
Meetings	9,195	22,374
Loan Interest Payable	4,460	5,812
Industry Support/EU Affairs	57,104	55,552
Total Expenditure	781,995	721,627
Bank Interest Receivable	142	519
Net Surplus/Deficit	18,700	13,867
Tax	-5,403	-5,302
Net Surplus after Tax	13,297	8,565

healthy doesit



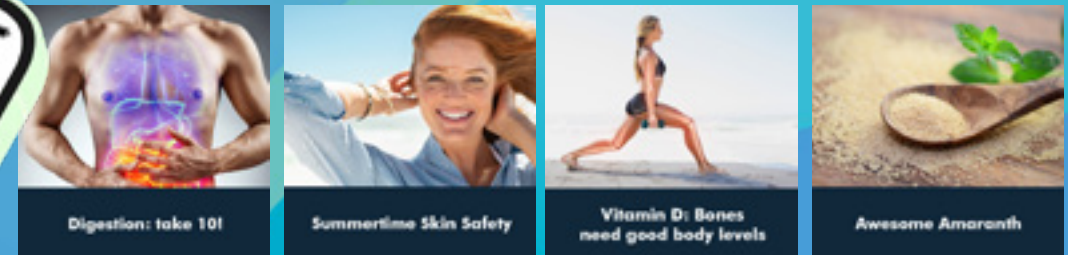
This past year saw the launch of HealthyDoesIt, an HFMA campaign made with two things in mind; promotion of natural health products and encouraging consumers to visit their local health food stores.

With high quality content, health store finder, health quizzes, and giveaways, HealthyDoesIt has helped to keep natural health at the forefront of consumer minds.

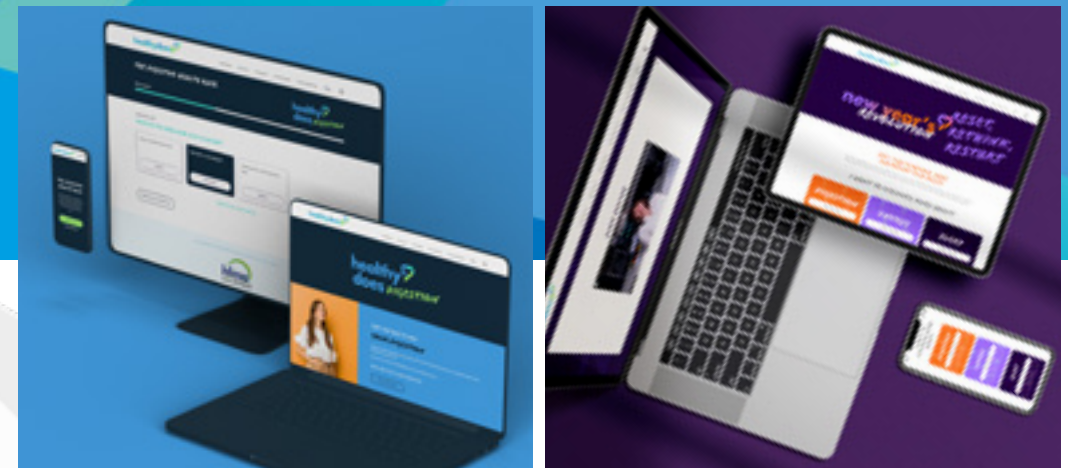
Based around large campaigns, such as New Year's Revolution, and smaller health campaigns like HealthyDoesDigestion, HealthyDoesIt acts as a focus point for members and retailers, supported by media assets; videos, plus organic and social posts.

Engaging Content

[Click to read](#)



Campaigns



HealthyDoesDigestion

New Year's Revolution

HEALTH OF THE NATION 2021



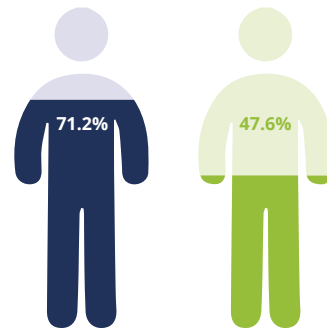
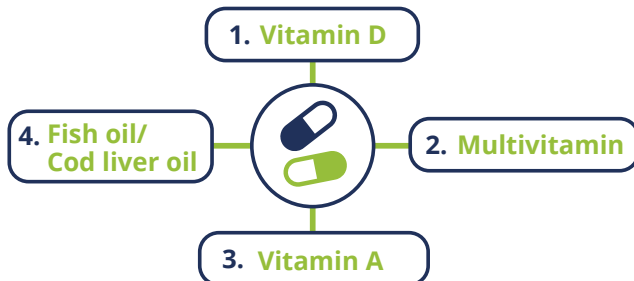
Our 'Health of the Nation 2021: Lockdown Focus' survey captured important data from 10,000 UK adults, throughout the lockdown period. These findings confirmed that the HFMA's member companies, and the wider natural health industry, continue to play a vital role in helping our nation to be healthier. Our products and services have probably never been held in more esteem by customers, and perhaps more understood by Government and Regulators, than they are right now.

Watch the 2021 video

20 MILLION PEOPLE
taking supplements on a daily basis

A new most popular

Multivitamins were knocked off the 'most popular' top spot, replaced by Vitamin D



71.2%

Of the UK adult population are now taking food supplements.

With almost half of them taking on a daily basis.

New to supplements

VITAMIN D
63%

VITAMIN C
39%

31%
Have started taking supplements in the last year

77%
of 18-24 year olds are now consuming food supplements

