

FSB *Voice of Small Business* Panel: December 2010 Survey Topline Results

- Results are based on an online survey carried out by 1635 members of the FSB *Voice of Small Business* Panel. This represents a response rate of 36%.
- Surveys were completed between 7th and 17th December 2010.
- The data has been weighted to the membership profile.
- Where results do not sum to 100%, this may be due to multiple responses or rounding.
- Results are based on all respondents (1635) unless otherwise stated.
- Study undertaken by Research by Design on behalf of the Federation of Small Businesses.

VAT

Q17. Does your business reclaim VAT on purchases or through the Flat Rate Scheme (applicable to those with a VAT taxable turnover of less than £150,000)?

Base: 1406 (those not based in Scotland)

| | |
|---------------------------------------|-----|
| On purchases | 70% |
| Through the Flat Rate Scheme | 6% |
| My business is not registered for VAT | 21% |
| Don't know | 4% |

Q18. What impact, if any, will the rise in VAT (from 17.5% to 20% in January 2011) have on your business?

Base: 1382 (those not based in Scotland)

| | |
|-----------------|-----|
| Positive impact | 3% |
| No impact | 26% |
| Negative impact | 71% |

Q19. Specifically, how is the VAT rise likely to impact your business?

Base: 973 (all indicating negative impact)

| | |
|---|-----|
| Increased business costs which can't be passed on | 55% |
| Increased prices | 52% |
| Decreased turnover | 45% |
| Loss of customers | 36% |
| Greater administrative burden | 18% |
| Wage freezes | 12% |
| Staff lay offs | 4% |
| Lower staff salaries | 3% |
| Don't know | 2% |
| Other | 5% |

Q20. How likely would you be to expand your business as a result of an increase in the VAT turnover threshold from £70,000 to £90,000?

Base: 285 (Not registered for VAT)

| | |
|----------------|-----|
| Very likely | 8% |
| Quite likely | 13% |
| Quite unlikely | 16% |

| | |
|---------------|-----|
| Very unlikely | 42% |
| Don't know | 21% |

Q21. How likely would you be to use the VAT Flat Rate Scheme if the threshold were increased from £150,000 to £300,000?

Base: 1257 (not registered for VAT FRS and pay VAT on purchases)

| | |
|--|-----|
| Very likely | 5% |
| Quite likely | 6% |
| Quite unlikely | 9% |
| Very unlikely | 38% |
| I do not know enough about this scheme | 33% |
| Don't know | 9% |