

FEDERATION OF SMALL BUSINESSES

ANNUAL REPORT AND FINANCIAL STATEMENTS

2022-23



 @fsb_policy

fsb⁰⁸
Federation of
Small Businesses



FSB Member | **JOANNE ROBERTS**



FSB Member | **PAUL STEVENS**



FSB Member | **SARAH CURTIS**



FSB Member | **TREVEL HENRY**



FSB Member | **TEE SANDHU**

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ABOUT US

Our vision is to be recognised as the most influential and trusted organisation representing the voice of all small businesses, in every region and nation of the UK. FSB is the UK’s biggest business membership organisation, established in 1974, offering our members a powerful voice which is heard in governments at all levels as well as vital business services and products.

The UK’s 5.5 million small businesses and self-employed make up more than 99 per cent of all private sector businesses. They contribute a staggering amount to the UK’s economy as well as being a major source of employment; more than 16.7 million people are employed by smaller firms. Our local, national and international activism helps shape policy decisions that have a direct impact on the day-to-day running of smaller businesses. We work for their interests through research and engagement with our members and by effective campaigning - influencing those in power through policy analysis, media and public relations activity.

We also support our members by providing them with vital business products and services, from legal advice to access to finance, and from debt recovery to training, ensuring that these remain relevant and competitive. Our members have opportunities to be an active part of the FSB community; by volunteering, by taking part in our Big Voice surveys, focus groups and roundtables and by joining FSB events held throughout the year.



Our corporate objectives

1. to represent the diversity of the UK’s small business community;
2. to provide support, advice and practical solutions to our community of members;
3. to advocate on behalf of small businesses and the self-employed, providing a powerful voice heard by Government and key decision makers; and
4. to maintain a critical mass of customers to deliver scale and to operate efficiently, ensuring financial stability and safeguarding FSB for the future.

MESSAGE FROM THE NATIONAL CHAIR AND VICE CHAIRS

As we entered this financial year, many of FSB members' own finances were being stretched to the limit, amid the cost-of-doing-business crisis. Small firms were facing a toxic and growing combination of soaring energy bills, rising inflation, monthly interest rate rises, and the prospect of the highest tax burden in 70 years.

Having given a powerful and effective voice to small businesses, the self-employed and limited company directors during the challenges of the pandemic, and then in mid-2022 as the new cost crisis began to kick in, it was crucial for us to continue to advocate successfully on these 5.5 million's behalf.

FSB advocacy and campaigning is wired into the organisation's DNA, as the reason FSB was originally founded in 1974. As cost pressures were becoming more acute – threatening the survival of many small firms – it couldn't have been more relevant in 2022-23.

Through extensive strategic political engagement, media and public relations – rooted in our policy research and recommendations – we proposed and secured a number of big-ticket measures to offset at least some of these cost pressures, while warning that a failure to address the increasingly acute situation heading into winter would lead to the loss of more small firms on top of the 500,000 shrinkage in the small business community over the main two years of the pandemic.

In October, the Energy Bill Relief Scheme, worth up to £12bn, to help small firms through the winter of 2022-23 against the headwinds of sky-high energy costs, came into effect, having been significantly influenced in its creation by FSB. As this scheme neared its conclusion in spring 2023, we campaigned for energy companies to allow those still trapped on contracts taken out at the price peak to 'blend and extend' those contracts onto a lower tariff to match the spring reduction in energy wholesale prices. This was adopted by a number of energy companies and endorsed by Ofgem.

When it came to tax, FSB highlighted to Government the threat to many small firms of potential rises in Business Rates, or short-term reliefs coming to an end just as cost pressures were really beginning to bite. In the first Autumn Statement of Chancellor Jeremy Hunt, FSB successfully secured an extension of the 75 per cent relief for small businesses in retail, hospitality and leisure in England – a sector our quarterly Small Business Index survey demonstrated was feeling the squeeze especially badly. The Chancellor also confirmed there would be no annual inflation-linked increase in Business Rates, for all our members not already covered by Small Business Rates Relief.

Despite the changes in leadership at the top of the UK Government, FSB also successfully campaigned to protect a planned reversal of a 1.25 per cent increase in National Insurance Contributions (NICs) for employers, employees and the self-employed, and was vocal on behalf of directors of limited companies who had been taken out of an equivalent reversal.

An employer NICs discount for those taking on military service leavers – originally secured by FSB in partnership with X-Forces Enterprise – was also successfully maintained. Meanwhile, another original FSB win – the employment allowance – was protected at its heightened level of £5,000.

Significant progress was made in our extensive campaigning to tackle the issue of late payments. Following pressure from FSB, an official consultation was launched in December 2022, which we

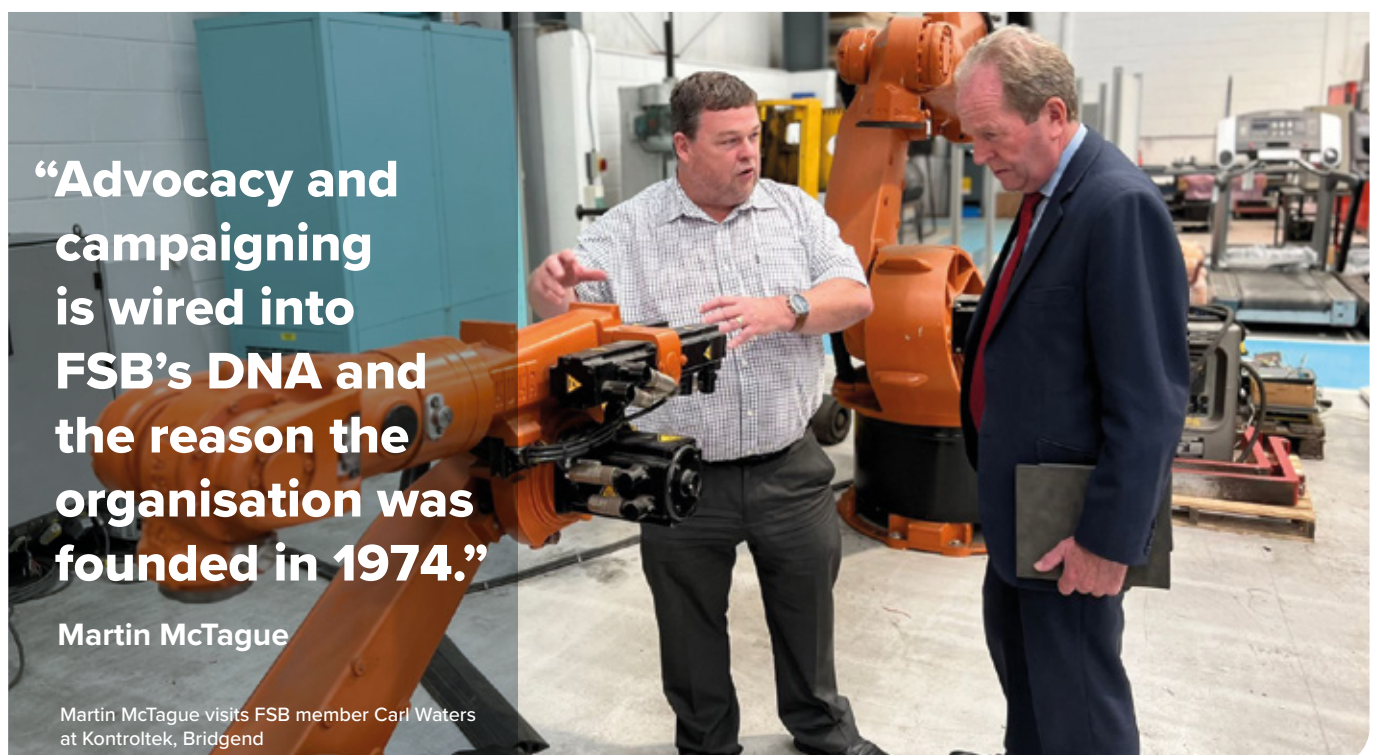
submitted into and extensively campaigned around when it was published in spring 2023. This was bolstered by new FSB research showing a 25 per cent increase in late payments, and the issue affecting more than half of small businesses.

This research formed the basis of the findings and recommendations of our policy report, *Time is Money*, which was also a platform for impactful media engagement on the issue. A major win came in September 2023, when a pledge to take action on late payments was the headline message in a speech by the Business and Trade Secretary, Kemi Badenoch, at the opening of FSB's new Westminster office, and paved the way to the Chancellor subsequently dedicating a section of his 2023 Autumn Statement to the issue.

Internationally, FSB published new research and recommendations based on the experiences of small business exporters and importers, following changes brought about by the UK's exit from the EU, as well as other contemporary global challenges and opportunities. Engagement continued at both a UK and international level. Progress made included the Government's export credit agency, UK Export Finance, announcing new products to help small businesses access trade finance, following calls from FSB to make its products more suitable for small firms. Meanwhile, the Government dropped the 'sunset clause' in the Retained EU Law Bill, which would have automatically revoked retained EU law at the end of 2023, creating business uncertainty. FSB also undertook an impactful trade mission to Washington D.C., building links with the US administration on furthering UK small business trade with the United States.

Back home, while significant cost pressures remained, that did not deter many small firms from wishing to play their part in the road to net zero, with the right support to help them to do so. FSB secured a 'Help to Green' pilot for funding for small businesses investing in environmentally beneficial improvements. Meanwhile, small firms benefited from business rates exemptions for green enhancements to their premises, such as solar panels, which FSB had previously secured.

Throughout the year, FSB's volunteers remained pivotal to our work. Our policy volunteers at UK, devolved nations and regional level informed our policy positions and remained highly engaged in supporting our advocacy for them. Our regional chairs and area leads also supported this, alongside being ambassadors for FSB in their part of the UK.



We, along with our other volunteers on the Board of Directors, continued to give strategic direction to, and oversight of, the organisation.

At the beginning of the financial year, following the 2023 AGM, we strengthened our Board of Directors further, by appointing two new co-opted directors with specific expertise in audit, risk and finance. The Board of Directors has legal duties to FSB, and the Board is ultimately accountable to FSB's members as whole. FSB's governance structure includes the Board's Scrutiny Body, an independent volunteer group acting in the best interests of FSB as a critical friend to the Board with an overall purpose to obtain assurance on behalf of the members that the strategic direction of FSB is in line with the principles and objectives set out in FSB's constitution. On behalf of the members, the Board's Scrutiny Body is responsible for the assessment of the Board's performance and effectiveness.

Overall, 2022-23 was significant in paving the way to future success for FSB and its members, from investment in technology and evolving membership support – as set out in the CEO's report – to securing advocacy wins, strategic and effective external communications, and laying the foundations for further wins which were already beginning to come through at the turn of the financial year into 2023-24.



M. McTague

Martin McTague OBE

National Chair



Tina McKenzie

Tina McKenzie MBE

National Vice Chair and
Policy and Advocacy Chair



Melanie Ulyatt

Melanie Ulyatt MBE

National Vice Chair
(Internal Affairs)

CHIEF EXECUTIVE'S REPORT

The financial year October 2022 to September 2023 persisted as an extremely difficult time for all businesses, with spiralling costs arguably being the worst in the last 100 years; the main culprit being utilities. Despite this, FSB delivered on creating a financial climate which ensures best value for members and safeguards the business for the future.

FSB has continued to invest in digital transformation in the year, to support the continuing modernisation of the business. This programme is expected to generate significant benefits for the organisation and its members in coming years. The investment has incorporated capital expenditure which is included as an intangible fixed asset on the balance sheet and expenses which have contributed to a deficit in the year.

Income from subscriptions remained FSB's most significant source of revenue during the financial year, however other operating income almost doubled as a result of growth in commercial income streams. Returns from managed portfolio investments and bank deposits also increased markedly.

Our marketing insights show that FSB members are significantly more likely to retain their membership if they use the commercial member benefits available to them. For that reason, this year we trialed a new marketing campaign, 'FSB Day', to drive members to visit their member dashboards, to explore and refresh their knowledge of what benefits are available to them and to increase the uptake.

In June 2023, FSB was once again Service Mark accredited by the Institute of Customer Service and we supported our members through 110,000 interactions across voice, email, chat and social media. Over the year, FSB Legal remained the most used member benefit, particularly around employment and commercial law, with over 105,000 calls to the legal helpline and more than 247,000 downloads. As our external affairs team continued to campaign for policy measures to rectify the huge problem of late payments affecting our members, FSB Debt Recovery had recovered over £2.8 million for our members by the end of September.

The new FSB Training benefit, introduced in November 2022, has been attractive to members, giving them access to over 700 CPD-certified online training courses at a fraction of the cost of other providers. In response to reports of increased sickness absence in the workplace, this year we began work with a partner to design a fully supported occupational health service for members, many of whom will be first time service users. Our virtual and in-person events programme thrived once again, delivering 1,242 events, attracting over 38,000 registrations, with an average satisfaction rate of 89 per cent.

We opened our new Westminster office at 10 Dean Farrar Street – a significant investment in FSB's future – and I was proud to have Secretary of State for Business and Trade Kemi Badenoch MP along to carry out the official opening. This new space allows for modern and flexible working and is now home to FSB's UK External Affairs staff teams - media, communications & PR, policy, public affairs, international affairs, business support, the offices of the national chair and the policy and advocacy chair, as well as London regional staff. The location – a stone's throw from the Palace of Westminster – facilitates the important regular in-person meetings

with key stakeholders. Prior to this, the team had been based at our offices in Catherine Place, Westminster, and that space is now operated on behalf of FSB as a co-working space for small businesses.

For the Business and Trade Secretary to accept the invitation to open the new office was a testament to the work of the staff team based there. During her address, the Secretary of State endorsed FSB, saying how she enjoyed the particular insights that the team brings into Government and how it was a real pleasure to work with them. On the same day, just across the river from Westminster, on the South Bank, Shadow Small Business Minister Rushanara Ali addressed our annual FSB Small Business Policy Conference, saying FSB plays a vital role in making sure that small businesses have a strong voice in our society and in Government.

On just that one day in 2023, I was so pleased to see such a strong demonstration of the respect and credibility our voice has across the main political parties, alongside an acknowledgement of the exceptional working relationships our Westminster external affairs teams have developed and maintained with Government and the Opposition.

Independent benchmarking research conducted with primary political audiences showed that FSB hit our target for 90 per cent familiarity with the organisation. We continue to score highly compared to the UK's other major business organisations on both familiarity of our campaigns and favourability towards us - even after two very difficult major fiscal events. FSB scores particularly highly in comparison to other groups in the small business or self-employed space. Our success rests on consistently strong scores across all major political parties, underlining the cross-party nature and independence of FSB's external affairs work.

Policy and advocacy remain at the heart of FSB, made possible through members' fees alongside commercial income generation strategies. Now, exactly 50 years on from 1974, when the organisation was founded by the self-employed Norman Small from Lytham St Annes, who brought together his contemporaries to rally against the then-proposed hike in National Insurance Contributions for the self-employed, the mission of FSB remains the same.



Secretary of State Kemi Badenoch (right) is introduced to FSB members at 10 Dean Farrar Street

Over this last half-century, the business has grown and developed to be the biggest, and most respected, membership organisation for small businesses and the self-employed. Our members are the extraordinary, intrepid and resilient people who generate most of the private sector turnover in the UK, provide the greatest proportion of private sector employment, and are absolutely vital to us all. Yet, without FSB they would not have a voice in political and public policy discourse, unlike large businesses.

Over more recent years, we have had to invest in increasingly expert communications strategies, including digital advocacy, in the external affairs team. We know that this content is seen by those in power and over the last year played a considerable part in successfully campaigning for energy cost support for our members by both the Government and energy companies.

It's crucial that each of our members feel like they have the opportunity to be a contributory part of our community and that FSB remains representative of the whole small business community in the UK. To that end, this year, a new public relations and communications strategy to increase the number and diversity of small businesses participating in our policy survey programme was delivered. The new strategy improved participation from previously under-represented small business voices such as women, ethnic minorities and disabled small business owners, meaning that our recommendations will be even more salient for every part of our community.

FSB has needed to be competitive in attracting and retaining skilled staff and we improved our equality, diversity and inclusion footprint to recruit from the widest pool, whilst continuing to encourage our staff to bring their whole selves to work. The year saw the business sign up to the Disability Confident Scheme and I'm proud that we were also recognised by the Ministry of Defence by being awarded the Defence Employer Recognition Scheme Silver Award, which was also an accolade for our external affairs work around armed forces and small businesses.

Being an exemplary employer is important to us as we recognise that our staff are our most important asset. During another year where people are struggling with the cost-of-living and devastating world events, and with mental health on a further decline, the business retrained 12 Mental Health First Aiders and also began development of an improved employee assistance programme, which went on to launch in October 2023. The business also commenced a management development programme, designed to train and certify our future staff leaders to transform people, performance and organisational results.

It was wonderful to see two FSB advocates recognised in the King's Birthday Honours list in 2023: FSB Policy and Advocacy Chair Tina McKenzie received an MBE for Services to the Economy in Northern Ireland and FSB's former national chair Mike Cherry OBE received a CBE for Services to Business and to International Trade.



A handwritten signature in black ink that reads "Julie Lilley". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

.....
Julie Lilley
Chief Executive
.....

EMPLOYER RECOGNITION AWARD

“ I’d like to thank and congratulate FSB as a recipient of this year’s Employer Recognition Scheme Silver Award. This award recognises the fantastic efforts of FSB as an employer which has elevated its commitments under the Armed Forces Covenant and provided actual benefit to the Armed Forces Community. ”

Major General Marc Overton, Assistant Chief of Defence Staff, September 2023



“ FSB’s continued support for the Armed Forces Community is not underestimated. We, within the MoD, and those associated with the military who work for you, highly value your on-going support. Your advocacy and commitment is very much appreciated and, I hope, will continue to grow in the future. ”

Rt Hon Ben Wallace, Secretary of State for Defence, July 2023

Major General Marc Overton (right) presents FSB staff with the Silver Award



INVESTING IN OUR FUTURE

“FSB’s new office at 10 Dean Farrar Street, in the heart of Westminster, is a significant investment in the business’s future. The space has been reconfigured to allow the external affairs team to work in a modern, collaborative and flexible way. The team’s previous base, at Catherine Place, Westminster, is now operated on behalf of FSB as a co-working space for small businesses.”

Julie Lilley, CEO, FSB

“In the nine months or so that I’ve been doing the business brief, it’s been a real pleasure working with you. I really enjoy the particular insights that FSB brings into Government. Many of the other groups and business representative organisations talk about the big players, but FSB is really where it’s at.

Ninety-nine per cent of businesses in the UK are small and medium-sized, and they need our support a lot more. We need to think about them when we’re making policies. So, I really enjoy that working relationship, and it’s a real privilege to be opening your new offices, which look wonderful.”

**Rt Hon Kemi Badenoch, Secretary of State for Business and Trade,
September 2023**

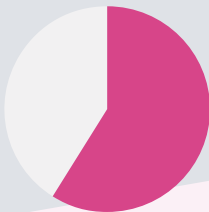


Rt Hon Kemi Badenoch, Secretary of State, officially opens the new FSB Westminster office, 2023



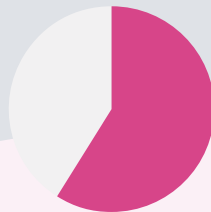
INTERNATIONAL TRADE: GROWING OPPORTUNITIES FOR SMALL BUSINESSES

“ The US is the UK’s biggest non-European trading partner in the world. FSB wants to support resilience and growth for SMEs by ensuring they get a bigger piece of this pie. ”



59%

of UK small exporters sell goods to the US



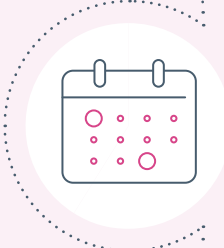
32%

of UK small importers import from the US

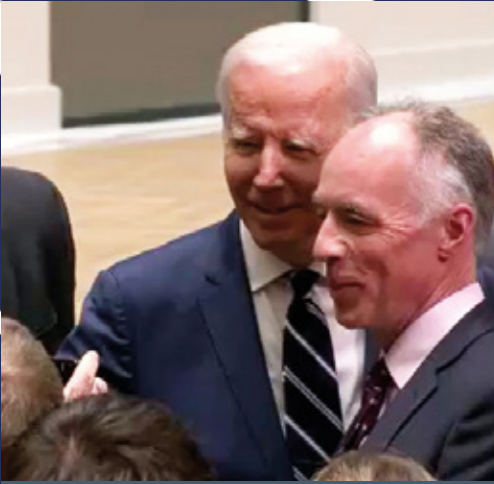


US

is the number one market that UK SMEs wish to enter



- **March 2023** - FSB delegation visit to Washington DC to meet with Joseph Kennedy III, US Special Envoy to Northern Ireland for Economic Affairs.
- **March 2023** - FSB partners with the US Small Business Roundtable to host a delegation of senior US government officials and business leaders at the Entrepreneurship Exchange 23 summit in London.
- **April 2023** - FSB meets President Joe Biden during his visit to Northern Ireland.
- **May 2023** - Government drops the ‘sunset clause’ in the Retained EU Law Bill, which would have automatically revoked retained EU law at the end of 2023, creating business uncertainty, following calls from FSB.



FSB attends Belfast reception with the President of the United States Joe Biden (pictured left)



US Special Envoy to Northern Ireland for Economic Affairs Joseph Kennedy III welcomes FSB to Washington DC



Joseph Kennedy III (left) at FSB's trade delegation meeting in Washington DC

Joseph Kennedy III
@USEnvoyNI

Replying to @FSB_NI @derryjournal and 10 others

Thanks for the kind words - more than 200 U.S. companies already do business in Northern Ireland, employing over 30,000 people. Northern Ireland's well-educated workforce, hungry for opportunity, makes the region the perfect place for new operations.

6:07PM Mar 24, 2023 10 Views

1 Retweet 4 Likes

“Bringing down trade barriers facing small firms must be at the front and centre of trade discussions. Small firms’ success in the global market will be fundamental to attainment of the UK’s growth plans.” FSB

CAMPAIGNING FOR ENERGY COST SUPPORT

FSB continued to campaign for support with the unprecedented energy cost rises facing our members, including the introduction of the Energy Bill Relief Scheme. This year, much of the focus was on energy suppliers.

“ FSB successfully called for a non-domestic market review by Ofgem. We called for a ‘blend and extend’ contract renegotiation for small businesses who fixed their tariffs during market peak last year. We’re glad to see the energy regulator, Ofgem, has backed our call and urged suppliers to step up and act with fairness. ”

Tina McKenzie, FSB Policy and Advocacy Chair



7 September 2022 – FSB publishes its *Out in The Cold: Helping small businesses through the energy crisis* report

1 October 2022 – Energy Bill Relief Scheme (EBRS) is introduced by Government

23 November 2022 – FSB publishes its *Energy Bill Relief Scheme Review* and launches campaign against the proposed conclusion of EBRS

31 January 2023 – FSB gives oral evidence to the BEIS Committee on maintaining EBRS

7 February 2023 – FSB begins campaigning for the introduction of ‘Blend and Extend’ energy contracts for small businesses; a new ‘Help to Green’ programme to promote net zero investments that help small companies save on energy; and proper protection for micro businesses in the energy market, including a new 14 day cooling-off period

March 2023 – Department for Energy and Net Zero announces energy audit and grant scheme pilot, following FSB’s calls

23 March 2023 – FSB (Paul Wilson) gives evidence live at the Public Accounts Committee on energy bills support at the House of Commons, pictured right



31 March 2023 – EBRS is concluded

May 2023 – Several energy companies introduce FSB’s proposed Blend and Extend contracts, including British Gas and Octopus Energy, for small business customers

6 June 2023 – Energy company EDF also introduces Blend and Extend contracts for small business customers

July 2023 – FSB meets with Ofgem, the energy regulator, and Grant Shapps MP, Secretary of State for Energy, resulting in their backing of Blend and Extend contracts

6 July 2023 – Ofgem backs FSB’s Blend and Extend call in its *Non-Domestic Market Review*



FSB’s Martin McTague (left) meets with Energy Secretary Grant Shapps MP to get backing for Blend and Extend, 2023

“Tens of thousands of small businesses are still very much in survival mode because they’re tied-in to sky-high energy contracts. Many agreed to lock in energy contracts last year to ensure they qualified for the maximum level of Government support. Now, with that support largely disappearing, they’re once again faced with massive energy bill hikes as rates go back to pre-EBRS levels.”

Tina McKenzie, FSB Policy and Advocacy Chair, 9 May 2023

ADVOCATING

“ Without FSB, small businesses and the self-employed would not have a voice in political and public policy discourse, unlike large businesses. ”

Julie Lilley, CEO, FSB



Shadow Chancellor Rachel Reeves MP flanked by FSB's Martin McTague and Tina McKenzie at Labour Party Conference 2023



Business and Trade Secretary Kemi Badenoch MP (left) with FSB's Tina McKenzie



90% familiarity with FSB by primary political audiences



Secretary of State for Transport Mark Harper MP meets with FSB's Tina McKenzie to discuss local roads and wider infrastructure, April 2023



FSB Vice-Chair Melanie Ulyatt advocating on behalf of small businesses on BBC Breakfast

Melanie Ulyatt
Vice-chair, Federation of Small Businesses

Through extensive strategic political engagement, media and public relations – rooted in our policy research and recommendations – we proposed and secured a number of big-ticket measures to offset at least some of the rising cost pressures on small businesses, while warning that a failure to address the increasingly acute situation heading into winter would lead to the loss of more small firms on top of the shrinkage in the small business community over the main two years of the pandemic.



FSB's Craig Beaumont on BBC Politics Live, 2023



Shadow Small Business Minister Rushanara Ali MP (right) with Tina McKenzie at the FSB Small Business Policy Conference



FSB policy volunteer Roni Savage speaks at a Parliamentary event about encouraging more women to start STEM or construction businesses



The newly reappointed Chancellor of the Exchequer Jeremy Hunt MP (right) meets with FSB's Craig Beaumont at 11 Downing Street, October 2022



Sir Liam Fox MP joins FSB's Tina McKenzie at the FSB event at the Conservative Party Conference 2023



Secretary of State for Science, Innovation and Technology Chloe Smith MP at FSB's Parliamentary Reception, May 2023

BEING A PART OF FSB

SARAH CURTIS

Harry King & Sons Ltd., Pin Mill, Ipswich

“I think by joining FSB, you suddenly don’t feel alone; everybody else who’s running their business out there is going through the same thing.”



JOANNE ROBERTS

Fabulous Welshcakes, Cardiff

“I joined FSB because I felt it gave me an extra level of security. It can be quite lonely running your own business, and as we all know you have to try to master so many different elements. I liked the promise of legal support and the idea of belonging to a group of other businesses and the support that brings.”



TEE SANDHU

SamosaCo, Pontyclun



“I joined to access that network that FSB has, not just with the expertise within FSB but also the other companies that are members too.

“We’re a family business set up in 2009 with my mum and dad, Sokhy and Goldie. We make things like samosas, bhajis and pakoras. We also do meal pots and condiments, from chutneys and pickles to curry sauces.

“My parents used to have a grocery store in Toronto, and at the back of store they used to make samosas. Mum and Dad moved to Cardiff when I was born, and did the same thing, opened up some corner shops and sold samosas through there. Just as I was finishing university in 2009, my parents said to me, ‘Look, we want to move away from the shops, fancy doing a new project with us?’ and I did.

“It’s grown organically to where it is, and now we stock all over the UK as well as export. Being part of FSB membership, it’s been really good to expand our network actually, to gain contacts in different areas of business.”

DAVID GRIFFITHS

Aberdam Dutch Fries, Aberdeen

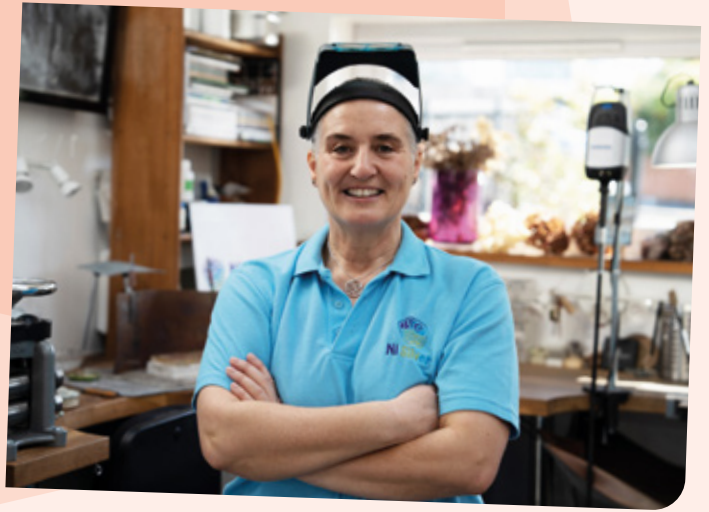
“My favourite thing about being an FSB member is the support that we’ve received - knowing that there’s a regional development manager at hand, whenever you need them, to reach out to. And if they can’t answer a question, then very quickly someone from FSB will get back to you with the relevant information. Knowing that we’ve got that, as almost like a small safety blanket for a small start up, like us, you feel more confident about operating in your day-to-day business”



RUTH MCEWAN-LYON

NI Silver, Hollywood, County Down

“I joined FSB initially to get my business bank account. I’d never had a business bank account before and FSB offered this one with Co-operative Bank which had no charges. So, being a micro-business and trying to save cash – as we all do – I thought I’d try it and see what it was like. It’s been absolutely superb. FSB helps me to run my business. I don’t use it everyday and I don’t use it for legal or HR advice, or anything like that, but knowing that FSB is there and having them as a big safety net for me is just so crucial.”



BEN

The Electric Bike Shop, nationwide across England and Wales

“As a new business, there are going to be challenges that you’ve never had to come up against before. FSB has a wealth of experience that you can utilise to improve your business growth. As a company, we saw a need to supply electric bikes, to an audience that might not necessarily have been cyclists but wanted to cycle somewhere. We started in agricultural country shows, and that sort of pushed us into having retail space - two stores to start with that expanded into the 11 stores that we are now.

“Our urban stores offer more of a commuter range, helping people to get to work in a practical and cheaper way. The cost-of-living crisis means we’re seeing people turn to the bicycle and move away from public transport and from cars and try and keep it as green and cost effective as possible.



“We’ve used our FSB membership for consumer law advice as well as HR policy and processes. A memorable moment using FSB was with a challenging customer who was threatening legal action. We sought advice from FSB, who helped us to turn it around into a great customer experience! We see business-to-business as a fundamental part of our growth and FSB’s networking opportunities will help us do that. The main benefit of being with FSB is that reliability, the reassurance that they’re there to help us in a time of need.”

SCOT GARDINER

Inverness Caledonian Thistle Football Club, Inverness

“Running Inverness is both the same and different to running other larger football clubs; the issues are the same – players, fans, fan experience, sponsorship. Football’s a very anomalous business. Being a member of FSB, for me, in the first instance was more about having a voice in the business community. It seemed to me that the club appeared isolated in the business community when I came in. We felt that FSB was one of the best routes for us to go to get a voice in the business community; to get to speak to sensible people, to have some genuine input into what a national organisation is, to create a situation where we had a voice that could reach wider than just us on our own.”

“Politicians and politics don’t always represent business particularly well, I think, and FSB is very good at putting forward a sensible voice that’s completely neutral. Scotland is very difficult politics-wise and FSB is a neutral voice, and I like the fact that we can input into that.”



MANDY ERRINGTON

DJV Boutique, Ipswich

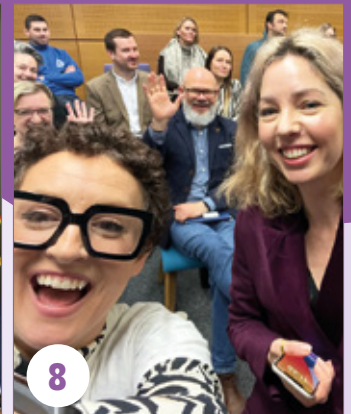


“I joined FSB as a sole trader; I think it can be a lonely road at times and I feel like FSB is an extension of your team really, and having people at hand who really care, who are knowledgeable and insightful and can guide you along the way. Also, the networking is really interesting, and the assurance that you have an added layer of protection at critical times is reassuring.”

“I founded DJV Boutique ten years ago following a career in the retail marketing industry when I decided to take that expertise and pursue my own path and set up my own business. I think our strapline: ‘Daring, Jazzy, Versatile’ sets us apart from the typical high street retailer. My plans for the future include introducing some smaller fashion brands to work with, so we can align with local partnerships.”

EVENTS

“ Our events programme thrived once again, delivering over 1,200 events attracting over 38,000 registrations, with an average satisfaction rate of 89 per cent. ”



- 1. FSB Essex
- 2. FSB Leeds
- 3. FSB South Wales
- 4. FSB Lincolnshire
- 5. FSB Glasgow
- 6. FSB North Yorkshire
- 7. FSB North East England
- 8. FSB Norwich
- 9. FSB Surrey, with Jeremy Hunt MP

FINANCIAL STATEMENTS

Group Strategic Report, Report of the Directors and Consolidated
Financial Statements for the Year Ended 30 September 2023

for

**National Federation of Self Employed
and Small Businesses Limited**

COMPANY INFORMATION

For the Year Ended 30 September 2023

DIRECTORS:

M G McTague

M D Ulyatt

S J T Askew

A North

M E McKenzie

S Jandu

J Lilley

L Milsted

I O'Donnell

C Platt

N Sawford

REGISTERED OFFICE:

Sir Frank Whittle Way
Blackpool Business Park
Blackpool
Lancashire
FY4 2FE

REGISTERED NUMBER:

01263540

AUDITORS:

Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

GROUP STRATEGIC REPORT

For the Year Ended 30 September 2023

The directors present their strategic report of the company and the group for the year ended 30 September 2023

REVIEW OF BUSINESS

The principal activity of the National Federation of Self Employed and Small Businesses Limited (the Federation) continues to be that of the promotion and furtherance of the interests of persons who are self-employed, direct or control small businesses, and the provision of a national voice and platform for such persons.

The results for the group (FSB) show a deficit for the financial year of £0.9m (2022: surplus £0.7m). This is after accounting for an unrealised gain of £0.18m resulting from an increase in the carrying value of investments (2022: unrealised loss of £0.18m). Income from subscriptions and joining fees, which provided 94% of the group's income (2022: 97%) amounted to £24.3m (2022: £25.5m). General reserves decreased to £18.1m (2022: £19.0m) and the net cash outflow from operating activities was £2.2m (2022: cash outflow of £1.1m).

The Group is undertaking an extensive programme to develop its resources and infrastructure, including digital transformation. In addition to capital expenditure related to the digital transformation, the programme has generated expenses, contributing to a deficit in the financial year. The programme is expected to deliver significant future benefits to the organisation and its members.

The consolidated financial statements include the results of its three subsidiary companies; FSB Publications Limited, the principal activity of which is the publication of First Voice magazine, F.S.B. (Member Services) Limited, which arranges additional benefits on behalf of FSB members and FSB Recruitment Limited, which provides recruitment services for FSB. A previously dormant subsidiary, FSB HR Services Limited, has been made active in order to offer HR management consultancy services.

FSB is organised across the UK through geographical areas in the devolved nations and English regions. As well as UK-wide events and campaigns, local events and campaigns are delivered throughout these regions and nations to engage with members and create a real small business community.

FSB members are provided with access to business support services and advice, some of which are available at no additional cost and others which are provided to them at favourable rates. This portfolio of products for the support and protection of members' businesses is constantly reviewed for relevance and effectiveness and is regularly enhanced with new services.

Included in FSB membership is the suite of legal, employment and tax protection, backed by legal expenses insurance, employment tribunal insurance and tax investigation insurance, as well as 24/7 advice from qualified solicitors, debt recovery, and a suite of over 1400 legal documents, templates, policies and more. FSB also provides vital additional services at exclusive rates and service levels, including dedicated insurance broking, business banking which is free for the duration of FSB membership, access to a funding platform offering a single application for funding with advice and support, a comprehensive bundle of CPD training programmes, simple, compliant payroll and pensions services, and payment services with new services being introduced to enable HR and healthcare provision for FSB members.

Throughout the year, FSB also produces and publishes policy reports, including the quarterly FSB Small Business Index (SBI), and digital advocacy content that raises awareness of issues that affect small businesses and the self-employed along with policy change recommendations. Policy reports are founded on robust research of its members' opinions and experiences through the FSB policy survey programme, and often result in successfully influencing government policy.

FSB's advocacy and campaigning work relies on evidence gleaned through engagement with and feedback from members. To ensure FSB is wholly representative of the UK's small business and self-employed community, this year a new public relations and communications strategy to increase the number and diversity of small businesses participating in our policy survey programme was delivered. This new strategy resulted in a 33 per cent increase in survey completions by members and a substantial increase in engagement from non-members, leading to a rise of more than 600 per cent in non-member completions. The strategy greatly increased participation from previously under-represented small business voices such as women, ethnic minority and disabled small business owners.

A crucial aim of FSB's advocacy work is to engage with policymakers through effective public affairs and public relations work, underpinned by policy specialists' insights and analysis. Over the last financial year, FSB's advocacy campaigning on numerous important issues that affect its members resulted in positive outcomes. This year, campaigning continued for support with the unprecedented energy cost rises facing our members, with the introduction of the Energy Bill Relief Scheme, announced in the previous financial year, coming into effect in October. This year, much of the focus was on energy suppliers and resulted in Ofgem backing FSB's calls for a new 'Blend and Extend' energy supplier contract renegotiation provision which was adopted by many energy suppliers, and in Ofgem undertaking a non-domestic market review.

Group Strategic Report

For the Year Ended 30 September 2023

The business also campaigned effectively to extend the 75 per cent rates relief discount for retail, hospitality and leisure businesses in England which was due to end in March 2024 (and subsequently won this, as announced in the Autumn Statement in November 2023) and renewed calls for an increase in the threshold for Small Business Rates Relief (SBRR) from £12,000 to at least £25,000, which would remove more than 250,000 small businesses from the rates system in England. FSB fed-in to the Non-Domestic Rating Bill which was put before the House of Lords in September 2023 and called for the Bill to make it easier and more attractive for businesses to invest and improve by extending or upgrading their property. The initial proposals within the Bill would ensure businesses in England making qualifying building improvements would not face higher business rates bills for 12 months but FSB wanted this Improvement Relief to be further extended to three years.

FSB campaigned throughout the year for measures to end late payments to small businesses. Consequently, a late payments consultation was launched by the Department for Business and Trade (formerly BEIS) in December 2022, and published in spring 2023. FSB did lots of campaigning around this and the results were announced in early October. Key outcomes of this campaigning included having the Secretary of State Kemi Badenoch commit to tackling late payments in her address at the opening of FSB's new Westminster offices in September, with a review then launched in November 2023. Late payments also went on to be a key focus of the Chancellor's Autumn Statement 2023.

Despite leadership changes in Government in autumn 2022, FSB successfully protected the decision to reverse a previous 1.25 per cent rise in National Insurance contributions for employers, employees and the self-employed. FSB also successfully campaigned for the retention of the £5,000 Employment Allowance.

FSB led a cross-industry campaign for a small business support scheme to match practical information to reduce energy use with the funding for green improvements that small firms cannot afford. Our proposals were backed by other leading business groups and were adopted as one of Chris Skidmore MP's 25 recommendations in his Net Zero Review. It was adopted in the form of the SME energy advice service alongside an audit and grant scheme, as a pilot, announced in March 2023.

FSB published topical new research on the experiences of small businesses trading internationally, following changes brought about by the UK's exit from the EU, as well as other current global challenges and opportunities. Engagement was undertaken at both a UK and international level and is on-going. Progress made included the Government's export credit agency, UK Export Finance, announcing new products to help

small businesses access trade finance following calls from FSB to make its products more suitable for small firms. Meanwhile, the Government dropped the 'sunset clause' in the Retained EU Law Bill, which would have automatically revoked retained EU law at the end of 2023, creating business uncertainty.

FSB's marketing campaigns serve to drive the business forward, focusing on member engagement and retention. We delivered the first 'FSB Day' campaign on 14 June 2023. This aimed to remind members about the benefits and products available to them, through one-day-only deals, discounts, and prizes. Another aim was to create a wider awareness of FSB with non-members who are small business owners and the self-employed in the UK.

There were two key parts to the campaign: deals, discounts and prize draws available on the day for members, with a headline 'log in to win' for a £5,000 draw; and a social media countdown with chances to win prizes from an FSB member. Questions were based on member benefits and sponsors. On the day there was a 110 per cent increase in website traffic and a 700 per cent increase in users logging into their member dashboard.

The business ran its second annual festive social media marketing campaign, 'Member December' in 2022, teaming up with a multinational technology brand to giveaway 17 laptops to aid business growth. On 17 working days in December, FSB members engaged with social media posts, with one member picked at random each day to win the prize. The campaign generated over 1.4m impressions and over 32,000 engagements on social media.

PRINCIPAL RISKS AND UNCERTAINTIES

The responsibility for risk management and the internal control environment resides with the Board of Directors. FSB has a senior management team, subsidiary companies and various committees reporting to the Board of Directors, that control and manage various activities, identifying on an on-going basis any potential risks faced by the organisation and proposing solutions to mitigate these.

The list below includes the principal risks that may impact the company achieving its strategic objectives. The list does not include all of the risks faced by the company, nor does it list the risks in order of priority.

STRATEGY

FSB's vision is to be recognised as the UK's most influential and trusted organisation representing the voice of all small businesses, in every nation and region. This is supported by the corporate objectives: to represent the diversity of the UK's small business community; to provide support, advice and practical solutions to our community of members; to advocate on behalf of small businesses and the self-employed, providing a powerful

Group Strategic Report

For the Year Ended 30 September 2023

voice heard by Government and key decision makers; and to maintain a critical mass of customers to deliver scale and to operate efficiently, ensuring financial stability and safeguarding FSB for the future.

The organisation's strategy for growth is underpinned by excellence in representation and service, and ongoing development of relevant products and services to enhance the experience of members, improve retention levels and attract growing numbers of new members.

ENVIRONMENTAL FACTORS

Lack of action to ensure FSB meets its responsibilities to protect the environment may present a risk to the organisation. FSB takes seriously all issues with regard to the environment and there is an active focus on reduction in energy consumption, improved waste management and reducing travel. Internally there has been a move to reduce the use of paper and aim for a paperless office environment, together with investment in virtual meeting technology to reduce overall travel requirements. FSB also offers a cycle to work scheme to its employees.

Communications with members, including membership renewal, are distributed digitally. FSB takes account of environmental factors such as carbon footprint when sourcing goods and services and seeks to maximise recycling opportunities. We also look towards best practise in terms of refurbishment projects on our property and adopting energy saving options wherever possible. The Board has an ESG Committee to give prominence to Environmental, Social and Governance Matters.

DIVERSITY AND INCLUSION

FSB is committed to, and values, diversity and inclusion in everything we do, recognising that it is fundamental to success. The strength of FSB rests on the diversity of our self-employed and small business owners who reflect the whole of the UK small business population, both as members and volunteers. With this, we want to ensure all small business owners and the self-employed, from whichever communities they belong, feel welcome and a part of FSB. We do not condone discrimination of any kind and we aspire to have a diverse and inclusive environment, where everyone is able to bring their whole self to any volunteering role they undertake.

The organisation has an Equality, Diversity and Inclusion (EDI) strategy to cover all aspects of operations.

As an equal opportunities employer, FSB is committed to the equal treatment of all current and prospective employees. We celebrate equality, diversity and inclusion and this is reflected in our diverse and inclusive workplace, where all employees can bring their whole self to work. We strongly encourage suitably qualified applicants from a range of backgrounds to apply and join

FSB and are happy to make adjustments for candidates with disabilities. In the event of employees becoming disabled, every effort is made to retain them in order that the employment with the group may continue.

It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

EMPLOYEE RELATED MATTERS

The success of the organisation relies on the availability of suitably skilled and motivated employees, benefitting from excellent training and support, working within a supportive environment and with appropriate HR strategies and policies in place. Failure to deliver these conditions may impact on the ability of the organisation to deliver the necessary support and solutions to its members.

FSB places significant focus on its people, ensuring that processes to recruit, develop and retain them are robust. It regularly reviews compensation and benefits packages and continually develops its working environment and practices in order to attract and retain staff, ensure appropriate succession planning and support productivity.

The organisation is committed to the wellbeing of its employees and has policies in place to support this in practice, as well as a wellbeing hub on the intranet providing access to a range of support mechanisms. FSB has signed the Menopause Workplace Pledge and has introduced and trained mental health first-aiders.

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group. This is achieved through quarterly Joint Consultative Forum meetings, departmental meetings, question and answer sessions with the Chief Executive and Chair, and presentations to all employees.

ECONOMIC CONDITIONS

The company operates in a competitive industry, and its ability to attract and retain members may be impacted by economic conditions, business confidence and the behaviour of competitors. The Board of Directors reviews performance and ensures that management is focused on key priorities to mitigate this risk, including enhancing the range of services offered to members, maintaining excellence in service and ensuring prices are competitive.

BRAND AND REPUTATION

The organisation is non-party political, engaged in representing and promoting the interests of its members. Failure to meet the expectations of members may impact on the brand and reputation and member loyalty. The

Group Strategic Report

For the Year Ended 30 September 2023

Board of Directors determine that procedures are in place to ensure that its non-party political position and service level expectations are not compromised.

TREASURY MEASUREMENT

The Group has £17.7m cash and £4.4m investment balances as at 30 September 2023 and changes in investment conditions may expose the company to risks of poor returns. The company invests its funds for a combination of liquidity and returns, ensuring that cash is deposited on varying terms and with various financial institutions, and that investments are made into mixed portfolios with long term rather than short term growth aims. The group undertakes regular financial planning, including cash flow forecasting to reflect a range of scenarios.

KEY PERFORMANCE INDICATORS

The directors consider the surplus or deficit on ordinary activities before taxation to be the main financial KPI for the business, and monitor a range of non-financial KPIs, the principal ones being as follows:

- Membership numbers
- New member numbers
- Member retention

ON BEHALF OF THE BOARD:

M G McTague

Director

Date: 7 February 2024

REPORT OF THE DIRECTORS

For the Year Ended 30 September 2023

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2022 to the date of this report.

M G McTague
M D Ulyatt
S J T Askew
A North
M E McKenzie

Other changes in directors holding office are as follows:

S Garlick – resigned 09.01.23
P B C Davys – resigned 06.03.23
A L Lay – resigned 06.03.23
G Lovatt – resigned 06.03.23
S Jandu – appointed 07.03.23
J Lilley – appointed 07.03.23
L Milsted – appointed 07.03.23
I O'Donnell – appointed 07.03.23
C Platt – appointed 07.03.23
N Sawford – appointed 07.03.23

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has in place professional indemnity and management liability insurance which covers the directors during the year and up to the date of signing the financial statements.

FUTURE DEVELOPMENTS

The Board of Directors continues to progress a programme of modernisation to enable the group to continue to provide excellent representation and service to members from the whole UK smaller business community. This programme involves continuous improvement in all areas of the group's operations, including enhancements to services offered and developments in technology and communication.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 company and the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M G McTague

Director

Date: 7 February 2024

REPORT OF THE INDEPENDENT AUDITORS

To the Members of National Federation of Self Employed and Small Businesses Limited

Opinion

We have audited the financial statements of National Federation of Self Employed and Small Businesses Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 2023 and of the group's deficit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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:

Report of the Independent Auditors

To the Members of National Federation of Self Employed and Small Businesses Limited

- 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks applicable to the group's financial statements

or that had a fundamental effect on the operations of the group. We determined that the most significant laws and regulations included, but were not limited to, United Kingdom Generally Accepted Accounting Practice, Companies Act 2006, distributable profits legislation and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and review of correspondence with external legal advisors.

We assessed the susceptibility of the group's financial statements to material misstatement including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Inquiring of management and those charged with governance about any known actual, suspected or alleged fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries with unusual characteristics or posted by senior management.

Our audit did not identify any significant matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Report of the Independent Auditors

To the Members of National Federation of Self Employed and Small Businesses Limited

in a Report of the Auditors 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.

**Mr Michael Forshaw (Senior Statutory Auditor)
for and on behalf of Haines Watts**

Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

Date: 7 February 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 September 2023

	Notes	30.9.23 (£)	30.9.22 (£)
TURNOVER		24,340,365	25,479,118
Cost of sales		2,100,147	2,158,678
GROSS SURPLUS		22,240,218	23,320,440
Administrative expenses		25,320,493	25,489,410
		(3,080,275)	(2,168,970)
Other operating income		1,660,071	849,664
OPERATING DEFICIT	4	(1,420,204)	(1,319,306)
Unrealised gain/(loss) on investment	5	184,047	(178,081)
Unrealised valuation gain			1,936,058
Profit on Sales of Fixed Assets			290,723
		(1,236,157)	729,394
Interest receivable and similar income		549,211	118,321
(DEFICIT)/SURPLUS BEFORE TAXATION		(686,946)	847,715
Tax on deficit	6	(202,558)	(133,646)
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		(889,504)	714,070
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(889,504)	714,070
(Deficit)/Surplus attributable to: Owners of the parent		(889,504)	714,070
Total comprehensive income attributable to: Owners of the parent		(889,504)	714,070

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET

30 September 2023

	Notes	30.9.23 (£)	30.9.22 (£)
FIXED ASSETS			
Intangible assets	8	951,171	-
Tangible assets	9	2,658,830	2,579,907
Investment property	10	4,305,000	4,305,000
Investments	11	481,763	-
		8,396,764	6,884,907
CURRENT ASSETS			
Debtors	12	1,903,843	1,462,648
Investments	13	4,388,183	4,204,135
Cash at bank		17,670,987	21,053,458
		23,963,013	26,720,241
CREDITORS			
Amounts falling due within one year	14	13,762,999	14,197,824
		10,200,014	12,522,417
NET CURRENT ASSETS		18,596,778	19,407,324
TOTAL ASSETS LESS CURRENT LIABILITIES		452,744	373,786
PROVISIONS FOR LIABILITIES	17		
NET ASSETS		18,144,034	19,033,538
RESERVES			
Profit and loss account	18	18,144,034	19,033,538
		18,144,034	19,033,538

The financial statements were approved by the Board of Directors on 7 February 2024 and were signed on its behalf by:

M G McTague

Director

The notes form part of these financial statements

COMPANY BALANCE SHEET

30 September 2023

	Notes	30.9.23 (£)	30.9.22 (£)
FIXED ASSETS			
Intangible assets	8	951,171	-
Tangible assets	9	2,658,830	2,579,907
Investment property	10	4,305,000	4,305,000
Investments	11	2,101	2,101
		7,917,102	6,887,008
CURRENT ASSETS			
Debtors	12	3,899,445	3,853,968
Investments	13	4,388,183	4,204,135
Cash at bank		17,150,080	20,746,475
		25,437,708	28,804,578
CREDITORS			
Amounts falling due within one year	14	15,047,640	16,573,870
		10,390,068	12,230,708
NET CURRENT ASSETS		18,307,170	19,117,716
TOTAL ASSETS LESS CURRENT LIABILITIES		452,744	373,786
PROVISIONS FOR LIABILITIES		17,854,426	18,743,930
NET ASSETS		17,854,426	18,743,930
RESERVES			
Profit and loss account		17,854,426	18,743,930
		17,854,426	18,743,930
Company's (deficit)/surplus for the financial year		(889,504)	714,070

The financial statements were approved by the Board of Directors on 7 February 2024 and were signed on its behalf by:

M G McTague

Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2023

	Retained earnings (£)	Total equity (£)
Balance at 1 October 2021	18,319,468	18,319,468
Changes in equity		
Total comprehensive income	714,070	714,070
Balance at 30 September 2022	19,033,538	19,033,538
Changes in equity		
Total comprehensive income	(889,504)	(889,504)
Balance at 30 September 2023	18,144,034	18,144,034

COMPANY STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2023

	Retained earnings (£)	Total equity (£)
Balance at 1 October 2021	18,029,860	18,029,860
Changes in equity		
Total comprehensive income	714,070	714,070
Balance at 30 September 2022	18,743,930	18,743,930
Changes in equity		
Total comprehensive income	(889,504)	(889,504)
Balance at 30 September 2023	17,854,426	17,854,426

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 30 September 2023

	Notes	30.9.23 (£)	30.9.22 (£)
Cash flows from operating activities			
Cash generated from operations	1	(2,150,963)	(1,111,378)
Tax (paid)/received		(94,715)	(10,370)
		<hr/>	<hr/>
Net cash from operating activities		(2,245,678)	(1,121,748)
Cash flows from investing activities			
Purchase of intangible fixed assets		(951,171)	-
Purchase of tangible fixed assets		(253,070)	(250,525)
Sale of tangible fixed assets		-	415,945
Investment in joint venture		(481,763)	-
Interest received		549,211	118,321
		<hr/>	<hr/>
Net cash from investing activities		(1,136,793)	283,741
(Decrease)/Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	21,053,458	21,891,465
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	17,670,987	21,053,458
		<hr/>	<hr/>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 30 September 2023

1. RECONCILIATION OF SURPLUS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.9.23 (£)	30.9.22 (£)
(Deficit)/Surplus - before taxation	(686,946)	847,715
Depreciation charges	174,147	217,448
Profit on disposal of fixed assets	-	(290,723)
Unrealised (gain)/loss on investment	(184,047)	178,081
Unrealised valuation gain	-	(1,936,058)
Finance income	(549,211)	(118,321)
	(1,246,057)	(1,101,858)
(Increase) in trade and other debtors	(441,197)	(417,400)
(Decrease)/Increase in trade and other creditors	(463,709)	407,880
	(2,150,963)	(1,111,378)
Cash (outflow)/inflow from operations	(2,150,963)	(1,111,378)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	30.9.23 (£)	1.10.22 (£)
Year ended 30 September 2023		
Cash and cash equivalents	17,670,987	21,053,458
	30.9.22 (£)	1.10.21 (£)
Year ended 30 September 2022		
Cash and cash equivalents	21,053,458	21,891,465

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 September 2023

1. GENERAL INFORMATION

The company is a private company limited by guarantee without share capital (Co No 01263540) and is incorporated in England and Wales. The address of the registered office is Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts of the subsidiaries FSB Publications Limited, F.S.B. (Member Services) Limited and FSB Recruitment Limited have been prepared on a going concern basis. This has only been possible as a result of the Federation's continued contractual arrangements with these businesses.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation

The consolidated financial statements of the Federation (which include Federation offices, regions and committees) include the financial statements of FSB Publications Limited, F.S.B. (Member Services) Limited and FSB Recruitment Limited, all being 100% owned subsidiaries of the Federation.

Critical accounting judgements and key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Turnover

Turnover comprises membership subscriptions.

Membership subscriptions, on receipt, are deferred and released to income over the period to which the membership relates.

Other operating income

Other operating income relates to commissions received from service providers which are recognised in the period in which they are earned.

Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

Intangible fixed assets - computer software

Where expenditure on computer software is deemed to satisfy the development stage under FRS102, expenditure is capitalised on the balance sheet at cost. Once the development stage has completed the computer software is amortised over its expected useful life.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives.

Freehold and long leasehold buildings	50 years	Straight line basis
Motor vehicles	4 years	Straight line basis
Fixtures, fittings and office equipment	5 years	Straight line basis
Computer equipment	3 years	Straight line basis

Current Asset Investments

The company has investments, in discretionary managed portfolio funds, and as these are considered by the directors to be readily convertible into cash in the short term, they are held under current assets in the financial statements.

The unrealised gains and losses on these investments are included in the consolidated income statement.

Fixed Asset Investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Continued...

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

2. ACCOUNTING POLICIES (continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant interest. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 12 months.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Operating leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profit on a straight line basis over the period of the lease.

Going concern

The Directors have reviewed and considered relevant information, including the annual budget and future cash flows for the group in making their assessment. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

3. EMPLOYEES AND DIRECTORS**Staff costs, excluding non-executive and executive directors' remuneration, were as follows:**

	30.9.23 (£)	30.9.22 (£)
Wages and salaries	9,299,428	8,885,643
Social security costs	1,015,714	991,493
Other pension costs	477,740	460,581
	10,792,882	10,337,717

The average monthly number of employees excluding directors during the year was as follows:

	30.9.23	30.9.22
Head office	45	50
Press and parliamentary offices	42	39
Regions	60	59
Recruitment	53	50
Member Services	9	9
	209	207

	30.9.23 (£)	30.9.22 (£)
Non-executive and executive directors' remuneration	517,459	302,130

Information regarding the highest paid director is as follows:

	30.9.23 (£)	30.9.22 (£)
Emoluments etc.	201,543	58,795

No retirement benefits were accruing for directors (2022 – nil) in respect of defined contribution pension schemes.

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the group are considered to be key management personnel. Total remuneration in respect of these individuals is £1,828,122 (2022 – £1,694,708).

Continued...

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

4. OPERATING SURPLUS**The operating deficit (2022 - operating deficit) is stated after charging:**

	30.9.23 (£)	30.9.22 (£)
Depreciation – owned assets	174,147	217,448
Profit on disposal of fixed assets	-	290,723
Auditors' remuneration – company	28,320	23,877
Auditors' remuneration – subsidiaries	14,160	11,550
Non-audit services – other services	4,686	35,278

5. GAIN ON INVESTMENTS

	30.9.23 (£)	30.9.22 (£)
Unrealised gain/(loss) on investment	184,047	(178,081)

6. TAXATION**Analysis of the tax charge**

The tax charge on the deficit for the year was as follows:

	30.9.23 (£)	30.9.22 (£)
Current tax:		
UK corporation tax	123,600	22,481
Deferred tax	78,958	111,165
Tax on deficit (2022 – tax on surplus)	202,558	133,646

UK corporation tax was charged at 19% to March 31 2023 and 25% from April 1 2023 (2022 – 19%).

The company is taxable on interest received in the year. The company received interest of £549,211 (2022 - £118,321).

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
For the Year Ended 30 September 2023

8. INTANGIBLE FIXED ASSETS

Group	Computer software (£)
COST	
At 1 October 2022	888,543
Additions	951,171
At 30 September 2023	<u>1,839,714</u>
AMORTISATION	
At 1 October 2022	888,543
Charge for the year	-
At 30 September 2023	<u>888,543</u>
NET BOOK VALUE	
At 30 September 2023	<u>951,171</u>
At 30 September 2022	<u>-</u>
Company	Computer software (£)
COST	
At 1 October 2022	731,410
Additions	951,171
At 30 September 2023	<u>1,682,581</u>
AMORTISATION	
At 1 October 2022	731,410
Charge for the year	-
At 30 September 2023	<u>731,410</u>
NET BOOK VALUE	
At 30 September 2023	<u>951,171</u>
At 30 September 2022	<u>-</u>

Continued...

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

9. TANGIBLE FIXED ASSETS

Group	Freehold property (£)	Fixtures and fittings (£)	Motor vehicles (£)	Computer equipment (£)	Totals (£)
COST					
At 1 October 2022	3,159,154	1,155,532	15,040	870,644	5,200,370
Additions	37,770	161,400	-	53,900	253,070
Disposals	-	-	(15,040)	-	(15,040)
At 30 September 2023	3,196,924	1,316,932	-	924,544	5,438,400

DEPRECIATION

At 1 October 2022	868,545	1,009,959	15,040	726,919	2,620,463
Charge for year	63,913	21,743	-	88,491	174,147
Eliminated on disposal	-	-	(15,040)	-	(15,040)
At 30 September 2023	932,458	1,031,702	-	815,410	2,779,570

NET BOOK VALUE

At 30 September 2023	2,264,466	285,230	-	109,134	2,658,830
At 30 September 2022	2,290,609	145,573	-	143,725	2,579,907

Company	Freehold property (£)	Fixtures and fittings (£)	Motor vehicles (£)	Computer equipment (£)	Totals (£)
COST					
At 1 October 2022	3,159,154	1,133,611	15,040	866,025	5,173,830
Additions	37,770	161,400	-	53,900	253,070
Disposals	-	-	(15,040)	-	(15,040)
At 30 September 2023	3,196,924	1,295,011	-	919,925	5,411,860

DEPRECIATION

At 1 October 2022	868,545	988,038	15,040	722,300	2,593,923
Charge for year	63,913	21,743	-	88,491	174,147
Eliminated on disposal	-	-	(15,040)	-	(15,040)
At 30 September 2023	932,458	1,009,781	-	810,791	2,753,030

NET BOOK VALUE

At 30 September 2023	2,264,466	285,230	-	109,134	2,658,830
At 30 September 2022	2,290,609	145,573	-	143,725	2,579,907

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

10. INVESTMENT PROPERTY**GROUP**

	Investment property £
At 1 October 2022	4,305,000
Balance at 30 September 2023	4,305,000

COMPANY

	Investment property £
At 1 October 2022	4,305,000
Balance at 30 September 2023	4,305,000

Continued...

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

11. FIXED ASSET INVESTMENTS**Group**

On 21 December 2017, F.S.B. (Member Services) Limited acquired 30% of the share capital in FSB Insurance Service Limited (formerly Ruskin Square Limited), a company incorporated within England and Wales. Its registered office is 20 Fenchurch Street, London, EC3M 3AZ. The transaction acquired 100% of the B Ordinary shares.

On 29 March 2023, F.S.B. (Member Services) Limited acquired a further 19% interest in FSB Insurance Services Limited, for a consideration of £481,763, bringing the total interest in the voting share capital to 49%.

Associate undertakings

The following is an associate of the company. The aggregate of the share capital and reserves and loss for the year has been taken at 31 December 2022.

	Ownership	Aggregate capital and reserves	Profit/(loss) for the year	Activity
FSB Insurance Service Limited	49%	329,211	48,016	Insurance services

Due to a non-recourse nature in the arrangement within the joint venture, the group does not take its share of FSB Insurance Service Limited's results into the group's accounts unless the Associate has positive reserves, excluding deferred share capital. As at 31st December 2022, FSB Insurance Service Limited had aggregate capital and reserves of £329,211 which consisted of ordinary share capital of £1, deferred share capital of £1,850,000 and accumulated retained losses of (£1,520,790).

Company**Unlisted investments £****COST**

At 1 October 2022 and 30 September 2023	2,101
---	--------------

NET BOOK VALUE

At 30 September 2023	2,101
At 30 September 2022	2,101

	Aggregate capital and reserves	Profit/(Loss) for the year	Activity
FSB Publications Limited	1,210	-	Publication of magazine
F.S.B. (Member Services) Limited	22,469	-	Arrange member benefits
FSB Recruitment Limited	267,925	-	Recruitment
FSB HR Services Limited	1	-	Management Consultancy
FSB Gold Club Limited	100	-	Dormant
Federation of Small Businesses Limited	-	-	Dormant
Keep Trade Local Ltd	1	-	Dormant
FSB Sales Ltd	1	-	Dormant

All subsidiaries are wholly owned and incorporated within England and Wales. All subsidiaries are registered at Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE.

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.23 (£)	30.9.22 (£)	30.9.23 (£)	30.9.22 (£)
Trade debtors	442,921	148,511	86,712	12,272
Amounts owed by group undertakings	-	-	2,656,721	3,010,593
Other debtors	147,256	239,153	147,254	239,152
VAT	-	14,223	28,648	21,912
Accrued income	245,165	157,976	136,324	35,740
Prepayments	1,068,501	902,785	843,786	534,299
	1,903,843	1,462,648	3,899,445	3,853,968

Amounts owed by group undertakings are repayable on demand and attract no interest.

13. CURRENT ASSET INVESTMENTS

	Group		Company	
	30.9.23 (£)	30.9.22 (£)	30.9.23 (£)	30.9.22 (£)
Listed investments	4,388,183	4,204,135	4,388,183	4,204,135

Market value of listed investments at 30 September 2023 held by the group and the company.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.23 (£)	30.9.22 (£)	30.9.23 (£)	30.9.22 (£)
Trade creditors	249,054	465,144	237,170	331,256
Amounts owed to group undertakings	-	-	2,242,264	3,068,981
Social security and other taxes	322,229	283,051	322,229	283,051
VAT	34,750	-	-	-
Other creditors	358,165	148,426	5,474	148,427
Accrued expenses	2,044,575	2,041,736	1,486,277	1,482,688
Prepaid subscriptions	10,754,226	11,259,467	10,754,226	11,259,467
	13,762,999	14,197,824	15,047,640	16,573,870

Amounts owed to group undertakings are repayable on demand and attract no interest.

Continued...

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	30.9.23 (£)	30.9.22 (£)
Within one year	16,391	16,391
Between one and five years	20,489	36,880
	36,880	53,271

Company	Non-cancellable operating leases	
	30.9.23 (£)	30.9.22 (£)
Within one year	16,391	16,391
Between one and five years	20,489	36,880
	36,880	53,271

16. FINANCIAL INSTRUMENTS**Group Financial Instruments**

	2023 (£)	2022 (£)
Financial assets		
Financial assets that are debt instruments measured at amortised cost	22,894,512	25,817,455
	22,894,512	25,817,455
Financial liabilities		
Financial liabilities measured at amortised cost	13,406,020	13,914,773
	13,406,020	13,914,773

Company Financial Instruments

	2023 (£)	2022 (£)
Financial assets		
Financial assets that are debt instruments measured at amortised cost	24,593,922	28,270,279
	24,593,922	28,270,279
Financial liabilities		
Financial liabilities measured at amortised cost	14,725,411	16,290,819
	14,725,411	16,290,819

Financial assets that are debt instruments measured at amortised cost comprise all current debtors (other than prepayments), cash at bank and in hand and deposits with financial institutions and investments.

Financial liabilities measured at amortised cost comprise all of the current liabilities other than tax liabilities.

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	30.9.23 (£)	30.9.22 (£)	30.9.23 (£)	30.9.22 (£)
Deferred tax				
Other timing differences	452,744	373,786	452,744	373,786

Group	Deferred tax (£)
At 1 October 2022	373,786
On unrealised investment gains charged to profit and loss account	78,958
Balance at 30 September 2023	452,744

Company	Deferred tax £
At 1 October 2022	373,786
On unrealised investment gains charged to profit and loss account	78,786
Balance at 30 September 2023	452,744

18 RESERVES

Group	Profit and loss account (£)
At 1 October 2022	19,033,538
Deficit for the year	(889,504)
At 30 September 2023	18,144,034

Profit and loss account

Includes all current and prior period retained profits and losses.

19. PENSION COMMITMENTS

The National Federation of Self Employed and Small Businesses Limited operates a defined contribution scheme on behalf of its employees. The scheme is held in a separately administered fund independent from the group. Contributions in the year amounted to £490,278 (2022 - £460,617). There were NIL contributions outstanding at 30 September 2023 (2022 - NIL).

Continued...

Notes to the Consolidated Financial Statements - continued

For the Year Ended 30 September 2023

20. CAPITAL COMMITMENTS

	30.9.23 (£)	30.9.22 (£)
Contracted but not provided for in the financial statements	12,251	4,963

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

At the year end, F.S.B. (Member Services) Limited was owed NIL (2022 - NIL) by FSB Insurance Service Limited.

During the year, the Directors paid membership subscriptions totalling £2,550 (2022 - £1,973) to the National Federation of Self Employed and Small Businesses Limited.

22. ULTIMATE CONTROLLING PARTY

National Federation of Self Employed and Small Businesses Limited is a company limited by guarantee. The company is controlled by the Board of Directors.

23. MEMBERS LIABILITY

Every member of the Federation undertakes to contribute to the assets of the Federation, in the event of the same being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the Federation contracted before he ceased to be a member, and the costs, charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding £1.

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