



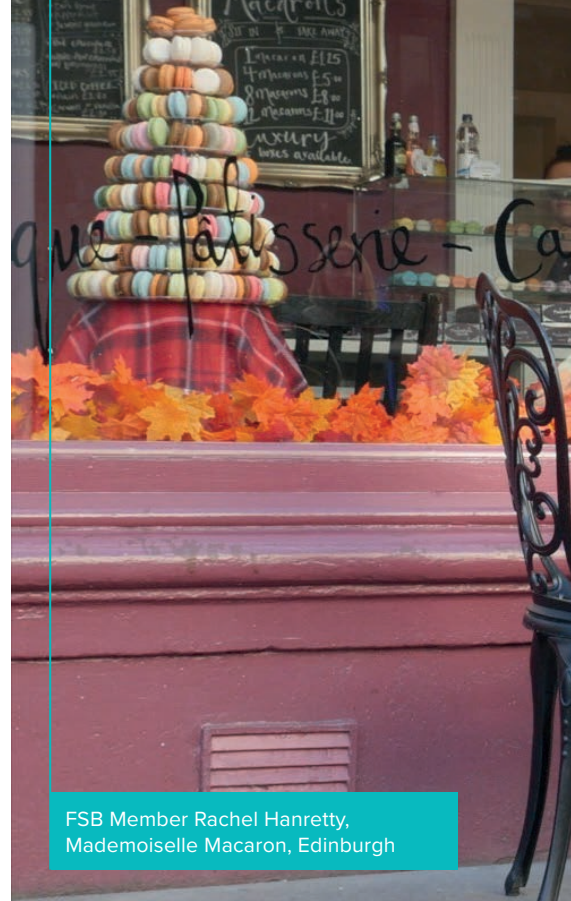
Federation of Small Businesses

Annual Report and Financial Statements 2016 - 17



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Our mission is to help smaller businesses achieve their ambitions. As experts in business, we are a not-for-profit campaigning organisation, that is led by our members, for our members.

Established over 40 years ago, we offer vital business services to our members and provide a powerful voice in Government. With tens of thousands of members across all parts of the UK, our success helps drive the economy, creates jobs and makes our towns, cities and rural spaces more vibrant, rich and diverse places in which to live, work, study and visit.

There are now more opportunities than ever to take the exciting, challenging and rewarding step of starting a business. The digital revolution has diversified the small business landscape, from growing online sales to social media marketing; from modernising supply chains to creating new ways of finding finance and business support.

FSB's strategy is to pursue five corporate objectives:

- 1. To be recognised as the most influential and trusted business organisation**
- 2. To value diversity and inclusion in everything we do**
- 3. To be fully representative of the whole UK smaller business community**
- 4. To provide the most valued package of business benefits and services**
- 5. To provide the most effective networking for smaller businesses across the UK**

By achieving these objectives, FSB can ensure that it continues the work it was set up to do back in 1974 – to stand up for the interests of the UK's community of small business owners and the self-employed.

A MESSAGE FROM THE CHAIRMAN



There are now 5.7 million small businesses and self-employed in the UK and it's crucial they receive the support they need if they are to grow and succeed.

There are now 5.7 million small businesses and self-employed in the UK and it's crucial they receive the support they need if they are to grow and succeed. FSB's Policy Director Martin McTague and I have had regular meetings with the Business Secretary Greg Clark throughout the year and I also attended the Prime Minister's key speech on Brexit in Florence.

Despite the uncertainty over the Brexit deal, it hasn't put people off from starting their own business.

FSB has been keen to ensure the Government does not neglect the domestic agenda. We have been campaigning hard on issues such as reforming business rates, winning Government support for a delay in the lowering of the VAT threshold, which would

have affected thousands of businesses, and stopping the unfair Staircase Tax, which would have penalised businesses on the layout of their premises.

The past year has seen big changes for FSB as an organisation too. It's been our responsibility, since FSB was set up in 1974, to shine a light on the challenges that the self-employed face. We are, in effect, the trade union for the self-employed, and we champion their interests in everything that we do. We're proud of our grassroots supporters and without them and our members right across the UK we would not be as strong a voice for small business as we are.

FSB has been modernising over the past few years and those changes can equally be seen in our Blackpool



FSB Summer Parliament Reception, 14 June 2017



head office and London and devolved offices – ensuring we have the right professional staff supporting members so we can all deliver FSB’s aims and objectives, helping small businesses achieve their ambitions.

In my second year as Chairman it has been a great pleasure for me to get out and meet as many members as possible. I have travelled the length and breadth of the country – from Aberdeen, Edinburgh and Glasgow, to Pontyclun and Llandudno, as well as Bradford, Durham, Norwich and Torquay, to name a few areas where I have met inspirational members doing great work.

Getting out and about across the country has allowed me to see how FSB is truly a UK-wide organisation and has also shown me the need to modernise our

region and branch structure to enable more business owners to get involved and volunteer for FSB. In the last 40 years, our region and branch structure has grown and developed. It has served us well, but it had remained largely unchanged despite the world of business being transformed. The aim of our ‘Refresh programme’ is to ensure FSB’s structure is fit for the future and that we give greater support to members locally on the ground.

I am proud that FSB is a not-for-profit organisation funded by our members, for the benefit of our members, and they continue to set our strategy and participate fully in our work at every stage. Member led remains our own special USP. The changes we have made this last year, including reducing the size of National Council,

thus enabling it to be more effective and representative of the wider membership, increasing support staff in the regions and moving towards a structure which will enable greater participation, will help to ensure FSB members’ views continue to be heard by policymakers at the highest level.

Mike Cherry OBE
National Chairman
Federation of Small Businesses

POLICY DIRECTOR'S REPORT



**Like most of us,
I thought that
2016 was the most
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2017 came along.**

Like most of us, I thought that 2016 was the most tumultuous year for UK politics I had ever seen – until 2017 came along. The defining moment was when a Government, with a small majority but sky-high ratings in the polls, decided to cut short the five-year Parliament and call an election. The aim was to give Theresa May a huge personal mandate, quash opposition to her proposed plan for Brexit, and enable her to deliver her own domestic programme, rather than the one she inherited from David Cameron. We all know what happened next. In all of this, FSB has been a fervent policy campaigner, taking every chance to champion our members' interests with all parties, and right across the UK.

As we approached the Spring Budget in March 2017, we were keenly aware of the business rates revaluation hitting in April 2017. FSB campaigned hard, pushing politicians

and the press to help secure extra help for those most affected. On Budget day we were successful, as the Chancellor announced a £300m emergency relief fund. However, FSB had to immediately fight on another front, as the Budget also saw a proposed hike to National Insurance Contributions for the self-employed.

Mindful that FSB was created in 1974 in response to a National Insurance tax increase on this particular group, we decided we had to take the Government to task. We secured the backing of all other political parties in Parliament, and together with enough MPs on the Government benches, we won the fight and the Budget was effectively re-written. The measure will not return. It had taken FSB years to correct the NICs hike in the 1970s, but it took us just seven days in 2017. Together with the business rates win, this really shows what we can achieve together as FSB.

Then in April, the snap election was called, and the team quickly wrote our 2017 manifesto ‘Small Business, Big Ambition’, (<http://www.fsb.org.uk/standing-up-for-you/general-election-2017>), which we took to all the major parties, and thousands of candidates standing in every constituency across the UK. The policies we asked for were included in every party manifesto, and championed as the election date approached. A balanced Parliament increases the opportunity for FSB to create change for our members.

Over the past year we have:

- Stopped the roll-out of mandatory quarterly tax reporting to small businesses below the VAT threshold of £85,000 pa.
- Prevented the expansion of VAT to 1.5 million businesses – we were credited by the Chancellor in the Autumn Budget as the reason for not pursuing this.
- Secured a number of reforms to Business Rates, not least a shift to a lower level of inflation but also stopping the ‘Staircase Tax’ which affected small firms that had more than one office or floor.
- Been part of the ‘B5’ group of UK business organisations with BCC, CBI, IoD and EEF to give us regular and privileged access to Cabinet Ministers and officials across the Government.

With the Article 50 process underway, the UK is already more than half-way through the process of Brexit in the run-up to March 2019. It remains the dominant issue of our time, and we must secure a pro-business Brexit.

We are now pushing to achieve a time-limited transition period; the right long-term arrangements for global and EU27 trade and for current EU workforce and the self-employed to stay here in the UK.

But, Brexit must not detract from our domestic work to convince the Government and all parties to put forward reforms to help our members. This coming year is crunch time to tackle the UK’s late/poor payment culture. With new Small Business Commissioner Paul Uppal in place, we will be lobbying to ensure large firms report on how they pay small suppliers. We must also secure legislation to axe the ‘Staircase Tax’, abolish National Insurance Class II contributions altogether for the self-employed, and secure a NICs holiday for small employers taking on those furthest from the world of work – veterans, disabled people and ex-offenders.

While we do not yet know what 2018 will bring, we will investigate and publish new policy work and campaigns, building on our achievements of 2017. Our published reports focused on procurement, energy, the economic impact of

Government policy, terrorism, air quality, the Northern Powerhouse and skills and training. Our regular confidence measure, the Small Business Index secured coverage right across the media and was read avidly by officials and policymakers. Our Wellbeing, LGBT+ Pride and Women in Enterprise campaigns saw FSB reach whole new audiences.

The ‘Refresh programme’ will gather pace, with local campaign action groups and FSB Areas influencing local decision-makers. FSB Regions are being given more powers and responsibility, alongside a revamped National Council. We will find new ways to back the hard work of the Westminster and devolved offices. But most of all, our success will rest on addressing diversity and inclusion within FSB. The world of business is changing, and so are the decision-makers we seek to influence. FSB must also adapt in order to be truly representative of the UK’s small business community.

Martin McTague
Policy Director
 Federation of Small Businesses



FINANCE DIRECTOR'S REPORT



I am pleased to report the results for the Group for the year ended 30 September 2017, which show a deficit for the financial year of £0.3m, a significant improvement on the £2.1m deficit delivered in the prior year.



I am pleased to report the results for the Group for the year ended 30 September 2017, which show a deficit for the financial year of £0.3m, a significant improvement on the £2.1m deficit delivered in the prior year. Considerable effort has been directed over the past two years towards improving the cost efficiency of the organisation. This has been a significant project across every part of the organisation, which has involved changes to processes as well as cultural change. Its success is evident in the improved financial

performance; whilst subscription income remained consistent year on year, administrative expenses reduced markedly by £1.9m from £27.7m to £25.8m in the year ended 30 September 2017.

The focus on cost efficiency will be ongoing, with changes introduced to the organisational structure which support it continuing in the year ending 30 September 2018. Changes to process and systems developments which could further enhance cost efficiencies are currently being reviewed.

Income from subscriptions and joining fees continues to be the most significant revenue stream for FSB and provided over 92 per cent of the Group's income in 2017. Subscription income relating to the period amounted to £25.7m in both years, with a marginal increase of over £50,000 being earned in the year.

The company operates in an increasingly competitive marketplace and its ability to attract and retain



FSB Women in Business event at the Houses of Parliament.

members can be impacted by economic conditions, business confidence and the behaviour of competitors.

It is, therefore, critical to the organisation's ongoing success that it continues to focus on activities to enhance joining and retention of members. This includes developing products and services, as well as sales channels, which are attractive to today's small business owner. FSB also continued to invest in new incentive structures which were agreed with Membership Advisors

in the prior financial year, aimed at promoting new joiner numbers, but also including a new element aimed at increasing retention levels. This type of continuous investment is only possible because of the focus on cost efficiency that has reduced costs elsewhere in the business.

It is also important for FSB to be able to generate other revenue streams alongside subscription income, and income from these increased from £2.0m to almost £2.3m during the year. This will remain an area of significant focus over the near future as we continue to offer small business owners valued additional services to enhance their businesses and develop the ways in which we engage with them.

As always, a key area of focus for the Board of Directors over the period has been the management of cash and investments. Improved results during the year have enabled FSB to generate a cash inflow from operations of £0.6m, compared with a net cash outflow of £0.8m in the prior year. As a result, cash balances as at 30 September 2017 stood at £16.5m, up from £15.9m the prior year.

Historically low interest rates continued to be a feature throughout the period, with the Bank of England base rate reducing from 0.5 per cent to 0.25 per cent shortly before the beginning of the financial year. This has impacted the interest FSB is able to generate on its deposits, which fell from £133,221 in the prior year 2016 to £82,766 in the year ended 30 September 2017.

In order to deliver both liquidity and returns, whilst managing risk to an acceptable level, FSB holds investments in two externally managed portfolios, alongside its cash deposits. The market value of

the managed investments increased by £161,960 to over £3.5m during the financial year. This compares with initial funds invested amounting to £3m during the two years ended 30 September 2015 (£1m in the first of these two years, a further £2m in the second). Whilst these gains are unrealised until the investments are withdrawn, FSB has taken the decision to provide for the deferred taxation on these gains, resulting in a charge of £104,511 in the year ended 30 September 2017.

Although interest rates have risen recently, FSB will continue to focus strongly on delivering both liquidity and returns in the near future, whilst taking a cautious approach to managing risk.

The Board invests in tangible Fixed Assets as needed to keep these up to date, however, the requirement has been low in the current financial year, at £55,325, lower than the depreciation charge on these assets of £373,079. At the same time, a further £527,400 of amortisation was charged in the year relating to the historical cost of acquiring sales patches, leaving just £456,016 remaining to amortise compared with an initial purchase price of over £3m.

FSB continues to maintain a strong balance sheet at the end of the financial year, with reserves of almost £12.8m, £0.3m lower than the previous year. This will enable FSB to continue to develop and modernise, which is key to its long term strategy and business plan, whilst ensuring that it is able to continue to deliver its mission, centred on enabling smaller businesses to achieve their ambitions.

Janet Jack

Finance Director

Federation of Small Businesses

COMMERCIAL DIRECTOR'S REPORT



FSB is entirely funded by its membership and commercial activities. The commercial function comprises marketing, partnerships and events, membership retention, the contact centre, recruitment and FSB Publications.

The small business market is complex, ranging from the majority who are sole traders, through to mini corporates with up to 250 employees, which may have a turnover of several hundred million pounds. There is also increasing evidence of a demographic shift in the way business owners view support organisations such as FSB. Those under 35 are increasingly less likely to be affiliated generally.

There is no single business support organisation that successfully delivers a proposition that appeals to every segment of the small business market. FSB is the one that comes closest, though the broader the target market, the more diverse the proposition needs to be to meet what are very different needs.

Therefore, FSB needs to constantly evolve. Firstly, to develop the most attractive and comprehensive range of benefits that cannot be matched by these competitors, and secondly, to communicate these effectively to our target markets in order to increase both awareness and the desire to join.



FSB Connect brings the small business community together.

Substantial progress has been made in the past 12 months in developing FSB's offer for smaller businesses. Our brand research shows that we are a trusted and authoritative organisation. Brand tracking research has shown that our image has improved year on year since the 2015 rebrand, with improved perceptions and a higher net promoter score (NPS) amongst both members and non-members.

In March 2017 we introduced two new categories, meaning for the first time in our history there was now more than one way to become an FSB member. The first new category was FSB Connect, a way to join FSB at no cost, with the core benefit being the ability to participate in our new national networking events. FSB Connect allows us to more easily grow our representation and it is an opportunity to introduce more business owners to FSB.

The second new category was FSB Business Creation, launched to fulfil a long held goal of being able to provide direct assistance to those who are starting their journey of



self-employment. Prior to this, our benefits package was designed to help existing business owners, and now we are able to help pre-start-ups become established. With over half a million new businesses being set up every year, we wanted to establish FSB as an essential building block to success for the small business owner, and this product enables us to provide support at the earliest opportunity. It includes access to an advice line operated by start-up advisors who assist in the pre-start-up phase and can provide further support in the early days.

Our existing category was renamed FSB Business Essentials and we substantially improved the benefits during the year. Several new rights of membership were introduced including PR crisis management, an increase in the maximum legal claim, automatic cyber cover and the ability to send early stage debt collection letters at no cost. The introduction of FSB Debt Recovery has been extremely well received with many members seeing almost immediate results from use of the

service. FSB Energy's service was extended to include business water.

We made improvements in membership retention, growing to 83.5 per cent from 82 per cent in the previous year. Many factors contributed to this, including not having subscription increases for part of the year, an increase in direct debit payments and significant contact centre improvements. This trend is expected to continue and the aim is for retention to rise further over the next year to well over 84 per cent.

The events team has continued to manage and provide support to already well established major national events, such as the sales conference, policy conference and national business show and conference.

First Voice has now moved to be a quarterly publication. Despite the First Voice website being only a year old, digital income has become almost a third of First Voice revenues, and further changes will continue this growth. While an almost equal proportion of members prefer

digital communications to hard copy, we still need to work hard to increase member engagement for both forms.

In order to deliver more timely news, First Voice now also has a weekly newsfeed. Launched in 2017, this has almost immediately doubled the usage of the First Voice website.

Regional Voice now exists only as a single page in hard copy form, distributed with First Voice. Most content is now available only digitally and significant website changes enable the most valuable content to be available post login. It is now possible to advertise on regional pages as well as nationally on the main First Voice site.

Commercially, First Voice still requires a significant subsidy though huge progress has been made. In the past three years this subsidy has reduced by around £500,000 and further reductions in that subsidy are expected during the coming years.

Dave Stallon
Commercial and Operations Director
Federation of Small Businesses



CHIEF OPERATING OFFICER'S REPORT

2016/17 was a very busy year operationally as the Board, supported by a highly skilled senior management team, delivered the revised activists' regional structure.



What an evening for our FSB Business Award winners 2017.

2016/17 was a very busy year operationally as the Board, supported by a highly skilled senior management team, delivered the revised activists' regional structure. This will continue to develop over the next 12 months as it becomes firmly established. This change will bring about a more agile, less formal, way of working on local projects and encourage much wider participation to ensure all members have a voice.

The benefits FSB offers are constantly reviewed and through the close working of the commercial and policy teams we continue to identify the changing needs required in response to Government initiatives and legislation as well as by other commercial factors.

Those that were delivered last year include a business profiling tool to measure customer satisfaction,

website and social media effectiveness. Other new benefits included cyber protection cover offered as a right of membership, as well as an improved online legal hub.

We also launched our own area and national business awards, which celebrate small business innovation across the UK. We received a record 1,800 entries from some of the most inspiring and creative small businesses. The awards celebrate the best small businesses within 12 UK areas, followed by the national UK FSB Celebrating Small Business Awards ceremony in May 2018. We are looking forward to meeting all the finalists and winners there.

FSB recognises that the small business landscape is changing and diversifying. Today's and tomorrow's business owners have a huge range of motivations, needs and ambitions,

running their businesses as part of increasingly varied lifestyles. Because of this, we made the biggest changes to our membership offer since FSB was founded, introducing new joining categories.

FSB's flagship magazine First Voice underwent a makeover, with a redesign and a change to being a quarterly publication. With this has come an increase in the number of pages - readers now get even more relevant content in a strikingly designed layout. First Voice has attracted some of the most interesting and influential opinion formers to write columns. These have always been greatly informative as well as, at times, stimulating some lively debate. First Voice web traffic has more than doubled in 12 months, now attracting more than 15,000 unique visitors each month.



The policy/public affairs and media profile of FSB has increased significantly over recent years. In policy and public affairs, FSB has been extremely influential and secured several victories for small business owners.

FSB has continued to innovate in its social media coverage, and in 2017 it was, and continues to be, the most followed business group on Twitter and Facebook. In part, this is due to our successful digital campaigns on Wellbeing and LGBT+ Pride, both of which helped us reach new audiences. We also held a number of very successful Twitter chats, partnering with leading industry figures.

We have made excellent progress on regional media coverage, broadcast in particular. In fact, regional broadcast was the leading media type quoting FSB representatives, accounting for almost a quarter of all coverage.

One of FSB's strengths is that it is truly representative of the whole of the UK, and over the past year we have seen an increase in resources with more Operational Support Co-ordinators (OSCs) in the regions.

This increase in field staff support ensures our activists have adequate help and assistance to deliver regional projects within the new structure.

Overall, we currently have a dedicated and talented team of 191 employees to support our members. As we focus on diversity, we aim to recognise individuals' strengths, allowing us to benefit from having a well-balanced workforce.

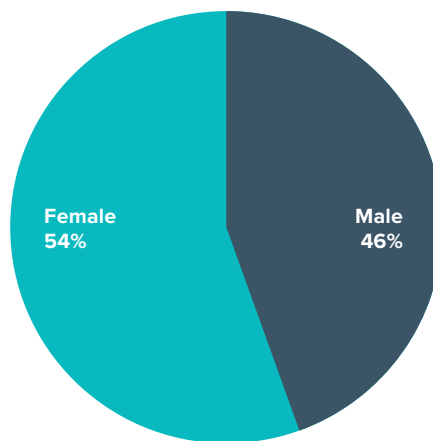
Sales continued to rise. Enhanced representation and member benefits

have led to an increase in new members joining FSB. We attracted more new members under the age of 40 than ever before. Over 70 per cent of our new members were recruited by our network of experienced and knowledgeable self-employed membership advisors. The remainder were recruited direct via FSB's website and by telephone. As you can see from the geographical spread, we truly do have members from all over the UK.

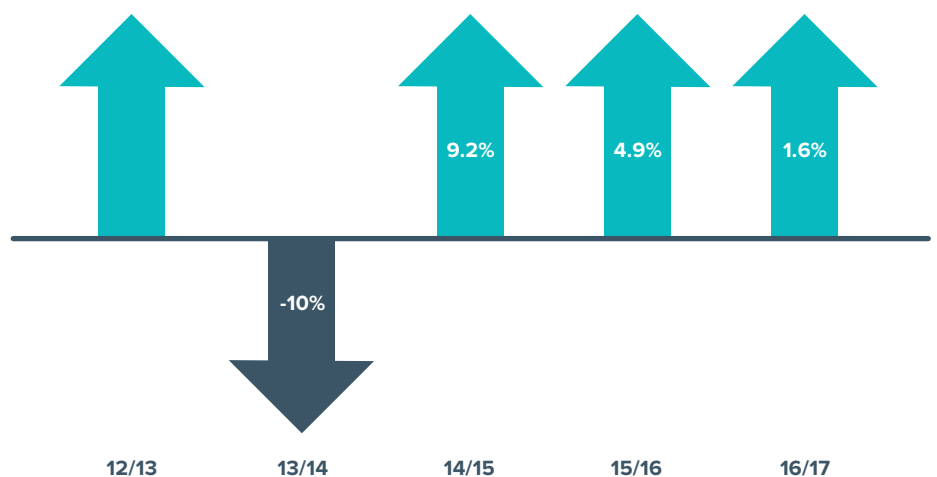
All our corporate objectives are delivered via a first rate IT infrastructure, which is under continual development as the organisation evolves. Major changes included a programme of security improvements and a rationalisation of database infrastructure.

Work in progress includes doubling the capacity and improving the

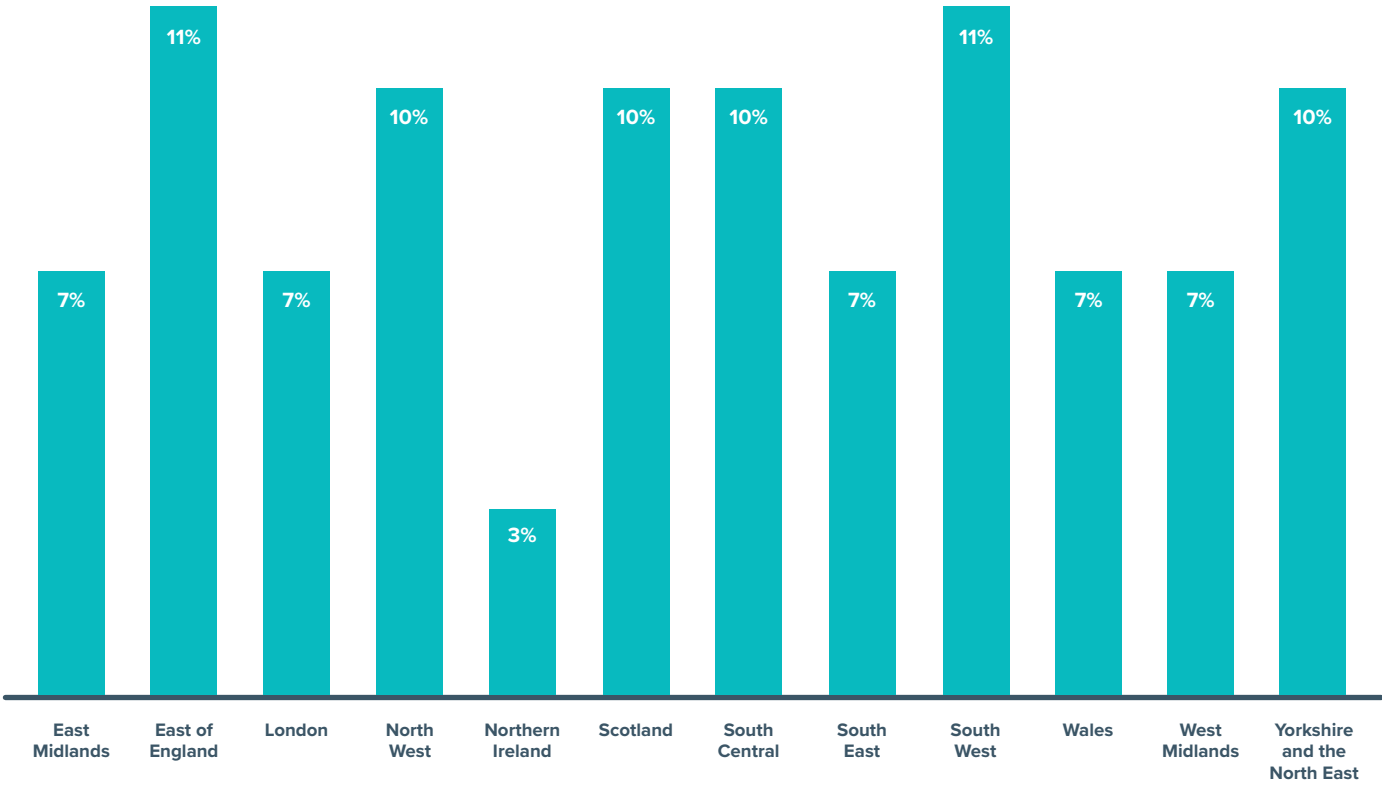
All staff



New membership growth



Geographical spread



resilience of network connections across all offices, data centres and the internet and the introduction of high quality, reliable, video conferencing to all locations. This will enable more efficient use of time and funds.

The next financial year will hold more challenges as we continue to try to reach out to our members, and attract new members in less traditional ways. Our focus will be to deliver a much greater digital

platform, ensuring that wherever you are in the UK you have access to FSB's benefits and advice, and ensuring we continue to be the leading voice for small businesses.

Julie Lilley
Chief Operating Officer
Federation of Small Businesses

FINANCIAL STATEMENTS

Group Strategic Report, Report of
the Directors and Consolidated
Financial Statements for the Year
Ended 30 September 2017

for

National Federation of Self Employed
and Small Businesses Limited

COMPANY INFORMATION

For the Year Ended 30 September 2017

Directors

M H Cherry
W J Mitchell
D A Stallon
J Jack
G M MacEwan
M G McTague
D J Miles
V Weisweiller
P B C Davys
G Lovatt
A L Lay

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 2017

The directors present their strategic report of the company and the group for the year ended 30 September 2017.

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 £0.3m (2016: deficit £2.1m). This is after accounting for an unrealised gain of £0.2m resulting from an increase in the carrying value of investments

(2016: unrealised gain of £0.5m). Income from subscriptions and joining fees, which provided over 92% of the Group's income (2016: 92%) amounted to £25.7m (2016: £25.7m). General reserves reduced to £12.8m (2016: £13.1m) and the net cash inflow from operating activities was £0.6m (2016: net cash outflow of £0.8m).

The consolidated financial statements include the results of its three subsidiary companies; FSB Publications Limited, the principal activity of which is the publication of a magazine for FSB, F.S.B. (Member Services) Limited which arranges additional benefits on behalf of the members of FSB and FSB Recruitment Limited which provides recruitment services for FSB.

PRINCIPAL RISKS AND UNCERTAINTIES

The responsibility for risk management and the internal control environment resides with

the Board of Directors. FSB has subsidiary companies and various committees reporting to the Board of Directors, including the Finance Committee, the UK Policy Committee and the Commercial Committee, that control and manage various activities, identifying on an ongoing 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 business strategy is to continue to pursue the five corporate objectives (to be recognised as the most influential and trusted business organisation, to value diversity and inclusion in everything we do, to be fully representative of the whole

UK smaller business community, to provide the most valued package of business benefits and services, and to provide the most effective network for smaller businesses across the UK) to achieve the organisation's mission which is to help smaller businesses achieve their ambitions.

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.

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

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

TREASURY MEASUREMENT

The group has £16.5m cash and £3.6m investment balances as at 30th September 2017 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.

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 H Cherry
Director

9 January 2018

REPORT OF THE DIRECTORS

For the Year Ended 30 September 2017

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2017.

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 communication.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2016 to the date of this report.

M H Cherry

W J Mitchell

D A Stallon

J Jack

G M MacEwan

M G McTague

D J Miles

V Weisweiller

Other changes in directors holding office are as follows:

S C Dexter - resigned 4 July 2017

J Brazkiewicz - resigned
1 February 2017

S Wilson - resigned 5 January 2017

P B C Davys - appointed 10 April 2017

G Lovatt - appointed 10 April 2017

A L Lay - appointed 20 July 2017

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;
- 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 H Cherry
Director

9 January 2018

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 2017 on pages 24 to 42. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

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 2017 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 group'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 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, 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:

- 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 four, 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.

OUR 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.

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.

Mr Francis Murphy
(Senior Statutory Auditor)
for and on behalf of Haines Watts

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

9 January 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 September 2017

	Notes	30.09.17 (£)	30.09.16 (£)
Turnover		25,736,232	25,679,384
Cost of sales		2,710,156	2,623,465
Gross Surplus		23,026,076	23,055,919
Administrative expenses		25,755,051	27,679,156
		(2,728,975)	(4,623,237)
Other operating income		2,277,260	2,015,303
Operating Deficit	4	(451,715)	(2,607,934)
Unrealised gain on investment	5	161,960	450,675
		(289,755)	(2,157,259)
Interest receivable and similar income		82,766	133,221
Deficit Before Taxation		(206,989)	(2,024,038)
Tax on deficit	6	122,871	29,714
Deficit for the Financial Year		(329,860)	(2,053,752)
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		(329,860)	(2,053,752)
Deficit attributable to: Owners of the parent		(329,860)	(2,053,752)
Total comprehensive income attributable to: Owners of the parent		(329,860)	(2,053,752)

CONSOLIDATED BALANCE SHEET

30 September 2017

	Notes	30.09.17 (£)	30.09.16 (£)
Fixed Assets			
Intangible assets	8	546,389	1,281,714
Tangible assets	9	5,307,306	5,632,023
Investments	10	-	-
		5,853,695	6,913,737
Current Assets			
Stocks	11	21,744	-
Debtors	12	1,573,831	1,191,051
Investments	13	3,550,056	3,388,099
Cash at bank		16,504,528	15,928,127
		21,650,159	20,507,277
Creditors			
Amounts falling due within one year	14	14,622,036	14,313,847
		7,028,123	6,193,430
Net Current Assets		12,881,818	13,107,167
Total Assets Less Current Liabilities		104,511	-
Provisions for Liabilities	16		
Net Assets		12,777,307	13,107,167
Reserves			
Profit and loss account	17	12,777,307	13,107,167
		12,777,307	13,107,167

The financial statements were approved by the Board of Directors on 9 January 2018 and signed on its behalf by M H Cherry, Director.

COMPANY BALANCE SHEET

30 September 2017

	Notes	30.09.17 (£)	30.09.16 (£)
Fixed Assets			
Intangible assets	8	23,551	131,148
Tangible assets	9	5,292,783	5,613,116
Investments	10	2,101	2,101
		5,318,435	5,746,365
Current Assets			
Debtors	12	2,695,018	3,007,167
Investments	13	3,550,056	3,388,099
Cash at bank		15,239,095	14,182,941
		21,484,169	20,578,207
Creditors			
Amounts falling due within one year	14	14,202,295	13,217,611
		7,281,874	7,360,596
Net Current Assets		7,281,874	7,360,596
Total Assets Less Current Liabilities		12,600,309	13,106,961
Provisions for Liabilities	16	104,511	-
Net Assets		12,495,798	13,106,961
Reserves			
Profit and loss account		12,495,798	13,106,961
		12,495,798	13,106,961
Company's (loss) for the financial year		(611,163)	(2,053,752)

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 9 January 2018 and signed on its behalf by M H Cherry, Director.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2017

	Retained earnings (£)	Total equity (£)
Balance at 1 October 2015	15,160,919	15,160,919
Changes in equity		
Total comprehensive income	<u>(2,053,752)</u>	(2,053,752)
Balance at 30 September 2016	<u>13,107,167</u>	13,107,167
Changes in equity		
Total comprehensive income	<u>(329,860)</u>	(329,860)
Balance at 30 September 2017	<u>12,777,307</u>	12,777,307

COMPANY STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2017

	Retained earnings (£)	Total equity (£)
Balance at 1 October 2015	15,160,712	15,160,712
Changes in equity		
Total comprehensive income	<u>(2,053,752)</u>	(2,053,752)
Balance at 30 September 2016	<u>13,106,961</u>	13,106,961
Changes in equity		
Total comprehensive income	<u>(611,163)</u>	(611,163)
Balance at 30 September 2017	<u>12,495,798</u>	12,495,798

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 30 September 2017

	Notes	30.09.17 (£)	30.09.16 (£)
Cash Flows from Operating Activities			
Cash generated from operations	1	590,855	(777,021)
Tax paid		(30,495)	(20,747)
Net cash from operating activities		560,360	(797,768)
Cash Flows from Investing Activities			
Purchase of intangible fixed assets		(22,383)	(211,081)
Purchase of tangible fixed assets		(55,325)	(217,913)
Sale of tangible fixed assets		10,983	20,657
Interest received		82,766	133,221
Net cash from investing activities		16,041	(275,116)
Increase/(decrease) in Cash and Cash Equivalents		576,401	(1,072,884)
Cash and Cash Equivalents at Beginning of Year	2	15,928,127	17,001,011
Cash and Cash Equivalents at end of Year	2	16,504,528	15,928,127

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 30 September 2017

1. Reconciliation of Deficit Before Taxation to Cash Generated From Operations.

	30.09.16 (£)	30.09.15 (£)
Deficit before taxation	(206,989)	(2,024,037)
Depreciation charges	373,079	393,750
(Profit)/loss on disposal of fixed assets	(4,020)	2
Amortisation charges	708,408	829,119
Unrealised gain on investment	(161,960)	(450,675)
Loss on intangibles	49,300	-
Finance income	(82,766)	(133,221)
	675,052	(1,385,062)
(Increase) in stocks	(21,744)	-
(Increase)/decrease in trade and other debtors	(382,780)	90,568
Increase in trade and other creditors	320,327	517,473
Cash Generated from Operations	(590,855)	(777,021)

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:

	30.09.17 (£)	01.10.16 (£)
Year Ended 30 September 2017		
Cash and cash equivalents	16,504,528	15,928,127
	30.09.16 (£)	01.10.15 (£)
Year Ended 30 September 2016		
Cash and cash equivalents	15,928,127	17,001,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 30 September 2017

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.

Basis of consolidation

The consolidated financial statements of the Federation (which include Federation offices, regions, branches 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.

Turnover

Turnover comprises membership subscriptions, commissions received, income from marketing, advertising and related services.

Membership subscriptions, on receipt, are deferred and released

to income over the period to which the membership relates.

Intangible fixed assets

Geographical Recruitment Areas acquired by FSB Recruitment Ltd are amortised over their expected useful economic lives as determined by the Directors. The useful economic lives of the Areas will vary depending upon a number of factors including location and size. The Areas are amortised on a straight line basis over periods of between 3 and 6 years.

Intangible fixed assets are stated at cost less accumulated amortisation. Amortisation is provided at rates calculated using the straight-line method, to write off the cost of the fixed assets over their expected useful lives.

Goodwill	3 - 6 years	Straight line basis
Computer Software	3 years	Straight line basis

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

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.

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.

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.

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.

Continued...

3. EMPLOYEES AND DIRECTORS

	30.09.17 (£)	30.09.16 (£)
Wages and salaries	7,713,453	7,572,129
Social security costs	785,611	761,272
Other pension costs	401,567	371,169
	8,900,631	8,704,570

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

	30.09.17	30.09.16
Head office	57	64
Press and parliamentary offices	45	42
Regions	49	48
Recruitment	52	51
Member services	6	6
	209	211

The average number of employees by undertakings that were proportionately consolidated during the year was 209 (2016 - 211).

	30.09.17 (£)	30.09.16 (£)
Directors' remuneration	340,359	298,644

Information regarding the highest paid director is as follows:

	30.09.17 (£)	30.09.16 (£)
Emoluments etc	64,208	53,750

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 £1,270,233 (2016 – £1,337,046).

4. OPERATING (DEFICIT)

The operating deficit (2016 - operating deficit) is stated after charging/(crediting):

	30.09.17 (£)	30.09.16 (£)
Hire of plant and machinery	130,041	92,829
Depreciation - owned assets	373,079	393,750
(Profit)/loss on disposal of fixed assets	(4,020)	4,779
Goodwill amortisation	527,400	602,697
Computer software amortisation	181,008	226,422
Auditors' remuneration	24,800	23,850
Other non-audit services	12,597	9,016

Included in auditors' remuneration is £15,950 (2016: £15,000) relating to the company. In addition, included in auditors' remuneration for non audit services is £12,597 (2016: £9,016) relating to the company.

5. EXCEPTIONAL ITEMS

	30.09.17 (£)	30.09.16 (£)
Unrealised gain/(loss) on investment	161,960	450,675

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

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

	30.09.17 (£)	30.09.16 (£)
Current tax:		
UK corporation tax	18,360	29,714
Deferred tax	104,511	-
Tax on deficit	122,871	29,714

UK corporation tax was charged at 20% in 2016.

The company is taxable on the commissions and interest received in the year. The company received gross taxable commissions of £17,989 (2016 - £18,059) and interest of £82,766 (2016 - £133,221).

Continued...

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.

8. INTANGIBLE FIXED ASSETS**Group**

	Goodwill (£)	Computer Software (£)	Totals (£)
COST			
At 1 October 2016	3,013,503	2,053,124	5,066,627
Additions	-	22,383	22,383
Disposals	-	(51,947)	(51,947)
At 30 September 2017	3,013,503	2,023,560	5,037,063
AMORTISATION			
At 1 October 2016	2,030,087	1,754,826	3,784,913
Amortisation for year	527,400	181,008	708,408
Eliminated on disposal	-	(2,647)	(2,647)
At 30 September 2017	2,557,487	1,933,187	4,490,674
NET BOOK VALUE			
At 30 September 2017	456,016	90,373	546,389
At 30 September 2016	983,416	298,298	1,281,714

8. INTANGIBLE FIXED ASSETS (Continued)**Company**

	Computer Software (£)
COST	
At 1 October 2016	1,846,691
Additions	22,383
Disposals	(2,647)
At 30 September 2017	1,866,427
AMORTISATION	
At 1 October 2016	1,715,543
Amortisation for year	129,980
Eliminated on disposal	(2,647)
At 30 September 2017	1,842,876
NET BOOK VALUE	
At 30 September 2017	23,551
At 30 September 2016	131,148

Continued...

9. TANGIBLE FIXED ASSETS**Group**

	Freehold Property (£)	Fixtures & Fittings (£)	Motor Vehicles (£)	Computer Equipment (£)	Totals (£)
COST					
At 1 October 2016	6,640,886	1,295,296	72,973	1,080,507	9,089,662
Additions	10,938	17,091	-	27,296	55,325
Disposals	-	(29,136)	(25,433)	(47,898)	(102,467)
At 30 September 2017	6,651,824	1,283,251	47,540	1,059,905	9,042,520
DEPRECIATION					
At 1 October 2016	1,612,121	911,745	45,890	887,883	3,457,639
Charge for year	133,370	107,651	14,483	117,575	373,079
Eliminated on disposal	-	(28,299)	(19,604)	(47,601)	(95,504)
At 30 September 2017	1,745,491	991,097	40,769	957,857	3,735,214
NET BOOK VALUE					
At 30 September 2017	4,906,333	292,154	6,771	102,048	5,307,306
At 30 September 2016	5,028,765	383,551	27,083	192,624	5,632,023

9. TANGIBLE FIXED ASSETS (Continued)**Company**

	Freehold Property (£)	Fixtures & Fittings (£)	Motor Vehicles (£)	Computer Equipment (£)	Totals (£)
COST					
At 1 October 2016	6,640,885	1,273,374	72,973	1,075,888	9,063,120
Additions	10,938	17,091	-	27,296	55,325
Disposals	-	(29,136)	(25,433)	(47,898)	(102,467)
At 30 September 2017	6,651,823	1,261,329	47,540	1,055,286	9,015,978
DEPRECIATION					
At 1 October 2016	1,612,120	908,730	45,890	883,264	3,450,004
Charge for year	133,370	103,267	14,483	117,575	368,695
Eliminated on disposal	-	(28,299)	(19,604)	(47,601)	(95,504)
At 30 September 2017	1,745,490	983,698	40,769	953,238	3,723,195
NET BOOK VALUE					
At 30 September 2017	4,906,333	277,631	6,771	102,048	5,292,783
At 30 September 2016	5,028,765	364,644	27,083	192,624	5,613,116

Continued...

10. FIXED ASSET INVESTMENTS**Company**

	Unlisted Investments (£)
COST	
At 1 October 2016 and 30 September 2017	<u>2,101</u>
NET BOOK VALUE	
At 30 September 2017	<u>2,101</u>
At 30 September 2016	<u>2,101</u>

	Aggregate capital and reserves	Profit/(Loss for the year)	Activity
FSB Gold Club Ltd	100	-	Dormant
Federation of Small Business Ltd	1	-	Dormant
Real Life Entrepreneur Ltd	1	-	Dormant
FSB Sales Ltd	1	-	Dormant

All subsidiaries are wholly owned and incorporated within England and Wales.

11. STOCKS

	Group	
	30.09.17 (£)	30.09.16 (£)
Finished goods	<u>21,744</u>	-

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.09.17 (£)	30.09.16 (£)	30.09.17 (£)	30.09.16 (£)
Trade debtors	190,276	373,133	1,224	15,445
Amounts owed by group undertakings	-	-	1,605,226	2,376,183
Other debtors	45,204	15,982	45,204	15,982
VAT	-	-	24,055	-
Accrued income	191,917	34,763	-	-
Prepayments	1,146,434	767,173	1,019,309	599,557
	1,573,831	1,191,051	2,695,018	3,007,167

13. CURRENT ASSET INVESTMENTS

	Group		Company	
	30.09.17 (£)	30.09.16 (£)	30.09.17 (£)	30.09.16 (£)
Listed investments	3,550,056	3,388,099	3,550,056	3,388,099

Market value of listed investments at 30 September 2017 held by the group and the company - £3,550,056 .

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.09.17 (£)	30.09.16 (£)	30.09.17 (£)	30.09.16 (£)
Trade creditors	728,376	512,653	541,823	242,913
Amounts owed to group undertakings	-	-	594,214	-
Tax	-	12,135	-	12,135
Social security and other taxes	208,932	211,495	208,932	211,495
VAT	59,917	41,517	-	53,567
Other creditors	80,942	88,355	38,172	7,236
Accrued expenses	1,765,416	2,009,981	1,040,701	1,252,554
Prepaid subscriptions	11,778,453	11,437,711	11,778,453	11,437,711
	14,622,036	14,313,847	14,202,295	13,217,611

Continued...

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.09.17 (£)	30.09.16 (£)
Within one year	38,052	56,110
Between one and five years	69,867	122,179
	107,919	178,289

Company

	Non-cancellable operating leases	
	30.09.17 (£)	30.09.16 (£)
Within one year	38,052	56,110
Between one and five years	69,867	122,179
	107,919	178,289

16. PROVISIONS FOR LIABILITIES

	Group		Company	
	30.09.17 (£)	30.09.16 (£)	30.09.17 (£)	30.09.16 (£)
Deferred tax	104,511	-	104,511	-
Other timing differences				

Group

	Deferred tax (£)
On unrealised investment gains	104,511
Balance at 30 September 2017	104,511

Company

On unrealised investment gains	104,511
Balance at 30 September 2017	104,511

17. RESERVES**Group**

	Profit and loss account (£)
At 1 October 2016	13,107,167
Deficit for the year	(329,860)
Balance at 30 September 2017	12,777,307

18. CAPITAL COMMITMENTS

	30.09.17 (£)	30.09.16 (£)
Contracted but not provided for in the financial statements	6,000	185,051

19. 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.

20. 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.

Continued...

21. DIRECTORS HONORARIA

The following is a list of honoraria paid to directors for their term of office during the year:

Director	Honoraria (£)	Position
Cherry, Michael	64,208	National Chairman
Stallon, David	53,750	Commercial Director
Jack, Janet	50,000	Finance Director
Dexter, Sandra	24,625	Vice Chairman (to 04/07/17)
Lay, Alexis	6,417	Vice Chairman (to 20/07/17)
McTague, Martin	49,167	Policy Director
Wilson, Simon	28,115	Operations Director
MacEwan, Gillian	5,000	Non operational Director
Mitchell, Wilfred	5,000	Non operational Director
Brazkiewicz, Judi	2,083	Non operational Director (to 01/02/17)
Miles, David	5,000	Non operational Director
Weisweiller, Veronika	5,000	Non operational Director
Lovatt, Gary	2,083	Non operational Director (from 10/04/17)
Davys, Peter	2,083	Non operational Director (from 10/04/17)

FSB MEMBERS ON THE FRONT COVER

1. Andy McRae, Museum Contexts, Edinburgh
2. Lucy Auchincloss, Succeed Group, Reading
3. Nick Griffiths and Sinead Hanks,
Any Old Lights, Cornwall
4. Emma Heathcote-James,
The Little Soap Company, Worcestershire
5. Rachel Hanretty, Mademoiselle Macaron,
Edinburgh
6. Carla DiMambro, The Optical Factory
and Hearing Clinic, Hamilton & East Kilbride
7. Helen Walbey / Sue Nelson / Deborah Turner
8. Laura Pride, OMGrenegade, London
9. Sangeeta Waldron, Serendipity
PR and Media, London
10. Helen Walbey, Recycle Scooters,
South Wales
11. Mark Smethurst, Time to Float, Stafford
12. Deborah Turner, You Image Consultancy,
Gillingham
13. Abs Hussain, Aqua Food and Mood,
Warwickshire
14. FSB Women in Business event at Parliament
15. Tom Lauckner, Piece Glasgow, Glasgow
16. Peter and Gillian Mowforth, Indez, Glasgow
17. Alex Cavaliere, Fargo Scooters, Coventry
18. Kelly Gilmour-Grassam, Making You Content,
Manchester
19. Marsha Ward, The Number Hub, Taff's Well
20. Sarah Windrum, The Emerald Group,
Leamington
21. Kirsty Peebles, News Direct, Edinburgh
22. Sheena Shah, Splash Creative, London
23. Susan and Gerry Fiander-Woodhouse,
Blaenafon Cheddar Company, Blaenafon
24. Bini Ludlow, Sweet Cumin, Somerset

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