

Company No: 01263540 (England and Wales)

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Directors' Report and Consolidated
Financial Statements
for the year ended 30 September 2012**

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
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National Federation of Self Employed and Small Businesses Limited
(A Company Limited by Guarantee)

For the year ended 30 September 2012

Honorary Officers of the Federation

J Walker	National Chairman	
S Dexter	National Vice Chairman	
A Cherry	National Vice Chairman	(to 27.01.2012)
J Allan	National Vice Chairman	(from 22.03.2012)
D Stallon	National Secretary	
A Feliciello	National Treasurer	(to 22.03.2012)
V Peake	National Treasurer	(from 22.03.12) to 12.10.2012)

Statutory Auditors

HW
Chartered Accountants
Pacific Chambers
11-13 Victoria Street
Liverpool
L2 5QQ

Directors of the Federation

Served as : EB = Executive Board, NC = National Councillor, DNC = Deputy National Councillor

J Allan	EB	(from 22.03.2012)	A Feliciello	EB	(to 22.03.2012)
J Allen	DNC		J Flower	DNC	
D Balderson	DNC		A Forsell	NC	
A Barnes	DNC	(to 04.10.2011)	J Fraser	DNC	(from 24.11.2011)
F Berry	NC	(to 30.11.2011)	J Friel	NC	
S Birch	NC		J Gardner	DNC	
J Brazkiewicz	DNC	(from 23.11.2011)	C Glen	NC	(from 16.11.2011)
T Brown	DNC	(to 20.11.2011)	W Grant	NC	
C Burgess	DNC	(to 25.11.2011)	R Gregg	DNC	
J Burrows	NC		J Hadley	DNC	
A Cherry	EB	(to 27.01.2012)	R Handford	NC	
M Cherry	EB		J Hardwick	DNC	(from 23.11.2011)
P Clark	EB		A Harris	EB	(to 09.05.2012)
T Concannon	NC		R House	DNC	(to 22.03.2012)
T Constable	NC			NC	(from 22.03.2012)
D Cox	NC		J Hunt	NC	
C Culshaw	NC	(to 30.11.2011)	T Hunter-Henderson	NC	
P Davys	NC		N Irwin	DNC	(to 16.11.2011)
S Dexter	EB		J Jack	DNC	(from 12.06.2012)
W Domhof	DNC	(to 23.11.2011)			(to 16.07.2012)
N Duncan	EB	(from 22.03.2012)		NC	(from 16.07.2012)
J Dwyer	NC	(from 25.11.2011)	M Johnston	NC	(to 09.05.2012)
D Evans	DNC	(to 16.11.2011)		EB	(from 09.05.2012)
I Fairweather	DNC	(to 24.11.2011)	A Keenlyside	DNC	(from 17.11.2011)

**National Federation of Self Employed and Small Businesses Limited
(A Company Limited by Guarantee)**

For the year ended 30 September 2012

Directors of the Federation (cont'd....)

Served as : EB = Executive Board, NC = National Councillor, DNC = Deputy National Councillor

R Kidman	DNC	(from 27.11.2011)	M Salamon	NC	(to 16.11.2011)
D Knowles-Leak	NC			DNC	(from 16.11.2011)
D Land	NC		P Scargill	EB	
G Lang	EB		M Scott	DNC	(from 20.11.2011)
A Lay	NC	(to 25.11.2011)	S Sharp	NC	(to 10.09.2012)
	DNC	(from 25.11.2011)	C Soule	NC	
N Lay	EB		D Stallon	EB	
H Lillis	NC		P Stapleton	DNC	
M Little	DNC	(to 24.11.2011)	M Stockwood	NC	
	NC	(from 24.11.2011)	C Stratton	EB	(to 07.03.2012)
G Lovatt	NC	(from 30.11.2011)	A Swain	DNC	
G MacEwan	NC		G Taylor	DNC	(from 26.04.2012)
R MacKail	EB		R Tennant	DNC	(from 16.11.2011)
P Martin	DNC	(from 04.12.2011)	S Terpilowski	DNC	(to 01.12.2011)
M McTague	NC	(from 17.11.2011)		DNC	(from 23.05.2012)
M Mealing	DNC		P Trowell	NC	
D Miles	NC	(to 09.05.2012)	R Twigge	EB	
	EB	(from 09.05.2012)	R Undy	DNC	(from 16.11.2011)
W Mitchell	EB		D Wait	NC	(from 30.11.2011)
K Moon	DNC		J Walker	EB	
C Morgan	DNC		L Walton	DNC	(from 17.11.2011)
S Morris	NC		T Weaver	NC	
A Mullen	DNC	(to 16.11.2011)	M Webb	DNC	(from 22.11.2011)
R Newman	DNC	(to 27.11.2011)			(to 10.09.2012)
J O'Neil	EB	(to 09.05.2012)		NC	(from 10.09.2012)
P Osborne	NC	(to 06.10.2011)	V Weisweiller	DNC	(from 01.12.2011)
V Peake	NC	(to 22.03.2012)			(to 09.05.2012)
	EB	(from 22.03.2012)		NC	(from 09.05.2012)
S Powell	DNC	(to 24.11.2011)	A Whitney	DNC	
C Prentis	NC		I Wicks	DNC	(to 09.05.2012)
P Pybus	DNC			NC	(from 09.05.2012)
E Rae	DNC				(to 09.07.2012)
J Ritchie	NC	(to 24.11.2011)	J Williamson	NC	
	DNC	(from 24.11.2011)	C Willman	EB	(from 09.05.2012)
J Rooney	DNC		A Willox	EB	
D Rowland	DNC	(to 22.11.2011)			

National Federation of Self Employed and Small Businesses Limited
(A Company Limited by Guarantee)
Directors' Report
for the year ended 30 September 2012

The directors present their report and the consolidated financial statements for the year ended 30 September 2012.

Description of Business

The Federation's principal activity continued to be that of the promotion and furtherance of the interest of persons who are self-employed, direct or control small businesses, and the provision of a national voice and platform for such persons.

There are three subsidiary companies. The principal activity of FSB Publications Limited (previously NFSE Sales Limited) is the publication of a magazine for the Federation. FSB (Member Services) Limited arranges additional benefits on behalf of the members of the Federation. FSB Recruitment Limited provides recruitment services for the Federation.

Performance in the Year

The Federation continues to rely upon subscriptions and joining fees from its members which provide over 91% of its income (2011: 90%) which, in the year, including interest received totalled £29,350,386 (2011: £28,416,086). With total costs, including tax, for the year at £26,122,498 (2011: £26,689,857) there was a surplus of £3,227,888 (2011: £1,726,229), which has been dealt with as explained in note 12 to these financial statements.

General Reserves as at 30 September 2012 were £12,690,453 (2011: £9,462,565) which represented 48% of total operating expenditure including tax (2011: 36%).

Membership of the Federation decreased during the year to 195,081 as at the year-end.

The Federation's business strategy is to continue to pursue the six main objectives (to recruit continuously at a high level, to retain as many members as possible, to promote the interests of members, to protect members' businesses, to publicise the benefits of self-employment and business ownership and to identify the continuously changing needs of members) to achieve the organisation's mission statement of being and remaining the largest and most effective organisation promoting and protecting the interests of the self-employed and small business owners within the UK.

Principal Risks and Uncertainties

The Federation has subsidiary companies and various committees reporting to National Council, including the Executive Board, IT, Member Services, Policy, Procedures, Recruitment, Sponsorship and Treasury, that control and manage various activities, identifying on an ongoing basis any potential risks faced by the organisation and proposing solutions to mitigate these. In addition to these, there is an Internal Audit Committee responsible for testing compliance and reporting on any risks not covered.

Movement of Fixed Assets

Details of changes in fixed assets are given in note 13 to these financial statements.

Directors

The honorary officers, members of the executive board, national councillors and deputy national councillors at 30 September 2012, all of whom have been directors for the whole of the year ended on that date, except as detailed, are listed on pages 1 and 2.

National Federation of Self Employed and Small Businesses Limited
(A Company Limited by Guarantee)
Directors' Report (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report 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 of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to 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.

Insurance of Directors

The Federation maintains insurance for the directors in respect of their duties.

Statement of Disclosure of Information to Auditors

We, the directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- (a) there is no relevant audit information of which the company's auditors are unaware; and
- (b) we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, HW Chartered Accountants will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

By order of the directors *9th* January 2013

..... Company Secretary
D Stallon

Sir Frank Whittle Way
Blackpool Business Park
Blackpool
FY4 2FE

National Federation of Self Employed and Small Businesses Limited
(A Company Limited by Guarantee)
Independent Auditors' Report
to the Members of National Federation of Self Employed
and Small Businesses Limited

We have audited the group and parent company financial statements of National Federation of Self Employed and Small Businesses Limited for the year ended 30 September 2012 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 an auditor's report 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.

Respective responsibilities of the directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the accounts

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and parent company's affairs as at 30 September 2012 and of the group's surplus 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the financial statements.

National Federation of Self Employed and Small Businesses Limited
(A Company Limited by Guarantee)
Independent Auditors' Report (continued)
to the Members of National Federation of Self Employed
and Small Businesses Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Francis Murphy (Senior Statutory Auditor)
For and on behalf of HW Chartered Accountants
Statutory Auditors
9th January 2013

HW Chartered Accountants
Pacific Chambers
11-13 Victoria Street
Liverpool
L2 5QQ

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Consolidated Income and Expenditure Account
for the year ended 30 September 2012**

	Notes	2012 £	2011 £
Income			
Subscriptions		26,985,234	25,590,076
Other operating income	3	2,004,950	2,159,178
		<u>28,990,184</u>	<u>27,749,254</u>
Commission payable		(4,602,233)	(4,828,426)
		<u>24,387,951</u>	<u>22,920,828</u>
Operating costs			
Members' benefits			
Policy	3	3,633,523	4,275,555
Regions	3	4,075,575	4,058,388
Other benefits	3	7,926,120	7,616,727
		<u>15,635,218</u>	<u>15,950,670</u>
Management and Administration			
Management and committees	3	2,334,936	2,174,589
Head office	3	3,433,254	3,530,977
		<u>5,768,190</u>	<u>5,705,566</u>
Total operating costs		21,403,408	21,656,236
Operating surplus for the year	8	<u>2,984,543</u>	<u>1,264,592</u>
Interest receivable	21	360,202	239,665
Realised gain on investment		-	322,803
Profit on disposal of assets		-	104,364
Surplus before taxation		<u>3,344,745</u>	<u>1,931,424</u>
Taxation	9	(116,857)	(205,195)
Surplus for the financial year	12	<u>3,227,888</u>	<u>1,726,229</u>

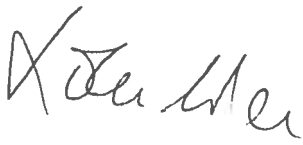
The income and expenditure for the year in both 2012 and 2011 arises wholly from continuing activities.


There are no recognised gains and losses other than those included in the above surplus and therefore no separate statement of total recognised gains and losses has been presented.

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Consolidated Balance Sheet
as at 30 September 2012**

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	13a	5,159,640		5,502,626	
Intangible assets	13b	<u>498,334</u>		<u>-</u>	
			5,657,974		5,502,626
Current assets					
Stock	15	13,862		16,773	
Debtors	16	1,950,718		1,842,064	
Cash at bank and in hand	22	<u>19,096,041</u>		<u>15,895,389</u>	
		<u>21,060,621</u>		<u>17,754,226</u>	
Liabilities: amounts falling due within one year					
Creditors	17	1,879,142		1,705,287	
Prepaid subscriptions	18	<u>12,149,000</u>		<u>12,089,000</u>	
		<u>14,028,142</u>		<u>13,794,287</u>	
Net current assets			<u>7,032,479</u>		<u>3,959,939</u>
			<u>12,690,453</u>		<u>9,462,565</u>
Represented by:					
Reserves	19		<u>12,690,453</u>		<u>9,462,565</u>

The Financial statements were approved by the Board of Directors on^{9/1/13}.....and were signed on its behalf by:


.....
J Walker
Honorary Officer/Director


.....
A Feliciello
Honorary Officer/Director

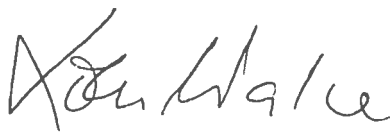
Company Registration No: 01263540

The notes on pages 11 to 23 form part of these consolidated financial statements.

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Federation Balance Sheet
as at 30 September 2012**

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	13c		5,158,479		5,501,309
Investments	14		<u>2,101</u>		<u>2,100</u>
			5,160,580		5,503,409
Current assets					
Debtors	16	2,477,148		2,152,817	
Cash at bank and in hand		<u>18,897,609</u>		<u>15,497,755</u>	
		<u>21,374,757</u>		<u>17,650,572</u>	
Liabilities: amounts falling due within one year					
Creditors	17	1,696,077		1,602,608	
Prepaid subscriptions	18	<u>12,149,000</u>		<u>12,089,000</u>	
		<u>13,845,077</u>		<u>13,691,608</u>	
Net current assets					
			<u>7,529,680</u>		<u>3,958,964</u>
			<u>12,690,260</u>		<u>9,462,373</u>
Represented by:					
Reserves			<u>12,690,260</u>		<u>9,462,373</u>

The Financial statements were approved by the Board of Directors on 9/11/13 and were signed on its behalf by:



.....
J Walker
Honorary Officer/Director



.....
A Feliciello
Honorary Officer/Director

Company Registration No: 01263540

The notes on pages 11 to 23 form part of these financial statements.

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Consolidated Cash Flow Statement
for the year ended 30 September 2012**

Reconciliation of operating surplus to net cash flow from operating activities

	2012	2011
	£	£
Operating surplus before exceptional items	2,984,543	1,264,592
Depreciation on tangible fixed assets	457,304	716,449
Amortisation of intangible assets	76,666	-
Decrease/(increase) in stocks	2,911	(1,576)
(Increase)/decrease in debtors and prepayments	(108,654)	415,275
Increase/(decrease) in creditors and accruals	173,855	(40,785)
Increase in prepaid subscriptions	60,000	1,070,000
Net cash inflow from operating activities	<u>3,646,625</u>	<u>3,423,955</u>

Cash flow statement

	Notes	2012	2011
		£	£
Net cash inflow from operating activities		3,646,625	3,423,955
Returns on investments and servicing of finance	21	360,202	239,665
Taxation	9	(116,857)	(205,195)
Capital expenditure	21	(689,318)	35,339
Realised gain on investment		-	322,803
Increase in cash, including investments	22	<u>3,200,652</u>	<u>3,816,567</u>

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Notes to the consolidated financial statements
for the year ended 30 September 2012**

1 Accounting Policies

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. The financial statements incorporate the results of the principal activity, which is described in the Directors' Report and which is continuing. The financial statements have been prepared in accordance with applicable accounting standards.

The consolidated financial statements include the results of National Federation of Self Employed and Small Businesses Limited, and its subsidiary undertakings drawn up to 30 September 2012. No income and expenditure account for the company has been presented by National Federation of Self Employed and Small Businesses Limited as permitted by Section 408 of the Companies Act 2006.

The accounts of the subsidiaries FSB Publications Limited, FSB (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. In the case of FSB Publications Limited, the Federation has a contribution arrangement for the purchase of publications.

1.2 Subscriptions

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

1.3 Tangible fixed assets and depreciation

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.

Assets used in the regions are included in the Federation accounts and depreciation recharged as appropriate. Depreciation rates are set by the Treasury Committee as follows:

Freehold and long leasehold buildings	2%	straight line basis
Motor vehicles	25%	straight line basis
Fixtures, fittings and office equipment	20%	straight line basis
Computer hardware and software	33.3%	straight line basis

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Notes to the consolidated financial statements (continued)
for the year ended 30 September 2012**

1 Accounting Policies (continued)

1.4 Intangible assets and amortisation

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.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Interest

Interest is accounted for on the accruals basis.

1.7 Pension Contributions

The company operates a defined contribution pension scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

1.8 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.

1.9 Consolidation

The consolidated financial statements of the Federation (which include Federation offices, regions, branches and committees) are prepared on the acquisition basis and include the financial statements of FSB Publications Limited, FSB (Member Services) Limited, FSB Recruitment Limited and FSB Gold Club Limited (dormant), all being 100% owned subsidiaries of the Federation.

1.10 Format of accounts

The headings of the income and expenditure account do not follow those set out in the Companies Act 2006. The Directors consider that the nature of the business is such that the headings adopted are both more informative and more accurately reflect the specific nature of the Federation's activities.

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Notes to the consolidated financial statements (continued)
for the year ended 30 September 2012**

2 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.

3 Other operating income / operating costs

	Note	2012 Income £	2012 Expenditure £	2011 Income £	2011 Expenditure £
Policy					
Parliamentary and Press Offices	4	2,383	2,583,812	275	2,574,058
Committees		-	135,421	-	101,708
Policy Units		4,135	288,026	977	309,507
Area Policy Managers		-	-	-	889,997
Campaigns / lobbying / surveys / publications		-	484,180	-	246,385
Subscriptions		-	142,084	-	153,900
		6,518	3,633,523	1,252	4,275,555
Regions					
Regions and Branches		189,180	1,748,861	206,155	1,902,396
Development Managers		-	2,326,714	-	2,155,992
		189,180	4,075,575	206,155	4,058,388
Other Benefits					
Rights of Membership Benefits		-	6,134,216	-	5,829,732
FSB Publications Limited		639,597	1,042,592	666,324	1,037,089
FSB (Member Services) Limited		609,736	39,541	363,286	2,835
Commissions received		128,338	-	442,297	-
Gold Club		-	4,046	1,930	8,041
Prime Charitable Trust		-	6,000	-	6,000
Regional Voice		29,747	612,082	50,894	556,853
Annual Report		-	87,643	-	176,177
		1,407,418	7,926,120	1,524,731	7,616,727
Member Benefits		1,603,116	15,635,218	1,732,138	15,950,670

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Notes to the consolidated financial statements (continued)
for the year ended 30 September 2012**

3 Other operating income / operating costs (continued)

	Note	2012 Income £	2012 Expenditure £	2011 Income £	2011 Expenditure £
Management and committees					
Management costs	6	174,897	1,005,772	160,833	1,041,370
Honorary officers and other honoraria	7	-	477,902	-	498,169
Recruitment committee		162,155	269,204	146,315	283,913
FSB Recruitment Limited		-	200,207	-	-
Member Services committee		56,467	255,703	70,149	178,205
Sponsorship committee		-	24,304	43,983	69,958
IT committee		-	35,713	-	34,323
Marketing committee		-	66,131	-	68,651
		<u>393,519</u>	<u>2,334,936</u>	<u>421,280</u>	<u>2,174,589</u>
Head office	5	<u>8,315</u>	<u>3,433,254</u>	<u>5,760</u>	<u>3,530,977</u>
Management and Administration		<u>401,834</u>	<u>5,768,190</u>	<u>427,040</u>	<u>5,705,566</u>
Total		<u>2,004,950</u>	<u>21,403,408</u>	<u>2,159,178</u>	<u>21,656,236</u>

4 Parliamentary and press offices

	2012 £	2011 £
London	1,564,667	1,824,359
Scotland	374,066	270,513
Wales	317,838	228,845
Northern Ireland	317,156	221,822
Brussels	10,085	28,519
	<u>2,583,812</u>	<u>2,574,058</u>

**National Federation of Self Employed
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Notes to the consolidated financial statements (continued)
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5 Head office

	2012	2011
	£	£
Staff related costs	2,057,821	1,990,293
Building costs	111,923	104,866
Computer costs	536,100	530,429
Depreciation	261,353	491,319
General office costs	466,057	414,070
	<u>3,433,254</u>	<u>3,530,977</u>

6 Management costs

	2012	2012	2011	2011
	Income	Expenditure	Income	Expenditure
	£	£	£	£
National Council	-	166,374	-	159,971
Executive Board	-	89,421	-	86,325
Executive Board Liaison Officer costs	-	11,070	-	13,115
Treasury committee	-	40,273	-	46,782
Disputes and disciplinary committee	-	59,244	-	44,406
Procedures committee	-	11,422	-	10,086
Regional and branch officers' meetings	-	20,764	-	8,010
Other meetings	10,000	59,786	10,000	144,644
Directors liability and other insurances	-	34,736	-	34,706
Directors conference costs	-	32,328	-	25,334
AGM and national conference costs	164,897	287,063	150,833	275,475
Professional fees	-	170,304	-	186,904
Staff training costs	-	22,987	-	5,612
	<u>174,897</u>	<u>1,005,772</u>	<u>160,833</u>	<u>1,041,370</u>

Note: The national conference cost is a net cost, after recharging £ 65,239 (2012: £56,997) to other departments.

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7 Honorary officers' costs and other honoraria

	2012	2011
	£	£
Honorary national chairman's honorarium	49,950	49,950
Honorary national chairman's expenses & NI costs	23,938	25,703
Honorary national vice-chairmen's honoraria	50,019	54,000
Honorary national vice-chairmen's expenses & NI costs	14,369	12,159
Honorary national secretary's honorarium	42,750	42,750
Honorary national secretary's expenses & NI costs	18,747	19,420
Honorary national treasurer's honorarium	31,500	31,500
Honorary national treasurer's expenses & NI costs	12,181	10,196
Standing committees chairmen's & other honoraria	214,900	230,322
Standing committees chairmen's & other NI costs	19,548	22,169
	<u>477,902</u>	<u>498,169</u>
Honoraria - Executive Board members & others	389,119	450,123
Honoraria – Subsidiary Companies directors	<u>85,605</u>	<u>62,340</u>

8 Operating Surplus

	2012	2011
	£	£
The operating surplus for the year is stated after charging:		
Depreciation	457,304	716,449
Amortisation	76,666	-
Operating lease rentals of land and buildings	-	7,800
Auditors' remuneration for audit:		
Federation	15,022	14,616
FSB Publications	2,050	2,000
FSB (Member Services) Limited	2,100	975
FSB Recruitment Limited	2,100	-
	<u>21,272</u>	<u>17,591</u>
Auditors' remuneration for non audit services:		
Federation	21,739	36,676

9 Taxation

	2012	2011
	£	£
UK Corporation Tax:		
On interest and commission receivable for the year	116,857	205,337
Prior Year (over)/under provision	-	(142)
	<u>116,857</u>	<u>205,195</u>

**National Federation of Self Employed
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9 Taxation (continued)

Tax Reconciliation

The company is taxable on the commissions and interest received in the year, in 2012 the company received gross taxable commissions of £128,338 (2011 £442,297) and interest of £360,202 (2011 £239,665).

10 Employee information

The average weekly number of persons employed in the financial year was as follows:

	2012	2011
	Number	Number
Head office	57	57
Press and parliamentary offices	39	36
Regions	51	52
Area Policy Units	-	10
	<u>147</u>	<u>155</u>

The total cost to the Federation in respect of all its employees in the financial year is as follows:

	2012	2011
	£	£
Staff costs		
Gross salaries	4,737,692	5,304,950
Social security costs	482,677	537,618
Pensions costs	209,309	250,905
	<u>5,429,678</u>	<u>6,093,473</u>

11 Pension commitments

During the year ended 30 September 2012 £209,309 was paid into employees' personal pension plans under the group scheme (2011: £250,905).

12 Surplus of the Federation

Of the consolidated surplus for the financial year, £3,227,888 (2011: £1,726,229) has been dealt with in the financial statements of the Federation and added to reserves. The Federation has taken advantage of the legal dispensation allowing it not to publish a separate income and expenditure account.

**National Federation of Self Employed
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Notes to the consolidated financial statements (continued)
for the year ended 30 September 2012

13a Tangible fixed assets

Group	Land & Buildings	Motor Vehicles	Computer Equipment	Fixtures & Fittings	Total
	£	£	£	£	£
Cost					
At 1 October 2011	5,977,807	149,461	2,011,364	803,847	8,942,479
Additions	14,120	-	85,302	14,913	114,335
Disposals	-	-	(70,668)	(16,294)	(86,962)
At 30 September 2012	<u>5,991,927</u>	<u>149,461</u>	<u>2,025,998</u>	<u>802,466</u>	<u>8,969,852</u>
Depreciation					
At 1 October 2011	1,000,730	85,573	1,717,477	636,073	3,439,853
Charge for the year	119,815	33,168	233,313	71,008	457,304
On disposals	-	-	(70,651)	(16,294)	(86,945)
At 30 September 2012	<u>1,120,545</u>	<u>118,741</u>	<u>1,880,139</u>	<u>690,787</u>	<u>3,810,212</u>
Net Book Amount					
At 30 September 2012	<u>4,871,382</u>	<u>30,720</u>	<u>145,859</u>	<u>111,679</u>	<u>5,159,640</u>
At 30 September 2011	<u>4,977,077</u>	<u>63,888</u>	<u>293,887</u>	<u>167,774</u>	<u>5,502,626</u>

13b Intangible assets

	£
Cost	
Additions	575,000
At 30 September 2012	<u>575,000</u>
Amortisation	
Charge for the year	76,666
At 30 September 2012	<u>76,666</u>
Net Book Amount	
At 30 September 2012	<u>498,334</u>

**National Federation of Self Employed
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(A Company Limited by Guarantee)
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for the year ended 30 September 2012**

13c Tangible fixed assets

Federation	Land & Buildings £	Motor Vehicles £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost					
At 1 October 2011	5,977,807	149,461	2,007,687	803,846	8,938,801
Additions	14,120	-	84,548	14,913	113,581
Disposals	-	-	(69,031)	(16,294)	(85,325)
At 30 September 2012	<u>5,991,927</u>	<u>149,461</u>	<u>2,023,204</u>	<u>802,465</u>	<u>8,967,057</u>
Depreciation					
At 1 October 2011	1,000,730	85,573	1,715,117	636,072	3,437,492
Charge for the year	119,815	33,168	232,403	71,008	456,394
On disposals	-	-	(69,014)	(16,294)	(85,308)
At 30 September 2012	<u>1,120,545</u>	<u>118,741</u>	<u>1,878,506</u>	<u>690,786</u>	<u>3,808,578</u>
Net Book Amount					
At 30 September 2012	<u>4,871,382</u>	<u>30,720</u>	<u>144,698</u>	<u>111,679</u>	<u>5,158,479</u>
At 30 September 2011	<u>4,977,077</u>	<u>63,888</u>	<u>292,570</u>	<u>167,774</u>	<u>5,501,309</u>

14 Fixed asset investments

	Interests in group undertakings £
At 30 September 2012	<u>2,101</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

	Aggregate Capital & Reserves £	Profit/(Loss) in the year £	Activity
FSB (Member Services) Ltd	999	1	Membership benefits
FSB Publications Ltd	1,195	1	Sales & publication
FSB Recruitment Ltd	1	(1)	Recruitment services
FSB Gold Club Ltd	100	0	Dormant
Federation of Small Businesses Ltd	1	0	Dormant
Real Life Entrepreneur Ltd	1	0	Dormant

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

**National Federation of Self Employed
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Notes to the consolidated financial statements (continued)
for the year ended 30 September 2012

15	Stock		2012	2011
			£	£
	Items for resale		<u>13,862</u>	<u>16,773</u>

16	Debtors	Consolidated		Federation	
		2012	2011	2012	2011
		£	£	£	£
	Trade Debtors	497,443	541,888	33,103	113,601
	Crises loans to members	21,287	52,117	21,287	52,117
	Prepayments	718,172	803,890	706,818	729,266
	Amount owed by group companies	-	-	1,194,859	814,783
	Other debtors	713,816	444,169	521,081	443,050
		<u>1,950,718</u>	<u>1,842,064</u>	<u>2,477,148</u>	<u>2,152,817</u>

Included in the above are amounts due after one year and are shown below.

Amounts falling due after one year	2012	2011	2012	2011
	£	£	£	£
Amounts owed by group companies	-	-	450,000	-
Other debtors	7,414	114,398	7,414	114,398
	<u>7,414</u>	<u>114,398</u>	<u>457,414</u>	<u>114,398</u>

17	Creditors: amounts falling due within one year	Consolidated		Federation	
		2012	2011	2012	2011
		£	£	£	£
	Trade creditors	606,054	516,716	605,002	499,099
	Amount owed to group companies	-	-	100	100
	Other creditors	98,300	104,132	98,300	104,132
	Tax and social security	145,702	140,023	142,248	140,023
	Corporation Tax	28,706	78,446	28,706	78,446
	Accruals and deferred income	1,000,380	865,970	821,721	780,808
		<u>1,879,142</u>	<u>1,705,287</u>	<u>1,696,077</u>	<u>1,602,608</u>

**National Federation of Self Employed
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18 Prepaid Subscriptions

	Consolidated		Federation	
	2012	2011	2012	2011
	£	£	£	£
Prepaid subscriptions b/fwd	12,089,000	11,019,000	12,089,000	11,019,000
Movement in year	<u>60,000</u>	<u>1,070,000</u>	<u>60,000</u>	<u>1,070,000</u>
Prepaid subscriptions c/fwd	<u>12,149,000</u>	<u>12,089,000</u>	<u>12,149,000</u>	<u>12,089,000</u>

19 Reconciliation of movements in reserves

	2012	2011
	£	£
Surplus for the financial year	3,227,888	1,726,229
Opening reserves	<u>9,462,565</u>	<u>7,736,336</u>
Closing reserves	<u>12,690,453</u>	<u>9,462,565</u>

20 Capital commitments

Group and Federation

	2012	2011
	£	£
Capital expenditure that has been authorised by the directors but has not yet been contracted for	807,750	750,350
Authorised capital expenditure that has been contracted for	-	-

21 Gross cash flow

	2012		2011	
	£	£	£	£
Returns on investments and servicing of finance				
Interest received		<u>360,202</u>		<u>239,665</u>
Investing activities				
Payments to acquire tangible fixed assets	(114,335)		(164,573)	
Payments to acquire intangible assets	(575,000)		-	
NBV of disposals of fixed assets	<u>17</u>		<u>199,912</u>	
		<u>(689,318)</u>		<u>35,339</u>

22 Analysis of changes in net cash

	At 2012	Cash Flow	At 2011
	£	£	£
Cash	<u>19,096,041</u>	<u>3,200,652</u>	<u>15,895,389</u>

**National Federation of Self Employed
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Notes to the consolidated financial statements (continued)
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23 Control

The company is controlled by the Executive Board and National Council.

24 Directors' Transactions

The following directors have, during the period of their directorship in this financial year (see pages 1 and 2), claimed consultancy/attendance fees for time they have spent on Federation business where the total exceeds £1,000.

Director	Amount £	Owing at 30.09.12*	Director	Amount £	Owing at 30.09.12*
D Balderson	2,752		M McTague	6,700	420
S Birch	2,415		M Mealing	5,750	
J Brazkiewicz	1,187		D Miles	4,934	245
J Burrows	6,208		W Mitchell	5,600	500
T Constable	1,000		K Moon	6,075	
D Cox	2,100	150	C Morgan	3,900	
J Dwyer	1,861		S Morris	1,530	400
J Flower	1,748	166	J O'Neil	6,338	
A Forsell	1,478		V Peake	3,155	
J Friel	6,737	1,100	C Prentis	1,787	187
W Grant	2,250		E Rae	2,500	400
R Handford	2,650	100	J Ritchie	6,101	
J Hardwick	5,981	1,275	J Rooney	4,777	
R House	4,531		S Sharp	1,130	
J Hunt	1,675		C Soule	3,743	581
T Hunter-Henderson	6,750		P Stapleton	1,995	
J Jack	1,002		M Stockwood	4,642	457
M Johnston	3,214		A Swain	3,450	
C Kidman	1,240	125	R Tennant	1,100	
D Knowles-Leak	6,300	400	P Trowell	3,660	200
G Lang	8,472	275	R Twigge	6,906	620
H Lillis	4,862	650	L Walton	1,907	
M Little	2,275	300	T Weaver	1,633	
G MacEwan	5,140	320	I Wicks	2,725	
R MacKail	9,650		A Willox	7,580	

*Balance owing at 30 September 2012 included in trade creditors

**National Federation of Self Employed
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Notes to the consolidated financial statements (continued)
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24 Directors' Transactions (continued)

The following is the list of financial transactions which relate to the sale of goods or services during the year ended 30 September 2012 between the Federation (and its subsidiaries) and its directors (including their immediate family and companies), where the total exceeds £1,000.

Director	Company	Amount £	Owing at 30.09.12*
T Concannon	Solo Marketing Ltd Sourcing and supply of merchandise and other marketing goods	4,004	1,632
C Culshaw	Mercantile Financial Services NW Ltd Rent of Lancashire & Cumbria regional office	1,131	-
R House	The Talbot Partnership Public Relations consultancy services	9,000	-
P Scargill	Willow Designs Website maintenance	13,200	1,100
A Willox	Goldstar Cleaning Services Secretarial Support services	2,256	-

*Balance owing at 30 September 2012 included in trade creditors