

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 2011**

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

	Page
Honorary Officers, Directors and Advisers	1-2
Directors' Report	3-4
Auditors' Report	5-6
Consolidated Income and Expenditure Account	7
Consolidated Balance Sheet	8
Federation Balance Sheet	9
Consolidated Cash Flow Statement	10
Notes to the Consolidated Financial Statements	11-22

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
For the year ended 30 September 2011**

Honorary Officers of the Federation

J Walker	National Chairman	
A Cherry	National Vice Chairman	
S Dexter	National Vice Chairman	(appointed 17.03.2011)
C Willman	National Vice Chairman	(resigned 17.03.2011)
D Stallon	National Secretary	
A Feliciello	National Treasurer	

Registered 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 Allen	DNC		S Dexter	NC	(until 17.03.2011)
D Balderson	DNC	(appointed 31.03.2011)		EB	(from 17.03.2011)
A Barnes	DNC	(appointed 03.05.2011)	W Domhof	DNC	
F Berry	NC		D Dunn	NC	(resigned 26.11.2010)
S Birch	NC		M Eathorne-Gibbons	NC	(resigned 21.11.2010)
E Bridges	NC	(resigned 28.11.2010)	D Evans	DNC	(appointed 16.11.2010)
T Brown	DNC	(appointed 21.11.2010)	I Fairweather	DNC	
C Burgess	DNC		A Feliciello	EB	
J Burrows	DNC	(until 01.09.2011)	J Flower	DNC	
	NC	(from 01.09.2011)	A Forsell	NC	
A Cherry	EB		J Friel	NC	
M Cherry	EB		J Gardner	DNC	(appointed 10.11.2010)
P Clark	EB		W Grant	NC	
S A Collie	NC	(resigned 30.11.2010)	R Gregg	DNC	
S Collie	NC	(appointed 30.11.2010)	J Hadley	DNC	
		(resigned 01.09.2011)	R Handford	DNC	(resigned 25.11.2010)
T Concannon	NC	(appointed 28.11.2010)		NC	(appointed 31.03.2011)
T Constable	NC		A Harris	EB	
D Cox	DNC	(until 08.11.2010)	J Hilder	EB	(resigned 12.05.2011)
	NC	(from 08.11.2010)	D Holmes	DNC	(resigned 16.11.2010)
C Culshaw	NC		R House	DNC	
C Davenport	NC	(resigned 28.11.2010)	J Hunt	NC	
P Davys	NC		T Hunter-Henderson	NC	
D Dexter	DNC	(appointed 25.11.2010)	N Irwin	DNC	(appointed 26.11.2010)
		(resigned 10.03.2011)	R Jeffries	NC	(resigned 03.05.2011)

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
For the year ended 30 September 2011**

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

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

M Johnston	NC	(appointed 01.12.2010)	E Rae	DNC	(appointed 19.11.2010)
A Keenlyside	DNC	(resigned 04.11.2010)	J Ritchie	NC	
D Knowles-Leak	DNC	(until 11.05.2011)	J Rooney	DNC	(appointed 16.10.2010)
	NC	(from 11.05.2011)	D Rowland	DNC	(appointed 16.11.2010)
D Land	DNC	(until 10.11.2010)	M Salamon	NC	(appointed 09.11.2010)
	NC	(from 10.11.2010)	Y Salmi	DNC	(resigned 17.10.2010)
G Lang	EB		P Sandhu	NC	(resigned 16.11.2010)
I Lang	DNC	(appointed 01.10.10)	P Scargill	EB	
		(resigned 09.11.10)	S Sharp	DNC	(until 16.11.2010)
A Lay	NC			NC	(from 16.11.2010)
N Lay	EB		G Shimmin	DNC	(resigned 21.11.2010)
H Lillis	DNC	(until 26.11.2010)	C Soule	DNC	(appointed 16.11.2010)
	NC	(from 26.11.2010)			until 06.07.2011)
M Little	DNC	(appointed 25.11.2010)		NC	(from 06.07.2011)
A Lovatt	NC	(resigned 11.05.2011)	D Stallon	EB	
G MacEwan	NC		P Stapleton	DNC	
R MacKail	EB		M Stockwood	DNC	(until 21.11.2010)
M Mealing	NC	(until 02.12.2010)		NC	(from 21.11.2010)
	DNC	(from 02.12.2010)	C Stratton	EB	
D Miles	NC		A Swain	DNC	(appointed 24.11.2010)
W Mitchell	EB		D Taylor	DNC	(resigned 25.11.2010)
K Moon	DNC		S Terpilowski	DNC	
C Morgan	DNC		P Thornton	DNC	(resigned 24.11.2010)
S Morris	NC		P Trowell	NC	
A Mullen	NC	(until 09.11.2010)	R Twigge	NC	(until 06.07.2011)
	DNC	(from 09.11.2010)		EB	(from 06.07.2011)
R Newman	DNC	(appointed 21.11.2010)	J Walker	EB	
I O'Donnell	DNC	(resigned 16.11.2010)	T Weaver	DNC	(until 02.12.2010)
J O'Neil	EB			NC	(from 02.12.2010)
P Osborne	DNC	(appointed 04.11.2010)	A Whitney	DNC	(appointed 17.10.2010)
		until 03.05.2011)	A Whitton	NC	(resigned 10.11.2010)
	NC	(from 03.05.2011)	I Wicks	DNC	
V Peake	NC		J Williamson	NC	(appointed 28.11.2010)
A Petim	NC	(resigned 01.12.2010)	C Willman	EB	(resigned 17.03.2011)
S Powell	DNC	(appointed 27.01.2011)	A Willox	EB	
C Prentis	NC				
P Pybus	NC	(until 08.11.2010)			
	DNC	(from 08.11.2010)			

**National Federation of Self Employed
and Small Businesses Limited
(A Company Limited by Guarantee)
Directors' Report
for the year ended 30 September 2011**

The directors present their report and the consolidated financial statements for the year ended 30 September 2011.

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 two subsidiary companies. The principal activity of 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.

Performance in the Year

The Federation continues to rely upon subscriptions and joining fees from its members which provide over 90% of its income (2010: 90%) which, in the year, including interest received and exceptional gains, totalled £28,416,086 (2010: £27,685,954). With total costs, including tax, for the year at £26,689,857 (2010: £29,310,967) there was a surplus of £1,726,229 (2010: deficit £1,625,013), which has been dealt with as explained in note 12 to these financial statements.

General Reserves as at 30 September 2011 were £9,462,565 (2010: £7,736,336) which represented 36% of total operating expenditure including tax (2010: 27%).

Membership of the Federation decreased during the year to 200,734 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 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.

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 2011, 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 11 January 2012

..... 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 2011 set out on pages 7 to 22. 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 2011 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
11th January 2012

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 2011

	Notes	2011 £	2010 £
Income			
Subscriptions		25,590,076	24,985,830
Other operating income	3	2,159,178	2,566,470
		27,749,254	27,552,300
Commission payable		(4,828,426)	(5,168,814)
		<u>22,920,828</u>	<u>22,383,486</u>
Operating costs			
Members' benefits			
Policy	3	4,275,555	4,850,613
Regions	3	4,058,388	5,009,988
Other benefits	3	7,616,727	7,722,314
		<u>15,950,670</u>	<u>17,582,915</u>
Management and Administration			
Management and committees	3	2,174,589	2,665,769
Head office	3	3,530,977	3,701,193
		<u>5,705,566</u>	<u>6,366,962</u>
Total operating costs		<u>21,656,236</u>	<u>23,949,877</u>
Operating surplus/(deficit) for the year	8	<u>1,264,592</u>	<u>(1,566,391)</u>
Interest receivable	21	239,665	133,654
Unrealised gain on investment		-	5,632
Realised gain on investment		322,803	-
Profit on disposal of assets		104,364	-
Surplus/(Deficit) before taxation		<u>1,931,424</u>	<u>(1,427,105)</u>
Taxation	9	(205,195)	(197,908)
Surplus/(Deficit) for the financial year	12	<u>1,726,229</u>	<u>(1,625,013)</u>

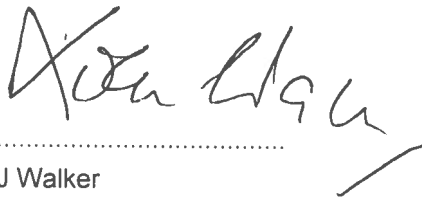
The income and expenditure for the year in both 2011 and 2010 arises wholly from continuing activities.

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 2011**

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	13a		5,502,626		6,150,050
Current assets					
Stock	15	16,773		15,197	
Debtors	16	1,842,064		2,257,339	
Cash at bank and in hand	22	<u>15,895,389</u>		<u>12,078,822</u>	
		<u>17,754,226</u>		<u>14,351,358</u>	
Liabilities: amounts falling due within one year					
Creditors	17	1,705,287		1,746,072	
Prepaid subscriptions	18	<u>12,089,000</u>		<u>11,019,000</u>	
		<u>13,794,287</u>		<u>12,765,072</u>	
Net current assets					
			<u>3,959,939</u>		<u>1,586,286</u>
			<u>9,462,565</u>		<u>7,736,336</u>
Represented by:					
Reserves	19		<u>9,462,565</u>		<u>7,736,336</u>

The Financial statements were approved by the Board of Directors on11/1/12..... and were signed on its behalf by:



.....
J Walker
Honorary Officer/Director



.....
A Feliciello
Honorary Officer/Director

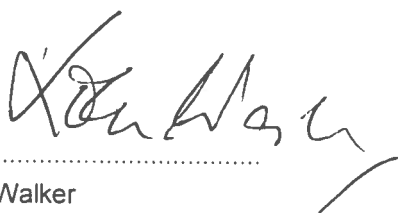
Company Registration No: 01263540

The notes on pages 11 to 22 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 2011**

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	13b		5,501,309		6,149,177
Investments	14		<u>2,100</u>		<u>2,100</u>
			5,503,409		6,151,277
Current assets					
Debtors	16	2,152,817		2,250,121	
Cash at bank and in hand		<u>15,497,755</u>		<u>11,983,689</u>	
		17,650,572		14,233,810	
Liabilities: amounts falling due within one year					
Creditors	17	1,602,608		1,629,944	
Prepaid subscriptions	18	<u>12,089,000</u>		<u>11,019,000</u>	
		13,691,608		12,648,944	
Net current assets					
			<u>3,958,964</u>		<u>1,584,866</u>
			<u>9,462,373</u>		<u>7,736,143</u>
Represented by:					
Reserves					
			<u>9,462,373</u>		<u>7,736,143</u>

The Financial statements were approved by the Board of Directors on11/11/12..... 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 22 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 2011**

Reconciliation of operating surplus to net cash flow from operating activities

	2011	2010
	£	£
Operating surplus/(deficit) before exceptional items	1,264,592	(1,566,391)
Depreciation on tangible fixed assets	716,449	769,449
(Increase)/decrease in stocks	(1,576)	2,050
Decrease/(increase) in debtors and prepayments	415,275	(607,891)
Decrease in creditors and accruals	(40,785)	(228,024)
Increase in prepaid subscriptions	1,070,000	167,000
Net cash inflow/(outflow) from operating activities	<u>3,423,955</u>	<u>(1,463,807)</u>

Cash flow statement

	Notes	2011	2010
		£	£
Net cash inflow/(outflow) from operating activities		3,423,955	(1,463,807)
Returns on investments and servicing of finance	21	239,665	133,654
Taxation	9	(205,195)	(197,908)
Capital expenditure	21	35,339	(1,577,252)
Unrealised gain on investment		-	5,632
Realised gain on investment		322,803	-
Increase/(decrease) in cash, including investments	22	<u>3,816,567</u>	<u>(3,099,681)</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 2011**

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 2011. 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 NFSE Sales Limited and FSB (Member Services) 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 NFSE Sales 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 2011**

1 Accounting Policies (continued)

1.4 Stock

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

1.5 Interest

Interest is accounted for on the accruals basis.

1.6 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.

1.7 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.

1.8 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 NFSE Sales Limited, FSB (Member Services) Limited and FSB Gold Club Limited (dormant), all being 100% owned subsidiaries of the Federation.

1.9 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.

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.

**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 2011

3 Other operating income / operating costs

	Note	2011 Income £	2011 Expenditure £	2010 Income £	2010 Expenditure £
Policy					
Parliamentary and Press Offices	4	275	2,574,058	-	2,663,930
Committees		-	101,708	-	257,350
Policy Units		977	309,507	1,972	331,816
Area Policy Managers		-	889,997	-	895,361
Campaigns / lobbying / surveys / publications		-	246,385	14,000	543,173
Subscriptions		-	153,900	-	158,983
		1,252	4,275,555	15,972	4,850,613
Regions					
Regions and Branches		206,155	1,902,396	366,437	2,686,626
Regional Organisers/ Development Managers		-	2,155,992	-	2,323,362
		206,155	4,058,388	366,437	5,009,988
Other Benefits					
Rights of Membership Benefits		-	5,829,732	-	5,826,569
NFSE Sales Limited		666,324	1,037,089	793,342	1,104,299
FSB (Member Services) Limited		363,286	2,835	149,427	1,385
Commissions received		442,297	-	582,406	-
Gold Club		1,930	8,041	17,533	24,352
Prime Charitable Trust		-	6,000	-	6,000
Regional Voice		50,894	556,853	61,986	542,360
Annual Report		-	176,177	-	217,349
		1,524,731	7,616,727	1,604,694	7,722,314
Member Benefits		1,732,138	15,950,670	1,987,103	17,582,915

**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 2011

3 Other operating income / operating costs (continued)

	Note	2011 Income £	2011 Expenditure £	2010 Income £	2010 Expenditure £
Management and committees					
Management costs	6	160,833	1,041,370	167,803	1,153,593
Honorary officers and other honoraria	7	-	498,169	-	621,803
Recruitment committee		146,315	283,913	204,528	422,964
Member Services committee		70,149	178,205	171,162	197,846
Sponsorship committee		43,983	69,958	28,714	55,891
IT committee		-	34,323	-	43,675
Marketing committee		-	68,651	-	169,997
		421,280	2,174,589	572,207	2,665,769
Head office	5	5,760	3,530,977	7,160	3,701,193
Management and Administration		427,040	5,705,566	579,367	6,366,962
Total		2,159,178	21,656,236	2,566,470	23,949,877

4 Parliamentary and press offices

	2011 £	2010 £
London	1,824,359	1,927,533
Scotland	270,513	273,012
Wales	228,845	218,275
Northern Ireland	221,822	192,299
Brussels	28,519	52,811
	2,574,058	2,663,930

**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 2011

5 Head office

	2011	2010
	£	£
Staff related costs	1,990,293	1,991,163
Building costs	104,866	101,522
Computer costs	530,429	600,819
Depreciation	491,319	530,343
General office costs	414,070	477,346
	<u>3,530,977</u>	<u>3,701,193</u>

6 Management costs

	2011	2011	2010	2010
	Income	Expenditure	Income	Expenditure
	£	£	£	£
National Council	-	159,971	-	156,583
Executive Board	-	86,325	-	70,029
Executive Board Liaison Officer costs	-	13,115	-	11,405
Treasury committee	-	46,782	-	48,383
Disputes and disciplinary committee	-	44,406	-	56,773
Procedures committee	-	10,086	-	10,963
Regional and branch officers' meetings	-	8,010	-	136,624
Other meetings	10,000	144,644	10,000	143,021
Directors liability and other insurances	-	34,706	-	37,016
Directors conference costs	-	25,334	-	29,352
AGM and national conference costs	150,833	275,475	157,803	282,528
Legal fees	-	129,654	-	83,091
Other professional costs	-	57,250	-	49,227
Staff training costs	-	5,612	-	38,598
	<u>160,833</u>	<u>1,041,370</u>	<u>167,803</u>	<u>1,153,593</u>

Note: The national conference cost is a net cost, after recharging £56,997 (2010: £194,411) to other departments.

**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 2011

7 Honorary officers' costs and other honoraria

	2011	2010
	£	£
Honorary national chairman's honorarium	49,950	69,375
Honorary national chairman's expenses & NI costs	25,703	66,968
Honorary national vice-chairmen's honoraria	54,000	67,500
Honorary national vice-chairmen's expenses & NI costs	12,159	18,905
Honorary national secretary's honorarium	42,750	69,375
Honorary national secretary's expenses & NI costs	19,420	24,622
Honorary national treasurer's honorarium	31,500	26,344
Honorary national treasurer's expenses & NI costs	10,196	8,064
Standing committees chairmen's & other honoraria	230,322	246,257
Standing committees chairmen's & other NI costs	22,169	24,393
	<u>498,169</u>	<u>621,803</u>

8 Operating Surplus/Deficit

	2011	2010
	£	£
The operating surplus for the year (2010 – Operating deficit) is stated after charging:		
Depreciation	716,449	769,449
Operating lease rentals of land and buildings	7,800	7,800
Auditors' remuneration for audit:		
Federation	14,616	13,923
NFSE Sales Limited	2,000	2,000
FSB (Member Services) Limited	975	975
	<u>17,591</u>	<u>16,898</u>
Auditors' remuneration for non audit services:		
Federation	36,676	42,464

**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 2011**

9 Taxation

	2011	2010
	£	£
UK Corporation Tax:		
On interest and commission receivable for the year	205,337	197,822
Prior Year (over)/under provision	(142)	86
	205,195	197,908

Tax Reconciliation

The company is taxable on the commissions and interest received in the year, in 2011 the company received gross taxable commissions of £442,297 (2010: £582,406) and interest of £239,665 (2010: £133,654). Also during the year the company sold an investment and this gave rise to a realised gain on investment of £322,803 (2010: £nil).

10 Employee information

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

	2011	2010
	Number	Number
Head office	57	57
Press and parliamentary offices	36	37
Regions	52	56
Area Policy Units	10	17
	155	167

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

	2011	2010
	£	£
Staff costs		
Gross salaries	5,304,950	5,441,236
Social security costs	537,618	586,770
Pensions costs	250,905	254,849
	6,093,473	6,282,855
Honoraria - Executive Board members & others	450,123	517,653
Honoraria - NFSE Sales Limited directors	62,340	64,675

11 Pension commitments

During the year ended 30 September 2011 £250,905 was paid into employees' personal pension schemes (2010: £254,849).

**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 2011**

12 Surplus of the Federation

Of the consolidated surplus for the financial year, £1,726,229 (2010: deficit £1,625,013) 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.

13a Tangible fixed assets

Group	Land & Buildings £	Motor Vehicles £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost					
At 1 October 2010	6,047,351	171,461	2,008,312	789,957	9,017,081
Additions	75,531	-	57,782	31,260	164,573
Disposals	(145,075)	(22,000)	(54,730)	(17,370)	(239,175)
At 30 September 2011	<u>5,977,807</u>	<u>149,461</u>	<u>2,011,364</u>	<u>803,847</u>	<u>8,942,479</u>
Depreciation					
At 1 October 2010	930,111	64,801	1,297,015	575,104	2,867,031
Charge for the year	120,146	42,772	475,192	78,339	716,449
On disposals	(49,527)	(22,000)	(54,730)	(17,370)	(143,627)
At 30 September 2011	<u>1,000,730</u>	<u>85,573</u>	<u>1,717,477</u>	<u>636,073</u>	<u>3,439,853</u>
Net Book Amount					
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>
At 30 September 2010	<u>5,117,240</u>	<u>106,660</u>	<u>711,297</u>	<u>214,853</u>	<u>6,150,050</u>

**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 2011

13b Tangible fixed assets

Federation	Land & Buildings £	Motor Vehicles £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost					
At 1 October 2010	6,047,351	171,461	1,996,492	789,317	9,004,621
Additions	75,531	-	56,832	31,260	163,623
Disposals	(145,075)	(22,000)	(45,637)	(16,731)	(229,443)
At 30 September 2011	<u>5,977,807</u>	<u>149,461</u>	<u>2,007,687</u>	<u>803,846</u>	<u>8,938,801</u>
Depreciation					
At 1 October 2010	930,111	64,801	1,286,068	574,464	2,855,444
Charge for the year	120,146	42,772	474,686	78,339	715,943
On disposals	(49,527)	(22,000)	(45,637)	(16,731)	(133,895)
At 30 September 2011	<u>1,000,730</u>	<u>85,573</u>	<u>1,715,117</u>	<u>636,072</u>	<u>3,437,492</u>
Net Book Amount					
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>
At 30 September 2010	<u>5,117,240</u>	<u>106,660</u>	<u>710,424</u>	<u>214,853</u>	<u>6,149,177</u>

14 Fixed asset investments

	Interests in group undertakings £
At 30 September 2011	<u>2,100</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	998	(1)	Membership benefits
NFSE Sales Ltd	1,194	1	Sales & publication
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
and Small Businesses Limited**
(A Company Limited by Guarantee)
Notes to the consolidated financial statements (continued)
for the year ended 30 September 2011

15	Stock		2011	2010
			£	£
	Items for resale		<u>16,773</u>	<u>15,197</u>

16	Debtors	Consolidated		Federation	
		2011	2010	2011	2010
		£	£	£	£
	Trade debtors	541,888	565,295	113,601	148,446
	Crises loans to members	52,117	160,860	52,117	160,860
	Prepayments	803,890	802,851	729,266	755,324
	Amount owed by group companies	-	-	814,783	457,158
	Other debtors	<u>444,169</u>	<u>728,333</u>	<u>443,050</u>	<u>728,333</u>
		<u>1,842,064</u>	<u>2,257,339</u>	<u>2,152,817</u>	<u>2,250,121</u>

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

Amounts falling due after one year	2011	2010	2011	2010
Other debtors	<u>114,398</u>	<u>226,088</u>	<u>114,398</u>	<u>226,088</u>

17	Creditors: amounts falling due within one year	Consolidated		Federation	
		2011	2010	2011	2010
		£	£	£	£
	Trade creditors	516,716	321,542	499,099	319,490
	Amount owed to group companies	-	-	100	100
	Other creditors	104,132	257,621	104,132	247,898
	Taxation and social security	140,023	165,309	140,023	165,309
	Corporation Tax	78,446	58,445	78,446	58,445
	Accruals	<u>865,970</u>	<u>943,155</u>	<u>780,808</u>	<u>838,702</u>
		<u>1,705,287</u>	<u>1,746,072</u>	<u>1,602,608</u>	<u>1,629,944</u>

18	Prepaid Subscriptions	Consolidated		Federation	
		2011	2010	2011	2010
		£	£	£	£
	Prepaid subscriptions b/fwd	11,019,000	10,852,000	11,019,000	10,852,000
	Movement in year	<u>1,070,000</u>	<u>167,000</u>	<u>1,070,000</u>	<u>167,000</u>
	Prepaid subscriptions c/fwd	<u>12,089,000</u>	<u>11,019,000</u>	<u>12,089,000</u>	<u>11,019,000</u>

**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 2011

19 Reconciliation of movements in reserves

	2011	2010
	£	£
Surplus/(Deficit) for the financial year	1,726,229	(1,625,013)
Opening reserves	<u>7,736,336</u>	<u>9,361,349</u>
Closing reserves	<u>9,462,565</u>	<u>7,736,336</u>

20 Capital commitments

Group and Federation

	2011	2010
	£	£
Capital expenditure that has been authorised by the directors but has not yet been contracted for	750,350	556,500
Authorised capital expenditure that has been contracted for	<u>-</u>	<u>-</u>

21 Gross cash flow

	2011		2010	
	£	£	£	£
Returns on investments and servicing of finance				
Interest received		<u>239,665</u>		<u>133,654</u>
Investing activities				
Payments to acquire tangible fixed assets excluding those on finance leases and hire purchase contracts	(164,573)		(1,579,223)	
Sale of tangible fixed assets	<u>199,912</u>		<u>1,971</u>	
		<u>35,339</u>		<u>(1,577,252)</u>

22 Analysis of changes in net cash

	At 2010	Cash Flow	At 2011
	£	£	£
Cash	<u>12,078,822</u>	<u>3,816,567</u>	<u>15,895,389</u>

23 Control

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

**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 2011**

24 Directors' Transactions

The following is the list of financial transactions all of which relate to the sale of goods or service during the year ended 30 September 2011 between the Federation (and its subsidiaries) and its directors (including their immediate family and companies), where the total exceeds £1,000, including invoices for attendance allowance.

Director	Amount £	Owing at 30.09.11*	Director	Amount £	Owing at 30.09.11*
A Barnes	1,034	405	R MacKail	15,323	2,600
S Birch	1,533		M Mealing	2,850	200
E Bridges	1,555		D Miles	10,451	
T Brown	1,510		W Mitchell	7,000	
J Burrows	6,450		K Moon	7,300	
A Cherry	1,326		S Morris	1,728	120
T Concannon	4,825		A Mullen	1,369	
T Constable	1,050		R Newman	5,831	
C Culshaw	9,976		J O'Neil	8,250	400
C Davenport	2,700		V Peake	7,629	
S Dexter	7,892		E Rae	1,860	160
D Dunn	1,350		J Ritchie	6,781	
I Fairweather	7,000		J Rooney	3,050	
J Flower	1,818		M Salamon	4,958	
A Forsell	1,720	90	P Scargill	15,145	
J Friel	6,765	712	S Sharp	1,525	
W Grant	2,510		C Soule	4,374	421
J Hilder	5,626		A Swain	2,600	
R House	20,529		S Terpilowski	2,830	471
J Hunt	1,635		P Trowell	1,100	
T Hunter-Henderson	6,750		R Twigge	7,494	868
G Lang	11,649		T Weaver	2,318	270
H Lillis	4,998	300	I Wicks	4,427	308
M Little	1,300		C Willman	7,051	
A Lovatt	3,300		A Willox	11,325	
G MacEwan	3,970	270			

*Balance owing at 30 September 2011 included in trade creditors