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- PRINT ON ONE SIDE ONLY

FORM AR21



Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Napo
Year ended:	31 December 2012
List no:	490T
Head or Main Office:	4 Chivalry Road London SW11 1HT
Website address (if available)	www.napo.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
Acting General Secretary:	Ian Lawrence
Telephone Number:	020 7223 4887
Contact name for queries regarding	Elizabeth Ridge
Telephone Number:	020 8994 9627
E-mail:	emridge@ouradviceaddsup.com

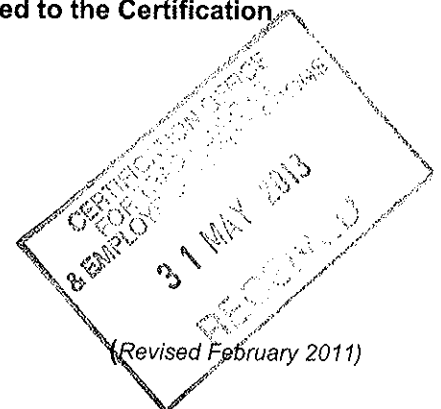
PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Unions based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2011)

RETURN OF MEMBERS

(see notes 10 and 11)

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	2378	26	-		2404
FEMALE	5883	73	-		5956
TOTAL	8261	99	-		A 8360

Number of members included in totals box 'A' above for whom no home or authorised address is held:

8360

Number of members at end of year contributing to the General Fund

OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
Co Chair	T Wilson	T Rendon	October 2012
Co Chair		L Robinson	October 2012
Vice Chair	D Peros	M Elliott	October 2012
Vice Chair	L Robinson	N Smith	October 2012

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

Napo

Return of Officers

at 31 December 2012

L Robinson	Co-Chair
T Rendon	Co-Chair
K Stokeld	Treasurer
E Chester	Vice Chair
C Bewley	Vice Chair
A Mercer	Vice Chair
M Elliott	Vice Chair
N Smith	Vice Chair

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		2153337
From Members: Other income from members (specify)		
 Total other income from members		
Total of all income from members		
Investment income (as at page 12)		17266
Other Income		
Income from Federations and other bodies (as at page 4)	219644	
Income from any other sources (as at page 4)	17686	
 Total of other income (as at page 4)		237330
		TOTAL INCOME
		2407933
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		2258960
Transfer to Hardship Fund	2000	
Transfer to Action Fund	5000	
Transfer to Special Aid Fund	165292	
	172292	172292
 Total expenditure Federation and other bodies		31617
Taxation		3280
		TOTAL EXPENDITURE
		2466149
		Surplus (deficit) for year
		(58216)
Amount of general fund at beginning of year (As restated)		1551853
Amount of general fund at end of year		1493637

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		brought forward	
		Education and Training services	
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications		Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
carried forward		Total (should agree with figure in General Fund)	NIL

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Special Aid Fund	£	£
Income			
	From members	1000	
	Investment income (as at page 12)		
	Other income (specify)		
	Transfer from General Fund	165292	
			166292
		Total other income as specified	
		Total Income	166292
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		175181
		Total Expenditure	175181
		Surplus (Deficit) for the year	((8889)
		Amount of fund at beginning of year	54261
		Amount of fund at the end of year (as Balance Sheet)	45372
		Number of members contributing at end of year	8360

FUND 3		Fund Account	
Name:	Action Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Transfer from General Fund		5000
		Total other income as specified	
		Total Income	5000
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
		Total Expenditure	Nil
		Surplus (Deficit) for the year	5000
		Amount of fund at beginning of year	43790
		Amount of fund at the end of year (as Balance Sheet)	48790
		Number of members contributing at end of year	8360

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	Branches Hardship Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Transfer from General Fund		2000
	Total other income as specified		
	Total Income		2000
Expenditure			
	Benefits to members		491
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		491
	Surplus (Deficit) for the year		1509
	Amount of fund at beginning of year		24367
	Amount of fund at the end of year (as Balance Sheet)		25876
	Number of members contributing at end of year		8360

FUND 5		Fund Account	
Name:	Office Relocation Reserve	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		nil
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (page 10)		
	Total Expenditure		nil
	Surplus (Deficit) for the year		Nil
	Amount of fund at beginning of year		250000
	Amount of fund at the end of year (as Balance Sheet)		250000
	Number of members contributing at end of year		8360

(See notes 24 and 25)

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which are not an arm's length body of a central trade union	
Income	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount of political fund at beginning of year		
	Amount of political fund at the end of year (as Balance Sheet)		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

POLITICAL FUND ACCOUNT 2		To be completed by trade unions which act as arm's length bodies of a central trade union	
Income	Contributions and levies collected from members on behalf of central political fund		
	Funds received back from central political fund		
	Other income (specify)		
	Total other income as specified		
	Total income		
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount held on behalf of trade union political fund at beginning of year		
	Amount remitted to central political fund		
	Amount held on behalf of central political fund at end of year		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and expenses of staff		1194130
Salaries and Wages included in above	£907284	
Auditors' fees		9450
Legal and Professional fees		14208
Occupancy costs		75780
Stationery, printing, postage, telephone, etc.		101485
Expenses of Executive Committee (Head Office)		64879
Expenses of conferences		349352
Other administrative expenses (specify)		
Cost of Publications		156454
Donations		44859
Other Outgoings		
Bank charges		1578
Branch training		60720
Expenses of branch officials		14238
Branch expenses		29194
Depreciation		11124
Taxation		3280
Computer Maintenance		83170
Ballots		12328
Political lobbying		36011
Branch Hardship		491
Special Aid		175181
Total		2434632
Charged to:	General Fund (Page 3)	2258960
	Special Aid Fund Account)	175181
	Branch Hardship Fund	491
	Fund (Account)	
	Fund (Account)	
Total		2434632

BALANCE SHEET as at 31 December 2012

(see notes 47 to 50)

As restated

Previous Year		£	£
150627	Fixed Assets (at page 14)		145498
	Investments (as per analysis on page 15)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
	Loans to other trade unions		
110986	Sundry debtors		175829
1814157	Cash at bank and in hand		1686562
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
1925143	Total of other assets		1862391
2075770	TOTAL ASSETS		2007889
1551853	General Fund (Account)		1493637
54261	Special Aid Fund (Account)		45372
43790	Action Fund (Account)		48790
24367	Branches Hardship Fund (Account)		25876
	Political Fund (Account)		
250000	Office Relocation Reserve		250000
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
151499	Sundry creditors		144214
	Accrued expenses		
	Provisions		
	Other liabilities		
2075770	TOTAL LIABILITIES		2007889
2075770	TOTAL ASSETS		2007889

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold				
Cost or Valuation						
At start of year	205339		278757			484096
Additions			5995			5995
Disposals						
Revaluation/Transfer						
At end of year	205339		284752			490091
Accumulated Depreciation						
At start of year	76785		256684			333469
Charges for year	4107		7017			11124
Disposals						
Revaluation/Transfers						
At end of year	80892		263701			344593
Net book value at end of year						
	124447		21051			145498
Net book value at end of previous year						
	128554		22073			150627

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)		
Market Value of Quoted Investment		
UNQUOTED Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)		
Market Value of Unquoted Investments		

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 60 to 71)

	All fundnts except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	2153337		2153337
From Investments	17266		17266
Other Income (including increases by revaluation of assets)	238330		238330
Total Income	2408933		2408933
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	2466249		2466249
Funds at beginning of year b/f (including reserves)Prior year	2044950 (120679)		2044950 (120679)
Funds at end of year (including reserves)	1863675		1863675
ASSETS			
Fixed Assets			145498
Investment Assets			
Other Assets			1862391
Total Assets			2007889
LIABILITIES			
Total Liabilities			144214
NET ASSETS (Total Assets less Total Liabilities)			1863675

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

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2. OTHER INCOME

	<u>2012</u>	<u>2011</u>
	£	£
Interest receivable	17,266	23,308
Sundry Income	17,686	13,518
	34,952	36,826

3. STAFF COSTS

	<u>2012</u>	<u>2011</u>
	£	£
Included in staff costs are:-		
Wages and Salaries	752,608	699,101
Social Security Costs	81,867	82,214
Other Pension costs	72,809	79,039
	907,284	860,354

	<u>2012</u>	<u>2011</u>
	£	£
General Secretary		
Remuneration	71,324	66,192
Social Security Costs	8,824	8,059
Pension	11,784	10,914
	91,932	85,165

4. TAXATION

Corporation Tax is provided on the Association's Bank Deposit interest after allowable deductions.

	<u>2012</u> £	<u>2011</u> £
Current Corporation Tax	3,280	4,894

5. FIXED ASSETS

	Freehold Land & Buildings	Computer Equipment & Software	Total
Cost			
At 1 January 2012	205,339	278,757	484,096
Additions	-	5,995	5,995
Disposals	-	-	0
At 31 December 2012	205,339	284,752	490,091
Depreciation			
At 1 January 2012	76,785	256,684	333,469
Charge for the year	4,107	7,017	11,124
Deduct for Disposals	-	-	0
At 31 December 2012	80,892	263,701	344,593
Net book value			
At 1 January 2012	128,554	22,073	150,627
At 31 December 2012	124,447	21,051	145,498

6. COMMITMENTS

The union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the union, in an independently administered fund. The annual pension commitment under this scheme is for contributions of £72,809 (2011 – £79,039). No contributions were due at the year end (2011 £nil).

7. CONTINGENT LIABILITY

A former employee of Napo is pursuing a case for unfair dismissal against the union at an employment tribunal, which took place in December 2012. The findings of the tribunal are expected shortly. These accounts include a prior year adjustment to include an accrual in the 2011 accounts for the tribunal expenses. The Officers have obtained legal advice and, based on this, at this stage, it is not considered necessary to make any provision in these accounts in respect of this claim.

8. PRIOR YEAR ADJUSTMENT

The 2011 figures have been restated to include a provision for the legal costs incurred in connection with the employment tribunal.

MOVEMENT OF FUNDS

Office Relocation Reserve Fund

The Fund has been created in order to help fund the cost of napo moving to new offices.

Special Aid Fund

The Fund was created for contesting legal and other actions on behalf of members or for any other purposes that the Officers of the Association, members of the National Executive Committee or Annual General Meeting may from time to time determine.

Action Fund

The Action Fund was established to help offset financial loss suffered by members taking bona fide industrial action.

The Branches Hardship Fund

The Branches Hardship Fund was established to assist branches in financial difficulty.

Movements in the year are disclosed on the attached summary.

8. MOVEMENT OF FUNDS - SUMMARY

	£	£	£	£	£	£
	General Fund	Office Relocation Reserve	Special Aid Fund	Action Fund	Branches Hardship Fund	Total
Income	2,407,933	0	1,000	0	0	2,408,933
Expenditure	<u>(2,290,577)</u>	<u>0</u>	<u>(175,181)</u>	<u>0</u>	<u>(491)</u>	<u>(2,466,249)</u>
Surplus/(Deficit) for the year	117,356	0	(174,181)	0	(491)	(57,316)
Taxation	<u>(3,280)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,280)</u>
Net surplus /(deficit)	114,076	0	(174,181)	0	(491)	(60,596)
Transfers between Funds	6 <u>(172,292)</u>	<u>0</u>	<u>165,292</u>	<u>5,000</u>	<u>2,000</u>	<u>0</u>
	(58,216)	0	(8,889)	5,000	1,509	(60,596)
Balance b/f	1,672,532					
Prior year adjustment (as restated(note 8))	<u>(120,679)</u>					
	1,551,853	250,000	54,261	43,790	24,367	1,924,271
Balance at 31 December 2012	<u>1,493,637</u>	<u>250,000</u>	<u>45,372</u>	<u>48,790</u>	<u>25,876</u>	<u>1,863,675</u>

ACCOUNTING POLICIES

(see notes 74 and 75)

1. ACCOUNTING POLICIES

- i) The accounts have been prepared under the historical cost convention.
- ii) Subscriptions income includes amounts receivable at the balance sheet date. Income is received from payroll deductions made by Probation Trust pay authorities and members direct payments to Napo.

Royalties are accounted for when received.

- iii) Expenses are written off in the year to which they relate.

- iv) Rates of Depreciation and Amortisation are provided so as to write off the cost of Fixed Assets in equal instalments over their estimated useful lives.

Freehold Buildings	-	2% on cost
Computer Equipment and Software	-	25% on written down value

Other Capital Items are written off in the year of purchase.

- v) Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the Income and Expenditure Account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Acting Secretary's Signature: <u>T. I. Lawrence</u>	Treasurer's Signature: <u>K. Stokely</u>
Name: <u>T. I. LAWRENCE</u>	Name: <u>K. STOKELY</u>
Date: <u>22/5/13</u>	Date: <u>22/5/13</u>

CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSE D	<input type="checkbox"/>	TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)

YES

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 85)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NAPO

We have audited the accounts of napo for the year ended 31 December 2012, which comprise the Income and Expenditure Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes. 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).
RESPECTIVE RESPONSIBILITIES OF OFFICERS AND AUDITORS

As explained more fully in the Statement of Officers' Responsibilities, the officers' are responsible for the preparation of the accounts in accordance with Trade Union and Labour Relations (Consolidation) Act 1992 and for being satisfied that the accounts give a true and fair view.

continued:

AUDITOR'S REPORT (continued)

Our responsibility is to audit the accounts 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.

We report to you our opinion as to whether the accounts give a true and fair view and have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. We also report to you if, in our opinion, the Report of the Officers is not consistent with the accounts, if napo has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, if napo has not established and maintained a satisfactory system of control over its accounting records, its cash holdings and its receipts and remittances, if we have not received proper returns, adequate for our audit, from branches not visited by us and if the Balance Sheet and Income and Expenditure Account are not in agreement with the accounting records and returns.

We read the Report of the Officers and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the audited accounts. Our responsibilities do not extend to any other information

This report is made solely to the members of napo, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the members of napo those matters that 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 members of napo as a body, for our audit work, for this report, or for the opinions we have formed.

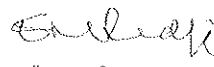
SCOPE OF THE AUDIT OF THE ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to napo's circumstances, and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the officers; and the overall presentation of the accounts.

OPINION ON THE ACCOUNTS

In our opinion the accounts:

- give a true and fair view of the state of napo's affairs at 31 December 2012 and of its results for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice the Trade Union and Labour Relations (Consolidation) Act 1992.

Signature(s) of auditor or auditors:	 E M RIDGE	
Name(s):	Bryan and Ridge	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	The Gatehouse 2 Devonhurst Place Heathfield Terrace London, W4 4JD	
Date:	28.5.13	
Contact name and telephone number:	E M RIDGE 0208 994 9627	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.