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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

Year ended:

List no:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No *(Click the appropriate box)*

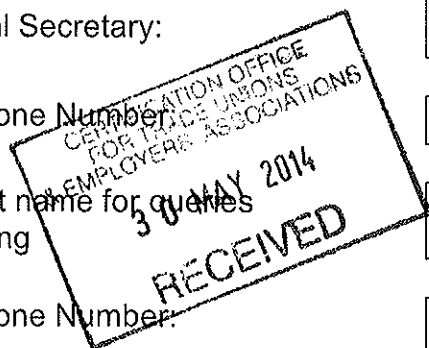
General Secretary:

Telephone Number:

Contact name for queries regarding:

Telephone Number:

E-mail:



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)

Napo

Year ended 31 December 2013

List of Officers in post at 31 December 2013

| | |
|-----------------|------------|
| Thomas Rendon | Chair |
| Keith Stokeld | Treasurer |
| Megan Elliott | Vice Chair |
| Nicholas Smith | Vice Chair |
| Yvonne Pattison | Vice Chair |

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 | 2264 | 27 | | | 2291 |
| FEMALE | 5633 | 84 | | | 5717 |
| TOTAL | 7897 | 111 | | | A 8008 |

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

| | |
|---|------|
| Number of members at end of year contributing to the General Fund | 0 |
| | 8008 |

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 | L Robinson | T Rendon | April 2013 |
| Vice Chair | E Chester | Y Pattison | October 2013 |
| Vice Chair | C Bewley | - | October 2013 |
| Vice Chair | A Mercer | - | October 2013 |
| | | | |
| | | | |

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:

GENERAL FUND

(see notes 13 to 18)

| | £ | £ |
|--|--------------------------|-----------|
| INCOME | | |
| From Members: Contributions and Subscriptions | | 2,014,952 |
| From Members: Other income from members (specify) | | |
| Total other income from members | | |
| Total of all income from members | | 2,014,952 |
| Investment income (as at page 12) | | 11,205 |
| Other Income | | |
| Income from Federations and other bodies (as at page 4) | 185,775 | |
| Income from any other sources (as at page 4) | 8,910 | |
| Total of other income (as at page 4) | | 194,685 |
| | | 206,865 |
| | TOTAL INCOME | 2,220,842 |
| EXPENDITURE | | |
| Benefits to members (as at page 5) | | 0 |
| Administrative expenses (as at page 10) | | 1,895,801 |
| Transfers to other funds | | |
| Federation and other bodies (specify) | | 168,500 |
| TUC Projects | 185,775 | |
| TUC, GFTU, Other | 34,601 | |
| Total expenditure Federation and other bodies | | 220,376 |
| Taxation | | 2,446 |
| | TOTAL EXPENDITURE | 2,287,123 |
| | | (66,281) |
| Amount of general fund at beginning of year | | 1,493,637 |
| Amount of general fund at end of year | | 1,427,356 |

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: | Legal and Representation Fund | £ | £ |
| Income | | | |
| | From members | 1,000 | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Transfer from General Fund | 161,500 | |
| | | | 162,500 |
| | | Total other income as specified | |
| | | Total Income | 162,500 |
| Expenditure | | | |
| | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | 235,552 |
| | | Total Expenditure | 235,552 |
| | | | (73,052) |
| | | Surplus (Deficit) for the year | |
| | | Amount of fund at beginning of year | 45,372 |
| | | Amount of fund at the end of year (as Balance Sheet) | (27,680) |
| | | | |
| | | Number of members contributing at end of year | 8008 |

| FUND 3 | | Fund Account | |
|--------------------|---|---|--------|
| Name: | Action Fund | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Transfer from General Fund | | 5,000 |
| | | | |
| | | Total other income as specified | 5,000 |
| | | Total Income | 5,000 |
| Expenditure | | | |
| | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | |
| | | Total Expenditure | |
| | | | |
| | | Surplus (Deficit) for the year | |
| | | Amount of fund at beginning of year | 48,790 |
| | | Amount of fund at the end of year (as Balance Sheet) | 53,790 |
| | | | |
| | | Number of members contributing at end of year | 8,008 |

(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 | | 2,000 |
| | Total other income as specified | | |
| | Total Income | | 2,000 |
| Expenditure | | | |
| | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | |
| | Total Expenditure | | |
| | Surplus (Deficit) for the year | | 2,000 |
| | Amount of fund at beginning of year | | 25,876 |
| | Amount of fund at the end of year (as Balance Sheet) | | 27,876 |
| | Number of members contributing at end of year | | 8,008 |

| 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 (as at page 10) | | |
| | Total Expenditure | | Nil |
| | Surplus (Deficit) for the year | | Nil |
| | Amount of fund at beginning of year | | 250,000 |
| | Amount of fund at the end of year (as Balance Sheet) | | 250,000 |
| | Number of members contributing at end of year | | 8,008 |

(see notes 26 to 31)

| POLITICAL FUND ACCOUNT 1 | | To be completed by trade unions which maintain their own fund | |
|---------------------------------|---|--|----------|
| | | £ | £ |
| 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 components 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 | | 952,276 |
| Salaries and Wages included in above | £901,394 | |
| Auditors' fees | | 9,790 |
| Legal and Professional fees | | 31,903 |
| Occupancy costs | | 65,089 |
| Stationery, printing, postage, telephone, etc. | | 69,337 |
| Expenses of Executive Committee (Head Office) | | 49,614 |
| Expenses of conferences | | 298,267 |
| Other administrative expenses (specify) | | |
| Cost of publications | | 90,060 |
| Donations | | 56,738 |
| Other Outgoings | | |
| Bank charges | | 2,476 |
| Branch training | | 52,136 |
| Expenses of branch Officials | | 15,947 |
| Other branch expenses | | 33,665 |
| Depreciation | | 9,370 |
| Taxation | | 2,446 |
| Computer maintenance | | 77,102 |
| Ballots | | 26,047 |
| Political lobbying | | 55,984 |
| Legal and Representation expenditure | | 235,552 |
| | Total | 2,133,799 |
| Charged to: | General Fund (Page 3) | 1,898,247 |
| | Legal and Rep'n Fund | 235,552 |
| | Total | 2,133,799 |

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

| | Political Fund £ | | Other Fund(s) £ |
|-----------------------------------|------------------------|-------------------------|-----------------------|
| Rent from land and buildings | | | |
| Dividends (gross) from: | | | |
| Equities (e.g. shares) | | | |
| Interest (gross) from: | | | |
| Government securities (Gilts) | | | |
| Mortgages | | | |
| Local Authority Bonds | | | |
| Bank and Building Societies | | | 11,205 |
| Other investment income (specify) | | | |
| | | | 11,205 |
| | | Total investment income | 11,205 |
| | | Credited to: | |
| | | General Fund (Page 3) | 11,205 |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Political Fund | |
| | | Total Investment Income | 11,205 |

BALANCE SHEET as at 31 December 2013

(see notes 47 to 50)

| Previous Year | | £ | £ |
|---------------|---|---|-----------|
| 145,498 | Fixed Assets (at page 14) | | 136,128 |
| | Investments (as per analysis on page 15) | | |
| | Quoted (Market value £) | | |
| | Unquoted | | |
| | Total Investments | | |
| | Other Assets | | |
| | Loans to other trade unions | | |
| 175,829 | Sundry debtors | | 143,312 |
| 1,686,562 | Cash at bank and in hand | | 1,508,082 |
| | Income tax to be recovered | | |
| | Stocks of goods | | |
| | Others (specify) | | |
| 1,862,391 | Total of other assets | | 1,651,394 |
| 2,007,889 | TOTAL ASSETS | | 1,787,522 |
| 1,493,637 | General Fund (Account) | | 1,427,356 |
| 45,372 | Legal and Representation Fund (Account 2) | | (27,680) |
| 48,790 | Action Fund (Account 3) | | 53,790 |
| 25,876 | Branches Hardship Fund (Account 4) | | 27,876 |
| | Political Fund (Account) | | |
| 250,000 | Office Relocation Reserve (Account 5) | | 250,000 |
| | LIABILITIES | | |
| | Amount held on behalf of central trade union political fund | | |
| | Loans: From other trade unions | | |
| | Loans: Other | | |
| | Bank overdraft | | |
| | Tax payable | | |
| 144,214 | Sundry creditors | | 56,180 |
| | Accrued expenses | | |
| | Provisions | | |
| | Other liabilities | | |
| 2,007,889 | TOTAL LIABILITIES | | 1,787,522 |
| 2,007,889 | TOTAL ASSETS | | 1,787,522 |

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 | 205,339 | | 284,752 | | | 490,091 |
| Additions | | | | | | |
| Disposals | | | | | | |
| Revaluation/Transfers | | | | | | |
| At end of year | 205,339 | | 284,752 | | | 490,091 |
| Accumulated Depreciation | | | | | | |
| At start of year | 80,892 | | 263,701 | | | 344,593 |
| Charges for year | 4,107 | | 5,263 | | | 9,370 |
| Disposals | | | | | | |
| Revaluation/Transfers | | | | | | |
| At end of year | 84,999 | | 268,964 | | | 353,963 |
| Net book value at end of year | 120,340 | | 15,788 | | | 136,128 |
| Net book value at end of previous year | 124,447 | | 21,051 | | | 145,498 |

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 checked="" 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 funds except Political Funds £ | Political Funds £ | Total Funds £ |
|--|--|--------------------------|---------------------|
| INCOME | | | |
| From Members | 2,014,952 | | 2,014,952 |
| From Investments | 11,205 | | 11,205 |
| Other Income (including increases by revaluation of assets) | 195,685 | | 195,685 |
| Total Income | 2,221,842 | | 2,221,842 |
| EXPENDITURE (including decreases by revaluation of | | | |
| Total Expenditure | (2,354,175) | | (2,354,175) |
| | | | |
| Funds at beginning of year (including reserves) | 1,863,675 | | 1,863,675 |
| Funds at end of year (including reserves) | 1,731,342 | | 1,731,342 |
| | | | |
| ASSETS | | | |
| Fixed Assets | | | 136,128 |
| Investment Assets | | | - |
| Other Assets | | | 1,651,394 |
| | | Total Assets | 1,787,522 |
| LIABILITIES | | Total Liabilities | 56,180 |
| NET ASSETS (Total Assets less Total Liabilities) | | | 1,731,342 |

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

Napo

Notes to the Accounts- 31 December 2013

2. OTHER INCOME

| | <u>2013</u> | <u>2012</u> |
|---------------------|---------------|---------------|
| | £ | £ |
| Interest receivable | 11,205 | 17,266 |
| Sundry Income | 8,910 | 17,686 |
| | <u>20,115</u> | <u>34,952</u> |

3. STAFF COSTS

| | <u>2013</u> | <u>2012</u> |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Included in staff costs are:- | | |
| Wages and Salaries | 761,326 | 752,608 |
| Social Security Costs | 78,442 | 81,867 |
| Other Pension costs | 61,626 | 72,809 |
| | <u>901,394</u> | <u>907,284</u> |

General Secretaries

| | <u>2013</u> | <u>2013</u> | <u>2013</u> | <u>2012</u> |
|--|--------------------------------|----------------------|----------------|---------------|
| | £ | £ | £ | £ |
| | Former General Secretary | General Secretary | Total | Total |
| Remuneration, compensation and Benefits | 119,093 | 62,143 | 181,236 | 71,324 |
| Social Security Costs | 5,236 | 7,521 | 12,757 | 8,824 |
| Pension | 989 | 1,500 | 2,489 | 11,784 |
| | <u>125,318</u> | <u>71,164</u> | <u>196,482</u> | <u>91,932</u> |

4. TAXATION

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

| | <u>2013</u> | <u>2012</u> |
|-------------------------|--------------|--------------|
| | £ | £ |
| Current Corporation Tax | <u>2,446</u> | <u>3,280</u> |

Notes to the Accounts- 31 December 2013

5. FIXED ASSETS

| | Freehold Land & Buildings | Computer Equipment & Software | Total |
|----------------------|---------------------------------|-------------------------------------|----------------|
| | ----- | ----- | ----- |
| Cost | | | |
| At 1 January 2013 | 205,339 | 284,752 | 490,091 |
| Additions | - | | 0 |
| Disposals | - | - | 0 |
| At 31 December 2013 | <u>205,339</u> | <u>284,752</u> | <u>490,091</u> |
| Depreciation | | | |
| At 1 January 2013 | 80,892 | 263,701 | 344,593 |
| Charge for the year | 4,107 | 5,263 | 9,370 |
| Deduct for Disposals | - | - | 0 |
| At 31 December 2013 | <u>84,999</u> | <u>268,964</u> | <u>353,963</u> |
| Net book value | | | |
| At 1 January 2013 | <u>124,447</u> | <u>21,051</u> | <u>145,498</u> |
| At 31 December 2013 | <u>120,340</u> | <u>15,788</u> | <u>136,128</u> |

6. DEBTORS

| | <u>2013</u> | <u>2012</u> |
|----------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 118,376 | 156,046 |
| Prepayments | 9,512 | 7,903 |
| Sundry debtors | <u>15,424</u> | <u>11,880</u> |
| | <u>143,312</u> | <u>175,829</u> |

7. 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 pension cost charge represents contributions payable by the union to the fund an amounted to £61,626 (2012 - £72,809). No contributions were due at the year end (2012 £nil).

8. POST BALANCE SHEET EVENTS

An Appeal by a former employee against the findings of an Employment Tribunal was determined in March 2014. Due to the uncertainty of the amount of the final legal and other costs which will be incurred by the union in relation to the hearing and the fact that disclosure may seriously prejudice the position of the entity while in dispute with the former employee, all costs will be included in the accounts for the year ended 31 December 2014, once they are finally known.

9. 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.

Legal and Representation Fund

The Fund may be used for granting legal assistance 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.

The fund is in deficit due to an increased requirement for assistance from members.

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.

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

Napo

Notes to the Accounts- 31 December 2013

9. MOVEMENT OF FUNDS – SUMMARY

| | General Fund | Office Relocation Reserve | Legal & Representation Fund | Action Fund | Branches Hardship Fund | Total |
|------------------------------------|-------------------------|---------------------------|-----------------------------|----------------------|------------------------|-------------------------|
| | £ | £ | £ | £ | £ | £ |
| Income | 2,220,842 | - | 1,000 | 0 | 0 | 2,221,842 |
| Expenditure | <u>(2,116,177)</u> | - | <u>(235,552)</u> | 0 | (0) | <u>(2,351,729)</u> |
| Surplus/(Deficit) for the year | 104,665 | - | (235,552) | 0 | - | (129,887) |
| Taxation | <u>(2,446)</u> | - | 0 | 0 | - | <u>(2,446)</u> |
| Net surplus /(deficit) | 102,219 | - | (235,552) | 0 | - | (132,333) |
| Transfers between Funds | 6 <u>(168,500)</u> | - | 161,500 | 5,000 | 2,000 | - |
| Net (outgoing)/ incoming resources | (66,281) | - | (73,052) | 5,000 | 2,000 | (132,333) |
| Balance at 1 January 2013 | <u>(58,216)</u> | 250,000 | <u>(8,889)</u> | 48,790 | 25,876 | <u>1,863,675</u> |
| Balance at 31 December 2013 | <u><u>1,493,637</u></u> | <u><u>250,000</u></u> | <u><u>45,372</u></u> | <u><u>53,790</u></u> | <u><u>27,876</u></u> | <u><u>1,731,342</u></u> |

ACCOUNTING POLICIES

(see notes 74 and 75)

Napo

Notes to the Accounts- 31 December 2013

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.
- iii) Royalties are accounted for when received.
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.
- vi) The NEC maintains a Legal and Representation Fund. The Fund shall be financed by a transfer from the general funds of the Association in accordance with the Constitution.
- vii) The Officers of the union have considered their obligations to prepare these financial statements on an appropriate basis, having regard to the union's net asset position at 31 December 2013.
The Officers have also assessed the impact of the financial budgets in place for 2014 against the working capital available, notably its cash. Despite a challenging environment, a break even budget is planned for 2014 with a number of cost savings implemented expected to reduce future expenditure.
As a result in the opinion of the Officers the union has sufficient resources to be able to meet its obligations as and when they fall due and accordingly the accounts have been prepared on a going concern basis.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

| | |
|---|--|
| Secretary's Signature: <u>T. I. Lawrence</u> Name: <u>I Lawrence</u> Date: <u>23/5/14</u> | Treasurer's Signature: <u>K Stokeld</u> (or other official whose position should be stated) Name: <u>K Stokeld</u> Date: <u>23/5/14</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) | ENCLOSED | <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)

AUDITOR'S REPORT (continued)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAPO

We have audited the financial statements of Napo for the year ended 31 December 2013, 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).

This report is made solely to the union's members, 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 union's members 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 union and the union's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on 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 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 the union'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 financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Constitution to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the accounts:

- give a true and fair view of the state of the union's affairs at 31 December 2013 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the union; or
- the union has not maintained a satisfactory system of control over its transactions; or
- the accounts do not agree with the accounting records; or
- we have not received all the information and explanations we require for our audit.

PK Audit LLP

PK Audit LLP
Chartered Accountants
Statutory Auditor
22 The Quadrant
Richmond
Surrey
TW9 1BP

Dated: *23/5/14*

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| Signature(s) of auditor or auditors: | PK Audit LLP | |
| Name(s): | PK Audit LLP | |
| Profession(s) or Calling(s): | Chartered Accountants Statutory Auditor | |
| Address(es): | 22 The Quadrant Richmond Surrey TW9 | |
| Date: | 23/5/14 | |
| Contact name and telephone number: | Elin Harraghy 020 8994 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.