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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 2017

List no:

490T

Head or Main Office:

160 Falcon Road
London
SW11 2NY

Website address (if available)

www.napo.org.uk

Has the address changed during the year to which the return relates?

Yes

No

(Click the appropriate box)

General Secretary:

Ian Lawrence

Telephone Number:

02072234887

Contact name for queries regarding

Theresa Boorman

Telephone Number:

02072234887

E-mail:

tboorman@napo.or.uk

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: 0330 109 3602

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

Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

For Unions based in Scotland:

Certification Office for Trade Unions and Employers' Associations

Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised November 2017)

LIST of NAPO Officers in 2017

NAPO

Officers' Report

The Officers present their report and accounts for the year ended 31 December 2017.

Officers

The following persons served as officers during the year:

	POSITION
Y Pattison	Co-CHAIR
C Winters	Co-CHAIR
K Lomas	vice chair
C Berry	resigned October 2017 vice chair
J Barlow	vice chair
C Pearson	resigned October 2017 vice chair with financial responsibility
T Williams	vice chair
D Mason	appointed October 2017 vice chair
K Stokeld	appointed October 2017 vice chair with financial responsibility

Officers' responsibilities

The Executive Committee, on behalf of the Governing Body, are required under legislation relating to trade unions and employers' associations to prepare accounts for each financial year which give a true and fair view of the state of affairs of the union and of the transactions of the union for that period.

In preparing these accounts we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the union will continue in business.

Executive Committee are also responsible for:

- keeping proper accounting records;
- safeguarding the Association's assets;
- taking reasonable steps for the prevention and detection of fraud;
- establishing and maintaining a satisfactory system of control of its accounting records, its cash holdings and all its receipts and remittances.

Disclosure of information to auditors

Each person who was a member of the Executive Committee at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the Union's auditor is unaware; and
- They have taken all the steps that they ought to have taken as the Executive Committee in order to make themselves aware of any relevant audit information and to establish that the Union's auditors are aware of that information.

This report was approved by the National Executive Committee on 18/5/2018 and signed on its behalf.



K Stokeld
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	1286	21			1307
FEMALE	3618	71			3689
TOTAL	4904	92			A 4996

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

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

4996
4996

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 person's 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
Vice Chair Finance	C Pearson	K Stokeld	October 2017
Vice Chair	C Berry	D Mason	October 2017

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		1,139,681
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		1,139,681
Investment income (as at page 12)		15,327
Other Income		
Income from Federations and other bodies (as at page 4)	65,408	
Income from any other sources (as at page 4)	6,426	
Profit on disposal of freehold property	1,966,608	
Total of other income (as at page 4)		2,038,442
	TOTAL INCOME	3,193,450
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		1,292,470
Transfers to other funds		80,760
Federation and other bodies (specify)		
TUC Projects	65,408	
TUC, GFTU, Other	22,344	
Total expenditure Federation and other bodies		87,752
Taxation		3,065
	TOTAL EXPENDITURE	1,464,047
Surplus (deficit) for year		1,729,403
Amount of general fund at beginning of year		870,741
Amount of general fund at end of year		2,600,144

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
TUC Projects	65,408	
TOTAL FEDERATION AND OTHER BODIES		65,408
Other income		
Sundry Income	6,426	
Profit on disposal of freehold property	1,966,608	
TOTAL OTHER INCOME		1,973,034
TOTAL OF ALL OTHER INCOME		2,038,442

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)	

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Legal and Representation Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Transfer from General Fund		80,760
		Total other income as specified	
		Total Income	80,760
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		98,886
		Total Expenditure	98,886
		Surplus (Deficit) for the year	(18,126)
		Amount of fund at beginning of year	24,843
		Amount of fund at the end of year (as Balance Sheet)	6,717
		Number of members contributing at end of year	4,996

FUND 3		Fund Account	
Name:	Action Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	
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	55,530
		Amount of fund at the end of year (as Balance Sheet)	55,530

Number of members contributing at end of year	4,996
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(See notes 24 and 25)

FUND 4		Fund Account	
Name:	Organising Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		385
		Total other income as specified	
		Total Income	
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		1,650
		Total Expenditure	1,650
		Surplus (Deficit) for the year	(1,265)
		Amount of fund at beginning of year	82,535
		Amount of fund at the end of year (as Balance Sheet)	81,270
		Number of members contributing at end of year	4,996

FUND 5		Fund Account	
Name:	Office Relocation Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	
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	250,000
		Amount of fund at the end of year (as Balance Sheet)	250,000

Number of members contributing at end of year

4,996

(See notes 24 and 25)

FUND 6		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
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		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 7		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
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		
	Amount of fund at the end of year (as Balance Sheet)		

Number of members contributing at end of year

(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		783,024
Salaries and Wages included in above	£757,473	
Auditors' fees		10,500
Legal and Professional fees		12,418
Occupancy costs		115,912
Stationery, printing, postage, telephone, etc.		35,455
Expenses of Executive Committee (Head Office)		27,173
Expenses of conferences		159,748
Other administrative expenses (specify)		
Cost of publications		33,114
Donations		17,457
Other Outgoings		
Interest payable:		
Bank charges		8,417
Branch training		204
Expenses of branch officials		15,588
Depreciation		1,921
Taxation		3,065
Computer maintenance		54,399
Ballots		6,166
Campaign work		10,974
Legal and representation fund expenditure		98,886
	Total	1,394,421
Charged to:	General Fund (Page 3)	1,295,535
	Legal and Representation Fund (Account)	98,886
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Total	1,394,421

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Pension Contributions s £	Benefits		Total £
				Description	Value £	
General Secretary	71,831	8,788	1,503		0	82,122

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		15,327
Other investment income (specify)		
Total investment income		15,327
Credited to:		
General Fund (Page 3)		15,327
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Political Fund		
Total Investment Income		15,327

BALANCE SHEET as at 31 December 2017

(see notes 47 to 50)

Previous Year		£	£
115,702	Fixed Assets (at page 14)		5,762
	Investments (as per analysis on page 15)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
	Loans to other trade unions		
51,449	Sundry debtors		53,883
1,213,597	Cash at bank and in hand		2,993,300
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
1,265,046	Total of other assets		3,047,183
1,380,748	TOTAL ASSETS		3,052,945
870,741	General Fund (Account)		2,600,144
24,843	Legal and Representation Fund (Account)		6,717
55,530	Action Fund (Account)		55,530
250,000	Office Relocation Fund (Account)		250,000
82,535	NAPO Organising Fund (Account)		81,270
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
97,099	Sundry creditors		59,284
	Accrued expenses		
	Provisions		
	Other liabilities		
1,380,748	TOTAL LIABILITIES		3,052,945
1,380,748	TOTAL ASSETS		3,052,945

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		8,995			214,334
Additions						
Disposals	(205,339)					(205,339)
Revaluation/Transfers						
At end of year	0		8,995			8,995
Accumulated Depreciation						
At start of year	97,320		1,312			98,632
Charges for year			1,921			1,921
Disposals	(97,320)					(97,320)
Revaluation/Transfers						
At end of year	0		3,233			3,233
Net book value at end of year	0		5,762			5,762
Net book value at end of previous year	108,019		7,683			115,702

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	1,139,681		1,139,681
From Members			
From Investments	15,327		15,327
Other Income (including increases by revaluation of assets)	2,038,827		2,038,827
Total Income	3,193,835		3,193,835
EXPENDITURE (including decreases by revaluation of assets)	1,483,823		1,483,823
Total Expenditure	1,483,823		1,483,823
Funds at beginning of year (including reserves)	1,283,649		1,283,649
Funds at end of year (including reserves)	2,993,661		2,993,661
ASSETS			
	Fixed Assets		5,762
	Investment Assets		
	Other Assets		3,047,183
	Total Assets		3,042,945
LIABILITIES			
	Total Liabilities		(59,284)
NET ASSETS (Total Assets less Total Liabilities)			2,993,661

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.

2 Audit information

The audit report is unqualified.

Senior statutory auditor: David
Goodwin
Firm: Sturgess Hutchinson (Leicester) Limited
Date of audit report: 18 May 2018

3 Other Income	2017 £	2016 £
Interest receivable	15,327	8,313
Other income	6,426	3,245
	<u>21,753</u>	<u>11,558</u>

4 Sale of Property

During the year the union sold its freehold property at 4 Chivalry Road, London SW11 1HT for £2,100,000. The union made a provisional claim for rollover relief of the chargeable gain arising on the sale as it is the intention of the union to reinvest the proceeds in the purchase of replacement office premises within three years of the date of sale.

The chargeable gain has been calculated at £1,605,963 which at the current corporation tax rate of 19.25% gives a potential tax charge of £309,148. This amount would be due on 30 September 2017 if the proceeds are not reinvested. A reduced amount would be due if the proceeds are partially reinvested.

5 Staff Costs	2017 £	2016 £
Wages and salaries	627,349	663,875
Social Security costs	65,531	69,412
Other Pension costs	64,593	56,785
	<u>757,473</u>	<u>790,072</u>

General Secretary	2017 £	2016 £
Wages and salaries	71,831	70,924
Social Security costs	8,788	8,668
Other Pension costs	1,503	1,500
	<u>82,122</u>	<u>81,092</u>

6 Tangible fixed assets

	Freehold land and buildings £	Computer equipment & software £	Total £
Cost			
At 1 January 2017	205,339	8,995	214,334
Disposals	(205,339)	-	(205,339)
At 31 December 2017	-	8,995	8,995
Depreciation			
At 1 January 2017	97,320	1,312	98,632
Charge for the year	-	1,921	1,921
On disposals	(97,320)	-	(97,320)
At 31 December 2017	-	3,233	3,233
Net book value			
At 1 January 2017	108,019	7,683	115,702
At 31 December 2017	-	5,762	5,762

7 Debtors

	2017 £	2016 £
Trade debtors	32,073	33,201
Prepayments	15,348	13,572
Other debtors	6,462	4,676
	<u>53,883</u>	<u>51,449</u>

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Taxation and social security costs	3,065	1,663
Other creditors	56,219	95,436
	<u>59,284</u>	<u>97,099</u>

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.

Action Fund

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

10 Pension 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 and amounted to £64,593 (2016 - £56,785). No contributions were due at the year end or at the previous year end.

ACCOUNTING POLICIES

(see notes 74 and 75)

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Income

Incoming subscriptions income includes amounts receivable at the balance sheet date. Income is received from payroll deductions made by the National Probation Service and Community Rehabilitation Companies. It also includes members' direct payments to NAPO.

Royalties are accounted for when received.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

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

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Taxation

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

Legal and representation fund

The NEC maintains a Legal and Representation Fund. The fund shall be financed by transfer from the general funds of the Association in accordance with the Constitution.

NAPO organising fund

The NEC maintains a NAPO Organising Fund which is financed by branches and from Central funds.

The fund is administered by the Co Chairs (Finance) and General Secretary along with the Finance Officer in accordance with the NEC's provisions.

Office relocation fund

The NEC has established a Relocation Fund to contribute to removal costs.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

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>	Vice Chair (Finance) Signature: <u>K. Stokeld</u> (or other official whose position should be stated)
Name: I LAWRENCE	Name: K STOKELD
Date: <u>18 MAY 2018</u>	Date: <u>18 May 2018</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"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94)	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 (section one)

Independent auditor's report to the members of NAPO

Opinion

We have audited the accounts of NAPO for the year ended 31 December 2017 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Movement in Funds and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (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 we are required to state to them in an auditors' 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.

In our opinion the accounts:

- give a true and fair view of the state of the union's affairs as at 31 December 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the union in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out below, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In accordance with the exemption provided by FRC's Ethical Standard - Provisions Available for Audits of Small Entities, we have prepared and submitted the union's returns to the tax authorities and assisted with the preparation of the accounts.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the union's use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the officers have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the report and accounts, other than the accounts and our auditor's report thereon. The members of the executive committee are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Trade Union and Labour Relations (Consolidation) Act 1992

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the executive committee report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the union and its environment obtained in the course of the audit, we have not identified material misstatements in the officers' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of officers' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Executive Committee


As explained more fully in the executive committee responsibilities statement, the executive committee are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the executive committee are responsible for assessing the union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee either intends to liquidate the union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Signature(s) of auditor or auditors:		
Name(s):	Sturgess Hutchinson (Leicester) Limited	
Profession(s) or Calling(s):	Chartered Certified Accountants and Statutory Auditors	
Address(es):	21 New Walk Leicester LE1 6TE	
Date:	18 MAY 2018	
Contact name and telephone number:	David Goodwin 0116 255 1880	

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

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

NO

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

1. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES/NO

2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES/NO

If the answer to **either** questions 1 or 2 above is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**

MEMBERSHIP AUDIT CERTIFICATE

SECTION TWO

For a trade union with no more than 10,000 members at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

YES

If "NO" Please explain below:

Signature



Name

K Stokeld

Office held

Vice Chair Finance

Date

18 May 2018