

Finance Vice Chair's REPORT TO AGM 2026

The Annual Accounts – 2025

Colleagues, this is my first year in the role of Vice Chair for Finance and it is a privilege to be reporting to you Napo's financial position for the year ended December 31st, 2025. This report gives a summary of the audited accounts, which you will find a detailed make up of in the annual report.

The accounts are comprised of the Income and Expenditure Account, Balance Sheet, Movement of Funds Summary, supported by explanatory notes including a summary of significant accounting policies that governs the makeup and auditing of the annual accounts and returns which comprised of four main reports.

1. The annual accounts
2. AR21, Certification Officers report for England
3. AR(NI)21, Certification Officers report for Northern Ireland
4. Statement to members

The accounts are prepared in line with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard (FRS) 102.

If members require further information regarding the accounts and reports, they can obtain these by writing to Theresa Boorman at Napo, 65 Mortlake High Street, SW14 8HL or by email to tboorman@napo.org.uk

I would like to express my sincere thanks to my fellow Officers and Napo staff for their continued commitment to managing expenditure responsibly and ensuring that spending remains within the agreed budgets. I would also like to thank our members for their ongoing support in recruiting new members and for their diligence in overseeing and managing branch finances.

As a relatively small union, we are moving in a positive direction. However, with the continuing rise in the cost of living, Napo must remain focused on maximising income and identifying savings wherever possible to ensure we can effectively balance our finances each year.

If every member were able to recruit just one new colleague, it would have a significant impact on increasing subscription income and strengthening the Union's financial position.

Our aim is to reach a position where annual income is sufficient to support an increase in branch funding of at least 0.5% each year. This would help branches meet the growing operational costs they face. However, achieving this objective will depend heavily on the continued commitment of members to recruitment and retention efforts.

I would like to place on record my sincere thanks to **Theresa Boorman**, Napo Finance Official, and **Cynthia Griffith**, Napo Administrator, for their diligent financial management throughout the year. Their careful stewardship of Union funds, together with the preparation of the accounts and associated reports, is greatly appreciated.

Once again, the independent auditors, **Sturgess Hutchinson (Leicester) Ltd**, have completed their audit of the accounts and reports and have provided an unqualified opinion. This confirms that the Union remains financially sound and can continue to operate as a going concern for the forthcoming year. I am also pleased to confirm that the **Certification Officer**, the Union's regulatory authority, has approved the accounts and reports.

Members who have questions regarding the annual accounts are invited to submit them in writing to **events@napo.org.uk** by **Monday 12 October 2026**. This will enable us to provide comprehensive responses during the accountability section of the AGM.

2025 Financial Outcome

Income

Subscription Income – We received £1,475,848 in subscription income, an increase of 10.28% (£137,673) upon 2024 income of £1,338,205. This outcome is a brilliant step in the right direction. Well done to staff and members who have contributed to this achievement.

Bank Interest – We have made every effort to invest in higher interest accounts but due to the downturn in investment banking, we have received only £16,654 this year. This is £22,236 less than what we have received in 2024 when interest rates were much higher.

We have continued our support to the Welsh Government Project, and we have received the sum of £57,470 in grant payments from them and have expended the same amount giving a zero effect on the accounts.

The overall income received for the year was £1,549,972, an increase of £115,834 upon last year's figure of £1,434,138.

We have ended the financial year with a gross surplus of £250,255 but after allowing a transfer of 7.50% (£100,365) of 2024 subscription income of £1,338,205 to the members representation fund, this leaves a net surplus of £149,890.

Expenditure

We have expended the sum of £1,430,548 for the year made up of costs such as staffing, accommodation, operating costs, committee, AGM, donations, affiliations, branch funding, taxes, and members representation.

Staff costs

Expenditure for the year was, £781,211 a reduction of £11,047 compared to last year figure of £792,258. During last year, we incurred additional cost due to maternity cover and in line with NEC decisions, we continued to maintain frozen posts.

Accommodation costs

This is £934 higher than last year's expenditure but in line with budget. Napo has continued to benefit from the savings made on the overall office running costs because of the current staff working arrangement in place.

Operating costs

Whilst the annual recurring IT costs for 2025 are in line with previous years' spending, the overall IT expenditure has seen a substantial increase upon 2024 spending, due to several factors. Following the termination of the New Membership database mid-term, we had to upgrade the current Soliditas Membership database and the Content Management System of the Website to ensure continuous operation. We also purchased and set-up a new server at a cost of £28K and undertook a full migration to Microsoft 365 which has inevitably increased expenditure.

Sometimes it is difficult to pre-estimate expenditure in this area and as IT is one of the operational backbones of the Union, we had to move with changes which can occur. In 2025 the NEC approved a budget of £137,692 but due to the factors mentioned above, we have spent £160,747, an overspend of £23,055.

In line with accounting policies, we have depreciated our fixed assets by £16,592 and charged it to 2025 expenditure.

Committee, Branch Costs, Conference, Affiliation and Membership Recruitment

There is an increase of £49,303 upon last year's spending, noticeably a £2,346 increase in committee expenses and £12,445 increase in conferences. These increases are due to geographical travelling distances for Officers' and members. In 2025 branches have claimed £27,330 more than in 2024. We also spent £6,077 more on members training and recruitment. Some of the benefits from this is showed in the increase in income above.

Subscription & Affiliations, Donation, Campaign/Media, Parliamentary work, and Ballots

These expenditure headings were in line with set budget and in tune with the previous year spending. However, we have spent £30,753 on ballots in 2025.

Members Representation

We have spent £130,831 on representing members in 2025.

Financial Costs

Due to the high level of financial work undertaken each year in-house, we have managed to continue keeping our audit bill down to the bare minimum and have held costs at the same rate for several years. However, bank charges are increasing each year as the bank continues to levy larger charges for our Bacs operations.

Branch Expenditure

Branches have claimed £27,330 more funding in 2025 than in 2024 where their total claim was £22,800.

For 2025 budget year, the NEC had approved a surplus budget of £11,725. However, during the year, because of due diligence in spending, coupled by the increase in subscription income, we have ended the year with a surplus of £149,890 which has helped to increase the General Fund. Once again, we are heading in the right direction.

Balance Sheet

The financial year began with net assets of £1,727,609 and ended with £1,847,033. The overall net movement of funds for the year is £119,424.

The Union's Current liabilities at the end of the year amount to £161,810. This figure includes a provision of £144,020 reimbursement received in respect of the defunct database. This money is set aside to assist with the purchase of the new database in 2026. We also have sundry creditors of £17,790.

Recommendations to AGM:

- 1) To approve the Report and Accounts for the year ended 31 December 2025.
- 2) To appoint Sturgess Hutchinson (Leicester) Limited as Napo's auditors for the year ending 31 December 2026.

Duljit Gill
National Vice Chair (Finance)

Date 23/09/2026