

Napo
Annual Report and Accounts
for the Year Ended 31 December 2016

Napo

Report of the Officers

The officers present their annual report with the accounts of the union for the year ended 31 December 2016.

OFFICERS

The officers who held office during the year were as follows: -

Name

Y Pattison	Co Chair	
C Winters	Co Chair	
D Adams	Vice Chair	resigned October 2016
K Lomas	Vice Chair	
C Berry	Vice Chair	
J Barlow	Vice Chair	
C Pearson	Vice Chair (Finance)	
T Williams	Vice Chair	appointed October 2016

STATEMENT OF OFFICERS' RESPONSIBILITIES

The Trade Union and Labour Relations (Consolidation) Act 1992 requires a trade union to:

- a) keep proper accounting records with respect to its transactions and its assets and liabilities, and
- b) establish and maintain a satisfactory system of control of its accounting records, its cash holdings and all its receipts and remittances.
- c) maintain such accounting records as are necessary to give a true and fair view of the state of affairs of the trade union and to explain its transactions.
- d) prepare annual accounts, in accordance with the requirement to make an annual return to the Certification Officer.

Signed, on behalf of the National Executive Committee


C Pearson

Vice Chair
Approved on 16 May 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAPO

We have audited the financial statements of Napo for the year ended 31 December 2016, which comprise the Income and Expenditure Account, Balance Sheet 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) including Financial Reporting Standard 102, the Financial Reporting Standard applicable to the UK and the Republic of Ireland.

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.

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 Financial Reporting Standard's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the union's affairs as at 31 December 2016 and of its deficit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Trade Union and Labour Relations (Consolidation) Act 1992.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NAPO

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
454-458 Chiswick High Road
London
W4 5TT

Dated: *19.05.2017*

Napo
Income and Expenditure Account
for the Year Ended 31 December 2016

	<u>Notes</u>	<u>2016</u>		<u>2015</u>	
	£	£	£	£	£
Income from subscriptions			1,153,712		1,745,743
TUC Projects			55,328		69,247
Other income	2		<u>11,558</u>		<u>17,784</u>
			1,220,598		1,832,774
Staff costs	3	790,072		842,235	
Staff recruitment, training and expenses		22,846		38,111	
TUC Projects		55,328		69,247	
Accommodation costs		47,599		51,350	
Operating costs		195,357		220,987	
Committee, conference & affiliation costs		206,334		239,101	
Financial & Legal Costs		30,133		18,390	
Branch expenditure		<u>98,534</u>		<u>154,548</u>	
		<u>1,446,203</u>		<u>1,633,969</u>	
			<u>(1,446,203)</u>		<u>(1,633,969)</u>
(Deficit)/Surplus for the year before Taxation			(225,605)		198,805
Taxation	4		<u>(1,663)</u>		<u>(1,859)</u>
(Deficit)/Surplus for the year after Taxation			(227,268)		196,946
Transfer from General Fund	11		-		-
Transfer to Legal Representation Fund	11		(87,287)		(156,409)
Transfer to Action Fund	11		-		-
Transfer to Office Relocation Fund	11		-		-
Transfer to Organising Fund	11		-		-
Amount transferred from Accumulated Fund			<u>(314,555)</u>		<u>40,537</u>

The notes on pages 6 to 11 form part of these accounts.

Napo
Balance Sheet as at 31 December 2016

	<u>Notes</u>		<u>2016</u>			<u>2015</u>
		£	£	£	£	£
FIXED ASSETS	5		115,702			123,308
CURRENT ASSETS						
Sundry Debtors	6	51,449		160,130		
Cash at bank and in hand						
- Branches		51,546		60,843		
- Head Office		1,149,557		1,318,513		
WULF Project Bank Account		12,494		-		
		<u>1,265,046</u>		<u>1,539,486</u>		
CURRENT LIABILITIES						
Sundry Creditors	7	(97,099)		(84,563)		
NET CURRENT ASSETS			<u>1,167,947</u>			<u>1,454,923</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>1,283,649</u></u>			<u><u>1,578,231</u></u>
Represented by:-						
GENERAL FUND	11		870,741			1,185,296
OFFICE RELOCATION RESERVE FUND	11		250,000			250,000
LEGAL AND REPRESENTATION FUND	11		24,843			3,670
ACTION FUND	11		55,530			55,530
NAPO ORGANISING FUND	11		82,535			83,735
			<u>1,283,649</u>			<u>1,578,231</u>

T.I. Lawrence
.....
I LAWRENCE
General Secretary

Chris Pearson
.....
C PEARSON
Vice Chair

17 May 2017
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The notes on pages 6 to 11 form part of these accounts.

Napo

Notes to the Accounts- 31 December 2016

1. ACCOUNTING POLICIES

- i) The financial statements have been prepared in accordance with FRS102, "The Financial Reporting Standard in the UK and Republic of Ireland" ("FRS 102"). The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.
- ii) **Going concern**
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 as at 31 December 2016.
The Officers have assessed the impact of the financial budgets in place for 2017 against the working capital available, notably its cash and bank balances. The officers have also considered the impact and the continued loss of income due to the withdrawal of payroll deduction "check off" and the reorganisation of the probation service.
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. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.
- iii) **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.
- iv) Expenditure is charged in the year to which it relates.
- v) Rates of Depreciation and Amortisation are provided so as to write off the cost of Fixed Assets 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.
- vi) **Pension costs**
Contributions in respect of the Association'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.
- vii) **Financial instruments**
The union only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method
- viii) **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.

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Notes to the Accounts- 31 December 2016 (continued)

ix) 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, Vice Chair (Finance) and General Secretary along with the Finance Officer in accordance with the NEC's provisions.

x) Office Relocation Fund

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

2. OTHER INCOME

	<u>2016</u>	<u>2015</u>
	£	£
Interest receivable	8,313	9,294
Sundry Income	3,245	8,490
	<u>11,558</u>	<u>17,784</u>

3. STAFF COSTS

Included in staff costs are:-

	<u>2016</u>	<u>2015</u>
	£	£
Wages and Salaries	663,875	705,477
Social Security Costs	69,412	76,446
Other Pension costs	56,785	60,312
	<u>790,072</u>	<u>842,235</u>

General Secretary

	<u>2016</u>	<u>2015</u>
	£	£
	Total	Total
Remuneration, compensation and benefits	70,924	70,202
Social Security Costs	8,668	8,574
Pension	1,500	1,500
	<u>81,092</u>	<u>80,276</u>

Napo

Notes to the Accounts- 31 December 2016 (continued)

4. TAXATION

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

	<u>2016</u> £	<u>2015</u> £
Current Corporation Tax	<u>1,663</u>	<u>1,859</u>

5. FIXED ASSETS

	Freehold Land & Buildings -----	Computer Equipment & Software -----	Total -----
Cost			
At 1 January 2016	205,339	275,546	480,885
Additions	-	8,995	8,995
Disposals	-	(275,546)	(275,546)
At 31 December 2015	<u>205,339</u>	<u>8,995</u>	<u>214,334</u>
Depreciation			
At 1 January 2016	93,213	264,364	357,577
Charge for the year	4,107	1,312	5,419
Deduct for Disposals	-	(264,364)	(264,364)
At 31 December 2015	<u>97,320</u>	<u>1,312</u>	<u>98,632</u>
Net book value			
At 1 January 2016	<u>112,126</u>	<u>11,182</u>	<u>123,308</u>
At 31 December 2016	<u>108,019</u>	<u>7,683</u>	<u>115,702</u>

6. DEBTORS

	<u>2016</u> £	<u>2015</u> £
Trade debtors	33,201	138,507
Prepayments	13,572	18,179
Sundry debtors	4,676	3,444
	<u>51,449</u>	<u>160,130</u>

Napo

Notes to the Accounts- 31 December 2016 (continued)

7. OTHER CREDITORS

	<u>2016</u>	<u>2015</u>
	£	£
Petty cash balance	77	-
Sundry creditors and accruals	95,359	82,704
Taxation	<u>1,663</u>	<u>1,859</u>
	<u><u>97,099</u></u>	<u><u>84,563</u></u>

8. 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 £56,785 (2015 - £60,312). No contributions were due at the year end (2015 £nil).

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.

Napo

Notes to the Accounts- 31 December 2016 (continued)

Napo Organising Fund

The Organising Fund was established to assist branches in financial difficulty.

Movements in the year are disclosed on the summary on page 11.

10. POST BALANCE SHEET EVENT

As At 31 December 2016, the union's freehold property at 4 Chivalry Road, London, SW11 1HT was for sale and subsequently sold on 21 February 2017.

Napò
Notes to the Accounts- 31 December 2016 (continued)

11. MOVEMENT OF FUNDS - SUMMARY

	General Fund £	Office Relocation Reserve £	Legal & Representation Fund £	Action Fund £	Napò Organising Fund £	Total £
Income	1,220,598	-	-	-	-	1,220,598
Expenditure	(1,446,203)	-	(66,114)	-	(1,200)	(1,513,517)
(Deficit) for the year	(225,605)	-	(66,114)	0	(1,200)	(292,919)
Taxation	(1,663)	-	-	-	-	(1,663)
Net (deficit)	(227,268)	-	(66,114)	0	(1,200)	(294,582)
Transfers between Funds	(87,287)	-	87,287	-	-	0
Net incoming resources	(314,555)	-	21,173	0	(1,200)	(294,582)
Balance at 31 December 2015	1,185,296	250,000	3,670	55,530	83,735	1,578,231
Balance at 31 December 2016	870,741	250,000	24,843	55,530	82,535	1,283,649

Napo
National Office Detailed Income and Expenditure Account
for the Year Ended 31 December 2016

Schedule	2016		2015	
	£	£	£	£
Membership Subscriptions		1,153,712		1,745,743
Bank Deposit Interest		8,313		9,294
TUC ULR Project		55,328		69,247
Sundry Income		814		969
		<u>1,218,167</u>		<u>1,825,253</u>
<u>Staff costs</u>				
Salaries, Pension, National Ins	790,072		842,235	
Staff Recruitment	-		-	
Staff Training	5,156		9,424	
Staff Expenses	17,690		28,687	
	<u>812,918</u>		<u>880,346</u>	
TUC ULR Project	<u>55,328</u>		<u>69,247</u>	
<u>Accommodation Costs</u>				
Rates, Light & Heat	24,203		25,704	
Repairs & Renewals of Building	13,727		15,321	
Insurance	6,553		6,438	
Professional Indemnity Insurance	1,884		1,825	
Sundry	1,232		2,062	
	<u>47,599</u>		<u>51,350</u>	
<u>Operating Costs</u>				
Print, Stationery & Equipment	21,549		35,731	
Reference Books & Papers	190		456	
Postage	12,682		10,609	
Office move	11,552		-	
Telephone	19,533		7,388	
	<u>65,506</u>		<u>54,184</u>	
Computer Maint. & Support & Website	76,522		118,153	
Cost of Publications	36,728		43,884	
Loss on disposal of fixed assets	11,182		-	
Depreciation	5,419		4,766	
	<u>129,851</u>		<u>166,803</u>	
Carried Forward	1,111,202	1,218,167	1,221,930	1,825,253

Napo
National Office Detailed Income and Expenditure Account
for the Year Ended 31 December 2016

	Schedule	£	<u>2016</u> £	£	<u>2015</u> £
Brought Forward		1,111,202	1,218,167	1,221,930	1,825,253
<u>Committee, Conference & Branch Costs</u>					
Committee Expenses		47,125		82,502	
Cost of Conferences	2	55,785		79,244	
Branch Grant		58,424		66,499	
Branch Conference funding		28,355		28,826	
Branch Training		7,091		4,030	
Health & Safety		126		2,268	
Consultancy		-		450	
Members Service (Parliament Hill)		5,620		-	
Membership Recruitment		8,532		15,601	
Union Learning Fund		-		36	
		<u>211,058</u>		<u>279,456</u>	
<u>Subscriptions & Affiliations</u>					
Fees - TUC		18,528		20,016	
Fees - Other		2,386		2,167	
Fees - GFTU		6,221		6,770	
		<u>27,135</u>		<u>28,953</u>	
Donations - Edridge		10,000		20,150	
Donations- Autonomous Groups		-		-	
Autonomous Groups		(3,741)		(23,050)	
Donations- General		50		50	
		<u>6,309</u>		<u>(2,850)</u>	
Ballots		8,062		8,100	
Political lobbying/Media		20,033		11,276	
TR Settlement		20,516		-	
Tribunal Expenditure		-		9,491	
		<u>293,113</u>		<u>334,426</u>	
<u>Financial Costs</u>					
Audit & Accountancy		10,500		10,500	
Bank Charges		4,638		1,796	
Legal & Professional Fees		14,995		6,094	
		<u>30,133</u>	1,434,448	<u>18,390</u>	1,574,746
National office (deficit)/ surplus for year			(216,281)		250,507
Less: Branch offices deficit			<u>(6,953)</u>		<u>(51,702)</u>
Total (deficit)/surplus for year before tax			<u>(223,234)</u>		<u>198,805</u>

Napo
Branches- Detailed Income and Expenditure Account
for the Year Ended 31 December 2016

	Schedule	2016	2015
	£	£	£
Grants from National Office		58,424	66,499
Hardship Grant		1,200	2,200
Conference funding from National Office		28,355	28,826
Individual contributions		1,115	7,521
Bank & Building Society Interest		-	-
Donations		250	-
Loan		2,371	-
Sundry Income		1,066	-
		92,781	105,046
<u>Branch Expenses</u>			
Expenses of other Officials	12,921		13,588
Printing, Postage & Stationery	143		625
Branch Meetings	10,202		9,682
Bank Charges	313		22
Training	8,896		4,454
Donations	3,870		2,575
Net Cost of Annual & Branch Conference	58,226		75,757
Napo Organising Fund	-		42,150
Other Branch Expenses	5,163		7,895
		99,734	156,748
(Deficit) of Income over Expenditure for the year before Taxation		(6,953)	(51,702)
Charged to General Fund		98,534	154,548
Charged to Hardship Fund		-	-
Transfer from NAPO Organising Fund		1,200	2,200
		99,734	156,748

Napo
Publications Account
for the Year Ended 31 December 2016
Association's Publications
Schedule No 1

	£	<u>2016</u>	£	<u>2015</u>	£
Cost of publications					
Printing - Newsletter			16,645		16,378
- Journal			62,324		61,774
- CAFCASS Journal			2,256		4,808
Postage - Newsletter & Journal			2,143		1,949
			<u>83,368</u>		<u>84,909</u>
Less:					
Sales - ICCJ Monographs		-		-	
Inserts- Journal & Newsletter		<u>960</u>		<u>-</u>	
			960		0
			<u>82,408</u>		<u>84,909</u>
Income from other publications		-			
Royalties - Napo journals		45,680		40,740	
Sundry Publications		<u>-</u>		<u>285</u>	
			<u>45,680</u>		<u>41,025</u>
Net cost of publications transferred to Income and Expenditure Account			<u><u>36,728</u></u>		<u><u>43,884</u></u>

Napo
Conference Account
for the Year Ended 31 December 2016
Conference Account
Schedule No 2

	£	<u>2016</u>	£	£	<u>2015</u>	£
Cost of Annual Conference		57,980			69,640	
Less: Registration fees		<u>(10,576)</u>			<u>(15,391)</u>	
Net cost of Annual Conference			47,404			54,249
Trainees conference Expenditure		-			-	
Less: Registration fees		<u>-</u>			<u>-</u>	
Net cost of Trainees Conference			0			0
Family court conference Expenditure		5,075			7,081	
Less: Registration fees		<u>-</u>			<u>-</u>	
Net cost of Family Court Conference			5,075			7,081
Professional conference Expenditure		-			-	
Less: Registration fees		<u>-</u>			<u>-</u>	
Net cost of Professional Conference			0			0
Women in Napo Conference		-			4,933	
Less: Registration Fees		<u>-</u>			<u>(1,630)</u>	
Net cost-Women in Napo conference			0			3,303
Cost of Managers Conference		-			1,656	
Less: Registration fees		<u>-</u>			<u>-</u>	
Net cost of Managers Conference			0			1,656
Cost of PSO Conference		1,832			4,157	
Less: Registration fees		<u>-</u>			<u>-</u>	
Net cost of PSO Conference			1,832			4,157
TUC Conferences			583			6,899
Health & Safety Forum/Conference			207			2,172
Other conference			-			641
National Black Network			729			-
Other project income			<u>(45)</u>			<u>(914)</u>
Total cost of conferences			<u>55,785</u>			<u>79,244</u>

Document Activity Report

Document Sent Fri, 19 May 2017 15:15:45 GMT

Document Approval Status Approved

Approval Activity Summary

Theresa Boorman Approved Fri, 19 May 2017 17:20:23 GMT

Document Activity History

Document history shows most recent activity first

Date	Activity
Fri, 19 May 2017 17:20:23 GMT	Theresa Boorman Approved the document
Fri, 19 May 2017 17:20:01 GMT	Theresa Boorman viewed the document
Fri, 19 May 2017 15:15:29 GMT	Document Sent