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- PRINT ON ONE SIDE ONLY

FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

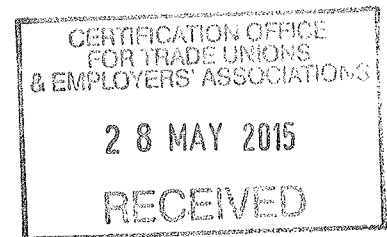
Name of Trade Union:	Nautilus International
Year ended:	31 December 2014
List no:	T151
Head or Main Office:	1&2 The Shrubberies George Lane South Woodford London E18 1BD
Website address (if available)	www.nautilusint.org
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	Anthony Mark Dickinson
Telephone Number:	020 8989 6677
Contact name for queries regarding	Olu Tunde
Telephone Number:	020 8989 6677
E-mail:	accounts@nautilusint.org

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)

NAUTILUS INTERNATIONAL

Attachment for AR21

2014

U Jurgens	S Jones
W van Hoboken	M Lloyd
I Mackenzie	P Lok
D Bland	A MacDonald
C Bowie	N Martin
A Butlin	P Minter
A Cattie	I Nicholson
R Downs	F Oyedepo
R Doyle	G Pearson
H Eijkenaar	J Shaw
G Feikema	K Slooststra
M Graves	J Stone
M Gray	J van der Zee
S Gugeon	A M Dickinson
W Jackson	

The assets of Nautilus International are held by a Corporate Trustee - Nautilus Trustees Limited, the Directors of which are:

J Lang - Chair
H Labèbre
R MacDonald
G Thompson

Changes of Officers during 2014

Council Member	L MacDowell	January 2014
Council Member	M Smyth	January 2014

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	13,525	317	297	7,183	21,322
FEMALE	466	16	9	183	674
TOTAL	13,991	333	306	7,366	A 21,996

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

	2
Number of members at end of year contributing to the General Fund	21,994

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
	See attached		

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:

N/A

and names:

N/A

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		3,486,865
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		3,486,865
Investment income (as at page 12)		202,284
Other Income		
Income from Federations and other bodies Investment Transfer (as at page 4)	5,407,018	
Income from any other sources (as at page 4)	1,025,630	
Income from Memorandum Agreement with Employers	2,007,159	
Total of other income (as at page 4)		8,439,807
	TOTAL INCOME	12,128,956
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		5,660,447
Federation and other bodies (specify)		
TUC	42,186	
ITF	19,050	
Others & Donations	149,271	
Total expenditure Federation and other bodies		210,507
Taxation		53,674
	TOTAL EXPENDITURE	5,924,628
Surplus (deficit) for year		6,204,328
Amount of general fund at beginning of year		5,052,529
Amount of general fund at end of year		11,256,857

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 DEFENCE FUND	£	£
Income			
	From members		282,719
	Investment income (as at page 12)		
	Other income (specify)		
	Income from Memorandum Agreements with Employers	162,743	
	Total other income as specified		162,743
	Total Income		445,462
Expenditure			
	Benefits to members		164,051
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		164,051
	Surplus (Deficit) for the year		281,411
	Amount of fund at beginning of year		1,962,130
	Amount of fund at the end of year (as Balance Sheet)		2,243,541
	Number of members contributing at end of year		N/A

FUND 3		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 24 and 25)

FUND 4		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 5		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		
Salaries and Wages included in above	£	2,976,650
Auditors' fees		32,922
Legal and Professional fees		248,360
Occupancy costs		387,584
Stationery, printing, postage, telephone, etc.		268,468
Expenses of Executive Committee (Head Office)		54,369
Expenses of conferences		101,684
Other administrative expenses (specify)		
Travel & Organising		547,873
Pension Deficit Funding		82,000
Telegraph		530,140
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		170,092
Computer Cost		136,424
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Gain on disposal of Cars		(4,590)
Foreign Exchange Movement		128,471
Total		5,660,447
Charged to:		
General Fund (Page 3)		5,660,447
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Total		5,660,447

BALANCE SHEET as at 31 December 2014

(see notes 47 to 50)

Previous Year		£	£
782,181	Fixed Assets (at page 14)		749,138
	Investments (as per analysis on page 15)		
6,792,318	Quoted (Market value £ 14,786,452)	12,688,035	
176,007	Unquoted	176,007	
6,968,325	Total Investments		12,864,042
	Other Assets		
	Loans to other trade unions		
515,347	Sundry debtors		883,948
744,854	Cash at bank and in hand		1,078,639
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
1,260,201	Total of other assets		1,962,587
9,010,707	TOTAL ASSETS		15,575,767
5,052,529	Fund (Account General Fund)		11,256,857
1,962,130	Fund (Account Legal Defence Fund)		2,243,541
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
368,042	Revaluation Reserve		368,042
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
1,039,006	Sundry creditors		1,390,327
	Accrued expenses		
	Provisions		
589,000	Other liabilities – Supplementary Pension Fund (Deficit)		317,000
1,628,006	TOTAL LIABILITIES		1,707,327
9,010,201	TOTAL ASSETS		15,575,767

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		480,000	920,416	274,243	0.00	1,674,659
Additions		0.00	111,512	34,447	0.00	145,959
Disposals		0.00	0.00	(41,734)	0.00	(41,734)
Revaluation/Transfer s		0.00	0.00	0.00	0.00	0.00
At end of year		480,000	1,031,928	266,956	0.00	1,778,884
Accumulated Depreciation						
At start of year		17,730	748,700	126,048	0.00	892,478
Charges for year		8,865	98,726	62,501	0.00	170,092
Disposals		0.00	0.00	(32,824)	0.00	(32,824)
Revaluation/Transfer s		0.00	0.00	0.00	0.00	0.00
At end of year		26,595	847,426	155,725	0.00	1,027,746
Net book value at end of year		453,405	184,502	111,231	0.00	749,138
Net book value at end of previous year		462,270	171,716	148,195	0.00	782,181

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Shares	2,740,328	
Government Securities (Gilts)		
Government Stock	442,013	
Other quoted securities (to be specified)		
Unit & Investment Trust	3,477,068	
Fixed Interest	6,028,626	
TOTAL QUOTED (as Balance Sheet)	12,688,035	
Market Value of Quoted Investment	14,786,452	
UNQUOTED		
Equities		
Equity Holding	176,007	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	176,007	
Market Value of Unquoted Investments	176,007	

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 checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Oceanair Services Ltd	1572658		
NUMAST Pension Trustees Ltd (Section226)	02032373		
Nautilus Trustees Ltd	1829326		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input checked="" 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	3,769,584	0.00	3,769,584
From Investments	202,284	0.00	202,284
Other Income (including increases by revaluation of assets)	8,602,550	0.00	8,602,550
Total Income	12,574,418	0.00	12,574,418
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	6,088,679	0.00	6,088,679
Funds at beginning of year (including reserves)	7,382,701	0.00	7,382,701
Funds at end of year (including reserves)	13,868,440	0.00	13,868,440
ASSETS			
Fixed Assets			749,138
Investment Assets			12,864,042
Other Assets			1,962,587
		Total Assets	15,575,767
LIABILITIES		Total Liabilities	1,707,327
NET ASSETS (Total Assets less Total Liabilities)			13,868,440

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.

See attached signed audited Nautilus International 2014 accounts

ACCOUNTING POLICIES


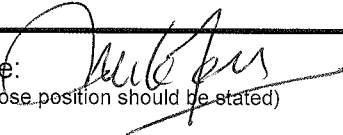
(see notes 74 and 75)

See attached signed audited Nautilus International 2014 accounts

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: Anthony Mark Dickinson Date: <u>21/05/2015</u>	AGS Signature: <u></u> (or other official whose position should be stated) Name: Michael Jess Date: <u>21/05/2015</u>
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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/NO

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/NO

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/NO

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)

See attached signed audited Nautilus International 2014 accounts

Signature(s) of auditor or auditors:

haysmacintyre

Name(s):

haysmacintyre

Profession(s) or Calling(s):

Chartered Accountants

Address(es):

26 Red Lion Square
London
WC1R 4AG

Date:

21/5/2015

Contact name and telephone number:

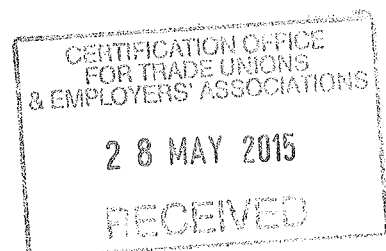
Bernadette King
020 7969 5500

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



**Annual Report and Accounts
For the year ended
31 December 2014**

**Address and Head Office
1 - 2 The Shrubberies,
George Lane,
South Woodford
London
E18 1BD**



NAUTILUS INTERNATIONAL
ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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NAUTILUS INTERNATIONAL

REFERENCE AND ADMINISTRATION INFORMATION

HEAD OFFICE

1 – 2 The Shrubberies,
George Lane,
South Woodford
London
E18 1BD

Tel: +44 (0) 20 8989 6677
Fax: +44 (0) 20 8530 1015
E-mail: enquiries@nautilusint.org
Web site: www.nautilusint.org

CUSTODIAN TRUSTEE

Nautilus Trustees Limited
1 – 2 The Shrubberies,
George Lane,
South Woodford
London
E18 1BD

INVESTMENT ADVISER

UBS AG
1 Finsbury Avenue
London EC2M 2AN

INVESTMENT CUSTODIAN

Productive Nominees Limited
1 Finsbury Avenue
London EC2M 2AN

AUDITORS

haysmacintyre
26 Red Lion Square
London WC1R 4AG

PRINCIPAL BANKERS

Unity Trust Bank Plc
Ninebrindley Place
Birmingham B1 2HB

ABN Amro
Parklaan 1
3016 BA Rotterdam
The Netherlands

FNV GBF
Nz. Voorburgwal 225
1012 TL Amsterdam
The Netherlands

Bank Coop AG
Aeschenplatz 3
4002 Basel

NAUTILUS INTERNATIONAL

REFERENCE AND ADMINISTRATION INFORMATION

Members of Nautilus International Council at Balance Sheet date

U Jurgens	Chair
W van Hoboken	Vice Chair
I MacKenzie	Deputy Vice Chair

D Bland	P Lok
C Bowie	A MacDonald
A Butlin	N Martin
A Cattie	P Minter
R Downs	I Nicholson
B Doyle	F Oyedepo
H Eijkenaar	G Pearson
G Feikema	J Shaw
M Graves	K Slootstra
M Gray	J Stone
S Gudgeon	J van der Zee
W Jackson	
S Jones	
M Lloyd	

A M Dickinson

General Secretary


NAUTILUS INTERNATIONAL

BALANCE SHEET

AT 31 DECEMBER 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Freehold land and buildings	2	453,405		462,270	
Motor vehicles	2	111,231		148,195	
Equipment	2	184,502		171,716	
			749,138		782,181
INVESTMENTS	3		12,864,042		6,968,325
			13,613,180		7,750,506
CURRENT ASSETS					
Debtors and prepayments		883,948		515,347	
Cash at bank and in hand					
Current accounts		677,328		530,777	
Deposit accounts		401,311		214,077	
		1,962,587		1,260,201	
Less: Creditors	4	(1,390,327)		(1,039,006)	
			572,260		221,195
Net assets excluding pension liability			14,185,440		7,971,701
SPF pension liability	11		(317,000)		(589,000)
NET ASSETS			£13,868,440		£7,382,701
RESERVES					
General Fund	7		11,256,857		5,052,529
Legal Defence Fund	8		2,243,541		1,962,130
Revaluation Reserve	5		368,042		368,042
			£13,868,440		£7,382,701

The financial statements were approved and authorised for issue by the Council on 26 March 2015 and were signed below on its behalf by:


U Jurgens Chair


A M Dickinson General Secretary

NAUTILUS INTERNATIONAL

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	General Fund £	Legal Defence Fund £	Total £	2013 £
Subscription income from individual members		3,486,865	282,719	3,769,584	3,529,254
Subscription income from Memorandum Agreements with employers		2,007,159	162,743	2,169,902	2,440,642
Contribution from RLE		5,407,018	-	5,407,018	500,989
Investment income net of corporation tax	6	196,627	-	196,627	200,706
Advertising revenue		564,803	-	564,803	567,580
Other income net of corporation tax	6	86,459	-	86,459	66,025
		<u>11,748,931</u>	<u>445,462</u>	<u>12,194,393</u>	<u>7,305,196</u>
EXPENDITURE					
Travel and general organising		547,873	-	547,873	539,876
Elections and BGM costs		101,684	-	101,684	99,386
Legal defence costs		-	164,051	164,051	185,643
Affiliations and council expenses		228,697	-	228,697	245,031
Telegraph – net cost		530,140	-	530,140	603,473
Phone, post, printing and stationery		268,468	-	268,468	265,761
Professional fees and bank charges		281,282	-	281,282	326,173
Donations		36,179	-	36,179	36,030
Staff costs		3,180,650	-	3,180,650	3,189,242
Pension fund asset and costs	11	82,000	-	82,000	802,920
Building costs		387,584	-	387,584	385,101
Computer and equipment costs		136,424	-	136,424	136,778
Gain on disposal of motor vehicles		(4,590)	-	(4,590)	(7,211)
Depreciation - Freehold buildings		8,865	-	8,865	8,865
Motor vehicles		62,501	-	62,501	58,915
Computers and equipment		98,726	-	98,726	105,049
		<u>5,946,483</u>	<u>164,051</u>	<u>6,110,534</u>	<u>6,981,032</u>
TOTAL OPERATING SURPLUS		5,802,448	281,411	6,083,859	324,164
Foreign exchange net movement		(128,471)	-	(128,471)	51,305
Profit on sale of investments net of corporation tax	6	326,351	-	326,351	217,940
TOTAL SURPLUS FOR THE YEAR		<u>£6,000,328</u>	<u>£281,411</u>	<u>£6,281,739</u>	<u>£593,409</u>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES				2014	2013
				£	£
Total surplus for the year				6,281,739	593,409
Actuarial gains/(losses) on SPF net pension costs				204,000	(559,000)
Total recognised gains and losses related to the year				<u>£6,485,739</u>	<u>£34,409</u>

NAUTILUS INTERNATIONAL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2014 £	2013 £	2013 £
Reconciliation from operating surplus to net cash flow from operations:					
Operating surplus		6,083,859		324,164	
Investment income		(200,802)		(206,271)	
SPF contributions		(150,000)		(175,000)	
SPF current year costs		82,000		72,000	
Depreciation		170,092		172,829	
Gain on disposal of fixed assets		(4,590)		(7,211)	
Corporation tax deducted from income		7,829		24,830	
Increase in debtors and prepayments		(368,601)		(32,654)	
Increase in creditors		318,253		101,323	
		<u> </u>		<u> </u>	
Net cash inflow from operations			5,938,040		274,010
Returns on investment and servicing of finance					
Investment income receivable		200,802		206,271	
		<u> </u>		<u> </u>	
			200,802		206,271
Taxation					
			(19,124)		(17,926)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(145,959)		(172,463)	
Proceeds from disposal of tangible fixed assets		13,500		25,100	
Payments to acquire investments		(7,942,323)		(2,428,502)	
Proceeds from disposal of investments		2,288,849		2,139,566	
		<u> </u>		<u> </u>	
			(5,785,933)		(436,299)
Net cash inflow for the year			<u>333,785</u>		<u>26,056</u>
Net funds at 1 January			744,854		718,798
Net funds at 31 December			<u>£1,078,639</u>		<u>£744,854</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, and in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (amended) and applicable accounting standards.

1.2 REVENUE

Revenue is recognised when receivable by the Union and is stated net of VAT where applicable.

1.3 DEPRECIATION

Depreciation is provided using the following rates to reduce by annual instalments the cost of the tangible assets over their useful lives:

Freehold buildings	2% straight line
Equipment	10% to 33.33% straight line
Software	6 years straight line
Motor vehicles	25% straight line

1.4 INVESTMENTS

Investments are included in the financial statements at cost.

1.5 LEGAL DEFENCE FUND

The annual transfer of members' contributions to the Legal Defence Fund is 7.5% per annum. In 2014 the reserve has grown to £2.2million as compared to £1.9million in 2013. The level of the Fund is kept under review.

1.6 PENSION COSTS

The Union participates in two multi employer pension schemes; namely the MNOPF and MNOPP. Contributions to the Schemes are charged to the Union's Income and Expenditure Account as they fall due.

The Union accounts for these schemes as though they were defined contribution schemes as permitted by FRS17. The information required by FRS17 is disclosed in note 11 to the financial statements.

The MNAOA Supplementary Pension Scheme (SPF), a defined benefit scheme, which is administered by Trustees, provides pension benefits for certain members of staff.

The deficit on the SPF defined benefit pension scheme is shown on the balance sheet. Current service costs, curtailments, settlement gains and losses and net financial returns are included in the income and expenditure account in the period to which they relate. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

1.7 VAT

The Union is registered for VAT on a partially exempt basis and therefore irrecoverable VAT has been allocated proportionately against the relevant expense heading.

1.8 TAXATION

The majority of the Union's income is exempt from taxation under the mutual trading exemption. Where income is not covered by this exemption, which largely represents investment income, provision for taxation has been made in the accounts.

1.9 FOREIGN CURRENCY TRANSACTIONS

The Union has operations in the Netherlands and Switzerland. Transactions and balances denominated in Euros and Swiss Francs have been included in these financial statements using the net investment method under SSAP20, with all amounts being translated at the exchange rate ruling at the balance sheet date.

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.10 OPERATING LEASE RENTALS

Rental charges under operating leases are recognised as expenditure on a straight line basis over the period of the lease.

2. FIXED ASSETS

	Freehold land and buildings £	Motor Vehicles £	Computers And Equipment £	Total £
Cost or valuation				
At 1st January 2014	480,000	274,243	920,416	1,674,659
Additions	-	34,447	111,512	145,959
Disposal	-	(41,734)	-	(41,734)
At 31st December 2014	480,000	266,956	1,031,928	1,778,884
Depreciation				
At 1st January 2014	17,730	126,048	748,700	892,478
Charge for the year	8,865	62,501	98,726	170,092
Disposal	-	(32,824)	-	(32,824)
At 31st December 2014	26,595	155,725	847,426	1,029,746
Net book value				
31st December 2014	£453,405	£111,231	£184,502	£749,138
31st December 2013	£462,270	£148,195	£171,716	£782,181

The freehold land and building at Wallasey was professionally valued on 7th April 2011. Charles Living & Sons valued Nautilus House, on a depreciated replacement cost basis in accordance with the Statements of Asset and Valuation Practice and Guidance Notes as issued by the Royal Institution of Chartered Surveyors.

DM Hall valued Bannermill Place on an open market basis on 27 April 2011 in accordance with the Statements of Asset and Valuation Practice and Guidance Notes as issued by the Royal Institution of Chartered Surveyors.

If the revalued land and properties were stated on a historical cost basis, the amounts would be as follows:

	2014 £	2013 £
Cost	353,778	353,778
Accumulated depreciation	(263,048)	(255,972)
Net Book Value	£90,730	£97,806

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

3. INVESTMENTS	2014 £	2013 £
Fixed interest securities	6,470,639	2,600,621
Other quoted securities		
Investment Trusts	188,195	281,410
Overseas Trusts	3,288,873	1,584,463
Equity Holdings	2,740,328	2,325,824
	<u>£12,688,035</u>	<u>£6,792,318</u>
Market value of quoted investments at 31st December	<u>£14,786,452</u>	<u>£8,765,469</u>
Unquoted		
Equity holdings	<u>£176,007</u>	<u>£176,007</u>
Total of quoted and unquoted investments held at cost at 31st December	<u>£12,864,042</u>	<u>£6,968,325</u>
4. CREDITORS		
Legal Defence Fund costs	99,400	141,900
Corporation tax	63,878	30,810
VAT	38,488	1,215
Other creditors	1,188,561	865,081
	<u>£1,390,327</u>	<u>£1,039,006</u>
5. REVALUATION RESERVE		2014 £
Balance at 1st January 2014		368,042
Transfer of realised profits to the General Fund		-
		<u>£368,042</u>

This represents the excess of the revaluation of the Union's freehold properties over the net book value.

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

6. TAXATION	2014	2013
	£	£
Current year taxation		
UK corporation tax	63,878	30,810
Adjustment for prior year (overprovision)/underprovision	(11,686)	12,001
	<u>52,192</u>	<u>42,811</u>
Overseas taxation	1,482	-
	<u>£53,674</u>	<u>£42,811</u>
Reconciliation of tax charge		
Surplus on ordinary activities	6,422,018	636,220
Corporation tax at 21.50% (2013: 20.00%)	1,380,734	127,244
Effects of:		
Non-taxable income and non-deductible expenditure	(1,293,977)	(69,945)
Exempt dividend income	(36,394)	(31,894)
Charitable donations	-	(8,377)
Chargeable gains	14,556	18,154
Marginal relief	(1,041)	(4,372)
Foreign tax credits	1,482	-
Prior year adjustments	(11,686)	12,001
Corporation tax charge	<u>£53,674</u>	<u>£42,811</u>
The above charge is disclosed in the accounts within the figures for:-		
Profit on sale of investments	<u>£44,363</u>	<u>£17,981</u>
Interest received on general investments	<u>£4,175</u>	<u>£5,565</u>
Other income	<u>£3,654</u>	<u>£19,265</u>
7. GENERAL FUND		2014
		£
Balance at 1st January 2014		5,052,529
Surplus for the year		6,000,328
Actuarial gains on pension scheme		204,000
Transfer of realised profits from revaluation reserve		-
Balance at 31st December 2014		<u>£11,256,857</u>
8. LEGAL DEFENCE FUND		
This represents a provision against payments for certain legal costs and provident benefits incurred in accordance with the Rules of the Union.		
		£
Balance at 1st January 2014		1,962,130
Surplus for the year		281,411
Balance at 31st December 2014		<u>£2,243,541</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

9. WELFARE FUND

The Balance Sheet and Statement of Financial Activities of the Nautilus Welfare Fund, which operate under a Charity Commission Scheme, are published separately.

10. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Union had the following commitments in respect of non-cancellable operating leases:

	2014	2013
	£	£
Land and buildings Expiring after more than 5 years	£106,995	£106,995

11. PENSION COMMITMENTS

The Union operates a defined benefit pension scheme, the MNAOA Supplementary Pension Scheme (SPF) for certain members of staff. This scheme is now closed to new entrants. It is funded by the payment of contributions to a separately administered trust fund. The assets of the scheme are held separately from those of Nautilus International.

The Union adopts the valuation and disclosure requirements of FRS17. The Union includes the assets and liabilities of the SPF in the Union's balance sheet, with a subsequent effect on reserves.

The pension contributions are determined with the advice of a qualified actuary on the basis of triennial valuations using the aggregate method. The most recent valuation was conducted as at 31st December 2011, the next triennial valuation will be conducted as at 31 December 2014. The principal assumptions used by the actuaries were Discount Rate of 5.3% for Pre Retirement and 3.0% for Post Retirement and salaries would increase by 3.0% per annum. The market value of the assets at 31st December 2011 was £4,233,000.

Nautilus International pension contribution into the MNAOASPF for the year was £150,000 (2013: £175,000). Contributions to the scheme will be £150,000 each year from 2014 to 2022 with a final balancing payment in 2023.

The most recent valuation has been updated to reflect conditions at the balance sheet date. The key assumptions were as follows:

Main assumptions	% per annum	
	2014	2013
Rate of return on investments	2.90	3.80
Increase in earnings	3.00	3.35
Increase in pensions	3.00	3.35
Increase in MNOPF pensions - post April 1997 service	3.00	3.35
Inflation rate	3.00	3.35
Discount rate	3.50	4.30
	Value at 31st December 2014 £'000s	Value at 31st December 2013 £'000s
Market value of assets	4,869	4,456
Present value of scheme liabilities	(5,186)	(5,045)
Net pension scheme deficit	<u>£(317)</u>	<u>£(589)</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

11. PENSION COMMITMENTS (continued)					
			2014	2013	
			£'000s	£'000s	
Analysis of scheme assets					
Equities			568	426	
Bonds			4,022	3,851	
Cash and other asset types			279	179	
			<u>£4,869</u>	<u>£4,456</u>	
Reconciliation of FRS 17 actuarial valuation of scheme liabilities:					
FRS 17 Actuarial valuation of scheme liabilities at the start of the period			5,045	4,684	
Current service cost			36	34	
Interest on scheme liabilities			215	196	
Employee contributions			1	1	
Loss on change of assumptions			44	525	
Experience loss on liabilities			-	(92)	
Benefits paid			(155)	(303)	
			<u>£5,186</u>	<u>£5,045</u>	
Reconciliation of fair value of scheme assets:					
			2014	2013	
			£'000s	£'000s	
Fair value of scheme assets at the beginning of the period			4,456	4,551	
Expected return on assets			169	158	
Gain/(loss) on assets			248	(126)	
Employer contributions			150	175	
Employee contributions			1	1	
Benefits paid			(155)	(303)	
			<u>£4,869</u>	<u>£4,456</u>	
			2014	2013	2012
			£'000	£'000	£'000
Fair value of scheme assets	4,869	4,456	4,551	4,266	3,901
Present value of scheme obligations	(5,186)	(5,045)	(4,684)	(4,378)	(4,231)
Net liability recognised in the balance sheet	<u>£(317)</u>	<u>£(589)</u>	<u>£(133)</u>	<u>£(112)</u>	<u>£(330)</u>
Experience gains/(losses) on scheme liabilities	<u>£Nil</u>	<u>£92</u>	<u>£(278)</u>	<u>£Nil</u>	<u>£(579)</u>
Experience gains/(losses) on scheme assets	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>

In the opinion of the actuary the resources of the scheme are likely in the normal course of events, to meet in full the liabilities of the scheme as they fall due. The next actuarial valuation is to be carried out as at 31st December 2014.

In addition Nautilus International has financial commitments to pay employer contributions and as laid down in legislation and the trust deeds and rules, to two multi employer pension schemes – the MNOPF, a defined benefit scheme, and the MNOPP, a defined contribution scheme.

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

11. PENSION COMMITMENTS (continued)

The actuarial valuations in March 2003, 2006, 2009 and 2012 of the MNOPF identified significant deficits in the New Section of the industry wide scheme. This is now being funded by the relevant employers. In 2013 Nautilus International paid off the balance due (£154,815) from both the 2003 and 2006 deficit. The 2009 deficit was paid off in full during 2011. A further deficit of £415,424 as disclosed in the March 2012 Valuation was fully paid off in 2013. These contributions are charged to the income and expenditure account when they become payable.

The Trustees of the pension scheme cannot identify the Union's share of the underlying assets and liabilities of the MNOPF defined benefit scheme on a consistent and reasonable basis. As explained above, the Union's pension contributions are assessed in accordance with the advice of a qualified independent actuary whose calculations are based upon the total scheme membership of the MNOPF.

In accordance with FRS17 the scheme is therefore included in the accounts as if it was a defined contribution scheme.

NAUTILUS INTERNATIONAL

STATEMENT OF COUNCIL AND GENERAL SECRETARY'S RESPONSIBILITIES

Rule 10 of the Nautilus International Rules provides that the Council is responsible for the absolute control and administration of the affairs and property of the Union and thus for safeguarding the assets of the Union. Rule 22.2 provides that the General Secretary shall provide Council with such financial statements as it may require.

The General Secretary is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Union and for ensuring that the financial statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Law applicable to Trade Unions requires the preparation of financial statements for each financial year which give a true and fair view of the Union's activities during the year and of its financial position at the end of the year. In preparing those financial statements, the General Secretary is required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue in operation.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NAUTILUS INTERNATIONAL**

We have audited the financial statements of Nautilus International for the year ended 31 December 2014 set out on pages 1 to 10. These financial statements have been prepared under the accounting policies set out on pages 4 and 5.

This report is made solely to the members of the Union, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (amended). Our audit work has been undertaken so that we might state to the members of the Union those matters we are required to state to them in an independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Union, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Union's Council and auditors

As described on page 11 the Council are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland). Those standards require us to comply with the Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

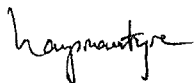
- give a true and fair view of the state of the Union's affairs as at 31 December 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (amended).

Matters on which we are required to report by exception

The Trade Union and Labour Relations (Consolidation) Act 1992 (amended) requires us to report to you if, in our opinion:

- A satisfactory system of control over transactions has not been maintained.
- The Union has not kept proper accounting records.
- The financial statements are not in agreement with the books of account.
- We have not received all the information and explanations required for our audit.

We have nothing to report to you in respect of the above matters.



haysmacintyre
Chartered Accountants
Registered Auditors

26 March 2015

26 Red Lion Square
London
WC1R 4AG