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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 2015

List no:

151T

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

No

(Click the appropriate box)

General Secretary:

Anthony Mark Dickinson

Telephone Number:

020 8989 6677

Contact name for queries regarding

Oluwole Tunde

Telephone Number:

020 89896677

E-mail:

enquiries@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
2015

U Jurgens	S Gudgeon
W van Hoboken	W Jackson
I Mackenzie	M Lloyd
R Bodenman	P Lees
J Bowry	P Lok
A Butlin	P Minter
T Cardy	F Oyedepo
A Cattie	J Shaw
J Caqmeron	J Wainman
R Downs	J van der Zee
B Doyle	J Tyson
H Eijkenaar	A M Dickinson
G Feikema	
M Graves	
M Gray	

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
L Mercer

G Thompson - left 2015

Changes of Officers during 2015
Council Member

D Bland	C Bowie
S Jones	A MacDonald
N Martin	I Nicholson
G Pearson	K Sloostra
J Stone	

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	12,973	304	266	7,000	20,543
FEMALE	452	15	7	181	655
TOTAL	13,425	319	273	7,181	A 21,198

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

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

	21,196
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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:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		3,238,593
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		3,238,593
Investment income (as at page 12)		224,669
Other Income		
Income from Federations and other bodies (as at page 4)	00.00	
Income from any other sources (as at page 4)	1,017,206	
Income from Memorandum Agreement with Employers	1,868,709	
Total of other income (as at page 4)		2,885,915
		TOTAL INCOME
		6,349,177
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		6,023,359
Federation and other bodies (specify)		
TUC	42,715	
ITF	19,685	
Others & Donation	173,129	
Total expenditure Federation and other bodies		235,529
Taxation		(97,677)
		TOTAL EXPENDITURE
		6,161,211
		Surplus (deficit) for year
		187,966
		Amount of general fund at beginning of year
		10,836,376
		Amount of general fund at end of year
		11,024,342

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Profit from Sales of Investments	97,928	
Gain on revaluation of investments (less revaluation transfers)	320,042	
Advertising Revenue	464,619	
Credit Card Royalties		
Critical Illness Cover		
Health Insurance		
Others	134,617	
Income from Agreements with Employers	1,868,709	
TOTAL OTHER INCOME		2,885,915
TOTAL OF ALL OTHER INCOME		2,885,915

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		262,589
	Investment income (as at page 12)		
	Other income (specify)		
	Income from Memorandum Agreements with Employers	151,516	
	Total other income as specified		151,516
	Total Income		414,105
Expenditure			
	Benefits to members		294,551
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		294,551
	Surplus (Deficit) for the year		119,554
	Amount of fund at beginning of year		2,243,541
	Amount of fund at the end of year (as Balance Sheet)		2,363,095
	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 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		
Salaries and Wages included in above	£	3,122,992
Auditors' fees		34,692
Legal and Professional fees		269,538
Occupancy costs		391,960
Stationery, printing, postage, telephone, etc.		279,822
Expenses of Executive Committee (Head Office)		47,062
Expenses of conferences		59,577
Other administrative expenses (specify)		
Travel & Organising		548,175
Pension Deficit Funding		36,000
Telegraph		482,833
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		167,188
Depreciation transfer from revaluation reserve		(7,156)
Computer Cost		141,251
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Gain on Disposal of Car		(2,465)
Foreign Exchange Movement		451,890
Total		6,023,359
Charged to:	General Fund (Page 3)	6,023,359
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
Total		6,023,359

BALANCE SHEET as at 31 December 2015

(see notes 47 to 50)

Previous Year		£	£
749,138	Fixed Assets (at page 14)		664,551
	Investments (as per analysis on page 15)		
14,786,476	Quoted (Cost value £ 13,141,179)	14,992,201	
176,007	Unquoted	276,007	
14,962,483	Total Investments		15,268,208
	Other Assets		
	Loans to other trade unions		
883,948	Sundry debtors		327,875
1,078,639	Cash at bank and in hand		836,150
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
1,962,587	Total of other assets		1,164,025
17,674,208	TOTAL ASSETS		17,096,784
10,836,376	Fund (Account General Fund)		11,024,342
2,243,541	Fund (Account Legal Defence Fund)		2,363,095
2,098,441	Fund (Account Listed Investment Revaluation)		2,127,029
	Superannuation Fund (Account)		
	Political Fund (Account)		
368,042	Revaluation Reserve		360,886
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
1,448,966	Sundry creditors		1,058,062
	Accrued expenses		
421,481	Deferred Taxation		255,370
317,000	Other liabilities – Supplementary Pension Fund (Surplus)		(92,000)
2,187,447	TOTAL LIABILITIES		1,221,432
	TOTAL ASSETS		17,096,784

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	1,031,928	266,956	0.00	1,778,884
Additions			75,600	7,001	0.00	82,601
Disposals				(14,670)		(14,670)
Revaluation/Transfer s						
At end of year		480,000	1,107,528	259,287	0.00	1,846,815
Accumulated Depreciation						
At start of year		26,595	847,426	155,725	0.00	1,029,746
Charges for year		8,865	94,143	64,180	0.00	167,188
Disposals				(14,670)	0.00	(14,670)
Revaluation/Transfer s						
At end of year		35,460	941,569	205,235	0.00	1,182,264
Net book value at end of year		444,540	165,959	54,052	0.00	664,551
Net book value at end of previous year		453,405	184,502	111,231	0.00	749,138

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Shares	3,875,354	
Government Securities (Gilts)		
Government Stock	1,023,897	
Other quoted securities (to be specified)		
Unit & Investment Trust	4,457,470	
Fixed Interest	5,635,480	
TOTAL QUOTED (as Balance Sheet)	14,992,201	
Market Value of Quoted Investment	14,992,201	
UNQUOTED Equities		
Equity Holdings	276,007	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	276,007	
Market Value of Unquoted Investments	276,007	

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

NO

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

NO

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	3,501,182	0.00	3,501,182
From Investments	224,669	0.00	224,669
Other Income (including increases by revaluation of assets)	3,066,019	0.00	3,066,019
Total Income	6,791,870	0.00	6,791,870
EXPENDITURE (including decreases by revaluation of assets)	6,462,918	0.00	6,462,918
Total Expenditure	6,462,918	0.00	6,462,918
Funds at beginning of year (including reserves)	15,546,400	0.00	15,546,400
Funds at end of year (including reserves)	15,875,352	0.00	15,875,352
ASSETS			
Fixed Assets			664,551
Investment Assets			15,268,208
Other Assets			1,164,025
		Total Assets	17,096,784
LIABILITIES		Total Liabilities	1,221,432
NET ASSETS (Total Assets less Total Liabilities)			15,875,352

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 2015 accounts

ACCOUNTING POLICIES


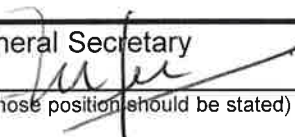
(see notes 74 and 75)

See attached signed audited Nautilus International 2015 accounts

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

General Secretary Signature: <u></u> Name:- Anthony Mark Dickinson Date: <u>24/05/2016</u>	Assistant General Secretary Signature: <u></u> (or other official whose position should be stated) Name:- Mike Jess Date: <u>24/05/2016</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 2015 accounts

Signature(s) of auditor or auditors:	<i>haysmacintyre</i>	
Name(s):	haysmacintyre	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	26 Red Lion Square London WC1R 4AG	
Date:	<i>24/5/2016.</i>	
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 2015**

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

NAUTILUS INTERNATIONAL

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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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 the year end date

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

R Bodenman	P Lok
J Bowry	P Minter
A Butlin	F Oyedepo
T Cardy	J Shaw
A Cattie	J Wainman
J Cameron	J van der Zee
R Downs	J Tyson
B Doyle	
H Eijkenaar	
G Feikema	
M Graves	
M Gray	
S Gudgeon	
W Jackson	
M Lloyd	
P Lees	

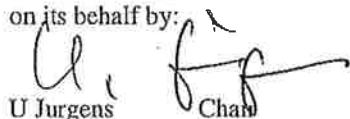
A M Dickinson

General Secretary

NAUTILUS INTERNATIONAL
 STATEMENT OF FINANCIAL POSITION
 AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
PROPERTY, PLANT AND EQUIPMENT					
Freehold land and buildings	3	444,540		453,405	
Motor vehicles	3	54,052		111,231	
Equipment	3	165,959		184,502	
			664,551		749,138
INVESTMENTS	4		15,268,208		14,962,483
			15,932,759		15,711,621
CURRENT ASSETS					
Debtors and prepayments		327,875		883,948	
Cash and cash equivalents					
Current accounts		711,449		677,328	
Deposit accounts		124,701		401,311	
		1,164,025		1,962,587	
Less: Creditors	5	(1,058,062)		(1,448,966)	
			105,963		513,621
Deferred taxation	6		(255,370)		(421,481)
Net assets excluding pension asset/(liability)			15,783,352		15,863,400
SPF pension asset/(liability)	7		92,000		(317,000)
NET ASSETS			£15,875,352		£15,546,400
RESERVES					
General Fund			11,024,342		10,836,376
Legal Defence Fund			2,363,095		2,243,541
Revaluation Reserve – land and buildings			360,886		368,042
Revaluation Reserve – listed investments			2,127,029		2,098,441
			£15,875,352		£15,546,400

The financial statements were approved and authorised for issue by the Council on 7 April 2016 and were signed below on its behalf by:


 U Jurgens Chan


 A M Dickinson General Secretary

NAUTILUS INTERNATIONAL

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	General Fund £	Legal Defence Fund £	Total £	2014 £
Subscription income from individual members		3,238,593	262,589	3,501,182	3,803,749
Subscription income from Memorandum Agreements with employers		1,868,709	151,516	2,020,225	2,201,209
Contribution from RLE		-	-	-	5,587,920
Investment income		224,669	-	224,669	201,396
Advertising revenue		464,619	-	464,619	564,803
Other income		134,617	-	134,617	90,113
		<u>5,931,207</u>	<u>414,105</u>	<u>6,345,312</u>	<u>12,449,190</u>
EXPENDITURE					
Travel and general organising		548,175	-	548,175	553,639
Elections and BGM costs		59,577	-	59,577	101,684
Legal defence costs		-	294,551	294,551	167,963
Affiliations and council expenses		243,666	-	243,666	232,173
Telegraph – net cost		482,833	-	482,833	531,173
Phone, post, printing and stationery		279,822	-	279,822	271,378
Professional fees and bank charges		304,230	-	304,230	283,167
Donations		38,925	-	38,925	36,179
Staff costs		3,417,992	-	3,417,992	3,227,744
Pension fund asset and costs	7	36,000	-	36,000	59,000
Building costs		391,960	-	391,960	391,764
Computer and equipment costs		141,251	-	141,251	137,095
Gain on disposal of fixed assets		(2,465)	-	(2,465)	(4,590)
Depreciation - Freehold buildings		8,865	-	8,865	8,865
Motor vehicles		64,180	-	64,180	62,539
Computers and equipment		94,143	-	94,143	98,929
		<u>6,109,154</u>	<u>294,551</u>	<u>6,403,705</u>	<u>6,158,702</u>
TOTAL OPERATING (DEFICIT)/ SURPLUS		(177,947)	119,554	(58,393)	6,290,488
Gains on disposal of investments		97,928	-	97,928	128,285
Gains on revaluation of investments		348,630	-	348,630	372,612
SURPLUS BEFORE TAXATION		<u>268,611</u>	<u>119,554</u>	<u>388,165</u>	<u>6,791,385</u>
Taxation	9	97,677	-	97,677	(79,021)
TOTAL SURPLUS FOR THE YEAR		<u>366,288</u>	<u>119,554</u>	<u>485,842</u>	<u>6,712,364</u>
OTHER COMPREHENSIVE INCOME					
Actuarial gains on SPF scheme				295,000	181,000
Foreign exchange gains/(losses)				(451,890)	(304,271)
TOTAL COMPREHENSIVE INCOME				<u>£328,952</u>	<u>£6,589,093</u>

NAUTILUS INTERNATIONAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2015	2014	2014
	£	£	£	£
OPERATING ACTIVITIES				
Operating (deficit)/surplus	(58,393)		6,290,488	
Depreciation	167,188		170,092	
Investment income	(224,669)		(201,396)	
SPF contributions	(150,000)		(150,000)	
SPF costs	36,000		59,000	
Decrease/(increase) in debtors	556,073		(368,601)	
(Decrease)/increase in creditors	(333,467)		318,253	
	<u>(7,268)</u>		<u>6,117,836</u>	
Net cash (outflow)/inflow from operations				
Taxation	(64,246)		(19,124)	
	<u>(64,246)</u>		<u>(19,124)</u>	
		(71,514)		6,098,712
INVESTING ACTIVITIES				
Interest and dividends received	224,669		201,396	
Payments to acquire tangible fixed assets	(82,601)		(145,959)	
Proceeds from disposal of tangible fixed assets	2,465		13,500	
Payments to acquire investments	(2,473,141)		(8,202,691)	
Proceeds from disposal of investments	2,250,504		2,352,629	
	<u>(78,104)</u>		<u>(5,781,125)</u>	
Impact of foreign exchange losses		(92,871)		19,168
Net cash (outflow)/inflow for the year		<u>(242,489)</u>		<u>333,785</u>
Net funds at 1 January		1,078,639		744,854
Net funds at 31 December		<u>£836,150</u>		<u>£1,078,639</u>

NAUTILUS INTERNATIONAL

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2015

2015	General Fund	Legal Defence Fund	Revaluation reserves Land and buildings	Revaluation reserves Listed investments	Total
	£	£	£	£	£
Balance as at 1 January 2015	10,836,376	2,243,541	368,042	2,098,441	15,546,400
Surplus for the period	366,288	119,554	-	-	485,842
Other comprehensive income	(156,890)	-	-	-	(156,890)
Transfers between reserves	(21,432)	-	(7,156)	28,588	-
Balance as at 31 December 2015	<u>£11,024,342</u>	<u>£2,363,095</u>	<u>£360,886</u>	<u>£2,127,029</u>	<u>£15,875,352</u>
.					
2014	General Fund	Legal Defence Fund	Revaluation reserves Land and buildings	Revaluation reserves Listed investments	Total
	£	£	£	£	£
Balance as at 1 January 2014	4,658,877	1,962,130	368,042	1,968,258	8,957,307
Surplus for the period	6,300,770	281,411	-	130,183	6,712,364
Other comprehensive income	(123,271)	-	-	-	(123,271)
Balance as at 31 December 2014	<u>£10,836,376</u>	<u>£2,243,541</u>	<u>£368,042</u>	<u>£2,098,441</u>	<u>£15,546,400</u>

NAUTILUS INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 of listed investments, and in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (amended) and FRS102 *The financial reporting standard applicable in the UK and Ireland*.

The members of Council consider the Union to be a going concern and have prepared the financial statements on that basis.

Information on the impact first-time adoption of FRS 102 is given in note 12.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Union's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 TRANSITION TO FRS102

This is the first year that Nautilus International has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Reconciliations of the Union's reserves from the amounts previously stated in the 2014 financial statements following changes in accounting policy required to comply with FRS102, along with a reconciliation of the surplus for the comparative year as previously reported to the surplus for the comparative year as restated, are presented in Note 12.

The following accounting policies have been changed in order to comply with the requirements of FRS102:

- Listed investments are now recognised at fair value, where previously they were recognised at historical cost less provision for impairment.
- Foreign exchange: the income and expenditure of the Union's two overseas branches are translated using the average exchange rate for the period, where previously the closing rate method was used.

The Union has taken advantage of the exemption in Section 35 of FRS102 not to revisit the accounting treatment for lease incentives in respect of its head office property at South Woodford. The value of the initial rent free period therefore continues to be amortised over the period to the first rent review date, rather than the whole period of the lease.

1.3 REVENUE

Revenue mainly comprises subscriptions, investment income and advertising income.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Union and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, or receivable, excluding VAT where applicable.

1. ACCOUNTING POLICIES (continued)

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment under the cost model are stated at historical cost less accumulate depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Freehold land and buildings are held under the valuation model, with full market valuations being carried out on a periodic basis to ensure that the carrying value of these assets is not materially different from their fair value.

Depreciation is provided using the following rates to reduce by annual instalments the cost or value 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

The assets' residual values, useful lives and depreciation methods are reviews, and adjusted prospectively where necessary, if there is an indication of a significant change since the last reporting date.

1.5 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

1.6 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 FINANCIAL INSTRUMENTS

The Union only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- At fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- At cost less impairment for all other investments.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement. Any impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the union would receive for the asset if it were to be sold at the reporting date.

1.8 CREDITORS

Short term creditors are measured at the transaction price.

1.9 LEGAL DEFENCE FUND

The annual transfer of members' contributions to the Legal Defence Fund is 7.5% per annum. In 2015 the reserve has grown to £2.4million as compared to £2.2million in 2014. The level of the Fund is kept under review.

1. ACCOUNTING POLICIES (continued)

1.10 PENSION COSTS

The Union participates in two multi employer pension schemes; namely the MNOFF and MNOFF. Contributions to the Schemes are charged to the Union's Statement of Comprehensive Income as they fall due.

The Union accounts for these schemes as though they were defined contribution schemes as permitted by Section 28 of FRS102 and the required disclosures are included in note 7 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 Statement of Financial Position. Current service costs, curtailments, settlement gains and losses and net financial returns are included in the Statement of Comprehensive Income in the period to which they relate. Actuarial gains and losses are recognised as Other Comprehensive Income.

1.11 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.

1.12 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.

Deferred tax is provided on all timing differences where the ultimate crystallization of a gain is expected to give rise to a tax liability, primarily being unrealised gains on listed equity and unit trust investments.

Tax is recognised in the Statement of Comprehensive Income. A change attributable to an item of income and expense recognised as other comprehensive income is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Union operates and generates income.

1.13 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Union a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, where a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expenses in the Statement of Comprehensive Income in the year that the Union becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

1.14 FOREIGN CURRENCY TRANSACTIONS

The Union has operations in the Netherlands and Switzerland, which are conducted through branches established in those territories. Branch activities are included in the Union's financial statements on a consolidated basis as follows: income and expenditure amounts are translated from their local currency into sterling at the average rate for the year; assets and liabilities are translated at the rate ruling on the year end date. Foreign currency gains and losses arising on the consolidation of branch activities are recognised in Other Comprehensive Income.

1.14 OPERATING LEASE RENTALS

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

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Council Members consider the provision for the Legal Defence Fund liabilities and the valuation of the MNAOA SPF to be critical estimates and judgements applicable to the financial statements.

Legal Defence Fund liabilities are accrued on the basis of management's expectations of the costs which are likely to be incurred on a case-by-case basis. The nature of each case is different and accordingly costs can vary significantly from original estimates. Such variations are taken into account in the remeasurement of the provision at each year end date.

The valuation of the MNAOA SPF is subject to significant judgement relating to each of the key assumptions set out in note 7 below.

3. FIXED ASSETS	Freehold land and buildings £	Motor Vehicles £	Computers And Equipment £	Total £
Cost or valuation				
At 1st January 2015	480,000	266,956	1,031,928	1,778,884
Additions	-	7,001	75,600	82,601
Disposal	-	(14,670)	-	(14,670)
At 31st December 2015	<u>480,000</u>	<u>259,287</u>	<u>1,107,528</u>	<u>1,846,815</u>
Depreciation				
At 1st January 2015	26,595	155,725	847,426	1,029,746
Charge for the year	8,865	64,180	94,143	167,188
Disposal	-	(14,670)	-	(14,670)
At 31st December 2015	<u>35,460</u>	<u>205,235</u>	<u>941,569</u>	<u>1,182,264</u>
Net book value				
31st December 2015	<u>£444,540</u>	<u>£54,052</u>	<u>£165,959</u>	<u>£664,551</u>
31st December 2014	<u>£453,405</u>	<u>£111,231</u>	<u>£184,502</u>	<u>£749,138</u>

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:

	2015 £	2014 £
Cost	353,778	353,778
Accumulated depreciation	(270,124)	(263,048)
Net Book Value	<u>£83,654</u>	<u>£90,730</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

4. INVESTMENTS	2015 £	2014 £
Market value of quoted investments at 1st January	14,786,476	8,796,301
Additions at cost	2,473,141	8,202,691
Disposal proceeds	(2,250,504)	(2,352,629)
Realised gains/(losses)	97,928	128,185
Unrealised gains/(losses)	348,630	372,612
Impact of foreign exchange losses	(463,470)	(360,784)
	<u>14,992,201</u>	<u>14,786,476</u>
Market value of quoted investments at 31st December		
Unquoted investments	276,007	176,007
	<u>£15,268,208</u>	<u>£14,962,483</u>
Cost of investments		
Fixed interest securities	6,470,434	6,470,639
Other quoted securities		
Investment Trusts	188,195	188,195
Overseas Trusts	3,081,388	3,288,873
Equity Holdings	3,125,155	2,740,328
	<u>12,865,172</u>	<u>12,688,035</u>
Unquoted		
Equity holdings	276,007	176,007
	<u>£13,141,179</u>	<u>£12,864,042</u>
Total cost of quoted and unquoted investments at 31st December		
5. CREDITORS		
Legal Defence Fund costs	160,000	99,400
Corporation tax	65,080	122,517
VAT	13,558	38,488
Other creditors	819,424	1,188,561
	<u>£1,058,062</u>	<u>£1,448,966</u>
6. DEFERRED TAXATION		
Balance at 1 January		420,481
Increase/(decrease) relating to revaluation of investments		(165,111)
		<u>£255,370</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

7. 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 section 28 of FRS102. The Union includes the assets and liabilities of the SPF in the Union's statement of financial position, with a consequent 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 2014, the next triennial valuation will be conducted as at 31 December 2017. The principal assumptions used by the actuaries were Discount Rate of 4.5% for Pre Retirement and 2.3% for Post Retirement and salaries would increase by 3.0% per annum. The market value of the assets at 31st December 2014 was £4,894,000.

Nautilus International pension contribution into the MNAOASPF for the year was £150,000 (2014: £150,000). Contributions to the scheme will be £65,000 each year from 2016 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	
	2015	2014
RPI inflation	3.00	3.00
CPI inflation	2.00	2.00
Discount rate	3.70	3.50
Expected salary increases	3.00	3.00
Gross pension increases (in deferment and payment)	3.00	3.00
	Value at 31st December 2015 £'000s	Value at 31st December 2014 £'000s
Market value of assets	4,832	4,869
Present value of scheme liabilities	(4,740)	(5,186)
Net pension scheme surplus/(deficit)	<u>£92</u>	<u>£(317)</u>
Analysis of scheme assets		
Equities	793	568
Bonds	3,831	4,022
Cash and other asset types	208	279
	<u>£4,832</u>	<u>£4,869</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

7. PENSION COMMITMENTS (continued)

Reconciliation of present value of defined benefit obligation:	2015 £'000s	2014 £'000s
Present value of defined benefit obligation at the start of the period	5,186	5,045
Current service cost	27	36
Interest on defined benefit obligation	179	215
Employee contributions	1	1
(Gain)/loss on change of assumptions	(145)	44
Experience gain on liabilities	(344)	-
Benefits paid	(164)	(155)
	<u>£4,740</u>	<u>£5,186</u>
Reconciliation of fair value of scheme assets:	2015 £'000s	2014 £'000s
Fair value of scheme assets at the beginning of the period	4,869	4,456
Interest income (at discount rate)	170	192
Actual return on assets (less)/greater than discount rate	(194)	225
Employer contributions	150	150
Employee contributions	1	1
Benefits paid	(164)	(155)
	<u>£4,832</u>	<u>£4,869</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 2017.

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 MNOFP, a defined benefit scheme, and the MNOPP, a defined contribution scheme.

The actuarial valuations in March 2003, 2006, 2009 and 2012 of the MNOFP 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 statement of comprehensive income when they become payable.

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

7. PENSION COMMITMENTS (continued)

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 section 28 of FRS102 the scheme is therefore included in the accounts as if it was a defined contribution scheme.

8. KEY MANAGEMENT PERSONNEL

The aggregate remuneration for the five individuals identified as key management personnel during the year was £366,075 (2014: £361,378).

9. TAXATION

	2015	2014
	£	£
Current year taxation		
UK corporation tax	65,080	63,878
Adjustment for prior year (overprovision)/underprovision	368	(11,686)
Overseas taxation	1,986	1,482
	<u>67,434</u>	<u>53,674</u>
Deferred tax	(165,111)	25,347
	<u>£(97,677)</u>	<u>£79,021</u>
Reconciliation of tax charge		
Surplus on ordinary activities	<u>388,165</u>	<u>6,791,385</u>
Corporation tax at 20.25% (2014: 21.50%)	78,603	1,460,148
Effects of:		
Non-taxable income and non-deductible expenditure	(178,547)	(1,368,920)
Marginal relief	(87)	(2,003)
Foreign tax paid	1,986	1,482
Prior year adjustments	368	(11,686)
	<u>£(97,677)</u>	<u>£79,021</u>

10. 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.

11. OPERATING LEASE COMMITMENTS

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

	2015	2014
	£	£
Land and buildings		
Payable within one year	106,995	106,995
Payable after more than one year but less than five years	427,980	427,980
Payable after more than five years	1,052,118	1,159,113
	<u>1,587,093</u>	<u>1,694,088</u>
Total	<u>£1,587,093</u>	<u>£1,694,088</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

12. TRANSITION TO FRS102

Set out below are the reconciliations required by section 35 of FRS102 on first time adoption of the standard.

Reconciliation of reserves as at 1 January 2014	General fund	Legal defence fund	Revaluation reserve Land and buildings	Revaluation reserve Listed investments	Total
	£	£	£	£	£
Reserves as previously stated	5,052,529	1,962,130	368,042	-	7,382,701
Revaluation of investments	-	-	-	1,968,258	1,968,258
Provision for deferred tax	(393,652)	-	-	-	(393,652)
Reserves as restated	£4,658,877	£1,962,130	£368,042	£1,968,258	£8,957,307

Reconciliation of reserves as
at 31 December 2014

Reserves as previously stated	11,256,857	2,243,541	368,042	-	13,868,440
Revaluation of investments	-	-	-	2,098,441	2,098,441
Provision for deferred tax	(420,481)	-	-	-	(420,481)
Reserves as restated	£10,836,376	£2,243,541	£368,042	£2,098,441	£15,546,400

Reconciliation of result for the year ended 31 December 2014

Surplus as previously stated	6,485,739
Unrealised gains on investments	372,612
Adjustment to realised gains on investments	(242,429)
Deferred tax charge for the year	(26,829)
Surplus as restated (total comprehensive income)	£6,589,093

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

13. Comparative data for the statement of comprehensive income	General Fund £	Legal Defence Fund £	Total £
Subscription income from individual members	3,518,468	285,281	3,803,749
Subscription income from Memorandum Agreements with employers	2,036,118	165,091	2,201,299
Contribution from RLE	5,587,920	-	5,587,920
Investment income	201,396	-	201,396
Advertising revenue	564,803	-	564,803
Other income	90,113	-	90,113
	<u>11,998,818</u>	<u>450,372</u>	<u>12,449,190</u>
EXPENDITURE			
Travel and general organising	553,639	-	553,639
Elections and BGM costs	101,684	-	101,684
Legal defence costs	-	167,963	167,963
Affiliations and council expenses	232,173	-	232,173
Telegraph – net cost	531,173	-	531,173
Phone, post, printing and stationery	271,378	-	271,378
Professional fees and bank charges	283,167	-	283,167
Donations	36,179	-	36,179
Staff costs	3,227,744	-	3,227,744
Pension fund asset and costs	59,000	-	59,000
Building costs	391,764	-	391,764
Computer and equipment costs	137,095	-	137,095
Gain on disposal of fixed assets	(4,590)	-	(4,590)
Depreciation - Freehold buildings	8,865	-	8,865
Motor vehicles	62,539	-	62,539
Computers and equipment	98,929	-	98,929
	<u>5,990,739</u>	<u>167,963</u>	<u>6,158,702</u>
TOTAL OPERATING (DEFICIT)/ SURPLUS	6,008,079	282,409	6,290,488
Gains on disposal of investments	128,285	-	128,285
Gains on revaluation of investments	372,612	-	372,612
SURPLUS BEFORE TAXATION	6,508,976	282,409	6,791,385
Taxation	(79,021)	-	(79,021)
TOTAL SURPLUS FOR THE YEAR	<u>6,429,955</u>	<u>282,409</u>	<u>6,712,364</u>

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 2015 set out on pages 1 to 14. These financial statements have been prepared under the accounting policies set out on pages 5 to 7.

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 15 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:

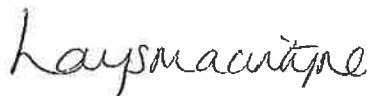
- give a true and fair view of the state of the Union's affairs as at 31 December 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Red Lion Square
London
WC1R 4AG

7 April 2016