

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 2021

List no:

T151

Head or Main Office address:

Nautilus House

Mariners' Park

Wallasey

Wirral

Postcode CH45 7PH

Website address (if available)

www.nautilusint.org

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

Yes

No

('X' in appropriate box)

General Secretary:

Anthony Mark Dickinson

Telephone Number:

020 8989 6677

Contact name for queries regarding the completion of this return

Olu Tunde

Telephone Number:

020 8989 6677

E-mail:

email@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: 0330 109 3602

You should send the annual return to the following email address stating the name of the union in subject:

For Unions based in England and Wales: returns@certoffice.org

For Unions based in Scotland: ymw@tcyoung.co.uk

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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
	11,448	266	291	2,540	14,545
Total	11,448	266	291	2,540	A 14,545

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

14,545

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

Change of Officers

Please complete the following to record any changes of officers during the twelve months covered by this return

Position Held	Name of Officer ceasing to hold Office	Name of Officer Appointed	Date of change
	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:

--

Officers in post

(see note 12)

Please complete list of all officers in post at the end of the year to which this return relates.

Name of Officer	Position held and date elected
See attached	

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	
Any Other Sources	
Gain from Sales of Investments	453,981
Gain on Revaluation of investment	1,123,008
Advertising Revenue	138,029
Other Income	176,782
Income from Agreement	2,185,756
Total other sources	4,077,556
Total of all other income	4,077,556

Analysis of benefit expenditure shown at the General Fund

(see notes 21 to 23)

			£
Representation – Employment Related Issues		brought forward	
		Advisory Services	
Representation – Non Employment Related Issues		Other Cash Payments	
		Education and Training services	
Communications		Negotiated Discount Services	
Dispute Benefits		Other Benefits and Grants (specify)	
carried forward		Total (should agree with figure in General Fund)	

(See notes 21 and 23)

Fund 4		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
		Total Expenditure	
	Interfund Transfers OUT		
	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		
	Interfund Transfers IN		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
		Total Expenditure	
	Interfund Transfers OUT		
	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		

Political fund account

(see notes 24 to 33)

£

£

Political fund account 1	To be completed by trade unions which maintain their own political fund		
Income	Members contributions and levies		
	Investment income (as at page 12)		
Other income (specify)			
		Total other income as specified	
		Total income	

Expenditure under section (82) of the Trade Union and Labour Relations (Consolidation) Act 1992 on purposes set out in section (72) (1) where consolidation of expenditures from the political funds exceeds £2,000 during the period		
Expenditure A (as at page i)		
Expenditure B (as at page ii)		
Expenditure C (as at page iii)		
Expenditure D (as at page iv)		
Expenditure E (as at page v)		
Expenditure F (as at page vi)		
Non-political expenditure (as at page vii)		
	Total expenditure	
	Surplus (deficit) for year	
	Amount of political fund at beginning of year	
	Amount of political fund at the end of year (as <u>Balance Sheet</u>)	
	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 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	
	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 34 and 35)

		£
Administrative Expenses		
Remuneration and expenses of staff		
Salaries and Wages included in above	[]	3,823,168
Auditors' fees		40,695
Legal and Professional fees		326,036
Occupancy costs		438,152
Stationery, printing, postage, telephone, etc.		219,057
Expenses of Executive Committee (Head Office)		35,979
Expenses of conferences		75,141
Other administrative expenses (specify)		
Strategic campaigning		66,524
Travel & Orgainsing		358,896
Pension Deficit Funding		-2,000
Telegraph Cost		265,531
Donations		24,050
Other Outgoings		
Depreciation		94,042
Computer cost		378,771
Gain from sale of fixed asset		-11,565
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Foreign Exchange Movement		649,326
Actuarial Gain on SPF Scheme		67,000
tretert		
Total		6,848,803
Charged to:	General Fund (Page 3)	6,848,803
	Legal Defence Fund	
Total		6,848,803

Analysis of investment income

(see notes 47 and 48)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			252,299
Interest (gross) from:			16,682
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
			268,981
		Total investment income	268,981
		Credited to:	
		General Fund (Page 3)	268,981
		Legal Defence Fund	
		Political Fund	
		Total Investment Funds	268,981

Fixed assets account

(see notes 53 to 57)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold				
	£	£				
Cost or Valuation						
At start of year	315,000		1,917,069	328,678		2,560,747
Additions			46,534			46,534
Disposals			-282,468	-56,732		-339,200
Revaluation/Transfers						
At end of year	315,000		1,681,135	271,946		2,268,081
Accumulated Depreciation						
At start of year	51,857		1,719,083	309,522		2,080,462
Charges for year	5,160		77,377	11,505		94,042
Disposals			-282,468	-56,732		-339,200
Revaluation/Transfers						
At end of year	57,017		1,513,992	264,295		1,835,304
Net book value at end of year	257,983		167,143	7,651		432,777
Net book value at end of previous year	263,143		197,986	19,156		480,285

Analysis of investments

(see notes 58 and 59)

Quoted	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Equity (e.g Shares)	5,576,747	
Government Securities (Gilts)		
Other quoted securities (to be specified) Unit & Investment Trust	12,022,225	
Total quoted (as Balance Sheet)	17,598,972	
Market Value of Quoted Investment	17,598,972	
Unquoted		
Equities		
Equity Holding	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 60 and 61)

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 (Section 226)	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 62 to 73)

	All funds except Political Funds £	Political Funds £	Total Funds £
Income			
From Members	3,814,712		3,814,712
From Investments	268,981		268,981
Other Income (including increases by revaluation of assets)	4,254,780		4,254,780
Total Income	8,338,473		8,338,473
Expenditure (including decreases by revaluation of assets)			
Total Expenditure	7,822,625		7,822,625
Funds at beginning of year (including reserves)	18,841,149		18,841,149
Funds at end of year (including reserves)	19,356,997		19,356,997
Assets			
Fixed Assets			432,777
Investment Assets			17,874,979
Other Assets			2,525,184
		Total Assets	20,832,940
Liabilities		Total Liabilities	1,475,943
Net Assets (Total Assets less Total Liabilities)			19,356,997

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds £	Political Funds £	Total Funds £
Income			
From Members			
From Investments			
Other Income (including increases by revaluation of assets)			
Total Income			
Expenditure (including decreases by revaluation of assets)			
Total Expenditure			
Funds at beginning of year (including reserves)			
Funds at end of year (including reserves)			
Assets			
	Fixed Assets		
	Investment Assets		
	Other Assets		
		Total Assets	
Liabilities		Total Liabilities	
Net Assets (Total Assets less Total Liabilities)			

(see notes 74 to 80)

Did the union hold any ballots in respect of industrial action during the return period?		<input type="text" value="Yes"/>
If Yes How many ballots were held:		<input type="text" value="1"/>
For each ballot held please complete the information below:		
Ballot 1		
Number of individual who were entitled to vote in the ballot	<input type="text" value="89"/>	
Number of votes cast in the ballot	<input type="text" value="64"/>	
Number of Individuals answering "Yes" to the question	<input type="text" value="30"/>	
Number of individuals answering "No" to the question	<input type="text" value="34"/>	
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value=""/>	
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot		<input type="text" value="Yes"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?		<input type="text" value="No"/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot		<input type="text" value=""/>
Ballot 2		
Number of individual who were entitled to vote in the ballot	<input type="text" value=""/>	
Number of votes cast in the ballot	<input type="text" value=""/>	
Number of Individuals answering "Yes" to the question	<input type="text" value=""/>	
Number of individuals answering "No" to the question	<input type="text" value=""/>	
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value=""/>	
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot		<input type="text" value=""/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?		<input type="text" value=""/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot		<input type="text" value=""/>
Ballot 3		
Number of individual who were entitled to vote in the ballot	<input type="text" value=""/>	
Number of votes cast in the ballot	<input type="text" value=""/>	
Number of Individuals answering "Yes" to the question	<input type="text" value=""/>	
Number of individuals answering "No" to the question	<input type="text" value=""/>	
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value=""/>	
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot		<input type="text" value=""/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?		<input type="text" value=""/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot		<input type="text" value=""/>

Ballot 4

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question ¹

Number of individuals answering "No" to the question ²

Number of invalid or otherwise spoiled voting papers returned ³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballot 5

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question ¹

Number of individuals answering "No" to the question ²

Number of invalid or otherwise spoiled voting papers returned ³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballot 6

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question ¹

Number of individuals answering "No" to the question ²

Number of invalid or otherwise spoiled voting papers returned ³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballots and Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

Ballots & Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet
(see note 81)

***Categories of Nature of Trade Dispute**

- A: terms and conditions of employment, or the physical conditions in which any workers require to work;
- B: engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers;
- C: allocation of work or the duties of employment between workers or groups of workers;
- D: matters of discipline;
- E: a worker's membership or non-membership of a trade union;
- F: facilities for officials of trade unions;

- G: machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures

Did Union members take industrial action during the return period in response to any inducement on the part of the Union? YES/NO

No

If **YES**, for each industrial action taken please complete the information below:

Industrial Action 1

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 2

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 3

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

use a continuation page if necessary

Industrial Action 4

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 5

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 6

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 7

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 8

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

Notes to the accounts

(see notes 82 and 83)

All notes to the accounts must be entered on or attached to this part of the return.

See attached

Accounting policies

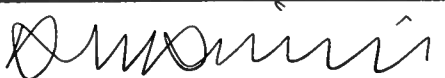

(see notes 84 and 85)

See attached

Signatures to the annual return

(see notes 86 & 87)

Including the accounts and balance sheet contained in the return. Please copy and paste your electronic signature here

Secretary's Signature:		AGS's Signature:	
			<small>(or other official whose position should be stated)</small>
Name:	Anthony Mark Dickinson	Name:	Oluwole Samuel Tunde
Date:	26 th May 2022	Date:	24 May 2022

Checklist

(see notes 88 to 89)

(please tick as appropriate)

Has the return of change of officers been completed? (see Page 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the list of officers in post been completed? (see Page 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the return been signed? (see Pages 23 and 25 and Notes 86 and 95)	Yes	<input checked="" type="checkbox"/>	No	
Has the auditor's report been completed? (see Pages 20 and 21 and Notes 2 and 77)	Yes	<input checked="" type="checkbox"/>	No	
Is a rule book enclosed? (see Notes 8 and 88)	Yes	<input checked="" type="checkbox"/>	No	
A member statement is: (see Note 80)	Enclosed		To follow	<input checked="" type="checkbox"/>
Has the summary sheet been completed? (see Page 17 and Notes 7 and 62)	Yes	<input checked="" type="checkbox"/>	To follow	
Has the membership audit certificate been completed? (see Page i to iii and Notes 97 and 103)	Yes	<input checked="" type="checkbox"/>	No	

Checklist for auditor's report

(see notes 90 and 96)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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 related? (See section 36(1) and (2) of the 1992 Act and notes 92 and 93)

Please explain in your report overleaf or attached.

yes – refer to auditors' report in the accounts

2. 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 note 92)

Please explain in your report overleaf or attached

yes – refer to auditors' report in the accounts

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

See attached

Signature(s) of auditor or auditors:

Haysmacintyre LLP

--

Name(s):

Haysmacintyre LLP

--

Profession(s) or Calling(s):

Chartered Accountant

--

Address(es):

10 Queens Street Place

--

London

--

--

--

--

--

Postcode

EC4R 1AG

--

Date

25/05/2022

--

Contact name for inquiries and telephone number:

Bernadette King -
020 7969 5500

--

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

Membership audit certificate

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

(See notes 97 to 103)

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

Yes

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

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

Membership audit certificate

Section one

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

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

Yes

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

Yes

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

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

Membership audit certificate (continued)

Signature of assurer	<i>Haysmacintyre LLP</i>
Name	Haysmacintyre LLP
Address	10 Queen Street Place London EC4R 1AG
Date	25/05/2022
Contact name and telephone number	Bernadette King - 020 7969 5500

Membership audit certificate

Section two

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

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

Yes / No

If "No" Please explain below:

Signature	
Name	
Office held	
Date	

NAUTILUS INTERNATIONAL

Attachment for AR21

2021

U Jurgens	–	Chair of Council
W van Hoboken	–	Vice Chair of Council
I Mackenzie	–	Deputy Vice Chair of Council
A M Dickinson	–	Nautilus International General Secretary

S Belfitt		T Latter – From April 2021
J Cameron		M Leemhuis – From April 2021
T Cardy		P Lok – From April 2021
C Caseman – From April 2021		H Ludwig
R Cleland		F Matthew
H Eijkenaar		P Minter
G Feikema		G Scarlett – From April 2021
A Gale		J Tyson
M Graves		J van der Zee
N Groen		J Wainman
W Jackson		P Wilson – From April 2021
S Gudgeon		

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

H L Mercer - Chair
J McAuslan
S Clinch
H Lafebre – (Resigned 25 November 2021)

Changes of Officers during 2021 Council Member

A Corrie – To April 2021	P Lees – To April 2021
R Downs – To April 2021	M Lloyd – To April 2021
G Fisher – To April 2021	P McMillen – To April 2021
B Khan – To April 2021	S Schravemade – To April 2021
E Layfield – To April 2021	



NAUTILUS
INTERNATIONAL

**Uniting Maritime
Professionals**

**Annual Report and Accounts
For the year ended
31 December 2021**

**Address
ITF House
49-60 Borough Road
London
SE1 1DR**

**Head Office
Nautilus House
Mariners' Park
Wallasey
CH45 7PH**

NAUTILUS INTERNATIONAL
ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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NAUTILUS INTERNATIONAL

REFERENCE AND ADMINISTRATION INFORMATION

HEAD OFFICE

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Web site: www.nautilusint.org

CUSTODIAN TRUSTEE

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Nautilus House
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Wallasey
CH45 7PH

INVESTMENT ADVISER

James Hambro & Partners LLP
45 Pall Mall
London
SW1Y 5JG

INVESTMENT CUSTODIAN

Royal Bank of Canada
London Branch
100 Bishopsgate
London
EC2N 4AA

AUDITORS

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10 Queen Street Place
London EC4R 1AG

ASSURER

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

PRINCIPAL BANKERS

Unity Trust Bank Plc
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Natwest Bank
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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 during the year ended 31 December 2021

U Jurgens
W van Hoboken
I MacKenzie
M Dickinson

S Belfitt
J Cameron
T Cardy
C Caseman – from Apr 2021
R Cleland
A Corrie – to Apr 2021
R Downs – to Apr 2021
H Eijkenaar
G Feikema
G Fisher - to Apr 2021
A Gale
M Graves
N Groen
S Gudgeon
W Jackson
B Khan – to Apr 2021

Chair
Vice Chair
Deputy Vice Chair
General Secretary

T Latter – from Apr 2021
E Layfield – to Apr 2021
P Lees – to Apr 2021
M Leemhuis from Apr 2021
M Lloyd – to Apr 2021
P Lok – from Apr 2021
H Ludwig
F Matthew
P McMillen– to Apr 2021
Paul Minter
G Scarlett - from Apr 2021
S Schravemade – to Apr 2021
J Tyson
J van der Zee
J Wainman
P Wilson – from Apr 2021

NAUTILUS INTERNATIONAL
 STATEMENT OF FINANCIAL POSITION
 AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
PROPERTY, PLANT AND EQUIPMENT					
Freehold land and buildings	3	257,983		263,143	
Motor vehicles	3	7,651		19,156	
Equipment	3	167,143		197,986	
		<u>432,777</u>		<u>480,285</u>	
INVESTMENTS	4		17,874,979		16,172,602
			<u>18,307,756</u>		<u>16,652,887</u>
CURRENT ASSETS					
Debtors and prepayments		158,888		241,231	
Cash and cash equivalents					
Current accounts		2,108,646		2,964,015	
Deposit accounts		257,650		281,669	
		<u>2,525,184</u>		<u>3,486,915</u>	
Less: Creditors	5	(1,392,784)		(1,180,873)	
Net assets			1,132,400		2,306,042
Deferred taxation	6		(83,159)		(117,780)
Net assets excluding pension asset			<u>19,356,997</u>		<u>18,841,149</u>
SPF pension liability	7		-		-
NET ASSETS			<u>£19,356,997</u>		<u>£18,841,149</u>
RESERVES					
General Fund			14,760,301		14,103,358
Legal Defence Fund			2,212,281		2,353,376
Revaluation Reserve – land and buildings			257,386		257,386
Revaluation Reserve – listed investments			2,127,029		2,127,029
			<u>£19,356,997</u>		<u>£18,841,149</u>

The financial statements were approved and authorised for issue by the Council on 12 April 2022 and were signed below on its behalf by:

U Jurgens Chair



A M Dickinson General Secretary



NAUTILUS INTERNATIONAL

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	General Fund £	Legal Defence Fund £	Total £	2020 £
INCOME					
Subscription income from individual members		3,528,609	286,103	3,814,712	3,882,145
Subscription income from Memorandum Agreements with employers		2,185,756	177,224	2,362,980	2,960,708
Investment income		268,981	-	268,981	235,483
Advertising revenue		138,029	-	138,029	146,907
Other income		176,782	-	176,782	149,864
Government grant income		-	-	-	4,977
		<u>6,298,157</u>	<u>463,327</u>	<u>6,761,484</u>	<u>7,380,084</u>
EXPENDITURE					
Travel and general organising		358,896	-	358,896	183,399
Elections and BGM costs		75,141	-	75,141	99,484
Legal defence costs		-	604,422	604,422	513,575
Affiliations and council expenses		282,352	-	282,352	258,124
Telegraph – net cost		265,531	-	265,531	350,202
Phone, post, printing and stationery		219,057	-	219,057	221,538
Professional fees and bank charges		366,731	-	366,731	416,237
Strategic campaigning		66,524	-	66,524	98,152
Donations		24,050	-	24,050	35,140
Staff costs		3,823,168	-	3,823,168	3,932,606
Pension fund asset and costs	7	(2,000)	-	(2,000)	(1,000)
Building costs		438,152	-	438,152	439,043
Computer and equipment costs		378,771	-	378,771	356,590
Gain on disposal of fixed assets		(11,565)	-	(11,565)	-
Depreciation - Freehold buildings		5,160	-	5,160	5,160
Motor vehicles		11,505	-	11,505	8,847
Computers and equipment		75,394	-	75,394	175,514
Fixtures and Fittings		1,983	-	1,983	3,552
		<u>6,378,850</u>	<u>604,422</u>	<u>6,983,272</u>	<u>7,096,163</u>
TOTAL OPERATING (DEFICIT)/SURPLUS		(80,693)	(141,095)	(221,788)	283,921
Gains/(losses) on disposal of investments		453,981	-	453,981	(139,085)
Gains on revaluation of investments		1,123,008	-	1,123,008	464,135
SURPLUS/(DEFICIT) BEFORE TAXATION		<u>1,496,296</u>	<u>(141,095)</u>	<u>1,355,201</u>	<u>608,971</u>
Taxation	9	(123,027)	-	(123,027)	27,184
TOTAL SURPLUS/(DEFICIT) FOR THE YEAR		<u>1,373,269</u>	<u>(141,095)</u>	<u>1,232,174</u>	<u>636,155</u>
OTHER COMPREHENSIVE INCOME					
Actuarial losses on SPF scheme				(67,000)	(66,000)
Foreign exchange (losses)/gains				(649,326)	573,608
TOTAL COMPREHENSIVE INCOME				<u>£515,848</u>	<u>£1,143,763</u>

NAUTILUS INTERNATIONAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2021	2020	2020
	£	£	£	£
OPERATING ACTIVITIES				
Operating surplus / (deficit)	(273,532)		283,921	
Depreciation	94,293		193,073	
Investment income	(268,981)		(235,483)	
SPF contributions	(65,000)		(65,000)	
SPF costs	(2,000)		(1,000)	
Decrease/(increase) in debtors	82,343		123,590	
Increase/(decrease) in creditors	56,049		119,297	
Net cash outflow from operations	376,828		418,398	
Taxation	(121,240)		(42,252)	
		255,588		376,146
INVESTING ACTIVITIES				
Interest and dividends received	268,981		235,483	
Payments to acquire tangible fixed assets	(46,534)		(19,617)	
Proceeds from disposal of tangible fixed assets	11,565		-	
Payments to acquire investments	(11,222,784)		(5,952,769)	
Proceeds from disposal of investments	10,464,682		4,839,965	
		524,090		(896,938)
Impact of foreign exchange gains		99,710		153,593
Net cash outflow for the year		(879,388)		(367,199)
Net funds at 1 January		3,245,684		3,612,883
Net funds at 31 December		£2,366,296		£3,245,684
ANALYSIS OF CHANGES IN NET FUNDS				
		At 1 January	Cash	At 31 December
		2021	Flows	2021
		£	£	£
Cash at bank and in hand		3,245,684	(879,388)	2,366,296
		£3,245,684	£(879,388)	£2,366,296

NAUTILUS INTERNATIONAL

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2021

2021	Revaluation reserves				Total £
	General Fund £	Legal Defence Fund £	Land and buildings £	Listed investments £	
Balance as at 1 January 2021	14,103,358	2,353,376	257,386	2,127,029	18,841,149
Surplus/(deficit) for the period	1,373,269	(141,095)	-	-	1,232,174
Other comprehensive loss	(716,326)	-	-	-	(716,326)
Balance as at 31 December 2021	<u>£14,760,301</u>	<u>£2,212,281</u>	<u>£257,386</u>	<u>£2,127,029</u>	<u>£19,356,997</u>
2020	Revaluation reserves				Total £
	General Fund £	Legal Defence Fund £	Land and buildings £	Listed investments £	
Balance as at 1 January 2020	12,959,234	2,353,737	257,386	2,127,029	17,697,386
Surplus/(deficit) for the period	636,516	(361)	-	-	636,155
Other comprehensive gain	507,608	-	-	-	507,608
Balance as at 31 December 2020	<u>£14,103,358</u>	<u>£2,353,376</u>	<u>£257,386</u>	<u>£2,127,029</u>	<u>£18,841,149</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 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.

1.3 GOVERNMENT GRANT INCOME

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

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 reviewed, and adjusted 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.

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

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 2021 the reserve was £2.21million. The level of the Fund is kept under review.

1.10 PENSION COSTS

The Union participates in two multi-employer pension schemes; namely the MNOPF and Ensign Retirement plan. 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. Surpluses on the SPF defined benefit pension scheme are not recognised as they are not due back to the employer.

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.

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

1.12 TAX

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 at the year-end date. Foreign currency gains and losses arising on the consolidation of branch activities are recognised in Other Comprehensive Income.

1.15 OPERATING LEASE RENTALS

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

1.16 MEMORANDUM OF AGREEMENT

The Union concludes agreements with shipowners who operate UK, NL and CH registered vessels with the aim of regulating the conditions of non-domiciled seafarers. It does this in compliance with general trade union organising principles, a recruitment policy approved by the Council and in compliance with the policies and practices of the International Transport Workers' Federation (ITF) applied globally by affiliated seafarer trade unions.

Nautilus also concludes bilateral and multilateral arrangements with fellow seafarer unions worldwide to ensure inter alia that seafarers covered by the agreements it concludes are protected and supported appropriately and in accordance with ITF Policy where that applies. Such arrangements date back to the 1920's – Nautilus has a long and proud history of extending the hand of solidarity and mutual support to fellow seafarer unions and their members and this continues today including via the Nautilus Federation.

Nautilus secures payments from the shipowners, operators and managers with whom it concludes agreements. This income is a contribution to the wider welfare activities of Nautilus and ensures that at no time are members subscriptions, as defined in the Rules of the Union, used for purposes other than for which the Rules provide.

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 2021	315,000	328,678	1,917,069	2,560,747
Additions	-	-	46,534	46,534
Disposal	-	(56,732)	(282,468)	(339,200)
At 31st December 2021	<u>315,000</u>	<u>271,946</u>	<u>1,681,135</u>	<u>2,268,081</u>
Depreciation				
At 1st January 2021	51,857	309,522	1,719,083	2,080,462
Charge for the year	5,160	11,505	77,377	94,042
Disposal	-	(56,732)	(282,468)	(339,200)
At 31st December 2021	<u>57,017</u>	<u>264,295</u>	<u>1,513,992</u>	<u>1,835,304</u>
Net book value				
31st December 2021	<u>£257,983</u>	<u>£7,651</u>	<u>£167,143</u>	<u>£432,777</u>
31st December 2020	<u>£263,143</u>	<u>£19,156</u>	<u>£197,986</u>	<u>£480,285</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. If the revalued land and properties were stated on a historical cost basis, the amounts would be as follows:

	2021 £	2020 £
Cost	278,778	278,778
Accumulated depreciation	(273,029)	(267,869)
Net Book Value	<u>£5,749</u>	<u>£10,909</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. INVESTMENTS	2021 £	2020 £
Market value of quoted investments at 1st January	15,896,595	14,043,086
Additions at cost	11,222,784	5,952,769
Disposal proceeds	(10,464,682)	(4,839,965)
Realised (losses) / gains	450,133	(139,085)
Unrealised (losses)/gains	1,166,647	464,135
Impact of foreign exchange gains	(672,505)	415,655
Market value of quoted investments at 31st December	<u>17,598,972</u>	<u>15,896,595</u>
Unquoted investments	276,007	276,007
Total investments at market value	<u>£17,874,979</u>	<u>£16,172,602</u>
Cost of investments		
Fixed interest securities	5,317,989	6,403,661
Other quoted securities		
Overseas Trusts	-	2,392,515
Equity Holdings	9,345,436	4,709,192
Commodities	266,966	-
Unquoted		
Equity holdings	276,007	276,007
Total cost of quoted and unquoted investments at 31st December	<u>£15,206,398</u>	<u>£13,781,375</u>
5. CREDITORS		
Legal Defence Fund costs	150,000	172,000
Corporation tax	159,499	3,638
Other creditors	1,083,284	1,005,235
	<u>£1,392,783</u>	<u>£1,180,373</u>
6. DEFERRED TAXATION		
Balance at 1 January	117,780	
Decrease in year	(34,621)	
Balance at 31 December	<u>£83,159</u>	

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

7. PENSION COMMITMENTS

The Union operates a defined benefit pension scheme, the MNAOA Supplementary Pension Scheme (SPF) for certain members of staff. The scheme is a funded defined benefit scheme which tops up the benefits payable from the Merchant Navy Officers Pension Fund to provide combined benefits based on final salary formula. The scheme closed to future accrual as at 31 March 2016. The Trustees review the Scheme's financial position annually with the intention of providing discretionary increases to the pension in line with RPI inflation, and to allow for these increases to continue to be granted in the future. 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 full valuation was conducted as at 31 December 2020. The principal assumptions used by the actuaries were a discount rate of .04%, RPI inflation of 3.0%, CPI of 2.4% and gross pension increases of 3%. The market value of the assets at 31 December 2020 was £5,569,000.

Nautilus International pension contribution into the MNAOA SPF for the year was £65,000 (2020: £65,000). Contributions to the scheme will be £65,000 each year from 2018 to 2022 with no further contributions required to eliminate the funding shortfall.

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	
	2021	2020
RPI inflation	3.60	3.00
CPI inflation	3.00	2.40
Discount rate	1.80	1.20
Gross pension increases (in deferment and payment)	3.60	3.00

	Value at 31st December 2021 £'000s	Value at 31st December 2020 £'000s
Market value of assets	6,129	5,571
Present value of scheme liabilities	(5,658)	(5,232)
Net pension scheme surplus	<u>£471</u>	<u>£339</u>
Analysis of scheme assets		
Equities	829	1,187
Bonds	4,207	3,747
Cash and other asset types	1,093	637
	<u>£6,129</u>	<u>£5,571</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

7. PENSION COMMITMENTS (continued)	2021 £'000s	2020 £'000s
Reconciliation of present value of defined benefit obligation:		
Present value of defined benefit obligation at the start of the period	5,232	5,088
Current service cost	-	-
Interest on defined benefit obligation	61	90
Past service cost	-	-
Employee contributions	-	-
Loss on change of assumptions	587	278
Experience gain on liabilities	-	-
Benefits paid	(222)	(224)
	<u>£5,658</u>	<u>£5,232</u>
Reconciliation of fair value of scheme assets:		
	2021 £'000s	2020 £'000s
Fair value of scheme assets at the beginning of the period	5,571	5,135
Interest income (at discount rate)	66	91
Actual return on assets greater than discount rate	649	504
Employer contributions	65	65
Employee contributions	-	-
Benefits paid	(222)	(224)
	<u>£6,129</u>	<u>£5,571</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 31 December 2023.

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 Ensign Retirement Plan formerly the MNOPP, a defined contribution scheme.

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 of some £1,308,670 was paid off in 2010 and 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. There were no further deficit collections for either the 2014, 2017 or 2020 MNOPF actuarial valuations.

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

7. PENSION COMMITMENTS (continued)

The Trustees of the pension scheme cannot identify the Union's share of the underlying assets and liabilities of the MNOFF 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 MNOFF.

In accordance with section 28 of FRS102 the scheme is therefore included in the financial statements as if it was a defined contribution scheme.

8. KEY MANAGEMENT PERSONNEL

The aggregate remuneration for the three individuals identified as key management personnel during the year was £519,340 (2020: £302,496).

9. TAXATION

	2021	2020
	£	£
Current year taxation		
UK corporation tax	159,499	3,638
Foreign corporation tax	1,787	4,360
Adjustment for prior year periods	(3,638)	(6,412)
	<u>157,648</u>	<u>1,586</u>
Deferred tax (credit)/charge	(34,621)	(28,770)
	<u>£123,027</u>	<u>£(27,184)</u>
Reconciliation of tax charge		
Surplus on ordinary activities	<u>1,355,201</u>	<u>608,971</u>
Corporation tax at 19% (2020: 19%)	<u>257,488</u>	<u>115,704</u>
Effects of:		
Non-taxable income and non-deductible expenditure	(257,788)	(76,137)
Chargeable gains/(losses)	159,799	(35,929)
Foreign tax paid	1,787	4,360
Prior year adjustments	(3,638)	(6,412)
Deferred tax adjustment	(34,621)	(28,770)
Corporation tax charge/(credit)	<u>£123,027</u>	<u>£(27,184)</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

	2021	2020
	£	£
At the year end date, the Union had the following commitments in respect of non-cancellable operating leases:		
Land and buildings		
Payable within one year	106,995	106,995
Payable after more than one year but not later than five years	320,985	427,980
	<u>427,980</u>	<u>534,975</u>
Total	<u>£427,980</u>	<u>£534,975</u>

Operating lease costs recognised in expenditure were £106,995 (2020: £106,995). Subsequent to the year end, the operating lease was assigned to another lessee.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

13. STATEMENT OF COMPREHENSIVE INCOME - 2020

	Note	General Fund £	Legal Defence Fund £	Total £
INCOME				
Subscription income from individual members		3,590,984	291,161	3,882,145
Subscription income from Memorandum				
Agreements with employers		2,738,655	222,053	2,960,708
Investment income		235,483	-	235,483
Advertising revenue		143,907	-	146,907
Other income		149,864	-	149,864
Government grant income		4,977	-	4,977
		<u>6,866,870</u>	<u>513,214</u>	<u>7,380,084</u>
EXPENDITURE				
Travel and general organising		183,399	-	183,399
Elections and BGM costs		99,484	-	99,484
Legal defence costs		-	513,575	513,575
Affiliations and council expenses		258,124	-	258,124
Telegraph – net cost		350,202	-	350,202
Phone, post, printing and stationery		221,538	-	221,538
Professional fees and bank charges		416,237	-	416,237
Strategic campaigning		98,152	-	98,152
Donations		35,150	-	35,150
Staff costs		3,932,606	-	3,932,606
Pension fund asset and costs	7	(1,000)	-	(1,000)
Building costs		439,043	-	439,043
Computer and equipment costs		356,590	-	356,590
Gain on disposal of fixed assets		-	-	-
Depreciation - Freehold buildings		5,160	-	5,160
Motor vehicles		8,847	-	8,847
Computers and equipment		175,514	-	175,514
Fixtures and Fittings		3,552	-	3,552
		<u>6,582,588</u>	<u>513,575</u>	<u>7,096,163</u>
TOTAL OPERATING SURPLUS/(DEFICIT)		284,282	(361)	283,921
Losses on disposal of investments		(139,085)	-	(139,085)
Gains on revaluation of investments		464,135	-	464,135
SURPLUS/(DEFICIT) BEFORE TAXATION		609,332	(361)	608,971
Taxation	9	27,187	-	27,184
TOTAL SURPLUS/(DEFICIT) FOR THE YEAR		<u>636,516</u>	<u>(361)</u>	<u>636,155</u>
OTHER COMPREHENSIVE INCOME				
Actuarial losses on SPF scheme				(66,000)
Foreign exchange gains				573,608
TOTAL COMPREHENSIVE INCOME				<u>£1,143,763</u>

NAUTILUS INTERNATIONAL

STATEMENT OF COUNCIL AND GENERAL SECRETARY'S RESPONSIBILITIES

Rule 10 of the Unions 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**

Opinion

We have audited the financial statements of Nautilus International ('the Union') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2021 and of its transactions 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 Act 1992.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of Council with respect to going concern are described in the relevant sections of this report.

Other information

The Council is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NAUTILUS INTERNATIONAL (continued)

Matters on which we are required to report by exception

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

- proper accounting records have not been kept;
- a satisfactory system of control over its accounting records, cash holdings and receipts and remittances has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the Council

As explained more fully in the Statement of Council and General Secretary's Responsibilities set out on page 14, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We have been appointed as auditor under section 33 of the Trade Union and Labour Relations Act 1992 and report in accordance with section 36 of that Act.

In preparing the financial statements, the Council is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the union or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Union and industry, we identified that the principal risks of non-compliance with laws and regulations related to the valuation of certain estimates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Trade Union and Labour Relations Act 1992, corporation tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with the tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NAUTILUS INTERNATIONAL (continued)**

Use of our report

This report is made solely to the Union's members as a body. Our work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an 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 Union and the Union's members as a body, for our audit work, or for the opinion we have formed.

Haysmacintyre LLP

**Haysmacintyre LLP
Chartered Accountants
Registered Auditors
12 April 2022**

**10 Queen Street Place
London
EC4R 1AG**