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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

Year ended:

List no:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No *(Click the appropriate box)*

General Secretary:

Telephone Number:

Contact name for queries regarding

Telephone Number:

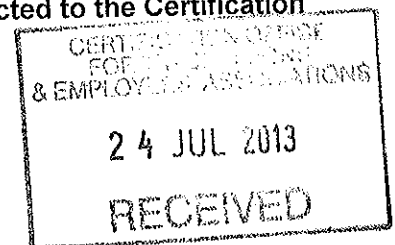
E-mail:

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)

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	14,040	320	270	6,424	21,054
FEMALE	442	27	14	157	640
TOTAL	14,482	347	284	6,581	A 21,694

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

2
21,694

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

OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
		See attached	

State whether the union is:

a. A branch of another trade union?

Yes
No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes
No

If yes, state the number of affiliated unions:

N/A

and names:

N/A

Bland David
Bowie Clark
Butlin Alistair
Cattie Aike
Dickinson Mark
Downs Russell
Doyle Bob
Eijkenaar Henk
Feikema Geert
Gray Martyn
Graves Malcolm
Gudgeon Stephen
Jackson William
Jones Simon
Jurgens Ulrich
Lloyd Michael
Lok Peter
MacDonald Alan
MacKenzie Iain
Martin Norman
McDowell Lee
Minter Paul
Nicholson Ian
Oyedepo Fatai
Pearson Geoff
Shaw James
Slootstra Karel
Smyth Micky
Stone Jim
van der Zee Jan
van Hoboken Wilco

Lafebre Henk
Lang John
MacDonald Rodger
Thompson Gordon

Change of Officers during 2012

R Pereira Left Jan 2012
A Till May 2012

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Subscriptions income from individual members		3,227,383
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		3,227,383
Investment income (as at page 12)		223,830
Other Income		
Income from Federations and other bodies	491,014	
Investment Transfer(as at page 4)		
Income from any other sources (as at page 4)	849,504	
Income from Memorandum Agreements with Employers	1,833,163	
Total of other income (as at page 4)		3,173,681
	TOTAL INCOME	6,624,894
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		5,706,219
Federation and other bodies (specify)		
TUC	42,877	
ITF	17,350	
Others and Donations	153,560	
Total expenditure Federation and other bodies		213,787
Taxation		3,121
	TOTAL EXPENDITURE	5,923,127
Surplus (deficit) for year		701,767
Amount of general fund at beginning of year		4,578,452
Amount of general fund at end of year		5,280,219

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
Contribution from nautilus International Netherlands Office		491,014
TOTAL FEDERATION AND OTHER BODIES		491,014
Other income		
Profit from Sales of Investment	273,268	
Advertising Revenue	539,302	
Credit Card Royalties	16,341	
Critical Illness	8,930	
Health Insurance	11,486	
Other Income	177	
Income from Memorandum Agreements with Employers	1,833,163	
TOTAL OTHER INCOME		2,682,667
TOTAL OF ALL OTHER INCOME		3,173,681

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 individual members		261,680
	Investment income (as at page 12)		
	Other Income: Income from Memorandum Agreements with Employers	148,634	
	Total other income as specified		148,634
	Total Income		410,314
Expenditure			
	Benefits to members		190,325
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		190,325
	Surplus (Deficit) for the year		219,989
	Amount of fund at beginning of year		1,480,042
	Amount of fund at the end of year (as Balance Sheet)		1,700,031
	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	£	3,021,027
Auditors' fees		40,000
Legal and Professional fees		158,691
Occupancy costs		370,278
Stationery, printing, postage, telephone, etc.		243,141
Expenses of Executive Committee (Head Office)		67,304
Expenses of conferences		92,664
Other administrative expenses (specify)		
Travel & Organising		467,974
Pension Deficit funding		229,931
Telegraph		599,852
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		224,919
Computer Cost		147,207
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		8,892
Loss on disposal of Union Cars		
Foreign Exchange Movement		34,339
Total		5,706,219
Charged to:	General Fund (Page 3)	5,706,219
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
Total		5,706,219

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Pension Contribution s £	Benefits		Total £
				Description	Value £	
General Secretary	84,714.48	10,671.60	11,846.12	Car	2,061	109,293.20
				Telephone	300	300

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £	Other Fund(s) £
Rent from land and buildings		
Dividends (gross) from:		
Equities (e.g. shares)		169,182
Interest (gross) from:		
Government securities (Gilts)		34,173
Mortgages		
Local Authority Bonds		
Bank and Building Societies		20,475
Other investment income (specify)		
Total investment income		223,830
Credited to:		
General Fund (Page 3)		223,830
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Political Fund		
Total Investment Income		223,830

BALANCE SHEET as at 31 December 2012

(see notes 47 to 50)

Previous Year		£	£
891,147	Fixed Assets (at page 14)		800,436
	Investments (as per analysis on page 15)		
5,569,049	Quoted (Market value £ 7,604,160)	6,216,156	
176,007	Unquoted	176,007	
5,745,056	Total Investments		6,392,163
	Other Assets		
	Loans to other trade unions		
401,924	Sundry debtors		482,693
252,829	Cash at bank and in hand		718,798
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
654,753	Total of other assets		1,201,491
7,290,956	TOTAL ASSETS		8,394,090
4,578,452	Fund (General Fund)		5,280,219
1,480,042	Fund (Legal Defence Fund)		1,700,031
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
368,042	Revaluation Reserve		368,042
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
752,420	Sundry creditors		912,798
	Accrued expenses		
	Provisions		
112,000	Other liabilities – Supplementary Pension Deficit		133,000
864,420	TOTAL LIABILITIES		1,045,798
7,290,956	TOTAL ASSETS		8,394,090

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	1,374,059	247,656	0.00	2,101,715
Additions			48,319	172,933	0.00	221,252
Disposals			(592,048)	(157,168)	0.00	(749,216)
Revaluation/Transfers						
At end of year		480,000	830,330	263,421	0.00	1,573,751
Accumulated Depreciation						
At start of year		0.00	1,085,500	125,068	0.00	1,210,568
Charges for year		8,865	150,199	65,855	0.00	224,919
Disposals		0.00	(592,048)	(70,124)	0.00	(662,172)
Revaluation/Transfers						
At end of year		8,865	643,651	120,799	0.00	773,315
Net book value at end of year						
		471,135	186,679	142,622	0.00	800,436
Net book value at end of previous year		480,000	288,559	122,588	0.00	891,147

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Shares	2,204,590	
Government Securities (Gilts)		
Government Stock	533,238	
Other quoted securities (to be specified)		
Unit & Investment Trust	1,474,906	
Fixed Interest	2,003,422	
TOTAL QUOTED (as Balance Sheet)	6,216,156	
Market Value of Quoted Investment	7,604,160	
UNQUOTED		
Equities		
Equity Holding	176,007	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	176,007	
Market Value of Unquoted Investments	176,007	

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Oceanair Services	1572658		
NUMAST Pension Trustees Ltd (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 <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	3,489,063		3,489,063
From Investments	223,830		223,830
Other Income (including increases by revaluation of assets)	3,322,315		3,322,315
Total Income	7,035,208		7,035,208
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	6,113,452		6,113,452
Funds at beginning of year (including reserves)	6,426,536		6,426,536
Funds at end of year (including reserves)	7,348,292		7,348,292
ASSETS			
Fixed Assets			800,436
Investment Assets			6,392,163
Other Assets			1,201,491
Total Assets			8,394,090
LIABILITIES			
Total Liabilities			1,045,798
NET ASSETS (Total Assets less Total Liabilities)			7,348,292

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 2012 accounts

ACCOUNTING POLICIES


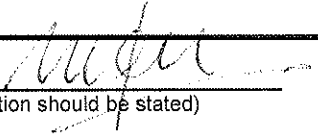
(see notes 74 and 75)

See attached signed audited Nautilus International 2012 audited accounts

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: Anthony Mark Dickinson Date: <u>18th July 2013</u>	AGS Signature: <u></u> (or other official whose position should be stated) Name: Mike Jess Date: <u>18th July 2013</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

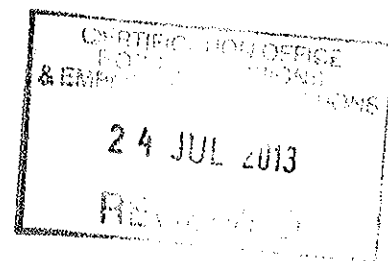
If "No" please explain below.

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)

Signature(s) of auditor or auditors:	<i>Haysmacintyre</i>	
Name(s):	haysmacintyre	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	Fairfax House 15 Fulwood Place London WC1V 6AY	
Date:	23/7/2013	
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
31st December 2012**

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

NAUTILUS INTERNATIONAL

ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 2012

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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
Fairfax House
15 Fulwood Place
London WC1V 6AY

PRINCIPAL BANKER

Unity Trust Bank Plc
Ninebrindley Place
Birmingham B1 2HB

ABN Amro
Psrklaan 1
3016 BA Rotterdam
The Netherlands

FNV GBF
Nz. Voorburgwal 225
1012 TL Amsterdam
The Netherlands

NAUTILUS INTERNATIONAL

REFERENCE AND ADMINISTRATION INFORMATION

Members of Nautilus International Council at Balance
Sheet date

U Jurgens Chair
W van Hoboken Vice Chair
M Smyth Deputy Vice Chair

D Bland I Mackenzie A Till 12/05/2012
C Bowies N Martin M Troman
G Davies L McDowell J van der Zee
H Eijkenaar P Minter A M Dickinson
G Feikema D Morrison
M Graves I Nicholson
S Gudgeon G Pearson
J Hofton R Pereria 09/01/2012
W Jackson M Quinn
P Lok K Slootstra
A MacDonald J Stone

A M Dickinson

General Secretary

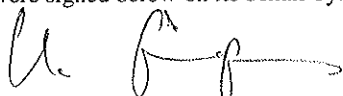
NAUTILUS INTERNATIONAL

BALANCE SHEET

AT 31 DECEMBER 2012

	Notes	£	2012 £	£	2011 £	£
FIXED ASSETS						
Freehold land and buildings	2	471,135			480,000	
Motor vehicles	2	142,622			122,588	
Equipment	2	186,679			288,559	
				800,436		891,147
INVESTMENTS	3		6,392,163			5,745,056
				7,192,599		6,636,203
CURRENT ASSETS						
Debtors and prepayments		482,693			401,924	
Cash at bank and in hand					72,429	
Current accounts		552,252			180,400	
Deposit accounts		166,546				
			1,201,491		654,753	
Less: Creditors	4	(912,798)		288,693	(752,420)	(97,667)
Net assets excluding pension liability				7,481,292		6,538,536
SPF pension liability	11		(133,000)			(112,000)
NET ASSETS			£7,348,292		£6,426,536	
RESERVES						
General Fund	7		5,280,219		4,578,452	
Legal Defence Fund	8		1,700,031		1,480,042	
Revaluation Reserve	5		368,042		368,042	
			£7,348,292		£6,426,536	

The financial statements were approved and authorised for issue on 11 April 2013 and were signed below on its behalf by:


Chair


A M Dickinson General Secretary

NAUTILUS INTERNATIONAL

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31ST DECEMBER 2012

	Note	General Fund £	Legal Defence Fund £	Total £	2011 £
Subscription income from individual members		3,227,383	261,680	3,489,063	3,470,653
Subscription income from Memorandum Agreements with employers		1,833,163	148,634	1,981,797	1,866,935
Contribution from RLE		491,014	-	491,014	502,795
Investment income					
net of corporation tax	6	221,583	-	221,583	189,009
Advertising revenue		539,302	-	539,302	589,136
Other income net of corporation tax	6	36,060	-	36,060	42,570
		<u>6,348,505</u>	<u>410,314</u>	<u>6,758,819</u>	<u>6,661,098</u>
EXPENDITURE					
Travel and general organising		467,974	-	467,974	433,840
Elections and BGM costs		92,664	-	92,664	82,971
Legal defence costs		-	190,325	190,325	261,893
Affiliations and council expenses		248,168	-	248,168	229,841
Telegraph – net cost		599,852	-	599,852	620,746
Phone, post, printing and stationery		243,141	-	243,141	291,340
Professional fees and bank charges		198,691	-	198,691	176,838
Donations		32,923	-	32,923	32,682
Staff costs		2,944,027	-	2,944,027	2,973,190
Pension fund asset and costs	11	229,931	-	229,931	542,997
Building costs		370,278	-	370,278	360,496
Computer and equipment costs		147,207	-	147,207	142,321
Loss on disposal of motor vehicles		8,892	-	8,892	-
Depreciation - Freehold buildings		8,865	-	8,865	8,865
Motor vehicles		65,855	-	65,855	63,731
Computers and equipment		150,199	-	150,199	147,511
		<u>5,808,667</u>	<u>190,325</u>	<u>5,998,992</u>	<u>6,369,262</u>
TOTAL OPERATING SURPLUS		539,838	219,989	759,827	291,836
Foreign exchange net movement		(34,339)	-	(34,339)	(23,240)
Profit on sale of investments					
net of corporation tax	6	273,268	-	273,268	9,218
TOTAL SURPLUS FOR THE YEAR		<u>£778,767</u>	<u>£219,989</u>	<u>£998,756</u>	<u>£277,814</u>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES				2012	2011
				£	£
Total surplus for the year				998,756	277,814
Actuarial (losses)/gains on SPF net pension costs				(77,000)	194,000
Gain on revaluation of land and buildings				-	591
Total recognised gains and losses related to the year				<u>£921,756</u>	<u>£472,405</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities ("FRSSE") (effective April 2008) and include the results of the Union's operations.

1.2 REVENUE

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

1.3 DEPRECIATION

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

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

1.4 INVESTMENTS

Investments are included in the financial statements at cost.

1.5 LEGAL DEFENCE FUND

The annual transfer of members' contributions to the Legal Defence Fund is 7.5% per annum. In 2012 the reserve has grown to £1.7million as compared to £1.5 million in 2011. The level of the Fund is kept under review.

1.6 PENSION COSTS

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

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

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

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

1.7 VAT

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

1.8 TAXATION

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

1.9 FOREIGN CURRENCY TRANSACTIONS

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

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2012

1. ACCOUNTING POLICIES (continued)

1.10 OPERATING LEASE RENTALS

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

2. FIXED ASSETS

	Freehold land and buildings £	Motor Vehicles £	Computers And Equipment £	Total £
Cost or valuation				
At 1st January 2012	480,000	247,656	1,374,059	2,101,715
Additions	-	172,933	48,319	221,252
Disposal	-	(157,168)	(592,048)	(749,216)
At 31st December 2012	480,000	263,421	830,330	1,573,751
Depreciation				
At 1st January 2012	-	125,068	1,085,500	1,210,568
Charge for the year	8,865	65,855	150,199	224,919
Disposal	-	(70,124)	(592,048)	(662,172)
At 31st December 2012	8,865	120,799	643,651	773,315
Net book value				
31st December 2012	£471,135	£142,622	£186,679	£800,436
31st December 2011	£480,000	£122,588	£288,559	£891,147

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:

	2012 £	2011 £
Cost	353,778	353,778
Accumulated depreciation	(248,896)	(241,820)
Net Book Value	£104,882	£111,958

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2012

3. INVESTMENTS	2012 £	2011 £
Fixed interest securities	2,536,660	2,103,223
Other quoted securities		
Investment Trusts	590,872	426,912
Overseas Trusts	884,034	867,299
Equity Holdings	2,204,590	2,171,615
	<u>£6,216,156</u>	<u>£5,569,049</u>
Market value of quoted investments at 31st December	<u>£7,604,160</u>	<u>£6,817,160</u>
Unquoted		
Equity holdings	<u>£176,007</u>	<u>£176,007</u>
Total of quoted and unquoted investments held at cost at 31st December	<u>£6,392,163</u>	<u>£5,745,056</u>
4. CREDITORS		
Legal Defence Fund costs	141,900	150,000
Corporation tax	5,925	6,420
VAT	2,169	11,636
Other creditors	762,804	584,364
	<u>£912,798</u>	<u>£752,420</u>
5. REVALUATION RESERVE		2012 £
Balance at 1st January 2012		368,042
Transfer of realised profits to the General Fund		-
Balance at 31st December 2012		<u>£368,042</u>

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

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2012

6. TAXATION	2012 £	2011 £
Current year taxation		
UK corporation tax at 20% (2011 – 20.25%)	5,925	6,420
Adjustment for prior year underprovision	(2,804)	2,459
	<u>£3,121</u>	<u>£8,879</u>
UK corporation tax		
The above charge is disclosed in the accounts within the figures for:-		
Profit on sale of investments	<u>£nil</u>	<u>£nil</u>
Interest received on general investments	<u>£2,247</u>	<u>£7,103</u>
Other income	<u>£874</u>	<u>£1,776</u>
7. GENERAL FUND		2012 £
Balance at 1st January 2012		4,578,452
Surplus for the year		778,767
Actuarial losses on pension scheme		(77,000)
Transfer of realised profits from revaluation reserve		-
Balance at 31st December 2012		<u>£5,280,219</u>
8. LEGAL DEFENCE FUND		
This represents a provision against payments for certain legal costs and provident benefits incurred in accordance with the Rules of the Union.		
		£
Balance at 1st January 2012		1,480,042
Surplus for the year		219,989
Balance at 31st December 2012		<u>£1,700,031</u>
9. WELFARE FUND		
The Balance Sheet and Statement of Financial Activities of the Nautilus Welfare Fund, which operate under a Charity Commission Scheme, are published separately.		
10. OPERATING LEASE COMMITMENTS		
At the balance sheet date, the Union had the following commitments in respect of non-cancellable operating leases:		
	2012 £	2011 £
Land and buildings		
Expiring after more than 5 years	<u>£106,995</u>	<u>£106,995</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2012

11. PENSION COMMITMENTS

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

The Union adopts the valuation and disclosure requirements of the FRSSE 2008. The Union includes the assets and liabilities of the SPF in the Union's balance sheet, with a subsequent effect on reserves.

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

Nautilus International pension contribution into the MNAOASPF for the year was £125,000 (2011: £75,000). Contributions to the scheme will be £175,000 in 2013 and £150,000 each year from 2014 to 2022 with a final balancing payment in 2023.

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

Main assumptions	% per annum	
	2012	2011
Rate of return on investments	3.50	4.10
Increase in earnings	3.00	5.00
Increase in pensions	3.00	3.30
Increase in MNOPF pensions - post April 1997 service	3.00	3.30
Inflation rate	3.00	3.20
Discount rate	4.30	4.85
	Value at	Value at
	31st December	31st December
	2012	2011
	£'000s	£'000s
Market value of assets	4,551	4,266
Present value of scheme liabilities	(4,684)	(4,378)
Net pension scheme deficit	<u>£(133)</u>	<u>£(112)</u>

NAUTILUS INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2012

12. PENSION COMMITMENTS (continued)

Reconciliation of FRS 17 actuarial valuation of scheme liabilities:	2012 £'000s	2011 £'000s
FRS 17 Actuarial valuation of scheme liabilities at the start of the period	4,378	4,231
Current service cost	35	36
Interest on scheme liabilities	211	227
Employee contributions	1	2
Loss on change of assumptions	(127)	(27)
Experience gain on liabilities	278	-
Benefits paid	(92)	(91)
	<u>£4,684</u>	<u>£4,378</u>
Reconciliation of fair value of scheme assets:	2012 £'000s	2011 £'000s
Fair value of scheme assets at the beginning of the period	4,266	3,901
Expected return on assets	177	212
Gain on assets	74	167
Employer contributions	125	75
Employee contributions	1	2
Benefits paid	(92)	(91)
	<u>£4,551</u>	<u>£4,266</u>

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

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

The actuarial valuations in March 2003, 2006 and 2009 of the MNOPF identified significant deficits in the New Section of the industry wide scheme. This is now being funded by the relevant employers. As one such employer, Nautilus International will continue to make an annual contribution of £83,361 until 2014 re the 2003 deficit and £77,320 pa also to 2014 re the 2006 deficit. The 2009 deficit was paid off in full during 2011. A further deficit has been disclosed in the March 2012 Valuation but the Recovery Plan has not yet been agreed and the amount due from the Union and the period over which it will have to be paid are not known. These contributions are charged to the income and expenditure account when they become payable.

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

In accordance with FRSSE 2008 the scheme is therefore included in the accounts as if it was a defined contribution scheme.

NAUTILUS INTERNATIONAL

STATEMENT OF COUNCIL AND GENERAL SECRETARY'S RESPONSIBILITIES

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

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

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

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

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

We have audited the financial statements of Nautilus International for the year ended 31st December 2012 set out on pages 1 to 9. These financial statements have been prepared under the accounting policies set out on pages 3 and 4.

This report is made solely to the members of the Nautilus Council, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 9 the Council and General Secretary are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. We also report to you if the Union has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

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 2012 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.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

haysmacintyre

**haysmacintyre
Chartered Accountants
Registered Auditors**

11 April 2013

**Fairfax House
15 Fulwood Place
London
WC1V 6AY**