



National  
Association of  
Co-operative Officials

# ANNUAL REPORT & FINANCIAL STATEMENT

for the year ended 31st December 2010



Annual General Meeting 2011

## VISION

*'a strong, independent Trade Union,  
focused on meeting members' needs and aspirations'*

## MISSION STATEMENT

*'to provide effective, professional representation –  
both individually and collectively –  
to an engaged and vibrant membership'*

PRESIDENT 2010-2011

Ann Breen



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# ANNUAL GENERAL MEETING 2011

Notice is hereby given that the ninety-fourth Annual General Meeting of the National Association of Co-operative Officials will be held at:

**The Thistle Hotel, East Midlands Airport  
on Wednesday 18th May 2011  
commencing at 9.30 am.**

Delegates must produce their Credential Cards. Members are entitled to attend in their own right and are requested to bring their Membership Cards.

**Neil Buist**  
General Secretary

## AGENDA

1. Apologies for Absence
2. Minutes of the Annual General Meeting 2010
3. Matters Arising
4. President's Address – Ann Breen
5. Presentations  
Kevin Yorath Award For Service to NACO
6. Annual Report and Financial Statements for the year ended 31st December 2010
  - 6.1 General Secretary's Report
  - 6.2 Finance & Administration Officer's Report
7. NACO Strategic Review
8. Appointment of Tellers
9. Appointment of Auditors
10. Appointment of Trustees
11. Appointment of Appeals Committee
12. Motions General (See Appendix 1)
13. Motions to Amend Rules (See Appendix 2)
14. General Council Elections – Declaration of Result
15. Any Other Competent Business
16. Introduction of New President – Karen Froggatt
17. Presentation to Retiring President

## APPENDIX 1

### MOTIONS GENERAL

**Motion 1** - Proposed by the General Council

*"That, in accordance with the Association's Rules, the rate of annual subscription is increased from £213.72 to £216.84 with effect from 1st January 2012."*

In reviewing the annual rate of subscription, the General Council has considered, very carefully, the finances of the Association, projected forecasts for inflation and recent pay awards negotiated for members by NACO.

## APPENDIX 2

### MOTION TO AMEND RULES

**Motion 1** - Proposed by the General Council

*"That the NACO Rules (as amended May 2009) be replaced in their entirety with the revised NACO Rules (dated December 2010) with effect from the 18th May 2011."*

The General Council propose this motion following a

full review of the NACO Rule Book and making a number of amendments and alterations to ensure that the proposed Rule Book be relevant and correct and comply with the appropriate covering legislation.

A full report detailing the changes was posted on the NACO website and distributed to all Constituent Association Secretaries in January 2011.

## Fellow Members

We have pleasure in presenting our report on the activities of the National Association of Co-operative Officials for the year 2010.

## MEMBERSHIP

The active membership of NACO reduced by 121 during the year to a total of 1,999 at 31st December 2010. This decrease represents a reduction in membership of 5.7%.

NACO continued to experience high levels of leavers during 2010, with 326 in the last year. This figure compares favourably against the previous years where NACO lost 391 in 2009 and 393 in 2008, but remains disappointing. The General Council had anticipated that the levels of leavers would slow down in 2010 following the completion of the integration of the Somerfield estate into the Co-operative Group, but had not anticipated that recruitment would slow to the level it did.

Following the restructure of NACO and the increase in individual caseloads through the year, the opportunity to develop a sustained recruitment strategy did not materialise. Consequently only 205 new members were recruited in 2010. The General Council has acted upon these concerns and agreed to employ a dedicated resource to aid recruitment in 2011. This will be on an initial 12 month trial basis at which time the performance will be assessed in line with the strategic objectives of NACO.

Although the reduction in members is disappointing, NACO has seen some significant improvement in membership in The Phone Co-op (an increase of 125%), Co-operative Legal Services (an increase of 40%) and quite significantly, in Scottish Midlands (an increase of 85%).

Whilst NACO has seen increases in density as described, the main focus for recruitment remains with the Co-operative Group and Co-operative Financial Services. In 2010 we have witnessed small decreases in membership of 5.5% and 3% respectively during the year. These will be the primary target areas during 2011.

Other areas targeted within the Group's functions include the branch pharmacy population within Co-operative Pharmacy; the Food Operations function (to include the newly installed former Somerfield population); and Co-operative Legal Services.

Reviewing membership in the independent Societies, this has fallen by 6%. This is primarily due to restructures at East of England Society (a reduction of 25%), Robert Owen Society (a reduction of 40%) and Anglia Society (a reduction of 10%). However, density of membership remains healthy within the sector, and any upturn in the management population at the independent Societies tends to be realised in the NACO membership figures.

The following table provides details of the membership numbers from 2006 to 2010:

**TABLE 1**

Year	Number of Members	Increase/ (Decrease)	Percentage
2006	2,136	(303)	(12.4%)
2007	2,165	29	1.4%
2008	2,223	58	2.7%
2009	2,120	(103)	(4.6%)
2010	1,999	(121)	(5.7%)

## FINANCE

For the year-ending 31st December 2010 the Association has recorded an operating deficit of £46,009 compared to £90,575 in 2009, with an overall pre-tax deficit of £4,261.

Operating Income has increased significantly during 2010 by 16.7% to £552,210 from £473,032 in 2009; this has largely been attributed to the Investment Portfolio generating a profit on the sale of Investments to the sum of £89,550. This is considerably different to what we experienced during 2009, where Investment activity was deeply impacted by

the economic climate, subsequently no shares were sold.

Investment interest received for 2010 was some £34,489 for the NACO General Fund (compared to £34,599 in 2009) and a consolidated total of Investment interest received amounting to £39,495 (compared to £40,257 in 2009). These figures continued to be adversely influenced by the low interest rates that were available during the year.

Subscription income has decreased by 3.2% on the year from £426,696 in 2009 to £413,080 in 2010. This is reflected by a fall in NACO membership numbers of some 121 members from 2,120 at the start of the year to 1,999 at the end of the year, as detailed earlier in the report.

Whilst the Officials and General Council have maintained a strong control on operating expenditure, this has increased on the year by 6.1% due to three specific areas; VAT and legal fees which have been higher than in previous years and restructuring costs, taking this into account, had it not been incurred the Association would have made a small surplus.

Colleagues may recall that the General Council had previously agreed that as the investment portfolio was recorded at cost, NACO should recognise the fall in value of the portfolio and write down any shareholdings that continued to trade at a level significantly below purchase price.

This issue was revisited by the General Council for the 2010 year end accounts and the guidance of the Auditors sought. The decision was made to amend the Accounting Policy of NACO to record the Investment Portfolio at Market Value at year-end rather than at cost. The General Council agree that this change in reporting will accurately reflect the funds available to the Association.

Consequently you will note that the 2009 Revenue Account and Balance Sheet figures have been restated to reflect the change in market value as at 31st December 2009 thus providing comparative figures through 2010.

Despite the reported deficit, the Association remains financially strong with Net Assets in excess of £1.1 million. The General Council is confident that the significant reserves that NACO has built up over

recent years provide a strong foundation to weather the current economic uncertainty, and our Auditors have confirmed that NACO remains a financially sound organisation.

### **CONFERENCE & SEMINAR ACTIVITY**

The NACO Conference Programme in 2010 continued to be severely impacted by the ongoing economic climate and the amount of change ongoing in the co-operative movement – please refer to the section on Structural Change & Rationalisation.

As a direct consequence, the opportunity for NACO managers to divert their attention from the 'day job' to enable time for planning and attending NACO organised events was significantly reduced. This also resulted in a reduction in the possible number of attendees for any events that could be organised.

NACO has always committed that any centrally supported events should not be subsidised by members' subscriptions, but instead budget to break even or make a small surplus for the Constituent Associations supporting the conference or seminar. Therefore, the majority of Constituent Associations that have traditionally organised residential conferences and seminars concluded that whilst future events should be considered, there should be no such events during 2010.

Consequently, there was only one residential conference organised in 2010, and the Co-operative Funeral Services Managers' Association held their event at New Century House in Manchester in September. The format of the Conference was very different from previous events, and in an attempt to maximise attendance and constrain costs this event immediately followed the Funeralcare Leadership Conference.

The conference theme was 'Leadership, Building for the Future' and was well attended and the educational sessions proved to be very popular. During the conference the opportunity to raise monies for the charities chosen by the CFSMA National President, Steve Carty of Co-operative Funeralcare, resulted in £4,400 being raised for Motor Neurone Disease Scotland and the Friends of Kuleana, which helps support a street children centre in Mwanza, Tanzania.

## PERSONAL INJURY CASES

Three personal injury cases were settled for members of NACO during 2010 with a total compensation received of £24,615.

During the year, five cases were concluded without being pursued. The cases were dropped for either a lack of supporting evidence or the prospects of success were not significant to warrant taking the matter forward.

At the end of 2010 there were seven personal injury cases ongoing, with good prospects of obtaining compensation for the members concerned.

It should be noted that NACO has a Collective Conditional Fee Agreement with Thompsons Solicitors, so the cases pursued have no financial liability to NACO. Further, our policy of remitting the whole of the award of compensation to the member continues. This distinguishes the NACO service from the so called "no win no fee" services provided by some law firms where the lawyer retains a substantial proportion of the award.

## INDIVIDUAL REPRESENTATION

NACO continues to provide professional support, advice and guidance to members through individual representation by full-time officials of NACO. This service provision is consistent with the instruction of the General Council to ensure that members receive a high quality and rapid response to any request for assistance. This level of service is considerably more expensive than the systems employed by other trade unions where the bulk of individual cases are dealt with by lay shop stewards, but the NACO system achieves better results and for that reason the General Council continue to support the process.

In 2010 the number of contested dismissal cases fell slightly against the 2009 level. In 2010 a total of 74 cases were concluded during the year, compared with 82 in 2009. The compensation recovered for NACO members in 2010 was slightly lower than the previous year at £4.4 million compared to £4.7 million in 2009.

There were a significant number of contested cases throughout the Co-operative Movement, where individual cases were opened to support appeals against redundancy and other issues. The figures relating to redundancy contained in this section of the report relate to those cases where additional support and guidance was forthcoming.

The following table is an overview of those cases where a resolution on a contested case resulted following intervention from NACO.

Reason for Dismissal	Number of cases	Amount of compensation
Redundancy	62	£4,206,245
Performance	2	£30,000
Conduct	6	£81,550
Other	4	£126,939
<b>TOTALS</b>	<b>74</b>	<b>£4,444,734</b>

Apart from the cases above which resulted in the termination of employment of the members concerned, NACO represented a further 172 members with a total of some 246 case files opened in 2010. There were also some 138 one-to-one pre or early discussions, relating to support of members in respect of redundancy, performance, conduct, grievance and sickness issues. These files have been opened where an individual member has requested more than just basic telephone advice and has required representational support from their officials. There were also some 40 cases ongoing from previous years. In total some 384 meetings in respect of individual cases and one-to-one interviews were attended by the NACO officials during 2010.

Please note that these figures exclude the collective representation given to members affected by restructuring, outsourcing, mergers, transfers of engagements and other forms of business rationalisation. The detail on these matters is referred to in the next section of this report.

## STRUCTURAL CHANGE AND RATIONALISATION

Following the merger of Co-operative Financial Services (CFS) and Britannia Building Society in 2009, NACO has undertaken detailed consultations with management about the planned integration. The integration of the two organisations commenced in the latter part of 2009 with the senior management structures for Role Levels A to D, as reported in the Annual Report for the year-ended 31 December 2009.

The integration process, known as Organisation Design, was anticipated to evolve over three years and would impact on the vast majority of the population of the two heritage employers. This resulted in a series of complex consultations during 2010 to establish structures that would support the enlarged business and provide the platform to drive business success.

The process can be summarised as follows:

- Pre Consultation – high level strategic thinking on proposed structures for each of the business areas in scope to change.
- Formal Consultation – where much more detailed proposals are shared with NACO, including structure charts, mapping of roles and details of any potential impact on individual roles. NACO has the opportunity at both this and the pre consultation stage to submit counter proposals or point out areas of concern.
- Announcement – at this stage the detail of the Organisation Design proposals are shared with those individuals and teams that are in scope. This is effectively the opportunity for individual members to review the proposals and seek support and guidance from NACO as required. NACO contacts all members involved in each of the proposals to offer support and assistance.
- Impact – following the announcements, individuals will find that their role falls into one of four categories:
  - Lift & Drop – no change to the role, or the role is 80%+ similar to the existing role, and carries on 'as is' in the new structure

- Pool – the role continues in the current format (or very similar) but there are more roles than required and so a selection process will be required
- Preference – the role has discontinued or changed significantly and there are alternative roles available which the individual can apply for through a preference exercise – this could then include selection by interview or desk top exercise
- Business as Usual & OD to Follow – effectively there is no impact on the role at this time but the structures will be subject to further review in the near future and will be subject to further consultation with NACO.
- Outcomes – following the selection/preference exercises, NACO contacts those members affected to seek views and offer support and guidance where required.

During the year NACO has been involved in consultation for in excess of 40 business cases as part of the Organisation Design process. This has impacted on many NACO members, but the actual number that left employment through redundancy in the year was less than a dozen.

Elsewhere, NACO was involved in 29 restructuring business cases in the Co-operative Group during 2010 which, in the main, were small reorganisations designed to streamline business processes. In all cases, NACO was involved in the consultation process in order to minimise redundancies and maximise re-deployment opportunities.

The major change programme in the Co-operative Group was the Commercial Team restructure. This was a major exercise to realign the Marketing and Trading teams, and their support functions, in the Food Division following the integration of the Somerfield estate.

Intrinsic to the restructure was the introduction of the Store Merchandising and Replenishment Transformation (SMART) Programme which will deliver a centrally controlled store replenishment model allowing for accurate macro space planning, merchandising and ranging providing a focused trading function.

A series of consultations took place during the autumn with announcements to employees in scope in November. This was followed by a series of selection processes and the new structures were announced in early in December. The exact impact on NACO membership would be realised in early 2011 once the new structures were implemented for the 2011 Co-operative Group trading year.

Throughout the exercise NACO officials were fully consulted by the business and supported a number of individuals through the selection and assessment process.

In the Co-operative Group there were two other announcements of business strategy that will, undoubtedly, have an impact on the NACO membership in 2011. These related to the Joint Venture between Co-operative Travel, Midlands Co-operative Travel Division and Thomas Cook; and that Co-operative Financial Services (CFS) and the Co-operative Group trading businesses will come together in a new Group structure – Project Unity.

In December 2010 it was announced that the Office of Fair Trading (OFT) had applied to the Brussels Regulator requesting that the competition impacts of the proposed Joint Venture be assessed by the OFT in London. The regulator in Brussels does not have to grant the OFT its request, but any decision would not be forthcoming until January 2011. As a consequence, the consultation exercise was put on hold until 2011.

NACO will be involved in detailed consultation with CFS and the Co-operative Group during 2011 in relation to Project Unity, and will represent the interests of members in scope.

During 2009 NACO was involved in the transfer of the non-food businesses of Plymouth & South West Co-operative Society (now Co-operative Group) and East of England Co-operative Society to Vergo Retail Limited. This resulted in a total of four NACO members transferring their employment under the Transfer of Undertakings and Protection of Employment Rights (TUPE) and as such having continuity of service and their terms and conditions of employment protected.

However, Vergo Retail went into administration in May 2010 and as the company had no funds, the NACO members received only statutory redundancy payments capped at the upper limits of their wages and service. This was much lower than their contractual entitlements under NACO negotiated terms.

As a result, NACO appealed to both Societies that, in the interests of co-operative values and principles, they make a magnanimous gesture to help those affected. Both the Co-operative Group and East of England Co-operative Society agreed to pay amounts which recognised the shortfall in redundancy payments.

NACO also pursued the administrators of Vergo Retail through a claim at the Employment Tribunal for a failure to provide adequate and meaningful consultation on the redundancies. The Employment Tribunal date was set for January 2011, and we can confirm that the appeal was upheld and compensation was awarded to the individuals.

### **NATIONAL AGREEMENT**

The National Officials and Departmental Managers Agreement (NODMA) covers Consumer Co-operative Societies with the exception of the Co-operative Group and Co-operative Financial Services where NACO has a separate collective bargaining process. The Agreement determines the standard minimum terms and conditions to be applied to NACO status roles and is subject to collective bargaining between the Association and the Co-operative Employers Association (CEA). The review date of the agreement is 1st July annually.

The National Association of Co-operative Officials presented a claim for the 2010 review of the NODMA to the CEA in March 2010 and an initial meeting took place on 22nd March at which time the NACO negotiating team expanded on the elements of the claim. The CEA Executive acknowledged the claim and agreed to share the detail with the members of the CEA and return to NACO with a formal proposal.

A second meeting took place on 7th June at which time the CEA made a formal offer (detailed in italics) that can be summarised as follows:

1. A general cost of living increase of 3.0% to be applied to all salaries effective from 1st July 2010

*An increase to salaries effective 1st July 2010 of 2.0%*

2. A premium to be applied to the general cost of living increase from 1st July 2010 for those NACO graded managers in Societies who do not offer an annual incentive scheme

*Rejected*

3. An additional one days holiday be applied to each element of the service calculator to increase to a maximum entitlement of 31 days holiday

*Rejected*

4. To offer improved Maternity Pay to all NACO graded managers with an additional four weeks at 100% of salary over and above the current entitlement

*Rejected*

5. Improve both Paternity Pay and Paternity Leave to allow for two weeks Paternity Leave paid at 100% of salary

*Rejected*

6. Formal National Agreement status for paid time off for caring for dependents with a guaranteed minimum of five days paid at 100% of salary per annum

*Rejected*

7. The CEA and NACO to jointly undertake an equal pay review of the member Societies of the Co-operative Employers Association for NACO graded roles to be completed by December 2010

*A willingness to undertake an average salary review and compare this to market relativities in relation to equal pay*

8. The CEA and NACO to jointly review the current best practices regarding flexible working policies available in CEA member Societies, and agree a policy to be introduced as part of the National Officials and Departmental Managers Agreement.

*A willingness to work with NACO on a flexible working policy to apply to all CEA member Societies*

Further talks took place over the summer months and, whilst the negotiations were extremely difficult, both parties worked hard to reach an agreement.

Ultimately an acceptable settlement was reached and the conclusion of negotiations can be detailed as follows:

- **An increase to salaries of 2.25% effective 1st July 2010**
- **Immediate work to commence upon the development of a model policy on Flexible Working by a joint NACO/CEA working party**
- **A review of the gender pay gap in managerial roles covered by the National Agreement to be undertaken by the CEA during the next 18 months. The resultant movement wide aggregate data to be shared, confidentially, with NACO so joint recommendations may be developed**

The NACO negotiating team believed that the position reached following the detailed talks represented the best achievable negotiated settlement in the economic climate and agreed with the CEA that the offer should be implemented with immediate effect.

In the original NACO claim, there were a number of issues raised in relation to valuable family friendly benefits contained in the terms and conditions of employment of the members. NACO agreed with the CEA that further research into the strength of feeling of the membership in relation to those benefits would be undertaken and the findings shared with the CEA to facilitate negotiations during the 2011 review of the National Agreement.

NACO also negotiates on the terms and conditions of employment, including salary, through a series of agreements and represented members' interests in agreements reached with a number of independent Societies. Detail of these negotiations includes:

## Channel Islands

The Society is a member of the Co-operative Employers Association and the NACO agreement with the Channel Islands Co-operative Society is that the mainland increase should be applied to salaries at a level consistent to the average of the Jersey and Guernsey RPI levels for March annually.

The 2010 review represented an increase to salaries of 2.15% below the mainland March RPI figure of 4.4%. The Jersey March RPI figure (3.2%) and the Guernsey March RPI figure (3.4%) provided an average of 3.3%. Applying the agreed formula provided an increase to salaries for NACO roles of 1.15% for the 2010 review.

## Anglia Regional Co-operative Society

Members in Anglia Society are covered by the CEA agreement, which acts as a minimum guarantee for pay reviews, but the Anglia Regional Co-operative Society Managers Association meets with the employer to review the CEA settlement in light of local market conditions and the Society's performance.

The Society informed NACO that, in light of performance and the challenges facing the Society no increased application would be agreed for 2010. Therefore agreement was reached with the Society that an increase of 2.25% would be applied to the appropriate NACO salaries with effect from 1st July 2010.

## Tamworth Co-operative Society

NACO negotiates directly with the Executive of Tamworth Society to review an annual salary increase and the salary ranges applicable to NACO graded positions. For 2010, the Executive and the Board of Directors of the Society confirmed a settlement with NACO to increase salaries for NACO employees by 2.25% effective from 1st July.

## CO-OPERATIVE GROUP COUNCIL

The Co-operative Group Council met on four occasions during 2010 in February, April, September and November. The members of the Co-operative Group Council at 31st December 2010 were as follows:

Mark Alexander	Co-operative Funeralcare & General Council
Phil Barr	Co-operative Funeralcare & General Council
David Blackburn	Northern District
Gary Chappell	South Wales & South West & General Council
Alastair Cook	Central & Eastern
Jack Devers	Co-operative Retail Logistics & General Council
Chris Foster	Co-operative Retail Logistics
Karen Froggatt	South East & General Council
Brad Hill	Manchester District
Darren Leverington	South East & General Council
Andrew North	South West & Wales & General Council
Vernon Rhodes	Co-operative Funeralcare
Jas Sandhu	Co-operative Retail Logistics & General Council
Phil Spencer	Co-operative Funeralcare
Brian Taylor	Co-operative Funeralcare
Jayne Webb	Co-operative Travel & General Council
Neil Williams	Manchester District

A negotiating team consisting of members of the Co-operative Group Council was involved in lengthy and complex negotiations with the Co-operative Group in relation to the 2010 pay review.

The initial claim submitted by the Co-operative Group Council was formulated on the exceptional

performance witnessed in the Co-operative Group and to reflect the previous awards that had been agreed. As part of the exercise the Co-operative Group Council looked retrospectively at the rate at which inflation had increased in since the last settlement and also reviewed the prospects projecting forwards to account for the budgetary process.

Taking the RPI predictions into account, the settlement reached in 2009, the ongoing strain on living expenses and in recognition of the excellent ongoing performance of the Group under the stewardship of the NACO management population, the Co-operative Group Council proposed a claim for the 2010 Review as follows:

- A variable pay pot to increase salaries of Role Bands 1 to 4 of 3.0%
- The variable pay matrix and distribution guidelines for Role Bands 1 to 4 to be subject to consultation with NACO
- A flat rate increase to salaries for Role Band 5 managers of 3.0%
- A discretionary bonus for Role Band 5 managers to reflect the 2009 performance based on an overall budget of 5.0% of the Role Band 5 salary bill
- The introduction of an Annual Incentive Scheme for Role Band 5 managers providing for a maximum of 7.5% of salary and subject to the same scheme rules and criteria as detailed for Role Bands 1 to 4 Annual Incentive Schemes payable in 2011 based on 2010 performance
- 2009 bonus payments to be paid prior to April 6th 2010 to ensure members are not disadvantaged as a result of the introduction of higher tax rates

A series of meetings were undertaken to achieve an agreed settlement. In May 2010 the Co-operative Group Council judged that a position had been reached with the Co-operative Group that reflected the best available proposal in the economic climate as follows:

- **Managers in Role Bands 1 to 4 will receive a performance based pay increase from a total**

**pay pot of 2.25% of the salary bill based on an agreed variable pay matrix**

- **A flat rate increase to salaries for managers in Role Band 5 of 2.25% or £550 (full time equivalent), whichever was the greater**
- **A proposal to remain with the current pay bands subject to a full review and any changes to be implemented as part of the 2011 Management Agreement review**
- **Individuals whose salary was at or close to the top of the salary band would receive the appropriate pay rise, determined by the pay process, even if that took them above the pay band maximum**
- **The Co-operative Group to share market data with NACO in relation to Role Band 5 managers to facilitate a full review during the summer**

NACO balloted members on the proposal with a recommendation to accept the offer, which would be back dated to the review date of 28th March 2010.

The Ballot result was announced to members on 1st June 2010 with 83% in favour to accept the proposal and this was agreed with the Group and back dated to 28th March.

### CO-OPERATIVE FINANCIAL SERVICES

Following the merger between Co-operative Financial Services (CFS) and Britannia Building Society in 2009, joint pay negotiations were undertaken but the review dates remained different in 2010. Britannia pay review date was January and the CFS review was April.

The three trade unions with members in scope to the annual review, NACO, Unite and the Britannia Staff Union (BSU) undertook a series of detailed negotiations with CFS. The negotiating team reached a position that represented the best possible terms available and undertook a ballot of members with a recommendation to accept.

The ballot of NACO members resulted in 89.8% accepting the offer and, with effect from 1st April

2010, the following proposals were implemented for colleagues in CFS at the contribution level of Delivering Business Plans:

1. Pay increase based on performance criteria as follows:

<b>Heritage CFS Performance Ratings</b>	<b>Pay increase Percentage</b>
Distinguished	3.00%
Valued Exceeded	2.75%
Valued Meets	2.5%
Valued Striving	2.00%
Unacceptable	0.00%

2. A common annual pay review date of 1st April for heritage CFS and heritage Britannia colleagues from 2011
3. A proposal to remain with the current pay bands subject to a full review when developing the Single Terms & Conditions at CFS
4. Individuals whose salary was at the top of the band would receive their full pay rise even if that took them above the pay band maximum
5. IS Market Supplement would remain in place and no reduction would be applied for 2010.

Following the merger of CFS and Britannia Building Society, the new organisation needed to create a consistent set of terms and conditions of employment for all employees of the two heritage organisations.

At the commencement of the consultation and negotiations NACO undertook a comparison exercise of the terms and conditions available in the two heritage organisations in order to negotiate the "best of the best" where possible. The overriding principle was to seek to protect and maintain, or improve where possible, the existing employment package for NACO members. NACO also undertook an exercise to seek the feedback of members on what elements of the reward package and associated terms and conditions of employment were important to them so that we could factor that into the negotiations.

The talks commenced early in 2010 and were extensive and detailed to ensure that all elements of the employment package were considered. At the end of 2010 NACO and the other trade unions were close to reaching a final position with the employer.

The Single Terms & Conditions were to be detailed in a booklet that would be distributed to CFS colleagues early in 2011 and the proposals subject to a ballot that would require all three unions to have a positive result to agree an implementation.

## **BENEVOLENT FUND**

The Benevolent Fund is a Registered Charity and its primary objective, as detailed in the Association's Rules, Appendix C, is to provide financial assistance to members, former members, widows, widowers and other dependants of deceased members of the Association.

The General Council of NACO governs the operation of the Fund, constituted as the Benevolent Fund Trustees. This report details the activity of the Benevolent Fund for the year ended 31st December 2010.

The Benevolent Trustees met four times in 2010 – February, May, September and November. During the year no grants for assistance were received or made.

The table below details the grants made and balance of the fund over the last five years.

<b>Year</b>	<b>Value of Grants</b>	<b>Number of Recipients</b>	<b>Income</b>	<b>Fund Balance</b>
	£		£	£
2006	1,500	2	4,116	111,687
2007	4,350	5	16,619	123,233
2008	1,880	2	(2,952)	118,013
2009	3,500	3	6,173	132,047
2010	0	0	24,394	143,228

## AWARDS

At the ninety-third Annual General Meeting of NACO held on Wednesday 19th May 2010, presentations were made in respect of Honorary Life Membership, NACO For Service and the Kevin Yorath Memorial Award.

### Honorary life Membership

The General Council conferred Honorary Life Membership on three NACO stalwarts – Jim Hopley, Jim McIlveen and Roger Davies.

Jim Hopley began his co-operative career in 1971 as a Management Trainee at the Birmingham Co-op. He went through a variety of activities in food operations before becoming the main food buyer at the Society. He moved to the Channel Islands in 1979 and became Retail Controller at the end of 1999. In 2007 Jim became CEO of the Channel Islands Co-operative Society.

Jim has been a very strong supporter of NACO throughout his career with the movement, and held the position of Chair of the NACO Channel Islands Constituent Association for many years during which time he was instrumental in formulating proposals in respect of pay, bonus and other terms and conditions of employment.

Jim has exemplified the highest qualities of commitment and service to colleagues and for that reason the General Council awarded Jim Honorary Life Membership of NACO.

Jim McIlveen joined the Scottish Co-operative Wholesale Society as an Apprentice Upholsterer on the 26th August 1964. Jim worked on the tools for 16 years before becoming Production Manager in Shieldhall, at which time Jim achieved management status and joined the National Association of Co-operative Officials immediately.

When the Co-op stopped manufacturing furniture and the factory closed, Jim transferred to the Funeral division and became manager of the coffin factory in Glasgow, where he took responsibility for all of coffin manufacturing, before being asked to lead the entire production function, incorporating coffin and

masonry production, wholesaling and distribution across the UK.

A staunch supporter of the trade union movement and in particular his trade association, Jim has been a member of the Co-operative Funeral Service Managers' Association since 1981 and was a regular attendee at the divisional meetings in Scotland. He was a member of the National Executive for a number of years and was instrumental in helping to preserve the long and distinguished history of the strong and vibrant Constituent Association that CFSMA is today.

In 2004 Jim was made National President of the CFSMA and he chose 'Societies working on togetherness' as his conference theme and encouraged people to work together for the benefit of the co-operative movement and the people we serve.

In recognition of his outstanding commitment, loyalty and contribution to NACO and the CFSMA the General Council awarded Jim Honorary Life Membership of NACO.

Roger Davies has been active in the Co-operative Movement for over 20 years. Roger originally joined the CRS in South Wales as a Member Relations Officer and had always been a keen co-operator and trade unionist. He has a long established interest in extending co-operative solutions into modern day society and spent much of his spare time undertaking voluntary work in community regeneration.

Roger has been a life-long supporter of the Trade Union movement, believing in trade union rights and the responsibilities that go with them. Roger had been an active member of NACO throughout his co-operative career and until retirement was a member on the General Council, Co-operative Group Council, the General Purposes Committee, the Diversity Committee and the South West & Wales Constituent Association. He had also been NACO President on three occasions, the first individual to receive such an honour.

In recognition of an outstanding contribution to NACO and to show the appreciation of the membership, the General Council awarded Roger with Honorary Life Membership of NACO.

## NACO 'For Service' Award

The General Council presented a 'For Service' Award to Chris Cooper, former Vice Principal of the Co-operative College.

Chris has worked in co-operative education for many years and is passionate about the importance of training and education for co-operative lay leaders. Chris served as the Head of Learning & Development at the College and reached the position of Vice Principal where he served until September 2009 when a restructure resulted in his role being discontinued.

Chris had been a member of NACO for over ten years, and was an active member of the NACO Constituent Association, the Co-operative HR Forum. Chris chaired the committee for a number of years and was instrumental in organising the annual conferences and seminars. Chris was also a member of the NACO General Council and facilitated the strategic review meetings for the General Council.

Chris was presented with the award by the President, Jack Devers, at the President's Dinner and speaking about his award said: "I've enjoyed my time with NACO and the General Council. It hasn't been a chore – it's fun."

## Kevin Yorath Memorial Award

Delma-Rose Yorath made a presentation of the Kevin Yorath Memorial Award to Roger Davies.

Delma-Rose Yorath informed the Annual General Meeting that she had known Roger for many years and worked alongside him on the NACO General Council. Indeed, she had handed the NACO Presidential Chain of Office to Roger when she completed her year as President in May 1996 and he took on the role for the first time.

Roger had continued to represent the NACO membership actively and effectively throughout his co-operative career up until his retirement. He was an ever present on the General Council and had also represented the membership through his work on the Co-operative Group Council, the General Purposes Committee, the Diversity Committee and the South West & Wales Constituent Association.

Delma-Rose concluded by informing the Annual General Meeting that Roger was a very worthy recipient of the award and it gave her great pleasure to present the seventh Kevin Yorath Memorial Award 2010 to Roger Davies. Accepting the award Roger said: "Thanks to those who nominated me. I am honoured to receive the award from Delma who I see as a friend and colleague".

Delma-Rose reported that Roger would be the last to receive the Award in its current format as from 2011 onwards there would be the presentation of the Kevin Yorath Award for Service to NACO – a fitting way to perpetuate Kevin's contribution to NACO.

## MEMBERSHIP SURVEY RESULTS

During 2010 NACO undertook two surveys of the membership. The first was also opened up to potential members and this was to establish individual's awareness and understanding of NACO, what it does and how it can help them – thus providing data that could be utilised to determine the future direction of NACO.

The survey received 838 responses in total, at least 770 of whom were Co-operative Group employees and allowing for a small number of managers not in scope, who may have responded to the survey, this is a response rate of roughly 24%, a good figure for a survey of this type. Of those who responded, 345 indicated they were NACO members, indicating similar participation between existing members and potential members.

Unsurprisingly, the age profile of respondents to the survey was relatively mature, reflecting the seniority of these roles (see table below).

Your age?		
Answer Options	Response Percent	Response Count
Under 25	11.1%	93
26-35	29.6%	248
36-45	33.9%	284
46-55	20.8%	174
56-65	4.4%	37
Over 65	0.2%	2
answered question		838
skipped question		0

56% of respondents were male, which attests well to the Co-operative Group's and the movement's equality of opportunity.

Although one third of the managers surveyed had worked in the movement for between one and four years, another third have been in the movement for ten years or more. Respondents were less likely to have been NACO members for ten years, which indicated that many NACO members have progressed in their co-operative careers from junior positions.

Overall, awareness of NACO could be improved, as over 200 respondents (24%) had not heard of NACO before taking part in the survey. The most common method of learning about NACO was from colleagues at work (34%), with 28% finding out about NACO at their induction.

Although a significant proportion (11.5% of those who responded to the question) of NACO members joined to seek specific guidance in employment matters, the majority (58.5%) could see clear benefits from becoming a member.

For members, it is clear that NACO scores highly in terms of the support it provides, particularly in terms of guidance and representation on an individual basis. For example, in response to how well NACO provides support and guidance to individual members, 36% said "very well" and a further 56% said "acceptable".

NACO performed less well in providing member benefits such as reduced rate utilities, although even here 77% of members rated NACO's performance "very well" or "acceptable".

Members did feel it was easy to get in touch, with only 3.8% of respondents experiencing difficulty in contacting the Association, although 38% have never had the need to contact.

The survey provided some very useful information and a number of positive suggestions for improvements for NACO were forthcoming. These assisted NACO in developing our offer to members and potential members alike, and featured heavily in the strategic review undertaken by the General Council in November.

The second survey, for NACO members only, built upon those findings and focused on the terms and conditions of employment and the benefits associated with employment in the co-operative movement. The survey sought to gauge the importance of these contractual and non-contractual elements of the total reward package, and thus help develop the future negotiating structure for NACO with the Co-operative Group, CFS and the CEA.

To set a benchmark for our current performance we asked respondents to rate NACO on various aspects of our work. 81% said salary negotiations were managed very well or acceptably, mirrored by negotiation of terms and conditions, legal advice and representation, and employment advice all scoring over 85% approval.

When asked what NACO should focus on for the future we covered all areas of working life from flexible working to sickness benefit. In rank order, the top five priorities were:

- Pension provision
- Holiday entitlement
- Performance related bonus
- Death in service
- Sickness benefit

These were followed closely by flexible working, parental leave and maternity/paternity leave.

Away from NACO's role in industrial relations, an all-too-common criticism was a perceived lack of communication. Looking at the demographics of our membership, it is clear, like many other trade unions, that membership amongst younger people is lower than we would like. We believe the trade union movement is extremely valuable and as relevant today as it ever has been. NACO has a part to play in the development of younger co-operators and it is hoped that a new approach to member interaction will make NACO more approachable and more relevant to this under-represented group.

The issue of communication and membership interaction featured as a major issue in the strategic

review of NACO and has become an imperative for 2011. This will be brought to life when our new website is launched in February 2011 and will be complemented by regular email newsletters. The changes will provide members with better visibility of the work undertaken by NACO, and include more articles from the wider co-operative movement.

The General Council will be paying close attention to the success of our new strategy and to seek feedback and to ensure we're on the right track, a further member survey will be undertaken later in 2011 – asking for your opinion of NACO services and what you want to see the union doing in future years.

### **CONCLUSION**

NACO experienced another challenging year in 2010. Whilst it was pleasing to note that there were no mergers in the movement to impact on membership losses compared to recent years, we have still experienced a significant number of leavers during the year.

The ongoing economic problems facing the country resulted in high levels of inflation throughout the year and this is likely to continue for 2011. This has a direct impact on the challenges facing the Societies and the NACO population that manage those Societies. The impact is also felt on a personal level with the increases in petrol, diesel, household bills and so on reducing the level of disposable income.

The General Council has been very mindful of both the economic climate and the detail provided by the surveys undertaken in 2010 and consequently reviewed the strategic plan for NACO. The General Council recognised that to ensure that NACO remains a vibrant, relevant and financially sound organisation requires NACO to provide the services and benefits that the membership expects and demands.

A full strategic review took place in November and from this came five areas that form the foundations for NACO:

Recruitment & Retention

Communication

Governance

NACO Team

Services & Benefits

### ***Recruitment & Retention***

Membership has fallen from around 2,500 in 2001 to 1,999 at the year end. Declining membership figures have been attributed to changes within the co-operative movement through mergers and restructures, as well as the natural movement of employees away from the movement. With the officials of NACO dealing with a significant case-load of both individual representation and collective bargaining, the opportunity of recruitment has diminished.

As a result the General Council has approved the recruitment of a Membership Development Officer on a trial basis for 2011 to concentrate efforts.

### ***Communication***

Feedback from the surveys has been unequivocal that NACO needs to create a unified identity in its communication strategy, and that the communication should provide compelling reasons for new members to join as well as re-enforce the value of membership for existing members. The communications should be member focused, inclusive, personalised and two-way.

NACO commenced a trial exercise in 2010 to provide Midlands Society with the Co-operative Official in electronic format only; and an increase in the use of e-mail to provide timely and accurate updates to a number of distinct member bases. Both of these trials have proved to be very successful and this will be built upon in 2011. Part of the role of the Membership Development Officer will be to build upon these foundations and to increase on-line and social networking capability for NACO and its members.

## **Governance**

The General Council has reviewed their governance role and there are now clear guidelines for the role that a General Council member undertakes, a person specification has been developed and new joiners to the General Council will receive direct training on good governance.

The General Council has also reviewed the NACO Rule Book in its entirety, and members will note from the Agenda for the 2011 NACO AGM that a new Rule Book has been proposed by the General Council.

## **NACO Team**

Part of the strategic review has been to consider the duties of the NACO employees, the opportunities for development and future succession planning. The General Council also agreed that the democratic structures that support the work of NACO must feature in the review.

Alongside this the General Council has been mindful that NACO must maintain its brand identity and the manner in which we represent our membership both individually and collectively.

This will be an ongoing exercise for the General Council. As the other elements of the strategic plan come into play, the NACO team will need to evolve to ensure that structures – both internal and democratic – continue to provide the levels of service and support expected.

## **Service & Benefits**

The General Council has received a huge amount of data from the two surveys in 2010 and a further survey relating to membership benefits will take place in early 2011.

The results of all three surveys will then be considered by the General Council to develop the appropriate strategies to support the membership.

Turning to our finances, NACO has seen out another challenging year. The results detailed in the report provide testament to the prudent management of NACO's finances. Whilst a small loss has been posted, the excellent performance of the investment portfolio must be recognised. The General Council would wish to register their thanks to the investment advisors, James Sharp & Co, whose ongoing advice ensures that NACO looks to build on a long term investment growth strategy, but also identifies opportunities to make significant investment returns.

On a personnel front in NACO, 2010 saw some significant changes. A restructure of the officials' team resulted in Alastair McGregor's role as Senior Assistant Secretary being declared redundant in the summer.

Alastair joined NACO in February 2003 as Membership & Recruitment Officer, became Assistant Secretary in November 2004 and was promoted by the General Council to Senior Assistant Secretary in November 2006. Alastair undertook detailed negotiations on a collective basis in respect of policies and procedures with Co-operative Financial Services and Dairy Farmers of Britain. He also oversaw the activity in the Co-operative College, Co-operatives UK and Co-operative Retail Logistics. Alastair also represented and helped a huge number of individual members through representational support and was a fine advocate on their behalf.

Carol Parkes joined NACO in October 2003 initially to cover maternity leave but was then offered the permanent role of Membership Administrator the following year. Carol redeveloped the membership database and it is her efforts that have enabled NACO to be in a position to provide an electronic based communication strategy. Carol retired in October – seven years to the day she began with NACO!

We wish both Alastair and Carol well and thank them for their contributions to NACO.

2010 also saw the recruitment of Natasha Hallworth as the new Membership Administrator. Natasha had a short handover period with Carol and we are delighted that she has settled into her role and the team so well.

We would like to take this opportunity to thank the officials and employees of NACO for their continued high level of commitment and dedication. The team will continue to focus on providing a first class service to the membership whilst keeping a close eye on the finances of NACO.

There were a number of changes on the General Council in 2010. James Gallagher, Adrian Price, Malcolm Rutherford and Anita Young all stepped down during the year and we thank them for their contribution during their term of office. We must also make special mention of Roger Davies who retired after 20 years continuous service as a General Council member.

We also welcomed Mark Alexander and Phil Barr from Co-operative Funeralcare; Colin Downes of Midlands Society; Gary Chappell from Co-operative Group Food Operations; and Paul Winstanley from Co-operative Group Asset & Profit Protection, and look forward to working with them on the General Council.

To conclude, it is fitting to thank all of those members who give their time, knowledge and experience by supporting NACO through the Constituent Associations, Diversity Committee, Co-operative Group Council and General Council – they are indeed the backbone of NACO. It is their continued participation, support and energy that ensures NACO remains an effective and vibrant organisation.

**Ann Breen**  
President

**Neil Buist**  
General Secretary

# ANNUAL STATEMENT OF ACCOUNTS

For the Year ended 31st December 2010

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF CO-OPERATIVE OFFICIALS**

We have audited the financial statements on pages 20 to 29.

This report is made solely to the Association's members, as a body, in accordance with Section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the General Council and Auditors**

The General Council is responsible for preparing the annual report and, as described on page 23, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the annual report is not consistent with the financial statements, the Association has not kept proper accounting records or if the financial statements do not agree to the accounting records and if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements.

### **Basis of Opinion**

We conducted our audit in accordance with the International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the General Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Association's affairs as at the 31st December 2010 and of its excess of expenditure over income for the year then ended.

**Hurst & Company Accountants LLP**  
**Chartered Accountants**  
**Registered Auditors**  
**Lancashire Gate, Tiviot Dale, Stockport**

**23rd February 2011**

## Statement made by the General Council under Section 32 (a) of the Trade Union and Labour Relations (Consolidation) Act, 1992

(a) The total expenditure of NACO for the year ended 31st December 2010 is £598,219 and income for the year ended 31st December 2010 is £591,705 of which £413,080 consisted of payments in respect of membership.

(b) The salary paid to and other benefits provided to or in respect of:

- i) Each member of the executive (General Council)
- ii) the President, and
- iii) the General Secretary

For the year ending 31st December 2010 are as follows:

President: Nil

Other members of the executive (General Council)  
- Nil

General Secretary:

Salary £89,017

Pension Contribution by NACO £10,677

Car Benefit £8,640

(c) The report made by the Independent auditor on the financial statements for the year ended 31st December 2010 is shown on page 18.

(d) A member who is concerned that some irregularity may be occurring or have occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with; the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

When a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of rules of the union and contemplates bringing civil proceedings against the union or responsible officers or trustees, he should consider obtaining independent legal advice.

(e) For the purpose mentioned in the statement in (d) above members should in the first instance raise any queries or complaints in writing with the General Secretary, at the registered address of NACO, specifying the query or complaint, stating that the complaint or query is raised under Section 32a of the Trade Union and Labour Relations (Consolidation) Act, 1992 and sending copies to the Association's President and Association's auditors.

The General Secretary will provide a written answer to the query or complaint **within 28 days** of the written communication from the member or, if that is not possible, will indicate **within 28 days** what steps are being taken to obtain an answer. The General Secretary will send copies of his response to the Association's President and auditors.

If the member remains unsatisfied, then he/she may request that the General Secretary put the written query/complaint to the next meeting of the General Council.

The internal procedure thereafter shall be in accordance with Rule 36, "Appeals Tribunal".

# REVENUE ACCOUNT

For the Year ended 31st December 2010

	NOTE	2010 £	2009 £ Restated
Membership Subscriptions	3	<b>413,080</b>	423,788
Net Conference Income/(Expenses)	6	<b>(3,633)</b>	6,787
Other Income	5	<b>48,582</b>	42,822
Profit/(Loss) on Sale of Investments		<b>89,550</b>	-
Profit/(Loss) on Sale of Fixed Assets		<b>4,631</b>	(365)
		<u><b>552,210</b></u>	<u>473,032</u>
Operating Expenses	7	<b>(598,219)</b>	(563,607)
		<u><b>(46,009)</b></u>	<u>(90,575)</u>
Interest from Investments	4	<b>39,495</b>	67,257
Change in market value of investments	4	<b>2,253</b>	121,598
Bank Interest		-	107
		<u><b>(4,261)</b></u>	<u>98,387</u>
Pre-Tax Surplus/(Deficit)		<b>(4,261)</b>	98,387
Taxation		-	-
<b>SURPLUS/(DEFICIT) AVAILABLE FOR TRANSFER</b>		<u><b>(4,261)</b></u>	<u>98,387</u>
General Management Fund			
Registered Office	12	<b>(5,598)</b>	72,073
Constituent Associations	12	<b>12,844</b>	30,178
Conference Reserve	12	<b>(11,507)</b>	(3,864)
		<u><b>(4,261)</b></u>	<u>98,387</u>

(Notes in amplification of this Account and the Balance Sheet are to be found on pages 23 to 29). There were no other gains or losses for the year other than those passing through the Revenue Account.

# BALANCE SHEET

As at the 31st December 2010

FIXED ASSETS	NOTE	2010		2009	
		£	£	£ Restated	£ Restated
Investments	8		<b>1,075,109</b>		1,044,520
Tangible Assets	9		<b>47,428</b>		63,336
<b>Current Assets</b>					
Debtors	10	<b>27,311</b>		82,811	
Pre-paid expenses		<b>11,435</b>		29,774	
Cash in Hand		<b>1,646</b>		1,374	
Cash in Bank		<b>124,395</b>		52,982	
		<b>164,787</b>		166,941	
<b>LESS</b>					
<b>Current Liabilities</b>					
Creditors falling due within one year	11	<b>(94,163)</b>	<b>70,624</b>	(76,374)	90,567
			<b>1,193,162</b>		<b>1,198,423</b>
<b>NET ASSETS REPRESENTED BY</b>					
<b>General Management Fund</b>					
Registered Office	12	<b>971,733</b>		977,331	
Constituent Associations	12	<b>131,727</b>		168,883	
Conference Reserve	12	<b>40,702</b>		52,209	
Constituent Association Reserve		<b>49,000</b>		-	
			<b>1,193,162</b>		<b>1,198,423</b>

The Revenue Account and Balance Sheet were approved by the General Council of NACO on the 23rd February 2011

**A. Breen,  
President**

**N. D. Buist,  
General Secretary**

(Notes in amplification of the Balance Sheet and Revenue Account are to be found on pages 23 to 29).

# CASH FLOW STATEMENT

For the year ended 31st December 2010

	NOTE	2010 £	£	2009 £	£
Cash from operating activities	13a	<b>(23,430)</b>		(105,474)	
Returns on investments and servicing of finance	13b	<b>39,495</b>		40,364	
Taxation	13c	-		(1,879)	
Capital expenditure & Financial investment	13d	<b>55,620</b>		(41,076)	
			<b>71,685</b>		<b>(108,065)</b>
<b>Reconciliation in net cash flow to movement in net funds</b>					
Increase/(Decrease) in cash in the period		<b>71,685</b>		(108,065)	
Increase/(Decrease) in liquid resources	13e		<b>71,685</b>		(108,065)
Net Funds as at 1st January 2010			<b>54,356</b>		162,421
Net Funds as at 31st December 2010			<b>126,041</b>		<b>54,356</b>

## Note 1

### Statement of Responsibilities of the General Council

Trade Union and Labour Relations Law and the rules of the Association require the General Council to have prepared financial statements for each financial year which give a true and fair view of the state of affairs of the Association, and of its income and expenditure for that period. In the preparation of these financial statements the General Council should seek to ensure that:

- Suitable accounting policies are selected and then consistently applied;
- Judgements and estimates made are reasonable and prudent;
- Applicable accounting standards have been followed and that any departures are disclosed and explained in the financial statements;
- The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The General Council is responsible for ensuring that proper books of account are kept with respect to the Association's transactions and its assets and liabilities as necessary to give a true and fair view of the state of affairs of the Association. They should seek to ensure that a satisfactory system of control is established for the Association's books of account, its cash holdings and all its receipts and remittances, and that adequate precautions are taken against falsification of the books of account and facilitating its discovery.

## Note 2

### Statement of Accounting Policies

- (a) The financial statements are prepared on the historic cost accounting basis for the year ending 31st December 2010 and in accordance with applicable accounting standards.
- (b) Income and Expenditure is accounted for on an accruals basis.
- (c) Depreciation of motor cars – 25% p.a. of cost on a straight line basis.
- (d) Depreciation of computer, telephone, office equipment and word processor – 25% p.a. of cost on a straight line basis.
- (e) Income and Expenditure is included in the Revenue Account gross of Value Added Tax. Repayments of Value Added Tax by HM Customs and Excise are included in Other Income in the Revenue Account.
- (f) Investments are stated at the year-end market value to accurately reflect the assets of NACO.
- (g) The audited accounts represent the combined financial statements of the Association's General Fund and the Constituent Associations of NACO.

	2010		2009	
	£	£	£	£
<b>Note 3</b>				
<b>Members' Subscriptions</b>				
Subscriptions received		<b>413,080</b>		426,696
<b>Less: Paid over to Constituent Associations</b>				
i) Membership Grants	-		1,785	
ii) Affiliate Membership Grants	-		384	
iii) Supplementary Grants	-	-	739	(2,908)
		<u><b>413,080</b></u>		<u><b>423,788</b></u>
<b>Note 4</b>				
<b>Investment Income</b>				
Registered Office	<b>34,489</b>		34,599	
Investment Diminution Provision	-		24,500	
Constituent Associations	<b>5,006</b>		5,658	
Investment Diminution Provision	-		2,500	
		<u><b>39,495</b></u>		<u><b>67,257</b></u>
<b>Change in market value of investments</b>				
Registered Office	<b>19,860</b>		94,903	
Constituent Associations	<b>(17,607)</b>		26,695	
		<u><b>2,253</b></u>		<u><b>121,598</b></u>
<b>Note 5</b>				
<b>Other Income</b>				
<b>Registered Office</b>				
Conference Management Fees (see note 6)	<b>3,500</b>		4,000	
Other Income	<b>33,949</b>		24,375	
<b>Constituent Associations</b>				
From Registered Office	-		2,908	
From CA Reserves	<b>1,000</b>		-	
Other Income	<b>10,133</b>		11,539	
		<u><b>48,582</b></u>		<u><b>42,822</b></u>

## NOTES *Continued*

	2010		2009	
	£	£	£	£
<b>Note 6</b>				
<b>Conference Income &amp; Expenditure</b>				
<b>Registered Office</b>				
Income	75,214		108,619	
Expenditure	(75,347)		(97,832)	
Conference Management Fees (see note 5)	<u>(3,500)</u>	(3,633)	<u>(4,000)</u>	6,787
		<u>(3,633)</u>		<u>6,787</u>

The Association organised one conference in 2010, the Co-operative Funeral Service Managers Association which was wholly administered by Registered Office.

Conference Management fees relate to the recharge from Registered Office for Conference Management costs.

### **Note 7** **Operating Expenses**

	See Note			
	7a			
Registered Office		528,037	486,624	
General Council		7,743	8,498	
AGM		16,169	12,652	
Constituent Associations		14,656	25,915	
Co-operative Official		14,820	17,154	
Affiliation Fees		5,611	5,727	
Donations & Presentations		3,309	3,173	
Conference Reserve		7,874	3,864	
		<u>598,219</u>		<u>563,607</u>

## NOTES *Continued*

	2010		2009	
	£	£	£	£
<b>Note 7a</b>				
<b>Registered Office</b>				
Personnel Costs	365,838		339,732	
Occupancy Costs	20,812		23,892	
Office Administration Costs	41,719		46,865	
Other Costs	99,668		76,135	
		<u>528,037</u>		<u>486,624</u>

<b>Note 8</b>	Balance 1.1.10 Restated	Additions	Withdrawals	Interest Capitalised	Change in Market Value	Balance 31.12.10	Investment Income
<b>Registered Office</b>							
Fixed Term Investments	50,000	-	-	-	-	50,000	2,409
Equities including Preference Shares	746,857	78,634	101,606	45	19,860	743,790	32,080
James Sharp Cash Account	88,016	161,110	174,814	32,036	-	106,348	-
<b>Constituent Associations</b>							
Equities	149,951	44,987	30,834	-	(17,607)	146,497	5,006
James Sharp Cash Account	9,696	59,431	45,659	5,006	-	28,474	-
	<u>1,044,520</u>	<u>344,162</u>	<u>352,913</u>	<u>37,087</u>	<u>2,253</u>	<u>1,075,109</u>	<u>39,495</u>

## NOTES *Continued*

### Note 9 Fixed Assets

	Motor Cars	Computer Telephone Furniture Photocopier	Total
Cost	£	£	£
Balance B/Fwd	92,805	49,540	142,345
Additions	21,247	2,347	23,594
Disposals	(40,305)	-	(40,305)
	<u>73,747</u>	<u>51,887</u>	<u>125,634</u>

### Depreciation

Balance B/Fwd	37,411	41,598	79,009
Provided this Period	21,863	4,270	26,133
Disposals/Retirements	(26,936)	-	(26,936)
	<u>32,338</u>	<u>45,868</u>	<u>78,206</u>

### Net Book Value 2010

41,409                      6,019                      47,428

### Net Book Value 2009

55,394                      7,942                      63,336

### Note 10

#### Debtors

	2010 £	£	2009 £	£
Subscription Arrears	6,666		24,932	
Constituent Associations	-		4,851	
Other Debtors	18,447		50,739	
Interest Accrued	2,198		2,289	
		<u>27,311</u>		<u>82,811</u>

### Note 11

#### Creditors

Registered Office	79,099		60,553	
Constituent Associations	2,164		4,132	
Provision for External Repairs	4,000		4,000	
Holiday Pay Accrual	8,900		7,689	
		<u>94,163</u>		<u>76,374</u>

<b>Note 12</b>	<b>2010</b>	2009
<b>General Management Fund</b>	<b>£</b>	<b>£</b>
<b>Registered Office</b>		
Balance B/Fwd 1st January 2010	<b>977,331</b>	967,584
Prior year adjustment	-	(65,607)
Transfer from Revenue Account	<b>(5,598)</b>	72,073
Transfer from Constituent Associations	-	3,281
Balance C/Fwd 31st December 2010	<u><b>971,733</b></u>	<u>977,331</u>
 <b>Constituent Associations</b>		
Balance B/Fwd 1st January 2010	<b>168,883</b>	171,531
Prior year adjustment	-	(9,545)
Transfer from Revenue Account	<b>12,844</b>	30,178
Transfer to General Fund	-	(3,281)
Transfer to Constituent Associations Reserve	<b>(50,000)</b>	-
Transfer to Conference Reserve	-	(20,000)
Balance C/Fwd 31st December 2010	<u><b>131,727</b></u>	<u>168,883</u>
 <b>Conference Reserve</b>		
Balance B/Fwd 1st January 2010	<b>52,209</b>	36,073
Transfer from Revenue Account	<b>(11,507)</b>	(3,864)
Transfer from Constituent Associations	-	20,000
Balance C/Fwd 31st December 2010	<u><b>40,702</b></u>	<u>52,209</u>
 <b>Constituent Association Reserve</b>		
Balance B/Fwd 1st January 2010	-	-
Transfer to Constituent Associations	<b>(1,000)</b>	-
Transfer from Constituent Associations	<b>50,000</b>	-
Balance C/Fwd 31st December 2010	<u><b>49,000</b></u>	<u>-</u>

## NOTES *Continued*

<b>Note 13</b>	<b>2010</b>	<b>2009</b>
<b>Cash Flow Statement</b>	<b>£</b>	<b>£</b>

### **Note 13a** **Cash from operating activities**

Operating Surplus/(Deficit)	<b>(46,009)</b>	(90,575)
(Profit)/Loss on Sale of Fixed Assets	<b>(4,631)</b>	365
(Profit)/Loss on Sale of Investments	<b>(89,550)</b>	-
Depreciation Charge	<b>26,133</b>	27,480
(Increase)/Decrease in Debtors	<b>73,838</b>	(46,296)
(Decrease)/Increase in Creditors	<b>16,789</b>	3,552
	<u><b>(23,430)</b></u>	<u>(105,474)</u>
Net Cash (Outflow)/Inflow from Operating Activities		

### **Note 13b** **Returns on investments and servicing of finance**

Investment income received	<b>39,495</b>	40,257
Bank interest received	-	107
	<u><b>39,495</b></u>	<u>40,364</u>

### **Note 13c** **Taxation**

Corporation tax paid	-	(1,879)
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### **Note 13d** **Capital expenditure and financial investments**

Purchase of tangible fixed assets	<b>(23,594)</b>	(22,563)
Purchase of fixed asset investments	<b>(381,249)</b>	(277,763)
Proceeds from Sale of Investments	<b>442,463</b>	253,250
Sale of Plant and Machinery	<b>18,000</b>	6,000
	<u><b>55,620</b></u>	<u>(41,076)</u>

### **Note 13e** **Analysis of net cash**

	<b>As at 1st January 2010</b>	<b>Cash Flow</b>	<b>As at 31st December 2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in Hand	<b>1,374</b>	<b>272</b>	<b>1,646</b>
Cash at bank	<b>52,982</b>	<b>71,413</b>	<b>124,395</b>
	<u><b>54,356</b></u>	<u><b>71,685</b></u>	<u><b>126,041</b></u>

# NATIONAL ASSOCIATION OF CO-OPERATIVE OFFICIALS BENEVOLENT FUND

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF CO-OPERATIVE OFFICIALS**

We have audited the financial statements on pages 31 to 32.

This report is made solely to the Association's members. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditors**

The Charity's trustees are responsible for preparing the annual report and as described on page 32 the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibilities, as independent auditors, are established, in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the charity has not kept proper accounting records or if the financial statements do not agree to the accounting records and if we have not received all the information and explanations we require for our audit.

### **Basis of Opinion**

We conducted our audit in accordance with the International Standards of Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the

financial statements. It also includes an assessment of the significant estimates and judgements made by the General Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Charity's affairs as at 31st December 2010, and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the trust deed or other regulations.

**Hurst & Company Accountants LLP**  
**Chartered Accountants**  
**Registered Auditors**  
**Lancashire Gate, Tiviot Dale, Stockport**

**23rd February 2011**

## BENEVOLENT FUND *Continued*

### REVENUE ACCOUNT

For the year ended 31st December 2010

		2010 £	2009 £
<b>Income</b>	<b>NOTE</b>		
Income from Investments	4	4,119	6,173
Profit on Sale of Investments		20,275	-
<b>Expenditure</b>			
Equities Charge		(801)	(295)
Grants		-	(3,500)
<b>Change in Market Value of Investments</b>	3	(12,412)	11,656
		<u>11,181</u>	<u>14,034</u>

There were no other gains or losses for the year other than those passing through the Revenue Account.

### BALANCE SHEET

As at the 31st December 2010

		2010 £	2009 £
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash at Bank - Deposit		153	153
Equities		124,874	123,856
James Sharp Cash A/c		18,201	8,038
		<u>143,228</u>	<u>132,047</u>
<b>Net Assets</b>			
<b>Represented by</b>			
General Fund		132,047	118,013
Transfer from Revenue Account		11,181	14,034
		<u>143,228</u>	<u>132,047</u>

# NOTES ON AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 1.

### Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity, and of its excess of income over expenditure for that period. In preparing those financial statements the trustees should:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 charity will continue in its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the applicable regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

## Note 2.

The financial statements are prepared on a historic cost basis for the year ending 31st December 2010 and in accordance with applicable Accounting Standards.

## Note 3.

Investments are stated at the year-end market value to accurately reflect the funds available for the payment of grants.

## Note 4.

<b>Interest Received</b>	<b>2010</b>	2009
	£	£
<b>Investments</b>	<b>4,119</b>	4,673
<b>Write back LloydsTSB</b>	-	1,500
	<hr/>	<hr/>
	<b>4,119</b>	6,173
	<hr/>	<hr/>

# MINUTES NACO ANNUAL GENERAL MEETING

## **Meeting of the 93rd Annual General Meeting held at the Thistle Hotel, East Midlands Airport, on Wednesday 19th May 2010**

Jack Devers, NACO President, welcomed the members to the ninety-third Annual General Meeting of the Association.

### **1. Apologies for absence**

Apologies for absence were received from Collette Barber, Alastair Cook, Chris Cooper, Stewart Cummings, Karen Froggatt, Phil Hoggarth, Roy Lancaster, Elizabeth Lowther, Maria McGettigan, Roger Myddelton, Adrian Price, Malcolm Rutherford, Martin Walsh, Sharon Weir, Jayne Webb & Anita Young.

### **2. Minutes of the Annual General Meeting 2009**

#### **Resolved:**

'that the minutes of the 92nd Annual General Meeting of the National Association of Co-operative Officials held at the Thistle Hotel, East Midlands Airport on Wednesday 20th May 2009, copies of which had been circulated previously, be approved as a true and accurate record'.

### **3. Matters Arising**

There were no matters arising from the minutes.

### **4. President's Address**

The President, Jack Devers, gave his report to the Annual General Meeting.

### **5. Presentations**

The Kevin Yorath Memorial Award was presented to Roger Davies in recognition of the outstanding

service that he has given to NACO during not only his employment with the Co-operative Group as Senior Member Relations Officer, but also his huge involvement and contribution to NACO including his role as President of the Association on three separate occasions prior to his retirement.

Honorary Life Membership was granted to Jim McIlveen formerly of Co-operative Funeralcare, in recognition of his many years of contribution and support for NACO and in particular the Co-operative Funeral Service Managers' Association where he held the position of National President in 2004/05.

Jim Hopley, Chief Executive of Channel Islands Co-operative was also granted Honorary Life Membership in recognition of his strong support of NACO throughout his career with the movement, including holding the position of Chair of the NACO Channel Islands Constituent Association for many years.

Roger Davies also received Honorary Life Membership of NACO in recognition of the outstanding contribution to NACO as a member of the General Council, General Purposes Committee, Co-operative Group Council, Diversity Committee, South Wales & South West Managers Constituent Association and three time NACO President.

A 'For Service' award was presented to Chris Cooper, formerly of the Co-operative College, for his active participation on the NACO HR Forum Constituent Association and as a former member of the NACO General Council.

### **6. Annual Report & Balance Sheet**

The President proceeded to examine the Annual Report and Balance Sheet and invited questions from the floor.

At the invitation of the President, Jas Sandhu took the Annual General Meeting through the Diversity Committee Report for the year ending 31st December 2009, and also reported on the activity of the Diversity Committee to date in 2010.

At the invitation of the President, Ann Breen reported to the Annual General Meeting on the activity of the General Purposes Committee for the year ending 31st December 2009 and provided an update on the National Agreement talks with the Co-operative Employers Association.

At the invitation of the President, Darren Leverington spoke on the section of the report dealing with the work of the Co-operative Group Council during 2009 and he also reported on the activity of the Co-operative Group Council to date in 2010.

At the invitation of the President, Andrew North referred to the section of the report dealing with the work of the Benevolent Fund Committee during 2009 and advised the meeting of the number of applications received to date in 2010.

At the invitation of the President, Lynne Higginbottom presented the Annual Statement of Accounts for the year ending 31st December 2009 to the Annual General Meeting.

No questions were received from the floor and the Annual Report and Financial Statements were formally moved and seconded and duly adopted.

### **7. Appointment of Tellers**

On behalf of the General Council the President nominated Stefan Szymczak and Roger Davies as tellers.

#### **Resolved:**

'that Stefan Szymczak and Roger Davies be elected as Tellers'.

### **8. Appointment of Auditors**

The President advised the meeting that Hurst & Co Accountants LLP were nominated by the General Council to act as Auditors for the year 2010/2011.

#### **Resolved:**

'that Hurst & Co Accountants LLP be elected as Auditors for the ensuing 12 months'.

### **9. Appointment of Trustees**

The President advised that the General Council nominated Dame Pauline Green, Mr Philip Jones and Mr Bob Burlton to continue as Trustees of the Association for the year 2010/11.

#### **Resolved:**

'that Dame Pauline Green and Messers Philip Jones and Bob Burlton be appointed as Trustees for the ensuing 12 months'.

### **10. Appointment of Appeals Tribunal**

The President advised the meeting that the General Council nominated Mrs Delma-Rose Yorath, Mr Roger Fretwell and Mr Ed Sweeney to serve on the Appeals Tribunal for 2010/11.

#### **Resolved:**

'that Mrs Delma-Rose Yorath, Mr Roger Fretwell and Mr Ed Sweeney be appointed to serve on the Appeals Tribunal for the ensuing 12 months'.

### **11. Motions General**

#### **MOTION 1**

Proposed by the General Council

*"That in accordance with Rule 5(a), the rate of annual subscription be increased by 1.5% from £210.60 to £213.72 with effect from 1st January 2011."*

The motion was duly seconded and on being put to the vote was carried by a clear majority.

### **12. General Council Elections – Declarations of Results**

The President invited the General Secretary to declare the results of the General Council Election.

The General Secretary confirmed that six nominations had been received for the five seats for the

Co-operative Group Class and four nominations had been received for the three seats for the All Others Class.

The General Secretary declared the following members had been elected to serve on the General Council in the Co-operative Group Class:

Phil Barr  
Gary Chappell  
Jack Devers  
Karen Froggatt  
Paul Winstanley

The General Secretary declared the following members had been elected to serve on the General Council in the All Others Class:

Colin Downes  
Chris Morgan  
Alan Tattler

The General Secretary confirmed that the successful candidates would serve a term of office of two years.

### **13. Any Other Competent Business**

There was no other competent business.

### **14. Induction of the National President for the Year 2010/2011**

The retiring President Jack Devers installed Ann Breen, HR Development Manager, Midlands Co-operative Society as President of NACO for the year 2010/11.

The President wished Ann every success in her term of office as National President of NACO.

The President, Ann Breen thanked Jack Devers for his kind words in respect of her induction as President for the year 2010/11. Ann also thanked the General

Council for their nomination and stated that she was honoured and privileged in taking on the prestigious and significant role of NACO President and would continue to uphold the traditions of the Association in representing the membership during her year as President.

### **15. Presentation to the Retiring President**

The President Ann Breen thanked Jack Devers for his Chairmanship of the 93rd Annual General Meeting of the National Association of Co-operative Officials. The President also thanked Jack for upholding the tradition of the office of President of NACO and for being an excellent ambassador of the Association during his year of office. Jack Devers was presented with his Past Presidents Medallion.

The President advised the Annual General Meeting that during his year as President of NACO, Jack had set a target to raise money for his nominated charity, Parkinson's Disease. He helped to organise a charity Golf Day and various other charity events during his year culminating with the President's Dinner held the evening prior to the Annual General Meeting.

The President reported that a total of £10,000 had been raised for Parkinson's Disease and congratulated Jack on his wonderful achievement.

The President thanked all members and delegates for their attendance and declared the ninety-third Annual General Meeting of the National Association of Co-operative Officials closed.

# GENERAL COUNCIL 2010

<b>Attendees</b>		<b>Class</b>	<b>Position</b>
Called	Attended		
2	2	Mark Alexander +	Co-operative Group Regional Manager Funeralcare
2	1	Phil Barr #	Co-operative Group Regional Manager Funeralcare
4	4	Ann Breen	All Others HR Development Manager Midlands Co-operative Society
2	2	Colin Downes #	All Others Head of Risk Management Midlands Co-operative Society
4	3	Jack Devers	Co-operative Group Primary Warehouse Operations Manager Co-operative Retail Logistics
2	1	Gary Chappell #	Co-operative Group Operations Manager Co-operative Group
4	1	Karen Froggatt	Co-operative Group National Democratic Services Manager Co-operative Group
4	1	Darren Leverington	Co-operative Group Operations Manager Food Retail
4	3	Maria McGettigan	All Others Group General Manager – HR East of England Co-operative Society
4	3	Chris Morgan	All Others President Robert Owen Society
4	2	Roger Myddelton	All Others Head of Finance and Secretary Chelmsford Star Co-operative Society
4	3	Andrew North	Co-operative Group Regional Secretary Co-operative Group
2	1	Adrian Price *	Co-operative Group Professional Practice Manager
4	3	Jas Sandhu	Co-operative Group Night Shift Manager Co-operative Retail Logistics
4	3	Alan Tattler	All Others Co-op Societies Manager Co-operative Financial Services
4	2	Jayne Webb	Co-operative Group Head of Human Resources Travelcare
2	2	Paul Winstanley #	Co-operative Group National Operations Manager Asset & Profit Protection

# = Elected May 2010

+ = Elected in 'Co-operative Group' class next highest number of votes

\* = Resigned August 2010

# STANDING ORDERS FOR ANNUAL GENERAL MEETING

## 1. Quorum

No Annual General Meeting shall proceed to business unless 20 Delegates are present within half-an-hour after the time the meeting is called for, but business shall not be stopped for want of a quorum after the meeting has commenced (vide Rule 22).

## 2. Delegates' Credentials

(a) Each Constituent Association shall be entitled to appoint from its own number two delegates to attend the Annual General Meeting or any Special General Meeting. Those Constituent Associations with more than fifty members shall be entitled to appoint one additional delegate for each additional fifty members or part thereof up to a maximum of five delegates in total for any one Constituent Association. Constituent Associations may appoint Associate or Honorary members as delegates provided that at least one delegate is a full member. The delegates appointed shall not be provisional members or members of the General Council.

(b) Members other than duly-appointed Delegates may attend the meeting and speak, but shall not have the power to vote.

## 3. Voting

(a) The method of voting shall be by show of hands, or on a card vote at the discretion of the President. Where, however, a vote is challenged by not less than 10 delegates a card vote shall be taken. On a card vote, the value of the votes shall be the number of members in the Constituent Associations on December 31st previous to the meeting. Except in special cases where the rules provide for a two-thirds majority, the business shall be determined by a majority of the votes recorded.

(b) In the event of a card vote being properly demanded the President shall repeat the motion which is the subject of a division, and delegates shall vote by showing their official voting cards for or against the proposition. The ruling of the Tellers as to the numbers shall be final, except in the event of a difference between them, when the President shall order a recount.

(c) Should the voting be equal, the President shall have a casting vote (vide Rule 22).

## 4. Appointment of Tellers

Two or more members shall be nominated by the General Council to act as Tellers, subject to the approval of Annual General Meeting. They shall be responsible for counting the votes on any matter which is the subject of a division.

## 5. President's Address

The President shall deliver an address which shall not occupy more than 30 minutes.

## 6. Motions

Motions from an Association must be moved by its duly appointed delegates, in whose absence they shall be formally moved from the Chair.

## 7. Discussions and Amendments

All discussion, resolutions and amendments etc. shall be governed by the Rules of Debate shown in Appendix "A", and be in accordance with the provisions of Rule 22 (i) and Rule 25 (b).

## 8. Emergency Resolutions

No motion shall be considered an emergency if there has been an opportunity for inclusion in the Agenda. Such motions shall be submitted to the General Secretary at least three days prior to the Annual General Meeting, and the General Council shall recommend whether the motion shall be discussed (vide Rule 22).

## 9. Chairman's Ruling

(a) Each member shall stand when speaking. If the President rises to call a member to order or for any other purpose connected with the proceedings, the member speaking shall thereupon resume his seat and no other member shall rise until the President has authorised the discussion to proceed.

(b) The ruling of the President on any question under the Standing Orders or on points of order of explanation shall be final unless challenged by not less than four members, and unless two-thirds of the duly appointed delegates present vote to the contrary.

## 10. Interruption

If any member interrupts another whilst addressing the meeting, or causes a disturbance and refuses to obey the President when called to order, he shall be named by the President. He shall thereupon be expelled from the meeting and shall not be allowed to enter again until an apology satisfactory to those present has been given.

## 11. Notice of Standing Orders

A notice drawing attention to these Standing Orders shall be circulated to every Constituent Association in advance of each Annual General Meeting.

## 12. Amendment of Standing Orders

These Standing Orders may be amended at any Annual General Meeting by the submission of a motion in accordance with provision of Rule 22 (i).

## RULES OF DEBATE (APPENDIX A)

1. Any member wishing to speak shall address the Chairman. If more than one member rises to speak, the Chairman shall decide the order of speakers.
2. Any motion, unless the terms are set out in an agenda circulated prior to the meeting, shall, if the Chairman so requires, be put in writing before a vote is taken.
3. A motion shall not be debated until it has been seconded. A seconder may reserve his speech until later in the debate. A proposer of a motion shall be allowed 10 minutes for his original speech and five minutes for a right of reply at the end of the debate; a seconder shall be allowed five minutes. Any other members may speak only once in the same debate and shall be allowed five minutes. These periods may be extended at the discretion of the Chairman with the consent of the meeting.
4. Any amendment proposed to a motion must be relevant and not be a direct negative. It shall not be debated until seconded. The proposer and seconder of an amendment shall have the same rights as those of an original motion under paragraph 3 except that the proposer of an amendment has no right of reply.
5. When an amendment has been moved and seconded no further amendment may be moved until it has been disposed of; but notice of intention to move a subsequent amendment may be given, without comment, during the course of the debate.
6. If an amendment is carried the motion as amended shall become the substantive motion and a further amendment may be proposed.
7. If an amendment is negatived a further amendment may be proposed provided it is not substantially the same as an amendment previously defeated.
8. The proposer of the motion with consent of his seconder may signify that he is willing to accept an amendment, but, at the Chairman's discretion, the debate may continue.
9. A motion or amendment having been proposed and seconded may only be withdrawn by consent of the meeting.
10. Any member who has not already taken part in the debate on a motion or an amendment may, at the conclusion of the speech of another member, move without comment:

(a) That the question be now put.

(b) That the debate be now adjourned to the next meeting.

(c) That the meeting proceed to the next business.

If the motion is seconded the Chairman shall at once put it to the meeting.

If a motion that the question be now put is carried, the proposer of a motion may nevertheless exercise his right of reply under paragraph 3. If either of the other procedural motions is passed the meeting shall immediately proceed to the next item of business.

11. If a motion under paragraph 10 (a), (b) or (c) is lost it is within the Chairman's discretion whether or when he will accept a further motion under any of the three paragraphs during the course of the same debate. Subject to paragraph 10 and this paragraph, the Chairman shall decide when the vote is to be taken.

12. Any member of the meeting may seek the Chairman's ruling on a point of order at any time during the meeting and this shall be disposed of before the debate is resumed or any further business introduced.

13. The report of any Committee or Sub-Committee may be discussed informally but the Chairman may, at his discretion, ask for a motion that it be "received", "approved", "rejected" or "referred back". The rules of debate shall apply to any such resolution.

14. These Rules of Debate or any of them may be suspended in whole or in part for the whole or any part of a meeting but only by resolution agreed to by at least two-thirds of the members present and entitled to vote at the meeting.

# CONSTITUENT ASSOCIATIONS

## **Associations based on Societies or by Geography**

Anglia Regional Co-operative Managers  
CFS Managers  
Channel Islands  
Co-operative College  
Co-operative Group Central & Eastern District  
Co-operative Group Manchester & District  
Co-operative Group Scottish & NI  
Co-operative Group South East  
Co-operative Group South Wales & South West  
Co-operative Retail Logistics Managers  
Co-operative Party  
Co-operatives UK  
East of England  
Heart of England  
Lincolnshire  
Midcounties  
Midlands Society  
Robert Owen Society  
Scotmid Managers  
Southern Co-operatives  
The Phone Co-op

## **National Associations**

Co-operative Loss Prevention Services  
Funeral Service Managers  
HR Forum  
Professional Pharmacists



# PAST PRESIDENTS OF NACO



1971	N.E. Sturgess	1990-91	D.W. Cockcroft
1971-72	A.G. Emslie	1991-92	J.B. Williams
1972-73	A.A. Whitehead	1992-93	G.W. Money
1973-74	E.W. Swindells	1993-94	R.J. Tomlinson
1974-75	L.G. Craddock	1994-95	M.T. Craig
1975-76	P.R. Morris	1995-96	D.R. Yorath
1976-77	G.E. Arguile	1996-97	M.R. Davies
1977-78	R.A. Bunn	1997-98	F. Wood
1978-79	K. Smith	1998-99	R. Whyborn
1979-80	D.H. Carr	1999-2000	S. Szymczak
1980-81	W. Aitken	2000-01	M.C. Marshall
1981-82	H. Robinson	2001-02	M.R. Davies
1982-83	S.T. Hicks	2002-03	S. Szymczak
1983-84	T. Dalrymple	2003-04	T.A.G. Lees
1984-85	P. Godfrey	2004-05	R. Myddelton
1985-86	N.P. Clark	2005-06	F. Wood
1986-87	D.A. Harrison	2006-07	M.T. Craig
1987-88	D. Brickhill	2007-08	M. R. Davies
1988-89	J. O'Neill	2008-09	K. Froggatt
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