



National  
Association of  
Co-operative Officials

# ANNUAL REPORT & FINANCIAL STATEMENT

for the year ended 31st December 2009



Annual General Meeting 2010

## 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 2009-2010

Jack Devers



National Association of Co-operative Officials  
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# ANNUAL GENERAL MEETING 2009

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

**The Thistle Hotel, East Midlands Airport  
on Wednesday 19th May 2010  
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 2009
3. Matters Arising
4. President's Address – Jack Devers
5. Presentations
  - Kevin Yorath Memorial Award
  - Honorary Life Membership
  - "For Service" Awards
6. Annual Report and Financial Statements for the year ended 31st December 2009
  - 6.1 General Purposes Committee Report
  - 6.2 Co-operative Group Council Report
  - 6.3 Diversity Committee Report
  - 6.4 Benevolent Fund Committee Report
  - 6.5 General Secretary's Report
7. Appointment of Tellers
8. Appointment of Auditors
9. Appointment of Trustees
10. Appointment of Appeals Committee
11. Motions General (See Appendix 1)
12. General Council Elections – Declaration of Result
13. Any Other Competent Business
14. Induction of New President – Ann Breen
15. Presentation to Retiring President

## APPENDIX 1

### 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."*

## Fellow Members

We have pleasure in presenting our report on the activities of the National Association of Co-operative Officials for the year 2009.

## MEMBERSHIP

The active membership of the Association reduced by 103 during the year to a total of 2,120 at 31st December 2009. This decrease represents a reduction in membership of 4.6%.

The Association has continued to experience high levels of leavers during 2009, with 391 in the last year. This level of leavers is comparable to figures for 2008 (393) and 2007 (318) but is, disappointingly, much higher than was budgeted. The officials considered that the level of leavers in 2009 would fall following the completion of the major elements of the integration of United and the Group. However, the figures reflect a total of 76 leavers related to the demise of the Dairy Farmers of Britain business which was not anticipated at the time of preparing the 2009 budget, the final elements of the Co-operative Group and United Co-operatives integration and the integration of the Somerfield estate into the Group

Alongside this, 2009 has proved to be a very difficult year in respect of recruitment with the level of new starters falling to 288. It should be noted that the recruitment levels in 2007 and 2008 were enhanced by the merger of the Co-operative Group and United Co-operative which increased the number of NACO roles in the new Society and NACO was able to exploit this – although this has to be balanced with the losses as a result of integration thus levelling the actual total NACO membership.

NACO has seen significant improvements in membership within Co-operative Financial Services (an increase of 30%), Co-operative Legal Services (an increase of 150%) and the Robert Owen Society (an increase of 50%). During the last twelve months, the officials of NACO have undertaken a number of recruitment exercises throughout the co-operative movement, although specifically within the areas of

greatest potential for members - the Co-operative Group and Co-operative Financial Service. Whilst the results have been largely encouraging, the officials are keen to continue to develop on the foundations in these areas during 2010.

Membership levels within the independent Societies have remained relatively consistent, with the majority showing a healthy NACO density. Where opportunities exist, the officials have plans in place to maximise recruitment. This includes specific recruitment drives for the branch pharmacist population in Co-operative Pharmacy and for Co-operative Legal Services.

Table 1 provides details of the membership numbers from 2005 to 2009:

**TABLE 1**

Year	Number of Members	Increase/ (Decrease)	Percentage
2005	2,439	(93)	(3.6%)
2006	2,136	(303)	(12.4%)
2007	2,165	29	1.4%
2008	2,223	58	2.7%
2009	2,120	(103)	(4.6%)

## DIVERSITY COMMITTEE

The NACO Diversity Committee developed and circulated a questionnaire to the NACO membership seeking its views and opinions. The response exceeded expectations with a return rate of over 26%. This compares to a return rate for similar initiatives of between 4-8% so clearly the NACO membership wanted to have its voice heard on this important topic.

This response means that the sample of returned questionnaires is representative and of a size that enables NACO to draw realistic conclusions. It also mandates the General Council to plan the Association's approach and negotiating stance on diversity.

Each questionnaire was independently analysed and the following key issues were identified, in order of priority:

- Improving diversity related benefits and working conditions
- Developing an effective NACO communications strategy
- Providing diversity and related training to members
- Encouraging Societies to adopt and implement cutting edge diversity policies and practices

This full report and its findings will be subject to a detailed review by the Diversity Committee during 2010 to develop a future strategy for NACO. An initial report will be presented to the Annual General Meeting on 19th May 2010.

Some of the key statistics from the responses by the membership are shown in the tables below. Wherever possible they have been compared to figures, from the general population, calculated by the Office for National Statistics. However, it should be remembered that NACO does not draw its membership from the general population but from those managers who are employed by Co-operative Societies.

**TABLE 2(a)**

Gender		NACO %	ONS %
Male	409	64.41	49.09
Female	224	35.28	50.91

**TABLE 2(b)**

Age		NACO %	ONS %
22-30	35	5.51	7.96
31-40	153	24.10	12.03
41-50	235	37.01	13.80
51-60	185	29.14	14.53
60+	26	4.09	5.63

**TABLE 2(c)**

Sexual Orientation		NACO %	ONS %
Heterosexual/Straight	607	95.59	93-95
Gay/Lesbian/Bisexual	22	3.456	5-7
No Answer	6	0.944	

**TABLE 2(d)**

Disability		NACO %	ONS %
Disability	93	14.65	19
No disability	535		

**TABLE 2(e)**

Religious Belief		NACO %	ONS %
Christian	459	72.26	71.6
No religion	141	22.20	15.5
Muslim	9	1.41	2.7
Sikh	4	0.62	0.6
Jewish	4	0.62	0.5
Hindu	4	0.62	1.0
Buddhist	1	0.15	0.3
Other religions	3	0.46	7.8
Prefer not to say	9	1.41	

**TABLE 2(f)**

Ethnicity		NACO %	ONS %
White	613	96.53	90
Asian/Asian British	14	2.20	5
Mixed	3	0.473	1
Other	2	0.315	
Chinese	1	0.157	1
Black/Black British	1	0.157	3

*NB: Where figures do not total 100% this is because some questions were left not completed.*

This questionnaire is an important step for NACO which is now in a position to formulate effective policy. Diversity should play an essential role in helping co-operatives tackle skills shortages, retain knowledge and experience, widen the recruitment base, and attract more customers and enhance profits. NACO has an important role in ensuring that diversity is skillfully managed and implemented across its member organisations.

The members of the Diversity Committee at the close of 2009 were:

General Council:	Co-opted:	
Ann Breen	Donna Abel	Linda Shaw
Roger Davies	Christine Foster	Ceri Smith
Jas Sandhu	Sundeep Grewal	Emma Willder
Jayne Webb	Amanda Jones	

## FINANCE

For the year-ending 31st December 2009 a deficit of £23,211 was posted. This compares to a deficit of £72,050 in 2008 and surplus of £59,128 in 2007.

This reflects an increase in Operating Expenses of 5.8% to £563,607, and a fall in Operating Income of 2.6% to £473,032, when compared to the year-ending 31st December 2008. The headline figures are that whilst expenditure was some 0.75% below budget at £533,308, income was significantly below budget by £46,075, or 9.0%. The budgeted income fell short of expectations reflecting the fall in membership numbers and the continued economic difficulties that have impacted on the investment portfolio.

Subscription income for 2009 was £426,696 compared to a budget of £449,103 – a shortfall of some £22,407 or 5.0%. This reflects a fall in membership numbers of some 103 as detailed earlier in this report. Investment Income and Bank Interest for the General Fund was some £34,697 (compared to £43,894 in 2008) and total Investment Income and Bank Interest of the combined accounts of the Association was some £40,364 (compared to £51,893 in 2008). These figures have been severely influenced by the interest rates in 2009 with bank interest falling from £5,488 in 2008 to only £107 for the last 12 months. The economic downturn has also impacted on the Association's potential for profit on stock market activity. In 2009 we sold no shares and thus realised no profit compared to a profit on the sale of investments of £25,512 in 2008.

Colleagues will recall that in reviewing the 2008 year-end accounts the General Council agreed that measures had to be taken in relation to the Association's investment portfolio to recognise the significant economic downturn. At the time of the review, the Association's consolidated accounts witnessed a diminution of year-end market value of £150,153 (General Fund £130,608 and Constituent Association £19,545) compared to cost value.

The General Council agreed that the accounts of the Association should recognise the fall in value of the investment portfolio and a provision of 50% of the

diminution was allowed for in the accounts, a total provision of £75,000 (£65,000 for the General Fund and £10,000 for the Constituent Associations). It was agreed that the General Council should review the portfolio and agree actions during 2009.

At their meeting in November 2009 the General Council reviewed and agreed the recommendations presented by the General Secretary following discussions with the investment advisors, James Sharp & Co and the Association's Auditors, Hurst & Co. This facilitated a permanent diminution for a number of share holdings that continued to trade at a level significantly below the purchase price paid by the Association. In providing for this diminution, a proportion of the write down in the 2008 year-end accounts was available to write back into the 2009 year-end accounts. This has resulted in some £24,500 to be written back for the General Fund and £2,500 for the Constituent Association Fund.

Despite the severe economic conditions and the resultant deficit reported, the Association remains financially strong, with net assets well in excess of one million pounds. The Association's auditors have also confirmed that the Association is well placed to see out the economic downturn and remains a financially sound organisation. The General Council will continue to manage the finances of the Association in a prudent manner and monitor costs and income streams.

## CONFERENCE AND SEMINAR ACTIVITY

The 2009 Conference Programme was severely curtailed due to two major factors – firstly the economic downturn and secondly the integration of the Somerfield estate with the Co-operative Group. The economic downturn resulted in Societies reviewing their expenditure on training, thus reducing the potential attendees. The integration exercise meant that members in the Group who would have normally been attendees at NACO events were occupied in very detailed business cases that diverted their attention during 2009.

NACO Constituent Associations held one residential

conference in October for the Co-operative Funeral Services Managers' Association.

In addition to this residential conference, the Co-operative Loss Prevention Services Association held a one-day seminar in Manchester during November.

The HR Forum and the Loss Prevention Services Association cancelled residential conferences planned for 2009. Both Constituent Associations are looking to hold residential conferences in 2010. The National Association of Co-operative Pharmacy Professionals decided early in 2009 that they would not consider any event for the year as a consequence of the significant pressures on the Pharmacy industry in general and the Co-operative Group in particular. This position will be reviewed early in 2010.

The Association organises these events to support the principles of the Continuous Professional Development of the members of the Constituent Associations. However, as is becoming the regular situation with the Co-operative Funeral Services Managers' Association, their Regional meetings also deliver educational sessions to their members on top of the events and functions at the Annual Conference, and all of these are very well attended.

Costs incurred by Registered Office in providing administrative support for the events were fully recovered, thus ensuring that NACO members' subscriptions were not used to subsidise any of the conferences or seminars. The aim, as always, has been to break even or make a small surplus wherever possible, on the conference and seminar programme to enhance the Constituent Associations' funds.

### **PERSONAL INJURY CASES**

During the year, two cases were concluded with compensation payments made to the individual members. Our policy of remitting the whole of the award of compensation to the member and meeting any costs not recoverable 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.

On the advice of our legal experts, 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 2009 there were six personal injury cases ongoing, with good prospects of obtaining compensation for the members concerned.

### **INDIVIDUAL REPRESENTATION**

The Association 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 2009 the number of contested dismissal cases rose sharply against the 2008 level. In 2009 a total of 82 cases were concluded during the year, compared with 54 in 2008. The compensation recovered for NACO members in 2009 was an exceptional £4.7 million compared to £3.2 million in 2008.

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.

Table three provides an overview of those cases where a resolution on a contested case resulted following intervention from the Association.

**TABLE 3**

<b>Reason for Dismissal</b>	<b>Number of cases</b>	<b>Amount of compensation</b>
Redundancy	67	£4,410,154
Performance	2	£25,945
Conduct	6	£68,044
Other	7	£213,500
<b>TOTALS</b>	<b>82</b>	<b>£4,717,643</b>

Apart from the cases above which resulted in the termination of employment of the members concerned, NACO represented a further 70 members with a total of some 152 case files opened in 2009. There were also some 148 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 the officials. There were also some 52 cases ongoing from previous years. In total some 300 meetings in respect of individual cases and one-to-one interviews were attended by the NACO officials during 2009.

Please note that these figures exclude the representation given to groups of 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**

The merger between Co-operative Financial Services (CFS) and the Britannia was effective from 1 August 2009. The new business has £70 billion of assets, nine million customers, 12,000 employees, more than 300 branches and 20 corporate banking centres. It was confirmed at a very early stage that the merged business would continue to have a significant

presence in Leek and Manchester, and the combined business would expect to deliver more than £60 million a year in efficiency and revenue benefits. This would include a detailed integration for the two organisations which would impact upon NACO members in CFS.

The initial stages of the merger to create the senior management team were implemented very quickly with Levels A & B, the Chief Executive and Executive team, announced in advance. This was quickly followed by Level C announcements, effectively the Top 40 managers within the business.

Following on from this, consultation took place in the latter months of 2009 regarding the restructure of the senior management teams at Level D. At this level there were approximately 300 managers in scope for circa 180 roles available. This population consists of senior managers across both CFS and Britannia. The final stages of consultation on this management population took place in November, and NACO worked closely with the Human Resources team during the year to ensure a fairness and consistency for all of the members in scope to the consultations.

The next phase of consultation, which would involve the majority of the population of the former CFS and Britannia personnel, was timetabled to commence in early 2010. This exercise would engage the bulk of the NACO membership at CFS.

The merger of Plymouth & South West Co-operative Society and the Co-operative Group was announced in March 2009, subject to approval of the members of the two Societies. This was forthcoming and the transfer of engagements of Plymouth & South West Co-operative Society took place on 6th September 2009.

NACO worked closely with both organisations to ensure that NACO members were well represented throughout the process. NACO secured good long term protection for those of its members employed by Plymouth & South West Co-operative Society and all members were guaranteed employment for 12 months after the merger date. Further, for any of those roles that were declared redundant, there would be enhanced redundancy based on the Rome

terms agreed when the Group merged with United Co-operatives in 2007.

On 3 June 2009, PricewaterhouseCoopers (PwC) were appointed receivers and managers of Dairy Farmers of Britain (DFoB) Limited. The statement relating to the appointment of the receivers indicated that it was due to significant losses in its liquids division compounded by the recent loss of its contract with the Co-operative Supermarket. Whilst losses in its liquid division were partially mitigated by DFoB's closure of two dairies earlier in 2009, the extent of the loss over 2008/9 meant it was unable to pay its farmer members what was considered to be an economical milk price leaving it towards the bottom of the UK milk price league.

NACO was advised that the total debt for DFoB was in excess of £100m and that all assets within DFoB were actively marketed to try and obtained a buyer for the sections of the business as going concerns.

On 9th June 2009, without warning to NACO, Bridgend dairy was closed and most staff made redundant without notice. There were a small number of engineers retained for decommissioning. On 11th June 2009, the Llandyrnog Cheese factory was sold to Milk Link (another farmer co-operative) as a going concern and 12 NACO members were transferred to Milk Link's employ on this date. On 26th June 2009, the Blaydon and Lincoln Dairies were closed without notice to staff or NACO. The following week a number of the Blaydon head Office staff were advised that they were also redundant.

NACO has been in constant contact (letter and e-mail) with the majority of its members to help them through the redundancy process and advising on the completion of the RP1 for receipt of statutory entitlement. We have also taken advice through Thompson's solicitors and will be bringing a claim for failure to consult against Dairy Farmers of Britain to try and obtain further payments through the Redundancy Payments Office for our members. This legal challenge will be heard in the Spring of 2010.

During the latter months of 2010 NACO was involved in a series of detailed consultations to facilitate the

integration of the Somerfield with the Co-operative Group. The integration impacted all areas of Food Retail, with the challenge of developing the appropriate structures to support the increased portfolio of branches. The coming together of the Co-operative Group and Somerfield estates created a huge opportunity to strengthen the position of the co-operative movement in the grocery food sector.

The net result of the integration is a very positive one, with over 240 new roles created to provide the infrastructure for the enlarged Food Retail division. However, the integration proposals also included significant changes in order to create a structure fit to drive long term growth in sales and profitability. This meant that a number of roles that previously featured in the structures either ceased or changed significantly.

Individual consultations commenced following team announcements and NACO represented the interests of members impacted by the changes. At the close of 2009 a total of 363 colleagues (214 Group and 149 Somerfield) had been redeployed into the new structures. Excluding the acceptance of a number of voluntary redundancy requests, a maximum of 33 potential redundancies existed throughout the Group. Of this number 16 were of NACO grade and 10 were NACO members.

### **NATIONAL AGREEMENT**

The National Officials and Departmental Managers Agreement (NODMA) applies to all 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 (NACO) negotiating team met with the Executive of the Co-operative Employers Association (CEA) to

review the National Officials & Departmental Managers Agreement (NODMA), for 2009.

The first meeting with the CEA took place on 14th May 2009. In preparation for the meeting, NACO had made a written submission to the CEA to expedite a meaningful set of negotiations to comply with the 1st July review date. Despite this, NACO was unable to reach agreement with the CEA on that date.

The proposals put forward by NACO via the written submission and the detailed discussion on 14th May can be summarised as follows:

- **Pay** – in recognition of the outstanding performance of those Societies party to the National Agreement during the previous trading year, and ongoing into the 2009 trading year, NACO salaries should be increased by 2.5% from 1st July 2009. In order to facilitate this increase, the negotiating team indicated that they would be prepared to accept an initial 2.0% from 1st July with an additional 1.0% from 1st January 2010 (dependent on Society performance) to enable Societies to budget effectively.
- **Holiday Leave** – NACO reaffirmed the proposal that individual members should be able to access a form of holiday banking. NACO supplemented the proposal by requesting that the movement should afford members at least an opportunity for 5 days per annum to be “rolled over” to the subsequent holiday year if an individual could not use all their entitlement in a holiday year, rather than see days due simply ‘wiped out.’
- **Pay Practices** – the CEA had previously agreed that Societies should be encouraged to undertake evaluation of all NACO roles to ensure that appropriate levels of pay were provided. NACO sought an agreement that the CEA and NACO would work together to enable this practice to be implemented.
- **Family Friendly Policies** – to establish a working party to review current policies in the CEA member societies and the policies of other retail employers.

The CEA was unable to meet the proposals for pay at the meeting on 14th May and agreed to seek a

mandate from all member Societies in respect of their initial offer of 2.0% and reconvene negotiations. This meeting took place on 29th July 2009 and the Executive of the CEA made a formal offer to NACO as follows:

- **Pay** – No increase on the offer of 2.0% was forthcoming and the NACO negotiating team therefore reluctantly accepted. Despite very significant performance by all member Societies, the Executive of the CEA would only recommend 2%.
- **Minimum Increase** – the CEA Executive mitigated their offer by stating that the 2.0% was a minimum increase to be applied to all NACO salaries and NACO therefore confirmed that they would write to all Chief Executives to ask that their Society recognise the efforts of their management team in achieving excellent financial results by increasing salaries by 2.5% as proposed by NACO.
- **Job Evaluation** – the CEA Executive advised NACO that many member Societies had confirmed their willingness to undertake a form of job evaluation and work with the CEA and NACO on this issue. This matter will be raised by NACO with member Society Chief Executives to seek an early joint review.
- **Family Friendly Issues** – NACO confirmed that a review of the issues had been undertaken by way of the NACO Diversity Questionnaire earlier in 2009. This would form the basis of a formal set of proposals by NACO for review and the CEA Executive agreed to undertake consultation.
- **Holiday Leave Rollover/Banking** – the CEA Executive agreed a change to the National Agreement to enable individuals to “roll over” up to 5 days annual leave into a subsequent holiday year (subject to line manager approval). NACO acknowledged this improvement to the National Agreement.
- **Negotiation Timetable** – the CEA Executive acknowledged that the 2009 negotiations had been elongated and that this had caused a delay in the review being implemented. In order that such a situation does not arise in the future, NACO would consult with the CEA in the autumn to establish an appropriate timetable to seek to comply with a review date of 1st July.

The NACO negotiating team viewed the outcome as a far from ideal conclusion to negotiations for the 2009 review of the National Agreement in respect of the pay issue and recorded the fact that an increase of 2.5% for the 2009 National Agreement would not have been a significant cost to the Societies but would have sent a powerful message to the management population that has worked so hard to achieve the outstanding performance recorded by the Societies. NACO felt that this was an opportunity lost by the CEA Executive, particularly as the NACO proposal included the opportunity for staged implementation.

However, in light of the prevailing economic climate, NACO believed that the minimum award of 2.0% should be accepted, and this was implemented accordingly.

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 include:

## **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 2009 review represented an increase to salaries of 2.4% above the mainland March RPI figure (-0.4%). The Jersey March RPI figure (2.1%) and the Guernsey March RPI figure (-1.2%) provided an average of 0.45%. Applying the agreed formula provided an increase to salaries for NACO roles of 2.85% for the 2009 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 committee considered the NODMA settlement of 2.0% and confirmed that, in line with the prevailing economic climate and the challenges facing the Society in a very demanding market, no increased application should be made to the Society for 2009. Therefore agreement was reached with the Society that an increase of 2.0% would be applied to the appropriate NACO salaries with effect from 1st July 2009.

## **Tamworth Co-operative Society**

NACO negotiates directly with the Executive of Tamworth Society to review an annual salary increase and regularly review the salary ranges applicable to NACO graded positions. For 2009, the Executive and the Board of Directors of the Society confirmed a settlement with the Association to increase salaries for NACO employees by 2.0% effective from 1st July.

## **CO-OPERATIVE GROUP COUNCIL**

The Co-operative Group Council met on four occasions during 2009 in February, May, September and November. The members of the Co-operative Group Council at 31st December 2009 were as follows:

Mark Alexander	Co-operative Funeralcare
David Blackburn	Northern District
Roger Davies	South West & Wales & General Council
Jack Devers	Co-operative Retail Logistics & General Council
Karen Froggatt	South East & General Council
Chris Foster	Co-operative Retail Logistics
James Gallagher	Co-operative Funeralcare & General Council
Brad Hill	Manchester District
Sufrana Ismail	Manchester District
Darren Leverington	South East & General Council
Andrew North	South West & Wales & General Council

Adrian Price	Co-operative Pharmacy & General Council
Terry Merchant	Co-operative Retail Logistics
Vernon Rhodes	Co-operative Funeralcare
Jas Sandhu	Co-operative Retail Logistics & General Council
Phil Spencer	Co-operative Funeralcare
Jayne Webb	Co-operative Travel & General Council
Neil Williams	Manchester District
Anita Young	Manchester District & General Council

The Co-operative Group Council submitted a claim for the 2009 Management Agreement review in October 2008 to coincide with the budgetary process of the Group. At that time inflation stood at 5% but the forecasters were uncertain as to what levels of inflation would be seen in 2009 due to the changing face of the UK economy. A number of meetings took place in the latter part of 2008 and early in 2009 to negotiate the terms of the Agreement including the amount of the award, the variable pay matrix and the issue of incentive bonuses.

At the time of the formal review in 2009 the negotiating team was facing unprecedented territory with a Retail Prices Index that had fallen to zero percent and a period of deflation expected. The negotiating team was mindful of; the UK economy, the retail market place and the settlements reached for management grades throughout the private sector. The Co-operative Group Council was also aware of the significant financial commitment that the Group had undertaken in relation to the acquisition of Somerfield and the ongoing brand campaign, which would make the Group a major player in the retail sector.

The position reached during the complex negotiations can be summarised as follows:

- **An increase to salaries of 2% for all management roles**
- **The suspension of variable pay for 2009**

- **All Role Band minima and maxima to increase by 2%**
- **Role Bands 4 to 1 to receive bonus in May 2009 to reflect 2008 performance**
- **A special discretionary bonus payments of 4% of salary for Role Band 5 managers in the Food Retail business and 2% of salary to Role Band 5 managers in Funerals, Farms, ELP and the Corporate Centre**

The Co-operative Group Council considered the final offer very carefully and recognised that in the prevailing volatile economic climate the offer represented a commitment by the Group to continue to increase salaries of the management population. The Council also took into account management pay settlements as reported by Incomes Data Services (IDS) and the report by the Hay Group which confirmed that almost two-fifths of UK organisations (38%) were planning to freeze salaries in 2009.

The Co-operative Group Council was disappointed that the variable pay was, once again, suspended. For 2009 this was due to the integration of Somerfield within the Food Retail business and the desire of the Executive to provide a consistent approach to management salary increases in 2009. Whilst the settlement figure would not allow for a significant range of awards, the Council was keen to progress discussions with the Group to develop a variable pay structure that would differentiate personal performance and reward those managers who contribute towards the success of the business.

Whilst the Co-operative Group Council recognised that the Group had again provided funding to reward the Role Band 5 population, they remained bitterly disappointed that the Executive had not agreed to implement a mechanical system based on the criteria that was in place for Role Bands 4 and above.

The Council urged the Executive to put into practice the co-operative values and principles of equity and equality for managers within Role Band 5 by incorporating them into the formal bonus mechanism for the management population in its entirety. Such action would reflect recognition to the Role Band 5

manager's valued contribution to the success of the Society.

In light of the ongoing economic upheaval and the huge and complex task of integrating Somerfield into the Group, the Co-operative Group Council reached an agreement to apply the Management Agreement for 2009 as detailed above. The award was processed in the April payroll and bonus was processed in the May payroll.

### CO-OPERATIVE FINANCIAL SERVICES

Under Alliance, the terms and conditions within the collective bargaining arena within CFS, NACO undertakes joint negotiations with Unite for members employed by Co-operative Financial Services.

The Joint Unions undertook a positioning presentation to the Employee Relations team at CFS in October 2008 to establish the background to the claim for the 2009 review. This was in turn presented to the CFS Board.

The formal claim was presented to CFS in January 2009 and can be summarised as follows:

- Overall Pay Pot of 4%, subjected to distribution matrix dependant upon performance
- Increase to Upper and Lower Pay Bands by 2% or by market reference if higher
- Agreement to the CFS proposal to increase lower pay bands and shorten timescales for incremental rises within lower bandings to assist with recruitment and more importantly retention of staff at that level.

The Joint Unions recognised that the prevailing economic situation was very difficult, for both CFS and members alike. With that in mind, the NACO and Unite negotiating teams worked hard to achieve a positive outcome that reflected the continuing efforts of members balanced against the needs of the business for future sustainability. The position reached through negotiation was seen by the negotiating team to represent a positive deal on pay for 2009, and recommend it to the membership for

acceptance via a ballot.

The details of the offer can be summarised as follows:

- A variable pay matrix to allow for pay rises up to 7.0% based on performance and position within the pay scale
- A pay pot of 3.35% to facilitate the variable pay matrix
- A 1.0% increase to salary bands minima and maxima
- To recognise the business and market challenges, for colleagues whose base pay increase would take them above their new pay band maximum, they would receive pay up to the new band maximum (consolidated into base pay) and the residual amount paid as a one off non consolidated/non pensionable payment.

This offer was presented to the NACO membership employed at the 'Delivering Business Plans' level and a resultant ballot saw 96.3% accept the offer which was implemented in April 2009.

### 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 the National Association of Co-operative Officials governs the operation of the Fund, constituted as the Benevolent Fund Committee. This report details the activity of the Benevolent Fund Committee for the year ended 31st December 2009.

The Benevolent Committee met four times in 2009 – February, May, September and November. During the year three grants for assistance were made totalling £3,500.

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

Year	Value of Grants	Number of Recipients	Income	Fund Balance
	£		£	£
2005	2,085	2	4,652	109,071
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	120,391

## AWARDS

At the Ninety-Second Annual General Meeting of NACO held on Wednesday 20th May 2009, presentations were made in respect of Honorary Life Membership, NACO For Service Awards and the Kevin Yorath Memorial Award.

The General Council at their meeting in November 2008 agreed to confer Honorary Life Membership to Dewi Williams – Assistant Secretary of the Association. Dewi commenced his career in the co-operative movement when he gained employment with the Co-operative Union Limited in November 1961 in the Research and Statistical Department before moving onto the Trade Advisory Section. Dewi joined NACO in August 1970 as a Research and Administrative Assistant before being promoted in 1974 to Assistant Secretary.

Dewi's vast knowledge of the co-operative movement was invaluable to NACO and he was involved in all aspects of NACO work including mainstream collective bargaining, negotiating terms for NACO members and organising conferences and seminars. Dewi was particularly adept in the individual representation of members during disciplinary and grievance procedures.

Tragically, Dewi passed away on 13th January 2009 before he was able to receive his Honorary Life Membership of NACO. At the 2009 AGM, Dewi's widow Denise accepted posthumous Honorary Life Membership for Dewi. Denise informed the Annual General Meeting that Dewi had been delighted and

proud when he received the letter confirming the honour. The presentation was made by Lindsay Ewing, former NACO General Secretary and close friend and colleague of Dewi.

The General Council also conferred seven 'For Service' Awards to members in recognition of their efforts on behalf of the Association. Karen Froggatt, NACO President 2008/09, made the presentations in two groups.

### **Samantha Rawlins and Malcolm Jepson**

Samantha and Malcolm were nominated as a result of their involvement with United Co-operative Limited Managers Association (UCLA) and, following the merger, the Co-operative Group Council.

Malcolm was Chairman of UCLA and a serving member for eight years. He was committed to recruiting members to NACO and developed and introduced a NACO website on the United intranet.

Samantha was UCLA Secretary and was instrumental in arranging members' meetings, providing a full administrative support and in recruiting and representing members in United Co-operatives.

### **Liz Colling, Kevin Broyd, Derek Drury, David Fairclough and Paul Nightingale**

The five recipients were nominated by their Constituent Association, the National Association of Co-operative Pharmacy Professionals (NACoPP).

Liz has been an active supporter of NACO and was a former President of her Constituent Association. She has helped organise numerous conferences for NACoPP and was a leading light in arranging relevant and engaging speakers.

Kevin worked in the Co-operative Pharmacy for over 30 years and has been involved in the Constituent Association for a major part of his career. He was a conference organiser on many occasions and instrumental in arranging sponsorship and exhibitors.

Derek was Superintendent Pharmacist for Leeds Co-operative before becoming Head of Information Services for the Co-operative Pharmacy. He served on

the Executive Committee of NACoPP for many years and was a former President and Treasurer. Derek is recognised as a stalwart in supporting the educational elements of the annual conferences.

David worked for the Co-operative Group for over 25 years and was considered “the face” of Co-operative Pharmacy in Wales. He served the Executive Committee of NACoPP for over 10 years and has been an avid supporter of both NACO and the Constituent Association throughout his career.

Paul worked in the co-operative movement for over 20 years and was latterly the Divisional Manager for Scotland and North of England as well as being the Vice President of the National Negotiating Body for Pharmacists in Scotland. He was a member of the NACoPP Executive Committee for over 10 years and a former Secretary and President of the Constituent Association.

Delma-Rose Yorath made a presentation of the Kevin Yorath memorial Award to Anthony McCarthy. Delma-Rose informed the Annual General Meeting that Anthony commenced his career with the co-operative movement in 1966, when he joined the CWS funeral service in Liverpool where he was the Branch Manager. From Liverpool he moved to the North East and worked for the North East Society for a number of years before taking over a regional manager’s job for C.R.S. in Doncaster. He was later rewarded with the National Funeral Manager’s position with the C.R.S, a position he held until the merger between C.W.S. and C.R.S in 2001 when he retired early.

Delma-Rose advised the AGM that Anthony always encouraged his managers to join NACO and CFSMA and to attend the divisional and national meetings. Although he was a member of NACO for many years Anthony’s involvement with NACO stepped up a gear in the 1980’s when he with colleagues researched and completed a “special case” for Funeral Managers and the changes which were contained in this research were later written in to the NODMA agreement.

He joined the Sectional Council of NACO in the early 1980’s and attended regularly prior to joining the General Council of NACO in the mid 1980’s. He was the President of the CFSMA in 1990 and was the first President of CFSMA to involve NACO in arranging the Annual Conference, prior to this the CFSMA arranged Conference themselves.

He has been a staunch supporter of the CFSMA and NACO over many years and in retirement remains one of the most regular attendees of CFSMA meetings both divisionally and the AGM. In presenting the award, Delma Rose Yorath said; “All of the nominations were very worthy but Tony has been involved with the association for some 40 years and he really fulfils the criteria for the Kevin Yorath Memorial Award”.

### FUTURE STRATEGY

The Association commenced a strategic review in late 2008 and completed the process in early 2009. This was a very thorough process which saw NACO literally starting from scratch in considering what its purpose should be within a co-operative movement of the size and shape it is today, what its priorities should be, how it should be structured and how it could remain financially sustainable.

The first thing addressed was the Association’s Vision for the future. That was confirmed NACO should be ***‘a strong, independent Trade Union, focused on meeting members’ needs and aspirations’***. The next issue was the NACO Mission Statement, which was agreed as, ***‘to provide effective, professional representation – both individually and collectively – to an engaged and vibrant membership’***.

The Vision and Mission Statement are underpinned by six strategic objectives.

### Strategic objectives

- 1) To represent members’ aspirations and provide a professional agenda through appropriate channels and timescales

- 2) To provide a timely response to all requests from individual members to provide professional and effective representational support for internal casework.
- 3) To provide services to support the Association's democratic structures and to provide effective communication channels to ensure members are actively engaged in the management and strategic direction of the Association.
- 4) To ensure the financial stability of the Association through effective management of the financial resources and seek to build upon the reserves and assets.
- 5) To actively recruit new members to the Association from the co-operative and mutual sectors to provide for a net increase in NACO membership.
- 6) To effectively manage the resources – human, property, vehicles and technology – to facilitate an appropriate provision of services to members whilst balancing work/life commitments in a safe working environment.

The strategic objectives are supported by 37 operational objectives agreed with NACO officials. Rather than detailing each one individually, the objectives have been grouped under six sub-headings and an overview of these is provided below.

### **Operational objectives**

#### ***Developing membership opportunities***

NACO has completed a mapping exercise of membership databases in the independent societies and CFS to identify recruitment opportunities. This has led to a concentrated campaign in CFS which is having significant success. The mapping of the Group is ongoing, but the Association is identifying 'hot spots' where it is concentrating efforts.

NACO has completed a review of mutual building societies and insurance organisations and has held some informal meetings with umbrella organisations supporting these sectors. The Association also continues to review opportunities in Somerfield and Britannia.

### ***Resources***

The Association has reviewed its investment portfolio and, in order to maximise income streams, has taken action to move out of low yield cash holdings such as money markets, and transferred into preference share holdings and high yield investment trusts. NACO remains mindful at all times that the investment strategy must remain a low/medium risk to fulfil its role as custodians of members' monies.

NACO has explored new income streams including selling advertising space in co-operative official and Fairtrade projects, which have realised returns for the Association. Further research is being undertaken for other income streams including property investment and ethical auditing processes.

The Association has continued to monitor expenditure closely with reviews of the NACO registered office, vehicles, green energy and grants all being undertaken to ensure the Association explores every opportunity to save money whilst providing a level of service expected by the membership. A full review of all the current technology used, both in terms of software and hardware, is ongoing, in order to assess suitability and an appropriate replacement strategy.

### ***NACO profile***

The Association engaged with members and non-members in the Co-operative Group and CFS in December through an electronic distribution of co-operative official. Agreement by the Group and CFS ensured that this was sent to every individual undertaking a NACO graded role and would seek to raise the NACO profile with members and non-members alike. The electronic message also had a link to a survey with separate links for members and non-members. Detail of the outcomes of the survey will be detailed to the Annual General Meeting on 19th May 2010.

## ***Membership engagement and communication***

NACO is reviewing the current transparency and availability of contacting members, including the use of its website, electronic newsletters, text messaging and so on. The Association has completed a full scale review of the induction processes in the Co-operative Group and will undertake presentations to every intake to maximise recruitment at the earliest stage of an individual's career with the co-operative movement. This exercise is to be rolled out to all independent societies and CFS at the earliest opportunity.

The NACO membership induction process has been modified to ensure that greater explanation of NACO benefits are included and details of the democratic structures of the Association are available with a view to increasing active members. The strategy for membership engagement will be further enhanced by the market research mentioned previously.

A diversity questionnaire was issued to all members by the Diversity Committee in early 2009 and this has been a great success with 650 responses received, providing an excellent database of information. The provisional detail of the results of the survey has been shared earlier in this report. The complete set of data will be subject to a full review by the Diversity Committee during 2010 to agree an appropriate strategy.

## ***Partnership***

This is a longer term operational and strategic objective for the Association and falls into three main areas:

1. Building strategic relationships within the co-operative and mutual sectors with existing partners and new partners
2. Entering into formalised Partnership Agreements with existing and new stakeholders
3. Entering into formal Change Management Agreements with existing and new stakeholders.

## ***People***

General Council has commissioned a full review of the NACO Rule Book and this is currently being drafted. Alongside this, NACO internal structures, succession planning, staff handbook and performance management systems have all been subject to review.

The General Council recognises that this has been an important exercise to ensure that NACO remains a viable and relevant trade union which continues to represent the interests of its members in an evolving co-operative sector. The amalgamations and mergers we have witnessed over the past few years have required a careful review of the NACO structures and strategies to ensure we can continue to deliver the level of service required, and expected, by our members on a collective and individual basis.

The last few years have thrown many challenges at NACO and the future will no doubt be just as challenging. Through the activity undertaken so far, and our strategic plans for the future, will go a long way to ensure NACO is well placed to continue to provide the support to members it has shown for the last 90 years.

## **CONCLUSION**

NACO and the co-operative movement have experienced another testing 12 months. Whilst the pace of merger in the movement did abate in 2009, the acquisition of Somerfield by the Co-operative Group and the merger of Co-operative Financial Services and the Britannia Building Society have placed tremendous demands on the NACO officials. Combined with the challenges that the economic downturn has had on all Societies and NACO itself, 2009 has certainly been a year to remember.

Despite the demands for collective bargaining and individual representation that have been detailed in this report, the General Council and NACO officials have been able to undertake three significant and important pieces of work in 2009:

- Diversity Research Questionnaire

- Strategic Review of NACO
- Market Research Survey of Members and Non-Members

These have resulted in providing NACO with the raw data to establish a strategic action plan to ensure that the Association remains relevant, vibrant and financially sound to meet the demands of our members – both individually and collectively. The data will provide the foundations for the Association's negotiating agendas for the future and enable the General Council to shape the Association's structures – internal and democratic – to continue to provide a level of service that the NACO membership demands.

NACO has challenges ahead in respect of finances and membership numbers. To remain a potent force we need to ensure that our collective voice remains strong. This means that we will have to focus on recruitment of new members and retention of existing members. Our market research will assist in developing the 'right offer' for our present and future members.

Financially we have ridden out two very tough years and remain a financially sound organisation with in excess of one million pounds in reserve. However, to continue posting deficits is not a business model that leads to sustainability and the General Council will need to focus on both income and expenditure very closely to ensure that the Association can continue to provide an effective trade union service. This, in part, can be mitigated by a strong recruitment campaign and the General Council will review opportunities to develop this strategy during 2010.

We conclude this report by thanking the officials and staff of the Association for their continued high level of commitment and dedication. The team will continue to focus on providing a first class service to the membership and their efforts are very much appreciated.

There were a number of changes on the General Council during 2009 and we would like to record our thanks to Matt Arrowsmith, David Blackburn, Chris Cooper and Mark Craig for their contribution during

their time with the General Council. We also welcomed some new faces to the General Council during the year – Darren Leverington from the Co-operative Group Food Retail, Andrew North from the Co-operative Group Membership, Jas Sandhu from Co-operative Retail Logistics, Anita Young from the Co-operative Group Customer Relations, Adrian Price from Co-operative Pharmacy, Chris Morgan from the Robert Owen Society and Alan Tattler from Co-operative Financial Services.

To end this report it is fitting to thank all of those members of the Association who give their time, knowledge and experience by supporting NACO through the Constituent Associations, Diversity Committee, Co-operative Group Council and General Council. It is their continued support and participation that ensures that the Association remains an effective organisation.

On behalf of the General Council:

**Jack Devers**  
President

**Neil Buist**  
General Secretary

# ANNUAL STATEMENT OF ACCOUNTS

For the Year ended 31st December 2009

## **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 2009 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**

**24th February 2010**

## **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 2009 is £566,515 and income for the year ended 31st December 2009 is £543,304 of which £426,696 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 2009 are as follows:

President: Annual allowance of £500

Other members of the executive (General Council) - NIL

General Secretary:

Salary £87,276

Pension Contribution by NACO £10,473

Car Benefit £7,771

(c) The report made by the Independent auditor on the financial statements for the year ended 31st December 2009 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 2009

	NOTE	2009 £	2008 £
Membership Subscriptions	3	<b>423,788</b>	407,687
Net Conference Income/(Expenses)	6	<b>6,787</b>	9,150
Other Income	5	<b>42,822</b>	34,939
Profit/(Loss) on Sale of Investments		-	25,512
Profit/(Loss) on Sale of Fixed Assets		<b>(365)</b>	8,146
		<hr/>	<hr/>
		<b>473,032</b>	485,434
Operating Expenses	7	<b>(563,607)</b>	(532,498)
		<hr/>	<hr/>
		<b>(90,575)</b>	(47,064)
Interest from Investments	4	<b>67,257</b>	(28,595)
Bank Interest		<b>107</b>	5,488
		<hr/>	<hr/>
Pre-Tax Surplus/(Deficit)		<b>(23,211)</b>	(70,171)
Taxation		-	(1,879)
		<hr/>	<hr/>
<b>SURPLUS/(DEFICIT) AVAILABLE FOR TRANSFER</b>		<b><u>(23,211)</u></b>	<b><u>(72,050)</u></b>
General Management Fund			
Registered Office	12	<b>(22,830)</b>	(70,660)
Constituent Associations	12	<b>3,483</b>	789
Conference Reserve	12	<b>(3,864)</b>	(2,179)
		<hr/>	<hr/>
		<b>(23,211)</b>	(72,050)

(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 2009

FIXED ASSETS	NOTE	2009		2008	
		£	£	£	£
Investments	8		998,074		946,562
Tangible Assets	9		63,336		74,617
<b>Current Assets</b>					
Debtors	10	82,811		55,450	
Pre-paid expenses		29,774		10,839	
Cash in Hand		1,374		1,440	
Cash in Bank		52,982		160,981	
			<u>166,941</u>		<u>228,710</u>
<b>LESS</b>					
<b>Current Liabilities</b>					
Creditors falling due within one year	11	(76,374)	90,567	(74,701)	154,009
			<u>90,567</u>		<u>154,009</u>
			<u><u>1,151,977</u></u>		<u><u>1,175,188</u></u>
<b>NET ASSETS REPRESENTED BY</b>					
<b>General Management Fund</b>					
Registered Office	12	948,035		967,584	
Conference Reserve	12	52,209		36,073	
Constituent Associations	12	151,733		171,531	
			<u>1,151,977</u>		<u>1,175,188</u>

The Revenue Account and Balance Sheet were approved by the General Council of NACO on the 24th February 2010

J. Devers,  
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 2009

	NOTE	2009 £	£	2008 £	£
Cash from operating activities	13a	(105,474)		(26,505)	
Returns on investments and servicing of finance	13b	40,364		51,893	
Taxation	13c	(1,879)		(1,870)	
Capital expenditure & Financial investment	13d	(41,076)		(36,968)	
			<u>(108,065)</u>		<u>(13,450)</u>
<b>Reconciliation in net cash flow to movement in net funds</b>					
Increase/(Decrease) in cash in the period		(108,065)		(13,450)	
Increase/(Decrease) in liquid resources	13e		(108,065)		(13,450)
Net Funds as at 1st January 2009			<u>162,421</u>		<u>175,871</u>
Net Funds as at 31st December 2009			<u>54,356</u>		<u>162,421</u>

## 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 2009 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 cost. Writedowns are made if a permanent diminution in value occurs.
- (g) The audited accounts represent the combined financial statements of the Association's General Fund and the Constituent Associations of NACO.

	2009		2008	
	£	£	£	£
<b>Note 3</b>				
<b>Members' Subscriptions</b>				
Subscriptions received		426,696		411,951
<b>Less: Paid over to Constituent Associations</b>				
i) Membership Grants	1,785		1,929	
ii) Affiliate Membership Grants	384		335	
iii) Supplementary Grants	739		2,000	(4,264)
		<u>423,788</u>		<u>407,687</u>
<b>Note 4</b>				
<b>Investment Income</b>				
Registered Office	34,599		39,467	
Investment Diminution Provision	24,500		(65,000)	
Constituent Associations	5,658		6,938	
Investment Diminution Provision	2,500		(10,000)	
		<u>67,257</u>		<u>(28,595)</u>
<b>Note 5</b>				
<b>Other Income</b>				
<b>Registered Office</b>				
Conference Management Fees (see note 6)	4,000		9,500	
Other Income	24,375		18,082	
<b>Constituent Associations</b>				
From Registered Office	2,908		4,264	
Other Income	11,539		3,093	
		<u>42,822</u>		<u>34,939</u>

## NOTES *Continued*

	2009		2008	
	£	£	£	£
<b>Note 6</b>				
<b>Conference Income &amp; Expenditure</b>				
<b>Registered Office</b>				
Income	108,619		165,720	
Expenditure	(97,832)		(147,070)	
Conference Management Fees (see note 6)	<u>(4,000)</u>	6,787	<u>(9,500)</u>	9,150
		<u>6,787</u>		<u>9,150</u>

The Association organised one conference and one seminar in 2009. The conference and seminar accounts of the Funeral Service Managers and the Loss Prevention Services were 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			
Registered Office	7a	486,624	471,812	
General Council		8,498	8,545	
AGM		12,652	7,044	
Co-operative Group Council		-	4,196	
Constituent Associations		25,915	13,718	
Co-operative Official		17,154	16,263	
Affiliation Fees		5,727	5,464	
Donations & Presentations		3,173	3,277	
Conference Reserve		3,864	2,179	
		<u>563,607</u>		<u>532,498</u>

## NOTES *Continued*

	2009		2008	
	£	£	£	£
<b>Note 7a</b>				
<b>Registered Office</b>				
Personnel Costs	339,732		293,782	
Occupancy Costs	23,892		22,074	
Office Administration Costs	46,865		65,736	
Other Costs	76,135		90,220	
		<u>486,624</u>		<u>471,812</u>

<b>Note 8</b>	<b>Balance</b>			<b>Interest</b>	<b>Diminution</b>	<b>Balance</b>	<b>Investment</b>
	<b>1.1.09</b>	<b>Additions</b>	<b>Withdrawals</b>	<b>Capitalised</b>	<b>Provision</b>	<b>31.12.09</b>	<b>Income</b>
<b>Registered Office</b>							
Fixed Term Investments	117,327	50,000	119,143	1,816	-	50,000	3,434
Equities including Preference Shares	602,543	90,518	-	-	24,500	717,561	31,088
James Sharp Cash Account	68,981	78,282	90,892	31,645	-	88,016	75
<b>Constituent Associations</b>							
Equities	110,663	19,638	-	-	2,500	132,801	5,613
James Sharp Cash Account	47,048	-	43,215	5,863	-	9,696	47
	<u>946,562</u>	<u>238,438</u>	<u>253,250</u>	<u>39,324</u>	<u>27,000</u>	<u>998,074</u>	<u>40,257</u>

<b>Market Value of Securities</b>	<b>Cost Value</b>	<b>Market Value</b>
<b>Registered Office</b>	<b>£</b>	<b>£</b>
Equities including Preference Shares	717,561	746,731

<b>Constituent Association</b>		
Equities	132,801	149,951
	<u>850,362</u>	<u>896,682</u>

## NOTES *Continued*

### Note 9 Fixed Assets

	Motor Cars	Computer Telephone Furniture Photocopier	Total
Cost	£	£	£
Balance B/Fwd	89,277	49,149	138,426
Additions	20,500	2,063	22,563
Disposals	(16,972)	(1,672)	(18,644)
	<u>92,805</u>	<u>49,540</u>	<u>142,345</u>

### Depreciation

Balance B/Fwd	25,258	38,550	63,808
Provided this Period	22,760	4,720	27,480
Disposals/Retirements	(10,607)	(1,672)	(12,279)
	<u>37,411</u>	<u>41,598</u>	<u>79,009</u>

**Net Book Value 2009**

52,394                      7,942                      63,336

**Net Book Value 2008**

64,018                      10,599                      74,617

### Note 10 Debtors

	2009		2008	
	£	£	£	£
Subscription Arrears	24,932		26,182	
Constituent Associations	4,851		11,351	
Other Debtors	50,739		16,732	
Interest Accrued	2,289		1,185	
		<u>82,811</u>		<u>55,450</u>

### Note 11 Creditors

Registered Office	60,553		59,427	
Corporation Tax	-		1,879	
Constituent Associations	4,132		2,262	
Provision for External Repairs	4,000		4,000	
Holiday Pay Accrual	7,689		7,133	
		<u>76,374</u>		<u>74,701</u>

## NOTES *Continued*

<b>Note 12</b>	<b>2009</b>	<b>2008</b>
<b>General Management Fund</b>	<b>£</b>	<b>£</b>
<b>Registered Office</b>		
Balance B/Fwd 1st January 2009	967,584	1,038,244
Transfer from Revenue Account	(22,830)	(70,660)
Transfer from Constituent Associations	3,281	-
Balance C/Fwd 31st December 2009	<u>948,035</u>	<u>967,584</u>
<b>Constituent Associations</b>		
Balance B/Fwd 1st January 2009	171,531	170,742
Transfer from Revenue Account	3,483	789
Transfer to General Fund	(3,281)	-
Transfer to Conference Reserve	(20,000)	-
Balance C/Fwd 31st December 2009	<u>151,733</u>	<u>171,531</u>
<b>Conference Reserve</b>		
Balance B/Fwd 1st January 2009	36,073	38,252
Transfer from Revenue Account	(3,864)	(2,179)
Transfer to Constituent Associations	-	-
Transfer from Constituent Associations	20,000	-
Balance C/Fwd 31st December 2009	<u>52,209</u>	<u>36,073</u>

## NOTES *Continued*

<b>Note 13</b>	<b>2009</b>	<b>2008</b>
<b>Cash Flow Statement</b>	<b>£</b>	<b>£</b>

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

Operating Surplus/(Deficit)	<b>(90,575)</b>	(47,064)
(Profit)/Loss on Sale of Fixed Assets	<b>365</b>	(8,146)
(Profit)/Loss on Sale of Investments	-	(25,512)
Depreciation Charge	<b>27,480</b>	31,841
(Increase)/Decrease in Debtors	<b>(46,296)</b>	45,670
(Decrease)/Increase in Creditors	<b>3,552</b>	(23,294)
	<u><b>(105,474)</b></u>	<u>(26,505)</u>
Net Cash (Outflow)/Inflow from Operating Activities		

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

Investment income received	<b>40,257</b>	46,405
Bank interest received	<b>107</b>	5,488
	<u><b>40,364</b></u>	<u>51,893</u>

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

Corporation tax paid	<u><b>(1,879)</b></u>	<u>(1,870)</u>
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### **Note 13d** **Capital expenditure and financial investments**

Purchase of tangible fixed assets	<b>(22,563)</b>	(65,563)
Purchase of fixed asset investments	<b>(277,763)</b>	(370,752)
Proceeds from Sale of Investments	<b>253,250</b>	380,097
Sale of Plant and Machinery	<b>6,000</b>	19,250
	<u><b>(41,076)</b></u>	<u>(36,968)</u>

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

	<b>As at 1st January 2009</b>	<b>Cash Flow</b>	<b>As at 31st December 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in Hand	<b>1,440</b>	(66)	1,374
Cash at bank	<u><b>160,981</b></u>	<u><b>(107,999)</b></u>	<u><b>52,982</b></u>
	<u><b>162,421</b></u>	<u><b>(108,065)</b></u>	<u><b>54,356</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 2009, 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**  
**24th February 2010**

## BENEVOLENT FUND *Continued*

### REVENUE ACCOUNT

For the year ended 31st December 2009

		2009 £	2008 £
<b>Income</b>	<b>NOTE</b>		
Income from Investments	4	<b>6,173</b>	(2,952)
Profit/(Loss) on Sale of Investments		-	-
<b>Expenditure</b>			
Equities Charge		<b>(295)</b>	(388)
Grants (3)		<b>(3,500)</b>	(1,880)
<b>Change in Market Value of Investments</b>	3	<b>11,656</b>	-
		<u><b>14,034</b></u>	<u>(5,220)</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 2009

<b>ASSETS</b>		2009 £	2008 £
<b>Current Assets</b>			
Cash at Bank - Deposit		<b>153</b>	3,650
Equities		<b>123,856</b>	91,064
James Sharp Cash A/c		<b>8,038</b>	23,137
Accrued Interest		-	162
		<u><b>132,047</b></u>	<u>118,013</u>
<b>Net Assets</b>			
<b>Represented by</b>			
General Fund		<b>118,013</b>	123,233
Transfer from Revenue Account		<b>14,034</b>	(5,220)
		<u><b>132,047</b></u>	<u>118,013</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 2009 and in accordance with applicable Accounting Standards.

## Note 3.

At a meeting of the Trustees on 24th February 2010, it was agreed to state investments at the year-end market value to accurately reflect the funds available for the payment of grants.

## Note 4.

<b>Interest Received</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Investments</b>	<b>4,673</b>	<b>6,048</b>
<b>Diminution Provision</b>	<b>-</b>	<b>(9,000)</b>
<b>Write back LloydsTSB</b>	<b>1,500</b>	<b>-</b>
	<b>6,173</b>	<b>(2,952)</b>

# MINUTES NACO ANNUAL GENERAL MEETING

## **Meeting of the 92nd Annual General Meeting held at the Thistle Hotel, East Midlands Airport, on Wednesday 20th May 2009**

Karen Froggatt, NACO President, welcomed the members to the 92nd Annual General Meeting of the Association

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

Apologies for absence were received from Mark Craig, Nigel Haines, Sufrana Ismail, Andrew North, Ted Perfect, Phil Spencer, Jayne Webb, Frank Whisken, Neil Williams and Anita Young.

The General Secretary reported the sad news of the death of Ron Morris in October 2008.

### **2. Minutes of the Annual General Meeting 2008**

#### **Resolved:**

'that the minutes of the 91st Annual General Meeting of the National Association of Co-operative Officials held at the Yew Lodge Hotel, Kegworth on Wednesday 21st May 2008, 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, Karen Froggatt, gave her report to the Annual General Meeting.

### **5. Presentations**

The Kevin Yorath Memorial Award was presented to Tony McCarthy - Honorary Life member of both NACO and the Co-operative Funeral Service Managers' Association.

A posthumous award of Honorary Life Membership was granted to Dewi Williams, in recognition of his dedication to the members of NACO undertaking his role as Assistant Secretary of NACO from 1970 to 1999. The award was accepted on his behalf by his widow, Denise.

'For Service' awards were presented to Malcolm Jepson and Samantha Rawlins, formerly of the Co-operative Group, in recognition of their excellent support of the United Managers Association and the Co-operative Group Council.

'For Service' awards were also granted to Liz Colling, Kevin Broyd, Derek Drury, David Fairclough and Paul Nightingale, all former employees of the Co-operative Group Healthcare. The awards were made in recognition of the outstanding support that the individuals had made to the National Association of Co-operative Pharmacy Professionals (formerly the National Association of Co-operative Executive Pharmacists) over many years.

### **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, Ann Breen took the Annual General Meeting through the Diversity Committee Report for the year ending 31st December 2008, and also reported on the activity of the Diversity Committee to date in 2009.

At the invitation of the President, Roger Myddelton spoke to the Annual General Meeting detailing the General Purposes Committee Report for the year ending 31st December 2008, and also provided an update on the activity of the General Purposes Committee to date in 2009. Roger Myddelton also provided an updated report on the National Agreement to the Annual General Meeting.

At the invitation of the President, Jack Devers spoke to the section of the report dealing with the work of the Co-operative Group Council during 2008 and he

also reported on the activity of the Co-operative Group Council to date in 2009.

At the invitation of the President, Roger Davies spoke to the section of the report dealing with the work of the Benevolent Fund Committee during 2008 and advised the meeting of the numbers of applications received to date in 2009.

At the invitation of the President, Neil Buist, General Secretary, took the Annual General Meeting through Annual Statement of Accounts for the year ending 31st December 2008.

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 Auditor**

The President advised the meeting that Hurst & Co Accountants LLP were nominated by the General Council to act as Auditors for the year 2009/2010.

### **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, Chief Executive of Co-operatives UK, Mr Philip Jones recently retired Secretary of United Co-operatives and Mr Bob Burlton, Chair of the Co-operative Financial Services to be Trustees of the Association for the year 2009/2010.

### **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 that Professor John Goodman who has served on the Tribunal since 1997 would be standing down from the position as at this Annual General Meeting. It was confirmed that Mr Ed Sweeney, Chair of ACAS, had agreed to the nomination as replacement for Professor Goodman. The President advised the meeting that the General Council nominated Mr Roger Fretwell, Mr Ed Sweeney and Mrs Delma-Rose Yorath to serve on the Appeals Tribunal for 2009/2010.

### **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 Co-operative Retail Logistics Managers Association

The Co-operative Retail Logistics Managers Association note the healthy reserves of NACO and congratulate the General Secretary and the General Council on their careful management of NACO's finances especially in the current economic climate.

*'in light of this and to acknowledge the possible financial situation of NACO membership this branch proposes that subscriptions are retained at the current level for 2010'.*

Paul McCue, Chairman of the Co-operative Retail Logistics Managers' Association indicated that they wished to withdraw this motion.

The motion to withdraw was duly seconded and on being put to the vote was carried nem.con.

## **Motion 1**

Proposed by the General Council

*'that in accordance with Rule 5 (a) the rate of Annual Subscription be increased from £207.48 to £210.60 with affect from 1st January 2010'.*

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

## **Motion 3**

Proposed by the Co-operative College Association

*'this Constituent Association urges NACO to prioritise the agreement of a flexible benefits package on its collective bargaining agenda with Co-operative Employers'.*

On behalf of the Co-operative College Association, Linda Shaw proposed the motion indicating that there has been a request by colleagues that NACO should raise the awareness of flexible working arrangements particularly promoting a work/life balance and also looking at compressed working hours, caring arrangements and sabbaticals etc.

This motion was proposed and seconded.

A question was raised from the floor for clarification purposes the motion indicated flexible benefits whereas the proposers spoke to flexible working. The proposer confirmed that it was the intention to move a motion in relation to flexible working and both the proposer and seconder accepted the change.

The amended motion was put to the vote and carried by a clear majority.

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

At the invitation of the President, the General Secretary declared the following members had been elected to serve on the General Council in the Co-operative Group Class:

Roger Davies  
Jack Devers  
Karen Froggatt  
James Gallagher  
Jayne Webb  
Darren Leverington  
Andrew North  
Adrian Price  
Jas Sandhu  
Anita Young

It was confirmed that as there were ten nominations for the ten seats there had been no election process. The process to confirm which members would serve a term of office of one year – General Council Group A – and which members would serve a term of office of two years – General Council Group B – would be decided by way of drawing lots at the next General Council meeting on the advice of the Association's legal advisors.

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

Ann Breen  
Maria McGettigan  
Chris Cooper  
Roger Myddelton  
Alan Tatler  
Malcolm Rutherford

The General Secretary confirmed that the first three named members were elected to General Council Group B, and the final three named members were elected to General Council Group A.

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

There was no other competent business.

## **14. Induction of the National President for the Year 2009/2010**

The retiring President Karen Froggatt installed Jack Devers, Warehouse Manager, Co-operative Retail Logistics as President of NACO for the year 2009/10.

The President wished Jack every success in his term of office as National President of NACO.

The President, Jack Devers thanked Karen Froggatt for her kind words in respect of his induction as President for the year 2009/10. Jack also thanked the General Council for their nomination and expressed his intent to continue to represent the membership of the Association during his year as President.

uphold the traditions of the Association during his year as President.

The President thanked all members and delegates for their attendance and declared the 92nd Annual General Meeting of the National Association of Co-operative Officials closed.

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

The President Jack Devers thanked Karen Froggatt for her Chairmanship of the 92nd Annual General Meeting of the National Association of Co-operative Officials. The President also thanked Karen for upholding the tradition of previous Presidents and for being an excellent ambassador for the Association. Karen Froggatt was presented with her Past Presidents Medallion.

The President advised the Annual General Meeting that during her year as President of NACO, Karen had supported her nominated charity, the One Foundation. Karen set herself a target during her year as President to raise enough monies to provide a water play pump for a village in Malawi. To demonstrate why Karen had chosen this charity a video was shown to the AGM.

The President announced that he was delighted to report that Karen had raised a total of £7,500 to supply a water play pump and arrangements were in hand for this to be installed in the next few weeks. The money had been raised by the generosity of members and friends of NACO including £2,000 at the Funeral Conference and many hundreds at the HR Conference. Karen has also donated her Presidents allowance to the fund and her employing Society, the Co-operative Group and in particular Co-operative Food had made a significant contribution to realise the project. Karen was congratulated on this wonderful achievement.

The President stated that he was honoured and privileged in taking on the prestigious and important role of NACO President and would continue to

# GENERAL COUNCIL 2009

Attendees		Class	Position
Called	Attended		
2	2	Matt Arrowsmith +*	All Others Business Executive Sales The Phone Co-op
4	3	Ann Breen	All Others Management Development Manager Midlands Co-operative
2	2	Chris Cooper <	All Others Director of Learning & Development Co-operative College
2	0	Mark Craig	All Others Director of Communications Co-operative Group
4	4	Roger Davies	Co-operative Group Senior Co-operative Affairs Officer Co-operative Group
4	4	Jack Devers	Co-operative Group Warehouse Manager Co-operative Group
4	1	Karen Froggatt	Co-operative Group National Democratic Services Manager
4	2	James Gallagher	Co-operative Group Regional Manager Funerals Co-operative Group
2	1	Darren Leverington #	Co-operative Group Area Operations Manager Co-operative Group
4	2	Maria McGettigan	All Others General Manager – HR East of England Co-operative
4	4	Roger Myddelton	All Others Head of Finance & Secretary Chelmsford Star Co-operative
2	2	Andrew North #	Co-operative Group Regional Secretary Co-operative Group
2	2	Adrian Price #	Co-operative Group Professional Practice Manager Co-operative Pharmacy
4	1	Malcolm Rutherford	All Others Chief Executive Officer Seaton Valley Co-operative
2	2	Jas Sandhu #	Co-operative Group Night Shift Manager Co-operative Group
2	1	Alan Tattler #	All Others Business Relationship Manager CIS
4	2	Jayne Webb +	Co-operative Group Head of HR – Travel Co-operative Group
2	0	Anita Young #	Co-operative Group Customer Relations Manager Co-operative Group

# = Elected May 2009

< = Resigned September 2009

+ = Elected in "All Others Class" next highest  
number of votes

\* = Resigned November 2009

# 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  
Channel Islands  
CFS Managers  
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 Managers  
Co-operative Retail Logistics Managers  
Co-operatives UK  
Co-operative Party  
Co-operative College  
Heart of England  
Midcounties  
Midlands Society  
Robert Owen Society Association  
Scotmid Managers' Association  
Phone Co-op Association  
Southern Co-operatives Association

## **National Associations**

Association of Retail Executives  
Co-operative HR Forum  
Co-operative Loss Prevention Services  
Funeral Service Managers  
Professional Pharmacists

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