



ANNUAL REPORT & FINANCIAL STATEMENT

for the year ended 31st December 2016

Annual General Meeting 2017

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Fellow Member,

We have pleasure in presenting our report on the activities of NACO for the year ending 31st December 2016.

MEMBERSHIP

The pattern of falling membership that we have witnessed in recent years has, unfortunately, continued with the membership at 31st December 2016 falling to 1,241 from the start position on 1st January of 1,388. This represents a reduction of 147 members or 10.5% during the year. This compares to a fall of 295 (17.5%) in 2015, 136 (7.5%) in 2014, 47 (2.5%) in 2013.

During 2016 NACO has experienced a loss of 274 members compared to 470 in 2015, 489 in 2014, 374 in 2013. By far the biggest losses have been from the Co-operative Group with 182 leavers. The vast majority of these (53%) were through redundancy and the impact of the Target Operating Model (TOM) and as a result of reshaping of senior roles. Of the Independent Societies, almost 40% of the leavers came from the largest membership densities at Central England Co-operative Society and Well Pharmacy due to ongoing changes from internal cost-cutting exercises.

The Co-operative Group continues to have a high turnover of members and in 2016 whilst we lost 182 members we also witnessed a significant decrease in new members joining NACO with just 83 compared to 126 in 2015.

Whilst opportunities to recruit are still afforded to NACO within the Reception area at the Co-operative Group Head Office in Angel Square, recruitment numbers have been very poor for 2016 and the forecast for any improvement into 2017 appears to look very similar. The NACO Officials are unable to walk around the complex which significantly reduces the chance to

speak to Group colleagues about the benefits that membership of NACO can bring. Consequently, with a smaller team at the NACO Head Office to call on to support this activity, we are not looking to set an objective for recruitment during 2017.

Without doubt, 2017 will be yet another challenging year to ensure that NACO remains viable and relevant to prospective members, whilst maintaining its support to colleagues who find themselves in difficulties. Already within the first half of the year there are likely to be significant potential losses within the Co-operative Group, but as always, NACO will try and protect as many roles and jobs as possible.

The following table provides detail of the NACO membership from 2010 to 2016:

Year	Members	Change	Change as %
2010	1,999	(121)	(5.7%)
2011	1,986	(13)	(0.6%)
2012	1,866	(120)	(6.0%)
2013	1,819	(47)	(2.5%)
2014	1,683	(136)	(7.5%)
2015	1,388	(295)	(17.5%)
2016	1,241	(147)	(10.5%)

COMMUNICATIONS

Communication continues to enhance and inform the offer from NACO to the membership. The website (www.naco.coop) has seen steady growth in monthly exposure to over 1,000 users, with 11,000 (12,000 in 2015) users over the year and a total of over 29,000 page views in 2016 (32,000 in 2015). The number of

users of the website and total page views represents a slight fall from 2015, likely as a result of fewer active members.

In 2016 NACO distributed 47 e-mail communications to members (77 in 2015) with an open rate of over 31%, benchmarking well against other similar organisations. Good open rates show a more engaged audience and a communications plan focused on individual members' workplace concerns, reflecting that 2016 was again a challenging year for many members.

The information that we are able to provide to our members and the interaction through topical member surveys enables NACO to develop the negotiation and consultation agendas with a much improved understanding of the requirements of the membership. In 2016 NACO engaged members in online surveys regarding pay, pensions and stress in the workplace.

FINANCE

For the year-ending 31st December 2016, NACO posted a consolidated deficit of £46,206 compared to a deficit of £220,395 in 2015 and £50,650 in 2014. It should be noted that the change in market value of the NACO investment portfolio has increased during the year which has resulted in a positive movement through the Revenue Account to the sum of £41,037 compared to a negative movement of £42,204 in 2015.

The operating deficit of £127,033 is a significant reduction on the previous year's deficit of £226,898 to the sum of £99,865 – 44%. There are several contributing factors to this, salaries in particular have decreased with the General Secretary, Neil Buist transferring to UNUM – PHI from 5th May 2016. We also witnessed the closure of a number of Constituent Association accounts during 2015 which had a

substantial impact upon income, this has not been repeated during 2016.

Subscription income has fallen by 13.5% on the year (£313,039 in 2015 compared to £270,566 in 2016) however, registered office costs have also reduced by 20.5% (£518,630 in 2015 compared to £411,862 in 2016).

The strategic direction of the Finance & General Purposes Committee remains for NACO to reach a point where we have an operating neutral position and allow for surpluses to be realised through dividend and interest payments and the change in market value of the investment portfolio.

Reviewing the Income Budget set by the NACO Executive for 2016 actual income for the Registered Office was some £346,556 against a budget of £371,168 – an adverse variance of £24,612. The major factor is the continued decrease in NACO Membership during 2016, £32,102 below projected budget for 2016. We have seen an increase in the profit on the sale of investments through NACO and Constituent Associations to the sum of £20,972. NACO also realised a profit of £13,166 on the sale of assets during 2016, both elements against a budget of £30,000.

Continuing to review the income streams, it should be noted that subscription income for 2016 was £270,566 compared to a budget of £302,668 – a shortfall of 10.6%. When establishing the budget for subscription income the Finance & General Purposes Committee set this to reflect the number of paying members on 1st January 2016 assuming the number would finish the year end at the same number of paying members. It is recognised this was an aspiration taking into account the change activity in the movement and in particular the Co-operative Group.

The loss of 147 members has impacted severely on income, the majority have been from the Co-operative Group with a net loss of 94 and 53 from All Other Classes.

Investment Income for the General Fund was £34,583 (compared to £39,412 in 2015) and total Investment Income of the consolidated accounts of NACO was some £39,790 (£48,707 in 2015). Investment income in 2016 has reduced as we would expect due to the decrease in the value of the Investment portfolio's having sold shares throughout 2015 and 2016 to support the working cash flow of NACO.

Whilst the equities and other investment instruments held by NACO in both the General Fund and the Constituent Association Fund have performed reasonably well throughout 2016, there has been no bank interest received for the seventh successive year.

James Sharp & Co continue to provide sound advice on the Investment portfolio and we have realised profits on a number of equities over the year with a total profit from the sale of investments of £20,972 (£9,320 in 2015, £77,389 in 2014). The NACO Executive has taken the opportunity to realise profits on the sale of investments to secure the cash flow and ensure that NACO can continue to trade in an effective financial position.

Turning now to expenditure, the budget for Registered Office for 2016 was £429,115 with the actual expenditure at £433,828 – an adverse variance of £4,721 or 1.0%.

We have continued to monitor the expenditure very closely and realised savings in a number of areas, notably printing & stationery and travelling expenses are both below budget by £4,094 and £5,879 respectively.

The Balance Sheet remains positive with the net assets of NACO at the year-end standing at £1.042M compared to £1.088M compared to 2015 – a decrease in line with the deficit transferred from the Revenue Account.

INDIVIDUAL REPRESENTATION

One of the unique strengths of NACO lies in our ability to respond swiftly and effectively to requests from members for individual representation. A major factor supporting this is that NACO provides professional support, advice and guidance to members by fully trained full-time officials of NACO.

Whilst 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 representatives or shop stewards, the NACO system achieves better results and for that reason the NACO Executive continue to support the process.

During 2016 NACO officials represented a total of 131 members (208 in 2015) with their employing Society in matters relating to discipline, grievance, sickness, redundancy and other employment related issues. This included a small number of members whose cases began prior to 2016, and a further 90 new case files opened in the calendar year.

A total of 196 individual representational meetings were covered by the officials to ensure that the members' rights were upheld (247 in 2015). NACO was able to influence many cases to ensure that a satisfactory resolution was arrived at, but unfortunately a number of cases were contested and in some instances resulted in the member leaving the employ of their Society. The table below provides an overview of those cases which were contested and resulted in a compensatory payment:

Reason for Representation	Number of Cases	Compensation Received
Redundancy	16	£988,939
Conduct	4	£50,160
Other	8	£246,868
TOTAL	28	£1,285,967

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.

PERSONAL INJURY CASES

There are two Personal Injury cases still ongoing from 2015 and there have been no new cases opened during 2016.

All Personal Injury claims go directly to the solicitors without coming via the NACO Head Office, so it is difficult to accurately record all current cases unless we receive prior acknowledgement. The NACO Executive has confirmed that 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.

STRUCTURAL CHANGE & RATIONALISATION

Following the Co-operative Group’s introduction of their “Rebuild” initiative back in 2015, NACO has seen an

overall reduction in the significant restructures that led to a severe decrease in the number of positions and NACO members during 2014/15. However there were still a large number of smaller business cases that required the time and input of the Officials.

In 2016, these restructures were seen within such areas as the central Funeralcare Head Office functions, where members within HR, IT and Finance were affected, as well as the operational functions at Sector Manager level. Other Co-operative Group Head Office restructures were highlighted within Group IT, Procurement and Estates. Co-operative Legal Services also saw the closure of their operation in London, where the majority of their Legal Aid and Family Law solicitors and advisors were based. Some went back to their main site in Bristol, but this was the first time we had seen significant change in this division since the large reduction in Personal Injury (PI) colleagues in 2014.

Within the Primary Logistics function, NACO was involved with a restructure that saw a number of long-serving members made redundant, including the NACO President, Jack Devers, although following negotiations with the Group, NACO has been able to retain his services which is highlighted later in the Report.

Elsewhere, the former Group Pharmacy business – now known as Well Pharmacy – also saw reductions in their Finance, Warehouse and various Regional Operations teams throughout the UK, which again affected a sizeable number of NACO members.

As we have also seen in recent years, largely following the merger between Midland and Anglia societies, Central England Society shed roles within their Senior IT Management Team. There has also been a small restructure within the Co-op Party.

Further detail on the commentary can be found on the NACO website in the news archive at www.naco.coop/naco-news-archive

NATIONAL AGREEMENT

In line with the report on Communications, rather than repeat reports that have been placed on the website please visit the website and review the negotiations in relation to the National Agreement www.naco.coop/naco-news-archive

CO-OPERATIVE GROUP COUNCIL

As with the above section, please refer to the NACO website and the News Archive section to review negotiations for the Co-operative Group in 2016 www.naco.coop/naco-news-archive

BENEVOLENT FUND

The Benevolent Fund received £6,375 (£6,559 in 2015) in investment income during 2016 with no sales or acquisitions through the Investment Portfolio. The accounting policy confirms that in order to accurately reflect the funds available to the charity, the equities held at year-end should be recorded at market value rather than cost. As a consequence, the Revenue Account records the positive change in the market value of the investments from 31st December 2015 to the market value at 31st December 2016 of £13,034, (£2,336 in 2015).

Expenditure to pass through the Benevolent Fund in 2016 related to the equities charge of £360 which was levied by the investment advisors, James Sharp & Co, in relation to the investment activity and £1,500

charged by NACO to undertake the administrative functions of the Charity.

During the year the Trustees considered three applications for grants from the Charity and agreed to make financial assistance payments totalling £5,392.

The Trustees of the Benevolent Fund agreed to introduce a Death Grant for the active members of NACO who die whilst in service and to be paid to their beneficiaries. This allows for a maximum grant to be paid by the Trustees in these circumstances of £2,500. One grant was paid during 2016 to the amount of £2,500.

The balance of the Benevolent Fund at 31st December 2016 stood at £213,322 which is an overall increase of £9,657 as reflected through the Revenue Account (£203,665 as at 31st December 2015).

The Table below details the grants made and the balance of the fund over the last five years:

Year	Value of Grants (£)	Number of Recipients	Income (£)	Balance (£)
2012	3,250	3	5,103	157,860
2013	1,651	2	12,438	193,741
2014	4,804	3	10,153	202,955
2015	6,500	4	6,559	203,665
2016	7,892	4	6,375	213,322

AWARDS

At the 99th Annual General Meeting of NACO presentations were made in respect of Honorary Life Membership and the Kevin Yorath Award for Service to NACO.

Honorary Life Membership

Phil Holmes - Philip Holmes started at the Co-operative Union on 28 October 1985 and Philip left the society on 31 July 2015, this does not tell the full story.

There are many stories of Phil's time at the Co-operative Union and then latterly from 2001 from co-operatives UK Ltd. (merger of Co-operative Union and Industrial Common Ownership Movement).

I am not sure it is down to Phil but when he started in 1985 there were 104 retail societies and today there are only 19.

Phil has been a well-respected member of the senior management at Co-operatives UK and as secretary of the Co-operative Performance committee. He was involved in the work and debate on the presentation of the co-operative difference in societies final accounts.

The desk that Phil used is also legendary within the movement, the Chair of Co-operatives UK Nick Matthews is of the opinion that an outlet for one of our retail societies could easily be housed under the desk along with a travel, funeral and post office outlet.

At co-operatives UK, Phil enjoyed congress and would often be seen drinking into the late hours with the motley crew of Frank Croft, John Macbeth, Bernadette Turner and John Butler et al. There are many stories that maybe should not be repeated from those days usually involving John Butler but Phil would always be first up the next day.

Phil was Head of Finance and Shared Services and based at Holyoake house in Manchester, Phil would often go to the gym before coming into work and enjoyed the banter with all the staff. Phil is a Leeds United fan and we have many

debates on the merits of 'dirty' Leeds and the rivalry with the red shirted heroes from Salford.

Phil would have a brew at 10am and 3pm everyday but someone else would always do it. On Christmas Eve he would make the brew. The staff gave him a map from his office to the kitchen one year to try and shame him into brewing – it did not work.

Sometimes the things Phil said would make us laugh. Pat Wilson our payroll person brought her passport photograph in for Phil to sign as part of the application process. Pat showed the photo to Phil and Pat did not like the picture at all. Phil's reply was 'well you are no Michelle Pfeiffer?' - pin drop is probably the expression. May be it is not as bad as asking 'when is the baby due?' to a colleague who was not pregnant...

Phil has been difficult to replace but his wife Susan has now had her wings clipped and needs somewhere else to send deliveries that seemed to turn up at Phil's house on a regular basis when he was at work. Phil has two sons Mark and Andrew of whom he is immensely proud. Andrew has been working at Co-operatives UK and has the same co-operative ethos.

Now he is at home, whenever we ring Phil, he is either mending something or at the gym (not much changes). I think that Susan sends him out of the house at 9am and tells him to busy himself until tea time about 5pm.

It is a little known fact that Phil is a 'dab' hand at plumbing and DIY, it would not be a surprise to see his house in Bolton Life (if there is such a publication) or on 'renovate your home' programmes.

I would say Phil is one of the most honest and hardworking people I know and it is with great affection that I speak today and I know I can count on him for guidance and as a being a good friend.

Phil loves his holidays and we are probably lucky to catch him (he was in Singapore in January, Lanzarote in May and then is off to Florida in September).

Phil should be proud of what he has achieved in the movement and the Award today is a measure of the high esteem in which the movement holds him. Phil has been a great advocate for the Co-operative Movement promoting co-operatives, credit union and of course, NACO membership.

Thanks Phil you were a great colleague who is sorely missed at Co-operatives UK.

Not bad for a Leeds fan.....

Given by Michael Shepherd

Kevin Yorath for Services to NACO

Phil Hoggarth - Philip Hoggarth started his working life at the Co-operative Funeral Service in Middleborough as a driver bearer in 1986.

Phil has worked hard through various roles within the funeral industry including Funeral Service Operative, Funeral Director, Senior Funeral Director, Divisional Manager and Regional Manager.

Phil has held senior management positions within various flag ship funeral homes within the old North East and Cumbrian Co-op Society and more recently within Co-op Group, during these positions Phil has developed both the business and the people within the business hugely and is highly respected within the industry and the wider Co-op Group for his talent not only in Management but also Embalming, Phil is currently the Regional Manager for the Durham, Tees and Coast Region and will be celebrating 30 years of loyal service this year.

Phil is a well-respected member and past president of the British Institute of Embalmers, an organisation where he is also hugely respected, Phil is an accredited tutor of the British Institute of Embalmers and has trained hundreds of people to become qualified embalmers, Phil has also been a Member of the National Council for the British Institute of Embalmers and a Member of the International Examinations Board of Embalmers and is currently working on getting their qualification recognised by an external awarding body.

Phil has taken his professional development very seriously throughout his career obtaining the following qualifications:

Diploma in Funeral Directing
 Diploma in Embalming
 Accredited Tutor's Diploma in Embalming
 Certificate in Senior Management Development
 NVQ Level 4 in Management
 CFSMA Diploma in Management
 Institute of Management Certificate in Management
 NEBOSH General Certificate in Health and Safety (With Credit)
 Institute of Management Level 5 Executive Diploma in Management.
 Level 3 Diploma in Delivering Learning

Phil also holds professional memberships for:

Co-operative Funeral Service Manager's Association
 British Institute of Embalmers
 British Institute of Funeral Directors
 Chartered Management Institute

In addition to the day job and in-between sleeping and work, Phil has held presidencies of both the British Institute of Embalmers and the Co-operative Funeral Service Managers Association, during which time, Phil worked tirelessly to shape the future of both professions, making a huge impact in creating and developing new ways of working and policies which many people in the funeral industry use today.

From its beginning, Phil has also sat on the NACO grading panel with leaders of Co-op Funeralcare, discussing various pay considerations and awards for Funeral Home Managers.

Away from Phil's busy professional schedule he is Involved in the training of students within the North Eastern and Cumbrian School of Embalming, he trains tutors within the British Institute of Embalmers as part of the Tutors Registration Committee and he arranges training weekends for Tutors and prospective Tutors of the British Institute of Embalmers. Phil enjoys Public Speaking, learning new skills, meeting new challenges and improving his Management skills.

Phil is married to Bobby and has four children Richard, Anthony, Ryan and Carla, he loves holidays abroad and visiting the Scottish Highlands and Islands but he also loves to be out in the garden with all the family celebrating anything and everything so long as there are cocktails involved.

Phil should be proud of what he has achieved in the movement and the Award today is a measure of the high esteem in which the movement holds him. Phil has been a great advocate for the Co-operative Movement promoting both Co-operatives and NACO membership for so many years.

Thanks Phil you are a great colleague and a great guy.

Not bad for a lad from Teesside

Given by David Knowles

Karen Froggatt - Karen's first engagement with the Co-op Movement was as an external auditor.

She was tempted to join Co-operative Retail Services in Barnsley, where she soon settled into a role within the Member Relations team, working alongside colleagues such as Linda Hoyland, Joan Keysell and Mark Robinson-Field.

Her next step was when she was appointed as the Regional Secretarial Officer for the CRS Northern Region in 1992, covering a patch stretching from Hull to Liverpool. Soon, she was asked by the CRS Secretary, Stephen Connah, to take on the challenging role of National Secretarial Officer, leading a team comprising of Joan Keysell, Ted Duley, Brian Constable and Ken Dallow through the tumultuous times in the late 90s which saw the near collapse of CRS and the eventual merger with CWS to form the Co-operative Group.

In 2001, Karen was persuaded by Moira Lees to lead the newly formed Co-operative Group South East Region, bringing her knowledge and skills to bring together members to form a powerful and influential region.

She fulfilled this role until the merger with United Co-operatives in 2007, following which she returned north to Manchester as the National Democratic Services Manager

working with Russell Gill – a post she held until 2015 when she decided to move onto new challenges having helped to establish the Group's new democratic arrangements.

Karen first joined the NACO Executive in 2002, where her enthusiasm to support members in all areas of the movement was second to none. Her dedication, thoughtful insight and approach to NACO members encouraged her colleagues on the Executive to suggest to her that she may wish to stand as NACO President, which she did with great commitment from 2008-09 and again in 2011-12.

Following her departure from the Co-operative Group and the NACO Executive, her former colleagues were keen to show their appreciation for the skill and work she has done for NACO, and believe that the Kevin Yorath Award for Service to NACO was an appropriate gesture for the many years served.

Given by Russell Gill

Simon Hay - Simon has been a valued member of the Co-operative Pharmacy for x years and I've had the pleasure of working with him in a number of roles for the majority of this time.

Our paths first cross when he was appointed Business Development Manager (BDM) in ex United. He was appointed to the role in the South and I managed the North.

The role involved operational responsibility for around 80 branches ensuring that professional standards were met and that we capitalised on the new services agenda being encouraged by the NHS. Simon was tireless in his provision of support to the branch network and has maintained good links with a number of these branch colleagues ever since.

Following the merger in 2007 and as a result of the subsequent re-organisation Simon moved to a role as Divisional Portfolio Manager. Having always had an interest in healthcare centre developments and using property moves to drive the quality, safety and services agenda Simon was instrumental in a number of key developments and relocations as well as supporting with the ongoing acquisition agenda.

In 2015 Simon was appointed Divisional Professional Standards Manager responsible for ensuring the capability of our branch teams and ensuring that our professional and regulatory standards met requirements. The role enabled him to combine all elements of the profession he loves and he has added value to the branches he supported.

On a personal note Simon has always given 110% to his team and the business throughout his career with the Co-operative and subsequently with Well. His dedication to the profession and it's move towards new territory has always been his passion as has engaging our registrants and branch teams with the need to change.

He will be missed by us all and we wish him every success and happiness as his professional career takes a new turn.

For a long time the profession has said pharmacy is at the crossroads. We're all truly on a new NHS journey following the recent funding announcements and Simon will be utilising his wide ranging skills to support these changes within the local communities. He has been dedicated to the Co-operative cause over the years and it's great that this has been recognised by NACO.

Given by Janice Perkins

CONFERENCE ACTIVITY

It has been reported previously that NACO has witnessed a significant reduction in the number of residential conferences and non-residential seminars organised by the NACO Trade Associations. Much of this has to do with the changing nature of the Co-operative Movement and the appetite for Societies to send delegates to events in times of financial difficulty.

However, the Co-operative Funeral Service Managers Association held their bi-annual Conference at the Oulton Hall Hotel, near Leeds on the 14th and 15th October 2016. The event was well attended, although

due to concerns raised by several delegates from the Co-operative Group's Funeralcare division, the numbers were slightly down on what has been seen in previous years. As is the tradition, the Annual General Meeting was followed by a series of CPD sessions and Gala Evening where several thousands of pounds were raised for the Presidents Charity "Simon on the Streets". The CFSMA conference is bi-annual therefore no conference is planned for 2017, however the CFSMA - AGM will take place as usual.

CONCLUSION & THE YEAR AHEAD

NACO was very sad to announce the passing of Neil Buist, General Secretary, in January 2017. Whilst this Report highlights the accounts, events and circumstances of the previous year, it was felt appropriate to state the enormous loss that NACO suffered by Neil's passing.

Neil had worked for NACO since 2001, and had become General Secretary from 2006, following Lindsay Ewing. He is survived by his wife, Nicky, and their two sons, Matt and Andy.

It is impossible to describe the impact Neil's death had on the NACO team when we made aware of the news, but suffice to say, our feelings were echoed by all his friends and colleagues within the NACO membership and throughout the Co-operative Movement. He was a very committed and dedicated man – particularly to his family – who represented the membership with great skill and always to the best of his ability. He is and will be greatly missed by all who knew him and worked with him.

As stated at the 2016 NACO AGM, NACO itself is at a crossroads. In 2017, the Association celebrates its 100-

year Centenary, but due to the pressures evidenced within the Financial Accounts, and the continual reduction in membership due to the regular restructuring seen within our membership base, NACO has had to look very closely as to how it can continue into its second centenary.

Consequently, the NACO Executive agreed to start a dialogue with a number of other Trade Unions in order to look into the potential of a merger or transfer of its engagements, and at the time of printing, a preferred partner had been found and talks were progressing. Whilst this is a very difficult decision, the Executive had felt that it was important for the membership to continue to be represented properly and thoroughly, and to remain relevant within the Movement. Further details will be announced during 2017.

2016 was another difficult year for the Trade Union. The demands placed upon NACO from the Co-operative employers has meant a sizeable commitment from the NACO team to deliver to a smaller membership. As mentioned earlier in the Annual Report, the NACO President, Jack Devers, was affected by a restructure within his department in the Co-operative Group's Logistics Primary operation, and to enable him to continue as President, a secondment was arranged for him to work for the Trade Union into 2017. This coincided with the existing Assistant Secretary, Matt Arrowsmith, leaving NACO for another role elsewhere. Consequently, the number of NACO Officials representing members remains at 2.

During the year we also saw some changes on the NACO Executive with Mark Alexander and Gerri Hickton stepping down, both as a consequence of leaving the Movement, but we would like to thank them for the time, skill and expertise in supporting the Executive and NACO as a whole. Mark was a former NACO President.

To conclude, it is wholly appropriate to thank all of those members who give their time, knowledge and experience to support the activities of NACO – whether that be formally on a Constituent Association, the Co-operative Group Council or NACO Executive, or more informally by providing feedback through the various surveys of members that we undertake.

It is the continued support that the officials receive in this manner that ensures that NACO remains an integral part of the Co-operative Movement and guarantee that we are able to continue to provide support, advice and guidance that the membership so richly deserves.

As mentioned earlier, 2017 brings a celebration – 100 years in existence – but also trepidation as to what the future holds. Whatever the outcome, members can be assured that the Union will represent them as thoroughly as possible as it has done for the past 100 years.

On behalf of the NACO Executive:

Jack Devers President

Bob Lister Interim General Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NACO

We have audited the financial statements on pages 15 – 25.

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 NACO Executive and Auditors

The NACO Executive is responsible for preparing the annual report and 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 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. Those standards require us to comply with the Auditing Practices Board Ethical Standards for Auditors.

An audit apparent misstatements of material inconsistencies involves obtaining evidence about the amount and disclosures in the financial statements sufficient to give reasonable assurances that they financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates and judgements made by the Executive and the overall preparation of 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 31 December 2016 and of its excess of expenditure over income for the year ended.

Hurst & Company Accountants LLP
Chartered Accountants
Statutory Auditors
Lancashire Gate
Tiviot Dale
Stockport

9th March 2017

STATEMENT MADE BY THE NACO EXECUTIVE 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 2016 is £448,355 and income for the year ended 31st December 2016 is £402,649 of which £270,566 consisted of receipts in respect of membership.
- (b) The salary paid to and other benefits provided to or in respect of :
- i) Each member of the Executive
 - ii) the President, and
 - iii) the General Secretary

For the year ending 31st December 2016 are as follows:

President: Annual allowance of - NIL

Other members of the Executive - NIL

General Secretary:

Salary £72,414

Pension Contribution by NACO £15,602

Car Benefit £6,168

- (c) The report made by the Independent auditor on the financial statements for the year ended 31st December 2016 is shown on page 13.
- (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 Assistant 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 Assistant 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 Assistant 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 Assistant General Secretary put the written query/complaint to the next meeting of the Executive.

The internal procedure thereafter shall be in accordance with Rule 33, "Appeals Tribunal".

	Note	2016 £	2015 £
Membership Subscriptions	3	270,566	313,039
Net Conference Income/(Expenses)	6	3,572	-
Other Income	5	13,046	135,305
Profit/(Loss) on Sale of Investments		20,972	9,320
Profit/(Loss) on Sale of Fixed Assets		13,166	-
		321,322	457,664
Operating Expenses	7	(448,355)	(684,562)
		(127,033)	(226,898)
Interest from Investments	4	39,790	48,707
Change in market value of investments	4	41,037	(42,204)
Pre-Tax Surplus/(Deficit)		(46,206)	(220,395)
Taxation	14	-	-
SURPLUS/(DEFICIT) AVAILABLE FOR TRANSFER		<u>(46,206)</u>	<u>(220,395)</u>
General Management Fund			
Registered Office	12	(58,855)	(93,316)
Constituent Associations	12	16,149	(124,291)
Constituent Association Reserve	12	(3,500)	(2,500)
Conference Reserve	12	-	(288)
		<u>(46,206)</u>	<u>(220,395)</u>

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

Fixed Assets		2016		2015	
	Note	£	£	£	£
Investments	8		911,026		956,453
Tangible Assets	9		21,029		40,337
 Current Assets					
Debtors	10	27,487		14,847	
Pre-paid expenses		19,394		14,135	
Cash in Hand		1,243		2,168	
Cash in Bank		102,640		134,379	
		<hr/> 150,764		<hr/> 165,529	
 LESS					
Current Liabilities					
Creditors falling due within one year	11	(40,165)	110,599	(73,459)	92,070
			<hr/> 1,042,654		<hr/> 1,088,860
 REPRESENTED BY					
General Management Fund					
Registered Office	12	857,478		916,333	
Constituent Associations	12	116,441		100,292	
Conference Reserve	12	37,392		37,392	
Constituent Association Reserve	12	31,343		34,843	
			<hr/> 1,042,654		<hr/> 1,088,860

The Revenue Account and Balance Sheet were approved by the NACO Executive on the 9th March 2017.

Jack Devers
NACO President

Bob Lister
Interim General Secretary

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

		2016		2015	
	Note	£	£	£	£
Cash from operating activities	13a	(197,840)		(177,760)	
Returns on investments and servicing of finance	13b	39,790		48,707	
Taxation	13c	-		-	
Capital expenditure & Financial investment	13d	125,386		225,942	
			<u>(32,664)</u>	<u>96,889</u>	

Reconciliation in net cash flow to movement in net funds

Increase/(Decrease) in cash in the period		(32,664)		96,889	
Increase/(Decrease) in liquid resources	13e		(32,664)		96,889
Net Funds as at 1st January 2016			136,547		39,658
Net Funds as at 31st December 2016			<u>103,883</u>		<u>136,547</u>

Note 1**Statement of Responsibilities of the Executive**

Trade Union and Labour Relations Law and the rules of the Association require the Executive 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 Executive 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 Executive 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 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 2016 and in Accordance with applicable accounting standards.
- (b) Income and Expenditure is accounted for on an accruals basis
- (c) Depreciation of motor cars – 25% p.a. of cost on a straight line basis
- (d) Depreciation of computer, telephone, office equipment and word processor – 25% p.a. of cost on a straight line basis
- (e) Income and Expenditure is included in the Revenue Account gross of Value Added Tax. Repayments of Value Added Tax by HM Customs and Excise are included in Other Income in the Revenue Account
- (f) Investments are stated at the year-end market value to accurately reflect the assets of NACO
- (g) The audited accounts represent the combined financial statements of the Association's General Fund and the Constituent Associations of NACO.

	2016		2015	
	£	£	£	£
Note 3				
Members' Subscriptions				
Subscriptions received	270,566		313,039	
		<u>270,566</u>		<u>313,039</u>
Note 4				
Investment Income				
Registered Office	34,583		39,412	
Constituent Associations	5,207		9,295	
		<u>39,790</u>		<u>48,707</u>
Change in market value of investments				
Registered Office				
Constituent Associations	30,110		(30,105)	
	10,927		(12,099)	
		<u>41,037</u>		<u>(42,204)</u>
Note 5				
Other Income				
Registered Office				
Conference Management Fees (see note 6)	3,500		-	
Other Income	5,708		6,251	
CA Accounts Closed	-		126,074	
Constituent Associations				
From CA Reserves	3,500		2,500	
From Conference Reserve	-		288	
Other Income	338		192	
		<u>13,046</u>		<u>135,305</u>

	2016		2015		
Note 6	Conference Income & Expenditure	£	£	£	£
	Registered Office				
	Income	43,254		-	
	Expenditure	(36,182)		-	
	Conference Management Fees (see note 5)	<u>(3,500)</u>		<u>-</u>	
			<u>3,572</u>		<u>-</u>

The Co-operative Funeral Service Managers' Association conference is biennial, which was wholly administered by Registered Office.

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

Note 7 Operating Expenses

Registered Office	411,862	518,630
NACO Executive	4,506	5,481
AGM	13,164	12,895
Constituent Associations	9,327	10,699
Affiliation Fees	4,477	5,818
Donations & Presentations	1,519	2,177
Constituent Reserves	3,500	128,574
Conference Reserves	-	288
	<u>448,355</u>	<u>684,562</u>

	2016		2015	
	£	£	£	£
Note 7a				
Registered Office				
Personnel Costs	304,763		385,617	
Occupancy Costs	20,905		24,608	
Office Administration Costs	33,320		41,136	
Other Costs	52,874		67,269	
		<u>411,862</u>		<u>518,630</u>

Note 8	Balance			Interest	Change in	Balance	Investment
	1.1.16	Additions	Withdrawals	Capitalised	market value	31.12.16	Income
Registered Office	£	£	£	£	£	£	£
Fixed Term Investments	20,000	-	-	-	-	20,000	862
Equities including Preference Shares	780,140	-	89,860	-	30,111	720,391	33,793
James Sharp Cash Account	18,108	108,391	135,858	33,721	-	24,362	-
Constituent Associations							
Equities	137,614	-	2,734	-	10,928	145,808	5,207
James Sharp Cash Account	591	4,859	10,192	5,207	-	465	-
	<u>956,453</u>	<u>113,250</u>	<u>238,644</u>	<u>38,928</u>	<u>41,039</u>	<u>911,026</u>	<u>39,862</u>

Note 9**Fixed Assets**

	Motor Cars	Premises Fixtures & Fittings	Computer Telephone Furniture Photocopier	Total
	£	£	£	£
Cost				
Balance B/Fwd	80,930	2,331	49,252	132,513
Additions	-	-	1,903	1,903
Disposals	(52,950)	-	(1,546)	(54,496)
	<u>27,980</u>	<u>2,331</u>	<u>49,609</u>	<u>79,920</u>
Depreciation				
Balance B/Fwd	49,655	874	41,647	92,176
Provided this Period	11,526	583	2,417	14,526
Disposals/Retirements	(46,607)	-	(1,204)	(47,811)
	<u>14,574</u>	<u>1,457</u>	<u>42,860</u>	<u>58,891</u>
Net Book Value 2016	13,406	874	6,749	21,029
Net Book Value 2015	31,275	1,457	7,605	40,337

Note 10**Debtors**

	2016		2015	
	£	£	£	£
Subscription Arrears	5,492		5,826	
Constituent Associations	2,302		60	
Other Debtors	18,903		8,173	
Interest Accrued	790		788	
		<u>27,487</u>		<u>14,847</u>

Note 11**Creditors**

Registered Office	33,581		47,949	
Constituent Associations	2,302		4,719	
Provision for External Repairs	-		4,000	
Holiday Pay Accrual	4,282		16,791	
		<u>40,165</u>		<u>73,459</u>

	2016 £	2015 £
Note 12 General Management Fund		
Registered Office		
Balance B/Fwd 1st January 2016	916,333	1,009,649
Transfer from Revenue Account	(58,855)	(93,316)
Transfer from Constituent Associations	-	-
Balance C/Fwd 31st December 2016	<u>857,478</u>	<u>916,333</u>
Constituent Associations		
Balance B/Fwd 1st January 2016	100,292	224,583
Transfer from Revenue Account	16,149	(124,291)
Transfer to CA Reserve	-	-
Transfer from Conference Reserve	-	-
Balance C/Fwd 31st December 2016	<u>116,441</u>	<u>100,292</u>
Conference Reserve		
Balance B/Fwd 1st January 2016	37,392	37,680
Transfer to Constituent Association	-	(288)
Transfer from Constituent Associations	-	-
Balance C/Fwd 31st December 2016	<u>37,392</u>	<u>37,392</u>
Constituent Association Reserve		
Balance B/Fwd 1st January 2016	34,843	37,343
Transfer to Constituent Association	(3,500)	(2,500)
Transfer from Constituent Associations	-	-
Balance C/Fwd 31st December 2016	<u>31,343</u>	<u>34,843</u>

	2016 £		2015 £
Note 13		Cash Flow Statement	
Note 13a		Cash from operating activities	
	(127,033)	Operating Surplus/(Deficit)	(226,898)
	(13,166)	(Profit)/Loss on Sale of Fixed Assets	-
	(20,972)	(Profit)/Loss on Sale of Investments	(9,320)
	14,526	Depreciation Charge	19,627
	(17,898)	(Increase)/Decrease in Debtors	3,028
	(33,297)	(Decrease)/Increase in Creditors	35,803
	<u>(197,840)</u>	Net Cash (Outflow)/Inflow from Operating Activities	<u>(177,760)</u>
Note 13b		Returns on investments and servicing of finance	
	39,790	Investment income received	48,707
	<u>39,790</u>		<u>48,707</u>
Note 13c		Taxation	
	-	Corporation tax paid	-
Note 13d		Capital expenditure and financial investments	
	(1,903)	Purchase of tangible fixed assets	(1,073)
	(152,178)	Purchase of fixed asset investments	(233,411)
	259,616	Proceeds from Sale of Investments	460,426
	19,851	Sale of Plant and Machinery	-
	<u>125,386</u>		<u>225,942</u>
Note 13e		Analysis of net cash	
	As at 1st 1st January 2016 £	Cash Flow £	As at 31st December 2016 £
	2,168	(925)	1,243
	134,379	(31,739)	102,640
	<u>136,547</u>	<u>(32,664)</u>	<u>103,883</u>

	2016 £	2015 £
Note 14		
Calculation of Tax Liability		
Calculation of Profit		
Non trading loan relationship income:		
Fixed term deposit interest	(862)	(933)
Miscellaneous income and gains:		
Other income	-	-
Total Profits	<u>(862)</u>	<u>(933)</u>
Expenses of Management		
Operating expenses:		
Provident Benefits in respect of legal fees	766	5,040
	<u>766</u>	<u>5,040</u>
Losses and Allowances		
Losses brought forward	23,310	19,203
Offset in the current period	(862)	(933)
Current year losses carried forward	766	5,040
Losses Carried forward	<u>23,214</u>	<u>23,310</u>

As an incorporated Association NACO falls within the charge to corporation tax. Income from membership subscriptions applied for the benefit of members will not be subject to corporation tax. However, bank interest and other investment income (excluding dividends) will be subject to corporation tax.

NACO also falls within the special provisions of S467 ICTA 1988 in relation to trade unions. This rule is that provided the union is precluded from assuring to any person an amount exceeding £4,000 or £825 a year by way of annuity, any non-trading income will be exempt from corporation tax provided the income or gains are applied for provident benefits.

The legal and professional fees incurred by NACO fall within this definition. Accordingly, NACO's taxable investment income will be reduced by the amounts of those expenses for the purposes of corporation tax.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NACO

We have audited the financial statements on pages 27 and 28 for the year ended 31 December 2016.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 28, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 2011 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs at 31 December 2016, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Hurst & Company Accountants LLP
Chartered Accountants
Lancashire Gate
Tiviot Dale
Stockport

9th March 2017

Revenue Account**For the year ended 31st December 2016**

		2016	2015
		£	£
Income	Note		
Income from Investments	4	6,375	6,559
Profit on Sale of Investments		-	-
Expenditure			
Equities charge		(360)	(185)
Administrative Costs		(1,500)	(1,500)
Grants (4)		(7,892)	(6,500)
Change in Market Value of Investments	3	13,034	2,336
		<u>9,657</u>	<u>710</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 2016**

	2016	2015
	£	£
Current Assets		
Cash at Bank - Deposit	481	1874
Equities	206,974	193,940
James Sharp Cash A/c	7,367	9,351
Less		
Current Liabilities		
Creditors fall due within one year	(1,500)	(1,500)
Net Assets	<u>213,322</u>	<u>203,665</u>
Represented by		
General Fund	203,665	202,955
Transfer from Revenue Account	9,657	710
	<u>213,322</u>	<u>203,665</u>

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 2016 and in accordance with applicable Accounting Standards.

Note 3

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

Note 4

Interest Received	2016	2015
	£	£
Investments	6,375	6,559
	<hr/> 6,375 <hr/>	<hr/> 6,559 <hr/>

Meeting of the 99th Annual General Meeting held at the Jury's Inn Hotel, East Midlands Airport, on Wednesday 8th June 2016

Jack Devers, NACO President, welcomed the members to the 99th Annual General Meeting of the Association.

1. Apologies for Absence

Apologies for absence were received from Jo Barton, Keith Haywood, Lynne Higginbottom, Marianne O'Brien, Sue Powell, Adrian Powis, John Sidlow, Daryl Westwood and Amanda Woodward.

2. Minutes of Annual General Meeting 2015

The minutes were proposed by Danny Doherty and seconded by Maureen Emms and accepted as a true record

Resolved: 'that the minutes of the 98th Annual General Meeting of the National Association of Co-operative Officials held at the Thistle Hotel, East Midlands Airport on Wednesday 10th June 2015, 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. Presidents Address

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

5. Presentations

Honorary Life Membership of NACO

Phil Holmes - Philip Holmes started at the Co-operative Union on 28 October 1985 and Philip left the society on 31 July 2015, this does not tell the full story

There are many stories of Phil's time at the Co-operative Union and then latterly from 2001 from co-operatives UK

Ltd. (merger of Co-operative Union and Industrial Common Ownership Movement).

I am not sure it is down to Phil but when he started in 1985 there were 104 retail societies and today there are only 19.

Phil has been a well-respected member of the senior management at Co-operatives UK and as secretary of the Co-operative Performance committee. He was involved in the work and debate on the presentation of the co-operative difference in societies final accounts.

The desk that Phil used is also legendary within the movement, the Chair of Co-operatives UK Nick Matthews is of the opinion that an outlet for one of our retail societies could easily be housed under the desk along with a travel, funeral and post office outlet.

At co-operatives UK, Phil enjoyed congress and would often be seen drinking into the late hours with the motley crew of Frank Croft, John Macbeth, Bernadette Turner and John Butler et al. There are many stories that maybe should not be repeated from those days usually involving John Butler but Phil would always be first up the next day.

Phil was Head of Finance and Shared Services and based at Holyoake house in Manchester, Phil would often go to the gym before coming into work and enjoyed the banter with all the staff. Phil is a Leeds United fan and we have many debates on the merits of 'dirty' Leeds and the rivalry with the red shirted heroes from Salford.

Phil would have a brew at 10am and 3pm everyday but someone else would always do it. On Christmas Eve he would make the brew. The staff gave him a map from his office to the kitchen one year to try and shame him into brewing – it did not work.

Sometimes the things Phil said would make us laugh. Pat Wilson our payroll person brought her passport photograph in for Phil to sign as part of the application process. Pat showed the photo to Phil and Pat did not like the picture at all. Phil's reply was 'well you are no Michelle Pfeiffer?' - pin drop is probably the expression. May be it is not as bad

as asking 'when is the baby due?' to a colleague who was not pregnant...

Phil has been difficult to replace but his wife Susan has now had her wings clipped and needs somewhere else to send deliveries that seemed to turn up at Phil's house on a regular basis when he was at work. Phil has two sons Mark and Andrew of whom he is immensely proud. Andrew has been working at Co-operatives UK and has the same co-operative ethos.

Now he is at home, whenever we ring Phil, he is either mending something or at the gym (not much changes). I think that Susan sends him out of the house at 9am and tells him to busy himself until tea time about 5pm.

It is a little known fact that Phil is a 'dab' hand at plumbing and DIY, it would not be a surprise to see his house in Bolton Life (if there is such a publication) or on 'renovate your home' programmes.

I would say Phil is one of the most honest and hardworking people I know and it is with great affection that I speak today and I know I can count on him for guidance and as a being a good friend.

Phil loves his holidays and we are probably lucky to catch him (he was in Singapore in January, Lanzarote in May and then is off to Florida in September).

Phil should be proud of what he has achieved in the movement and the Award today is a measure of the high esteem in which the movement holds him. Phil has been a great advocate for the Co-operative Movement promoting co-operatives, credit union and of course, NACO membership.

Thanks Phil you were a great colleague who is sorely missed at Co-operatives UK

Not bad for a Leeds fan.....

Kevin Yorath Award for Service to NACO

Phil Hoggarth - Philip Hoggarth started his working life at the Co-operative Funeral Service in Middleborough as a driver bearer in 1986.

Phil has worked hard through various roles within the funeral industry including Funeral Service Operative, Funeral Director, Senior Funeral Director, Divisional Manager and Regional Manager.

Phil has held senior management positions within various flag ship funeral homes within the old North East and Cumbrian Co-op Society and more recently within Co-op Group, during these positions Phil has developed both the business and the people within the business hugely and is highly respected within the industry and the wider Co-op Group for his talent not only in Management but also Embalming, Phil is currently the Regional Manager for the Durham, Tees and Coast Region and will be celebrating 30 years of loyal service this year.

Phil is a well-respected member and past president of the British Institute of Embalmers, an organisation where he is also hugely respected, Phil is an accredited tutor of the British Institute of Embalmers and has trained hundreds of people to become qualified embalmers, Phil has also been a Member of the National Council for the British Institute of Embalmers and a Member of the International Examinations Board of Embalmers and is currently working on getting their qualification recognised by an external awarding body.

Phil has taken his professional development very seriously throughout his career obtaining the following qualifications:

- Diploma in Funeral Directing
- Diploma in Embalming
- Accredited Tutor's Diploma in Embalming
- Certificate in Senior Management Development
- NVQ Level 4 in Management
- CFSMA Diploma in Management
- Institute of Management Certificate in Management
- NEBOSH General Certificate in Health and Safety (With Credit)

- Institute of Management Level 5 Executive Diploma in Management.
- Level 3 Diploma in Delivering Learning

Phil also holds professional memberships for:

- Co-operative Funeral Service Manager's Association
- British Institute of Embalmers
- British Institute of Funeral Directors
- Chartered Management Institute

In addition to the day job and in-between sleeping and work, Phil has held presidencies of both the British Institute of Embalmers and the Co-operative Funeral Service Managers Association, during which time, Phil worked tirelessly to shape the future of both professions, making a huge impact in creating and developing new ways of working and policies which many people in the funeral industry use today.

From its beginning, Phil has also sat on the NACO grading panel with leaders of Co-op Funeralcare, discussing various pay considerations and awards for Funeral Home Managers.

Away from Phil's busy professional schedule he is involved in the training of students within the North Eastern and Cumbrian School of Embalming, he trains tutors within the British Institute of Embalmers as part of the Tutors Registration Committee and he arranges training weekends for Tutors and prospective Tutors of the British Institute of Embalmers. Phil enjoys Public Speaking, learning new skills, meeting new challenges and improving his Management skills.

Phil is married to Bobby and has four children Richard, Anthony, Ryan and Carla, he loves holidays abroad and visiting the Scottish Highlands and Islands but he also loves to be out in the garden with all the family celebrating anything and everything so long as there are cocktails involved.

Phil should be proud of what he has achieved in the movement and the Award today is a measure of the high esteem in which the movement holds him. Phil has been a great advocate for the Co-operative Movement promoting

both Co-operatives and NACO membership for so many years.

Thanks Phil you are a great colleague and a great guy.

Not bad for a lad from Teesside

Karen Froggatt - Karen's first engagement with the Co-op Movement was as an external auditor.

She was tempted to join Co-operative Retail Services in Barnsley, where she soon settled into a role within the Member Relations team, working alongside colleagues such as Linda Hoyland, Joan Keysell and Mark Robinson-Field.

Her next step was when she was appointed as the Regional Secretarial Officer for the CRS Northern Region in 1992, covering a patch stretching from Hull to Liverpool. Soon, she was asked by the CRS Secretary, Stephen Connah, to take on the challenging role of National Secretarial Officer, leading a team comprising of Joan Keysell, Ted Duley, Brian Constable and Ken Dallow through the tumultuous times in the late 90s which saw the near collapse of CRS and the eventual merger with CWS to form the Co-operative Group.

In 2001, Karen was persuaded by Moira Lees to lead the newly formed Co-operative Group South East Region, bringing her knowledge and skills to bring together members to form a powerful and influential region.

She fulfilled this role until the merger with United Co-operatives in 2007, following which she returned north to Manchester as the National Democratic Services Manager working with Russell Gill – a post she held until 2015 when she decided to move onto new challenges having helped to establish the Group's new democratic arrangements.

Karen first joined the NACO Executive in 2002, where her enthusiasm to support members in all areas of the movement was second to none. Her dedication, thoughtful insight and approach to NACO members encouraged her colleagues on the Executive to suggest to her that she may wish to stand as NACO President, which she did with great commitment from 2008-09 and again in 2011-12.

Following her departure from the Co-operative Group and the NACO Executive, her former colleagues were keen to show their appreciation for the skill and work she has done for NACO, and believe that the Kevin Yorath Award for Service to NACO was an appropriate gesture for the many years served.

Simon Hay - Simon has been a valued member of the Co-operative Pharmacy for x years and I've had the pleasure of working with him in a number of roles for the majority of this time.

Our paths first cross when he was appointed Business Development Manager (BDM) in ex United. He was appointed to the role in the South and I managed the North.

The role involved operational responsibility for around 80 branches ensuring that professional standards were met and that we capitalised on the new services agenda being encouraged by the NHS. Simon was tireless in his provision of support to the branch network and has maintained good links with a number of these branch colleagues ever since.

Following the merger in 2007 and as a result of the subsequent re-organisation Simon moved to a role as Divisional Portfolio Manager. Having always had an interest in healthcare centre developments and using property moves to drive the quality, safety and services agenda Simon was instrumental in a number of key developments and relocations as well as supporting with the ongoing acquisition agenda.

In 2015 Simon was appointed Divisional Professional Standards Manager responsible for ensuring the capability of our branch teams and ensuring that our professional and regulatory standards met requirements. The role enabled him to combine all elements of the profession he loves and he has added value to the branches he supported.

On a personal note Simon has always given 110% to his team and the business throughout his career with the Co-operative and subsequently with Well. His dedication to the profession and it's move towards new territory has always

been his passion as has engaging our registrants and branch teams with the need to change.

He will be missed by us all and we wish him every success and happiness as his professional career takes a new turn.

For a long time the profession has said pharmacy is at the crossroads. We're all truly on a new NHS journey following the recent funding announcements and Simon will be utilising his wide ranging skills to support these changes within the local communities. He has been dedicated to the Co-operative cause over the years and it's great that this has been recognised by NACO.

6. Annual Report and Financial Statements for the year ended 31st December 2015

6.1 General Secretary's Report

The Interim General Secretary gave his report to the meeting.

6.2 Finance & Administration Manager's Report

The Interim General Secretary gave the report to the meeting on behalf of the Finance & Administration Manager.

No questions were received from the floor and the Annual Report and Financial Statements for the year ended 31st December 2015 were formally moved and adopted.

7. NACO Strategic Review

The Interim General Secretary informed delegates that, due to the current situation the Union finds itself, the Strategic Review which usually takes place in November of the previous year, was postponed.

He went on to give a 'State of the Union' address which highlighted the significant concerns facing NACO to the AGM delegates.

8. Appointment of Tellers

On behalf of the NACO Executive the President nominated Natasha Hallworth and Matt Arrowsmith as tellers.

Resolved: 'that Natasha Hallworth and Matt Arrowsmith be elected as Tellers'

9. Appointment of Auditors

The President advised the meeting that Hurst & Co Accountants LLP were nominated by the NACO Executive to act as Auditors for the year 2016/17.

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

10. Appointment of Trustees

The President advised the meeting that the NACO Executive proposed that Mr Bob Burlton, Darren Leverington (NACO Executive member from Co-operative Group Class) and Sue Powell (NACO Executive member from the All Others Class) act as Trustees of NACO for 2016/17.

Resolved: 'that Bob Burlton, Darren Leverington and Sue Powell be appointed as Trustees for the ensuing 12 months'

11. Appointment of Appeals Tribunal

The President advised the meeting that the NACO Executive nominated Mrs Delma-Rose Yorath, Mr Roger Myddelton and Dr John Butler to serve on the Appeals Tribunal for 2016/17.

Resolved: 'that Delma-Rose Yorath, Roger Myddelton and John Butler be appointed to serve on the Appeals Tribunal for the ensuing 12 months'

12. Motions General

Motion 1 – Proposed by the NACO Executive

"That, in accordance with NACO's Rules, the rate of annual subscription is increased from £227.76 to £230.88 with effect from 1st January 2017".

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

The proposed rate of subscription for 2017 is equivalent to a weekly increase of 6 pence – or an annual increase equivalent to 1.4%.

The NACO Executive considers that whilst this represents an increase for members in the prevailing uncertain and difficult economic climate, it will help to maintain an economically viable income stream for NACO.

The motion was seconded by Darren Leverington and was unanimously carried.

13. Motions to Amend Rules

Motion 2 – Proposed by the NACO Executive

"That the quorum for NACO Executive meetings shall be at least 50% less 1 person of the elected membership and include at least two All Others Class members".

Rule 12 currently reads (3rd paragraph)

"The quorum of NACO Executive meetings shall be no less than half of the elected membership and include at least two All Others Class members".

Due to concerns regarding establishing a quorum at every NACO Executive meeting in order to transact the important and necessary democratic business of the Union, the above motion is to be put to the AGM.

The passing of this motion would not affect the decision making process of the NACO Executive which will always be decided by a majority, however it merely ensures that regular business can take place without difficulty.

The motion was unanimously carried.

14. NACO Executive Elections – Declarations of Results

The President invited the Interim General Secretary to declare the results of the NACO Executive nomination and election process.

Co-operative Group Class

The Interim General Secretary confirmed that at the closing date for the receipt of nominations, three nominations had been received for the eight seats available and there had been no election process required. The following members would serve on the NACO Executive in the Co-operative Group Class Group A for a two year term of office:

David Knowles
Jack Devers
Phil Barr

All Others Class

The Interim General Secretary confirmed that at the closing date for the receipt of nominations, two nominations had been received for the three seats available. Further to this the following members would serve on the NACO Executive in the All Others Class Group A for a two year term of office:

Emma Willder
Amanda Woodward

15. Any Other Competent Business

There was no other competent business.

Induction of the National President for the Year 2016/17

As the NACO President was taking on a second year of Service, the Past President Darren Leverington, handed the Past Presidents medal to Jack Devers, for the year 2015/16 and congratulated him and wished Jack every success in his second term of office as National President of NACO.

The President, Jack Devers, thanked Darren for his kind words and he also informed delegates that he was honoured and privileged in taking on the prestigious and significant role of NACO President for a second year, and thanked the NACO Executive for their nomination. Jack also confirmed his intent to continue to uphold the high standards expected of the NACO President in representing the membership during his term of office.

NACO EXECUTIVE 2016

Attendees		Name	Class	Position
Called	Attended			
1	0	Mark Alexander*	Co-operative Group	Regional Manager Co-operative Funeralcare
4	2	Phil Barr	Co-operative Group	Regional Manager Co-operative Funeralcare
4	4	Jack Devers	Co-operative Group	Primary Operations Manager Co-operative Retail Logistics
4	4	Danny Doherty	All Others	Area Manager, Funerals Lincolnshire Co-operative Society
2	2	Gerri Hickton#	Co-operative Group	Management Trainee Co-operative Retail Logistics
2	0	David Knowles^	Co-operative Group	Management Designate Co-operative Funeralcare
4	2	Darren Leverington	Co-operative Group	Operations Manager Co-operative Food
4	1	Sue Powell	All Others	Project Manager The Phone Co-operative
4	3	Ann Rowland	All Others	HR Manager Chelmsford Star Co-operative Society
4	3	Emma Willder^	All Others	Head of Finance & Corporate Services Co-op College
4	2	Amanda Woodward^	All Others	Funeral Department Manager Tamworth Co-operative
4	2	Sarah Wright^	Co-operative Group	Senior Litigation Executive Co-operative Legal Services

* = Resigned April 2016

= Resigned June 2016

^ = New Executive Member June 2016

Associations based on Societies or by Geography

Anglia Home Furnishings
Central England
Channel Islands
Chelmsford Star
Co-operative College
Co-operative General Insurance
Co-operative Group Central & Eastern District
Co-operative Group Manchester & District
Co-operative Group Scottish & NI
Co-operative Group South East
Co-operative Group South Wales & South West
Co-operative Party
Co-operatives UK
East of England
Heart of England
Lincolnshire
Midcounties
Scotmid Managers
Southern Co-operatives
The Phone Co-op

National Associations

Co-operative Business Resilience
Funeral Services Managers
HR Forum
Professional Pharmacists
Logistics Services Managers

1971	N.E. Sturgess	1985 - 86	N.P. Clark	2000 - 01	M.C. Marshall
1971 - 72	A.G. Emslie	1986 - 87	D.A. Harrison	2001 - 02	M.R. Davies
1972 - 73	A.A. Whitehead	1987 - 88	D. Brickhill	2002 - 03	S. Szymczak
1973 - 74	E.W. Swindells	1988 - 89	J. O'Neill	2003 - 04	T.A.G. Lees
1974 - 75	L.G. Craddock	1989 - 90	C.R. Hunter	2004 - 05	R. Myddelton
1975 - 76	P.R. Morris	1990 - 91	D.W. Cockcroft	2005 - 06	F. Wood
1976 - 77	G.E. Arguile	1991 - 92	J.B. Williams	2006 - 07	M.T. Craig
1977 - 78	R.A. Bunn	1992 - 93	G.W. Money	2007 - 08	M.R. Davies
1978 - 79	K. Smith	1993 - 94	R.J. Tomlinson	2008 - 09	K. Froggatt
1979 - 80	D.H. Carr	1994 - 95	M.T. Craig	2009 - 10	J. Devers
1980 - 81	W. Aitken	1995 - 96	D-R. Yorath	2010 - 11	A. Breen
1981 - 82	H. Robinson	1996 - 97	M.R. Davies	2011 - 12	K. Froggatt
1982 - 83	S.T. Hicks	1997 - 98	F. Wood	2012 - 13	J. Devers
1983 - 84	T. Dalrymple	1998 - 99	R. Whyborn	2013 - 14	M. Alexander
1984 - 85	P. Godfrey	1999 - 2000	S. Szymczak	2014 - 15	D. Leverington
				2015 - 16	J. Devers