



National
Association of
Co-operative Officials

ANNUAL REPORT & FINANCIAL STATEMENT

for the year ended 31st December 2008



Annual General Meeting 2009

PRESIDENT 2008-2009
Karen Froggatt



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ANNUAL GENERAL MEETING 2009

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

**The Thistle Hotel, East Midlands Airport
on Wednesday 20th May 2009
commencing at 1.15 pm.**

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 2008
3. Matters Arising
4. President's Address – Karen Froggatt
5. Presentations
 - Kevin Yorath Memorial Award
 - Honorary Life Membership
 - "For Service" Awards
6. Annual Report and Financial Statements for the year ended 31st December 2008
 - 6.1 General Purposes Committee Report
 - 6.2 Co-operative Group Council Report
 - 6.3 Diversity Committee Report
 - 6.4 Benevolent Fund Committee 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 – Jack Devers
15. Presentation to Retiring President

APPENDIX 1

AGENDA ITEM 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."

Motion 2 - 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 effect from 1st January 2010."

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."

Fellow Members

We have pleasure in presenting our report on the activities of the National Association of Co-operative Officials for the year 2008.

MEMBERSHIP

The active membership of the Association increased by 58 during the year to a total of 2,223 at 31st December 2008. This increase represents a rise in membership of 2.7%.

The increase in membership was greater than targeted (+12.5%) in that NACO recruited 451 new members during 2008. The effort of the two Assistant Secretaries has been significant with a total of 798 new members recruited since the beginning of 2007.

However, the number of leavers was greater than anticipated at 393, largely as a consequence of the ongoing restructure within the Co-operative Group and the redundancies in the non customer facing roles within Co-operative Financial Services through the Transformation 2007 programme.

During the past twelve months the officials of NACO have undertaken a number of recruitment exercises throughout the co-operative movement. The recruitment "surgery" days held in Plymouth & South West Co-operative Society and Anglia Regional Co-operative Society have proved particularly successful, and these exercises will be rolled out throughout the movement in 2009. Other recruitment exercises have been undertaken in Southern Co-operatives, Co-operative Funeralcare, Co-operative Legal Services, The Phone Co-op, Co-operatives UK, Scotmid Co-operative Society, Clydebank Co-operative Society and The Co-operative Group both in Manchester and regionally.

Membership levels with the independent Societies have remained relatively consistent, with the majority showing a healthy NACO density. Where recruitment opportunities exist, the officials have plans in place to maximise recruitment opportunities. This will include specific recruitment initiatives for Co-operative Financial Services and Dairy Farmers of Britain.

A recruitment letter has been issued to all managers within Dairy Farmers of Britain and this will be followed up with a direct recruitment campaign. In Co-operative Financial Services, NACO has reached an agreement for sole representational rights for managers at 'Delivering Business Plans' level and above and a concerted recruitment drive has been planned for 2009.

Table 1 provides details on the membership numbers from 2004 to 2008:

TABLE 1

Year	Number of Members	Increase/ (Decrease)	Percentage
2004	2,532	55	2.2%
2005	2,439	(93)	(3.6%)
2006	2,136	(303)	(12.4%)
2007	2,165	29	1.4%
2008	2,223	58	2.7%

DIVERSITY COMMITTEE

The Diversity Committee met three times during 2008, in March, September and November, and the Committee agreed to undertake a two tier work stream during the year.

The first work stream was to review the Diversity of the NACO membership to ascertain whether NACO could improve its service to certain categories of membership. The questionnaire developed by the committee was in-depth and would be distributed to all working members during the first quarter of 2009. The questionnaire seeks feedback on issues relating to disability, sexual orientation, and part time working amongst others. Once the questionnaires have been returned, a statistical analysis of the outcomes will be available for review by members through the web site and *Co-operative Official*.

The second work stream looked at Religion and Beliefs. The aim of the work stream was to develop a short guidance document for managers who may be approached by colleagues to assist in understanding the differing religions or beliefs and their potential requirements in the workplace. This document has been published on NACO's web site www.naco.coop/diversity.

The members of the Diversity Committee at the close of 2008 were:

General Council:

Ann Breen
Roger Davies
Jayne Webb

Co-opted:

Donna Abel
Christine Foster
Sundeep Grewal
Amanda Jones
Paul Nightingale
Jas Sandhu
Emma Willder/Linda Shaw (sharing responsibility)

An analysis of the representation of women members in particular functions/industries is given in Table 2 below, providing a comparator to the previous year statistics:

TABLE 2

Function/Industry	Percentage females	
	2007	2008
Human Resources	62.5%	65.6%
Member Relations	52.9%	58.7%
Loss Prevention	26.3%	34.15%
Insurance	24.4%	28.1%
Pharmacy	25.0%	37.7%
Dairy	12.9%	15.9%
Funeral	14.4%	18.9%
Logistics	10.1%	10.1%

FINANCE

The financial results for the year ended 31st December 2008 record a deficit of £72,050 compared to a surplus generated in 2007 of £59,128 and £25,619 in 2006.

The Association's operating costs increased quite significantly in 2008 and, aligned with the economic downturn, has had a major impact on the year-end results, resulting in an operating deficit in excess of £47,000. Despite this, the first draft of the accounts showed a more positive 'bottom line' result with a surplus of £2,950.

The accounting principle adopted by the Association has been to recorded investments at cost value and also show (in Note 8) the market value at the year-end. The significant economic downturn experienced in the latter months of 2008 has resulted in considerable falls in the market values of investments, and for the Association's consolidated accounts this has resulted in a diminution of year-end market value of £150,153 (General Fund £130,608 and Constituent Association £19,545) compared to cost value.

In the interests of prudent accounting, and in order to recognise the fall in value of the investment portfolio, the General Council has made a provision of 50% of the diminution in the accounts - £75,000 (£65,000 for the General Fund and £10,000 for the Constituent Associations). The General Council will continue to monitor the investment portfolios of the Association during 2009 and seek guidance from the Association's investment advisers and Auditors to assess the holdings and take appropriate action.

Despite the negative financial statement for 2008, the Association remains financially strong, with net assets of £1,175,188. The assets have seen steady growth for many years, and in the last five years alone in excess of £300,000 has been added to the balance sheet. The General Council will continue to manage the finances of the Association in a prudent manner and a greater focus on costs and income streams will feature.

CONFERENCE AND SEMINAR ACTIVITY

NACO Constituent Associations held four residential conferences during 2008 as follows:

National Association of Co-operative Pharmacy Professionals – February

Co-operative Loss Prevention Services Association – April

Co-operative Funeral Service Managers' Association – September

Co-operative HR Forum – November

In addition to the residential conferences, the Co-operative HR Forum organised a one-day seminar which was held in June. Following a decision by the Executive Committee, the National Association of Co-operative Pharmacy Professionals suspended the 2007 conference due to the amalgamation of United Co-operatives and the Co-operative Group. This was rearranged for February 2008 and was fully subscribed.

The Association organises these events to support the principles of the Continuous Professional Development of the members of the Constituent Associations. As reported in last year's Annual Report, the Co-operative Funeral Service Managers' Association has taken this initiative further, and not only deliver sessions at their Annual Conference, but also feature educational events and sessions at their Regional Divisional meetings.

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, four cases were concluded without being pursued. The cases were not supported by the Association's solicitors for either a lack of supporting evidence or the prospects of success were not of a

significant level to warrant taking the matter forward.

At the end of 2008 there were four personal injury cases ongoing, with good prospects of obtaining compensation for the members concerned.

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.

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 most 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 2008 the number of contested dismissal cases has continued at a high level, with some 54 cases concluded in the year. The restructuring and reorganisation exercises undertaken within the Co-operative Group following the integration of United Co-operatives continued during 2008. The figures relating to redundancy contained in this section of the report relate to those cases where additional support and guidance was forthcoming. There were also a significant number of contested cases throughout the Co-operative Movement, where individual cases were opened to support appeals against redundancy and other issues. Table three provides an overview of those cases where a resolution on a contested case resulted following intervention from the Association.

TABLE 3

Reason for Dismissal	Number of cases	Amount of compensation
Redundancy	42	£2,881,183
Performance	1	£32,000
Conduct	3	£46,030
Other	8	£275,794
TOTALS	54	£3,235,007

Apart from the cases above which resulted in the termination of employment of the members concerned, NACO represented a further 76 members with a total of some 130 case files opened in 2008. There were also some 96 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 47 cases ongoing from previous years. In total some 272 meetings in respect of individual cases and one-to-one interviews were attended by the NACO officials during 2008.

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

In Co-operative Financial Service (CFS), the impact of the financial crisis may not have been as great as the major banks; however a number of changes were seen to ensure that CFS continued to strive towards being the ethical financial institution of choice.

The Transformation 2007 programme continued in early 2008, particularly within the Field Sales area of the business which has been under review

throughout 2008. In Quarter Four 2008, an interim remuneration package was introduced whilst work continued to develop a final remuneration package to be implemented in Quarter Two 2009, which would look to provide the financial sales arm of the business with a sustainable and more focused future.

During 2008, an exercise commenced which could have potentially seen a number of Information Technology colleagues within Service Delivery and Infrastructure transferred out of the business. This was put on hold indefinitely due to the financial climate and a revised in-house business plan for IT is being developed.

Following on from consultation that commenced in 2007, the transfer of the Commercial Insurance Division to Norwich Union was finalised in Quarter Four 2008. This saw a small number of staff transfer under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE), and will see the reduction in staff in the remainder of the department over the forthcoming 12 months.

There was an announcement regarding a potential merger with the Britannia Building Society in October with commentary from both organisations that they were in discussions surrounding mutual benefits. At the close of 2008 these discussions were ongoing and any announcement regarding the viability of a potential merger would not be made until January 2009 at the earliest. NACO will keep members informed of any developments on this merger through newsletter and the NACO web site, www.naco.coop.

The Dairy Farmers of Britain underwent a number of restructures during 2008, and in the latter part of the year announced the closure of its dairies at Fole in Staffordshire and Portsmouth in Hampshire. Alongside this the organisation also announced plans to rationalise its distribution depot network and create two autonomously managed divisions within the business, one for liquid milk and the other managing milk supply and cheese. As a consequence the closures there have been a number of support job losses in the Nantwich head office and the Blyadon site.

These closures announced by the Dairy Farmers of Britain to 'streamline the business to remove sites

that were not delivering acceptable returns and to provide an efficient and cost effective management structure.' Overall the redundancies will see around 640 job losses across the business and NACO has been working with the employer to maximise redeployment opportunities. NACO has supported members through this process which will be concluded in the early part of 2009.

In the latter months of 2008, the Robert Owen Society undertook a full scale internal restructure following a period of consultation with the local Excellence in Business organisation. This resulted in a full consultation exercise with NACO as a sole recognition agreement exists between the Society and the Association.

The outcome of the restructure was very satisfactory with all members either unaffected, had a change in reporting lines or found alternative roles with the Society. The outcome being that there were no job losses but the Chief Executive, Chris Morgan, will retire at the end of March 2009 once the changes to the structure have been fully implemented. At that point Chris will become President of the Robert Owen Society.

Co-operative Retail Logistics reviewed its senior management structure during the closing weeks of 2008, and proposed to reduce the regional structure from three regions (North, Central and South) to two (North and South). This led to a number of roles being placed at risk, and a recruitment process was being undertaken to fill the new roles. In effect the number of NACO roles remained the same although there were changes to reporting lines and responsibilities.

An announcement to open the new Birtley Depot with the amalgamation of both the existing Birtley and Blaydon Depots was made earlier in 2008. This has led to a restructure of the management team for the new Birtley Depot and a number of changes within the reporting lines. It is anticipated that the new depot will open during 2009.

Finally, but not least, we report on the ROME Project that saw the integration of the Co-operative Group and United Co-operatives. In last years report we announced that the Officials attended some 108 meetings in the latter part of 2007 for both

integration business case consultations and announcements to colleagues in scope to the business cases. This level of activity continued in 2008 with a further 194 meetings of a collective nature, plus the numerous one to one individual consultations that took place and have been detailed earlier in this report.

The restructuring and integration exercises within the ROME Project have contributed significantly to the 283 NACO members who left the business during 2008. With the majority of the integration exercises impacting on NACO members completed by the end of 2008, we would hope to witness a significant reduction in enforced leavers from the combined Group.

However, with the economic downturn affecting the UK economy, we cannot ignore the fact that the Co-operative Group as well as all other consumer co-operative Societies will be reviewing expenditure, and consequently staffing structures, which may have a direct impact on the NACO management populations and thus NACO membership.

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.

In respect of the 2008 review, NACO submitted the following claim:

- That a general cost of living increase of 4.5% should be applied to all salaries effective from 1st July 2008
- That a system to enable "holiday banking" be recommended by the CEA to all member Societies to provide NACO managers the opportunity to save holiday entitlement

- That a joint review by the CEA and NACO take place in respect of maternity leave, paternity leave, adoption leave and other family friendly issues
- That the CEA and NACO review the salary structures and reward structures of CEA member Societies to ensure that an appropriate system is in place to facilitate salary progression

A meeting took place on 14th May 2008 and following detailed debate between the CEA Executive and the NACO negotiating team on all elements of the claim, the Executive made a formal offer to the National Association of Co-operative Officials. The detail of the offer was as follows:

- An increase to all salaries in scope to the NODMA of 4.25% effective from 1st July 2008
- That a review of the take-up of holiday entitlement of all NACO graded managers in the CEA member Societies be undertaken. That data to be shared with NACO and reviewed with the CEA Executive to ascertain whether or not a system of flexibility was feasible mindful of the CEA's strategic objectives concerning work/life balance
- That a joint review of the provision of all family friendly/flexible working practices be undertaken to develop a database on the Co-operative Movement. A joint panel to review this database against available market data and ascertain the available scope to extend benefits for employees
- The CEA to survey member Societies to establish a database of salary structures, share the data with NACO and market the roles of both the CEA and NACO in reviewing systems – underpinning the agreement reached when removing the salary schedules from the NODMA in 2007

The NACO negotiating team acknowledged the very positive approach of the CEA Executive on all aspects of the claim. The offer of 4.25% represented an above inflation review and a reasonable response to the claim. The team considered that they had achieved their objective and that the offer should meet NACO Members' reasonable aspirations. Accordingly, the offer from the CEA was accepted

and salaries were increased from 1st July 2008. In respect of the other elements of the claim, research was being undertaken by the CEA in the latter part of 2008 and discussions will continue in 2009.

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:

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 4.25% 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 2008. Therefore agreement was reached with the Society that an increase of 4.25% would be applied to the appropriate NACO salaries with effect from 1st July 2008.

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 2008, the Executive and the Board of Directors of the Society confirmed a settlement with the Association to increase salaries for NACO employees by 4.25% effective from 1st July.

Channel Islands Co-operative Society

The Society is a member of the Co-operative Employers Association and as such members in the Channel Islands are subject to the NODMA settlement. It is recognised, however, that on the Channel Islands the cost of living is different to that on the mainland. Indeed, the Channel Islands have their own Retail Prices Index (RPI) for both Jersey and Guernsey.

For the NACO review, the two RPI figures are averaged and the Channel Islands agreement is subject to a comparison exercise with the NODMA settlement. For 2008, the mainland March RPI figure was 3.8% and so the NODMA reflected an increase of 0.45% above RPI. The March RPI figure for Guernsey was 4.8% and for Jersey was 3.2%, and so the average March RPI figure for the Channel Islands was 4.0%.

For 2008 therefore, NACO reached an agreement with the Channel Islands Co-operative Society to an increase of 0.45% above the March average RPI figure for the islands, and an increase to NACO salaries of 4.45% was applied from 1st July.

CO-OPERATIVE GROUP COUNCIL

The Co-operative Group Council met on four occasions during 2008 in February, May, September and November. The members of the Co-operative Group Council at 31st December 2008 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
James Gallagher	Co-operative Funeralcare & General Council
Brad Hill	Manchester District
Darren Leverington	South East
Terry Merchant	Co-operative Retail Logistics
Vernon Rhodes	Co-operative Funeralcare
Phil Spencer	Co-operative Funeralcare
Jayne Webb	Co-operative Travel & General Council
Neil Williams	Manchester District

A negotiating team comprising of members from the Co-operative Group Council and the former United Managers Association met with the Group to present the claim for the review of the Management Agreement from the commencement of period 4, 2008. A number of meetings took place in the latter part of 2007 and early in 2008 to negotiate the terms of the Agreement including the amount of the award, the variable pay matrix and the issue of incentive bonuses.

The position reached can be summarised as follows:

Pay Review

- Role Band 1 managers to receive a performance based pay increase from a total "pay pot" of 4.25% with a variable pay matrix and distribution guidelines agreed with NACO
- Managers in Role Bands 2 to 4 to receive an increase to base pay of 4.25% and the variable pay process be suspended for 2008 to recognise the extent that the merger process had in respect of the content of roles in the merged business
- Role Band 5 managers, and managers with NACO status from the former United estate, to receive an increase to base pay of 4.25%
- An increase to the salary ranges of Role Bands 1 to 5 of 4.25%

Incentive Bonus

- Former United managers in those businesses not subject to the integration process at April 2008 to continue to receive bonus based on the pre-agreed criteria
- Former Co-operative Group Managers in Role Bands 4 and above in those businesses not subject to the integration process at April 2008 to receive bonus based on the pre-agreed criteria
- Those managers who had been subject to the integration process to receive Group bonus according to grade and pro-rated accordingly

- Those former United employees who, as a consequence of integration, achieved NACO status to receive Group bonus according to grade and pro-rated accordingly
- Bonus payments based on the combined former United/Group targets

Holiday Entitlement

- As part of the integration process, the Group's annual leave provisions for managers to be increased to reflect the "United Day"
- Managers to receive 27 days annual leave after 12 months service and 31 days annual leave after five years service. The provision for eight public holidays and a discretionary "Christmas Floating" day to continue

Salary Scales April 2008

Role Band	Minimum	Lower Reference Point	Upper Reference Point	Maximum
1	68,630	83,290	103,299	129,547
2	47,190	56,677	68,630	83,290
3	33,512	39,427	47,190	56,677
4	24,642	28,886	33,512	39,427
5	18,604	21,808	24,642	28,886

Outstanding Issues

The Co-operative Group Council also submitted a claim that Role Band 5 managers, and the former United managers who were not part of the United Bonus Scheme in 2007, receive a special ex-gratia bonus payment based on 2007 performance and paid to managers in those businesses that achieved the necessary financial performance targets.

The Co-operative Group Council agreed to recommend acceptance of the offer and the membership was balloted. The result of the ballot was as follows:

TO ACCEPT	658	(96.8%)
TO REJECT	20	(2.9%)
SPOILT PAPERS	2	(0.3%)

The result represented a 46.5% return of ballot papers issued. The Association confirmed formal acceptance of the offer with the Co-operative Group and the appropriate salary increases were implemented in the April pay run.

CO-OPERATIVE FINANCIAL SERVICES

Salary negotiations in Co-operative Financial Services (CFS) were concluded when an agreement was reached following a ballot for those members within the "Delivering Business Plans" population.

The joint negotiations with Unite saw 2,035 staff achieve a pay increment above RPI (4.1% at the time). A variable pay matrix was agreed which allowed for pay rises up to 8.75% for an individual relatively low in the salary range with performance assessed at exceeding expectations.

Further, there was agreement to increase the pay bands by 2% at the minimum, maximum and market rate. Bonus payments for members in CFS were based upon individual performance allowing for a maximum one-off cash bonus of 16.88% for those individuals whose performance was assessed as exceeding expectations. As part of the 2008 pay negotiations a review of the large town allowances was also undertaken and this successfully achieved a number of increases to those in receipt of the allowances.

NACO and Unite also agreed with CFS to an equal pay review for all employees. This was undertaken and completed in July 2008 and adjustments to pay were made where anomalies had been highlighted.

DAIRY FARMERS OF BRITAIN

The Dairy Farmers of Britain met with the NACO negotiating team in May 2008. NACO had presented its written pay claim in February 2008. A detailed

presentation on the performance of the organisation was given by the Director of HR, which also provided detail on the future strategy of Dairy Farmers of Britain and the challenges that required the focus of the management team.

After a lengthy debate, an agreement was reached to increase base salaries by 3.25% with effect from 1st April 2008, or 1st July 2008 depending on contractual review date of the individual manager. Retrospective payments were also made to those with a review date of 1st April 2008.

NACO also obtained Private Health Care to cover managers in Role Band 3 positions from April 2008 in line with the agreement reached in 2007. Furthermore increments to the car lease value allowances were obtained for all managers. A commitment was reached to review the Maternity and Paternity Pay to look at paying above the statutory minimum. Discussions were progressing well and proposals had been presented to the Dairy Farmers of Britain board and we await confirmation of an agreement.

Discussion on a managerial incentive system was curtailed due to the economic climate of the milk and cheese industries in 2008, but will be raised by the Association during future negotiations.

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 2008.

The Benevolent Committee met four times in 2008 – February, May, September and November. During the year two grants for assistance were made totalling

£1,880. One grant was for a widow of a former member and one for a former member.

Following the review of the year-end accounts by the Trustees, and the Audit performed by Hurst & Accountants LLP, it was felt prudent to make a provision in the accounts of the Benevolent Fund to reflect the volatility in the equities markets. The investment portfolio for the Benevolent Fund witnessed a fall in market value against the purchase cost of the investments. In order to address this, a provision of 50% of diminution of the assets was made.

The provision of £9,000 has resulted in the investment income of £6,048 showing as a deficit of £2,952. The portfolio will be monitored during 2009 and the recommendations of the Association's investment advisers will be sought to make the necessary judgements on the investment portfolio.

Table four below details the grants made and balance of the fund over the last five years.

TABLE 4

Year	Value of Grants £	Number of Recipients	Income £	Fund Balance £
2004	350	1	2,645	106,504
2005	2,085	2	4,652	109,071
2006	1,500	2	4,116	111,687
2007	4,350	6	16,619	123,233
2008	1,880	2	(2,952)	118,013

AWARDS

At the Ninety-First Annual General Meeting of the Association held on Wednesday 21st May 2008, presentations were made in respect of Honorary Life Membership, NACO For Service Awards and the Kevin Yorath Memorial Award.

The General Council conferred Honorary Life Membership on Dennis Thompson in recognition of his exceptional service to NACO. Dennis was first elected to the Nottingham Executive Committee in 1989 and he had been continuously elected to serve there for almost two decades. Dennis exemplified the highest qualities of commitment and service to colleagues and he had maintained those values throughout his career in the Co-operative Movement and for that reason the General Council agreed to award Dennis Honorary Life Membership.

The General Council also conferred a 'For Service' Award to Peter Bartlam. Peter joined the Midlands Co-operative Society in 1997 as Chief Security Manager following his retirement from the Staffordshire Police Force and immediately joined the Security Services Association becoming active within NACO at that time. He went on to take over as Chair of the Co-operative Loss Prevention Services Association in 2000, and became Secretary of the Association in 2001. Peter was a staunch supporter of both the CLPSA and NACO until his retirement in October 2007.

In the absence of Delma-Rose Yorath, Ted Perfect from the Central & Eastern Constituent Association made a presentation of the Kevin Yorath Memorial Award to Joe Scullion. Ted informed the AGM that the presentation was in recognition of Joe's exceptional service to NACO over many years, noting that he had been an avid advocate of the Association since becoming an active member in May 2001, when he encouraged colleagues to not only be members, but also become active within the Association. Ted reported that Joe had been a true professional in his dealings with and for the Association and dedicated his time to assisting colleagues both individually and on collective issues.

Until his recent illness had prevented him from continuing his work for the Co-operative Group and NACO, Joe was an ever present at Committee meetings where his input was considered, thought provoking and relevant. Ted concluded that, on behalf of Delma-Rose Yorath, it gave him great pleasure in presenting the Kevin Yorath Memorial Award for 2008 to Joe Scullion.

CONCLUSION

The restructuring of the Co-operative Group as a consequence of the integration with United Co-operatives continued to stretch the resources of the Association during 2008. This has continued to provide significant challenges for the officials to balance recruitment with the integration project where the requirement to attend collective announcements and provide individual support has been very time intensive.

Despite those demands, we have seen a significant success in recruitment in the Co-operative Group with some 292 new members recruited during the year, but this is balanced by a total of 283 leavers during the same period. Of those leavers, 105 were as a confirmed result of redundancy and 107 did not respond to our survey and 74 had simply responded with "left Society" – but the majority of both of those categories, from experience, would likely to be as a result of redundancy.

In 2008 the General Council commenced a wide ranging review of the Association's strategic priorities, which will extend to reviewing structures, finances and future opportunities during 2009. This process is focused meet the commitment to ensure that NACO is equipped to continue to represent its members' interests – both individually and collectively – to the standard to which it is accustomed. Further detail on the outcome of the review will be given at the Annual General Meeting on Wednesday 20th May 2009.

We conclude this report by thanking the officials and staff of the Association for their continued high level of commitment and dedication during a difficult and demanding year. The economic climate remains a very testing one and the NACO team will need to continue to focus on providing a first class service to the membership balanced with keeping a close eye on cost containment and maximising income streams.

We also thank those members of the Association who give their time, knowledge and experience by supporting NACO activity on the General Council and Co-operative Group Council.

There were a number of changes on the General Council in 2008 and we said farewell to Garry Hickton, Gary Hide, Ken Makin and Joe Scullion and thank them for their contribution during their time with the General Council. We also welcomed James Gallagher of Co-operative Funeralcare onto the General Council in May when he was nominated to fill a casual vacancy.

There were also a significant number of changes on the Co-operative Group Council during 2008. We would like to record our appreciation to Mark Dutoy, Malcolm Jepson, Alun Jones, Julian Mahoney, Vanessa Parkinson, Samantha Rawlinson and Mike Simpson who all left the Council in the year. We would also extend a warm welcome to Mark Alexander from Co-operative Funeralcare and Neil Williams from Food Retail who joined the Council in 2008.

To end the report it is fitting to extend our thanks to all of those active members who support colleagues by attending the various Constituent Associations of NACO. It is their continued participation that ensures that the Association remains an effective and vibrant organisation.

On behalf of the General Council:

Karen Froggatt
President

Neil Buist
General Secretary

ANNUAL STATEMENT OF ACCOUNTS

For the Year ended 31st December 2008

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

We have audited the financial statements on pages 16 to 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 General Council and Auditors

The General Council is responsible for preparing the annual report and, as described on page 19, 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 2008 and of its excess of income over expenditure for the year then ended.

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

25th February 2009

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 2008 is £538,641 and income for the year ended 31st December 2008 is £466,591 of which £411,951 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 2008 are as follows:

President: Annual allowance of £500

Other members of the executive (General Council) - NIL

General Secretary:

Salary £84,653

Pension Contribution by NACO £9,661

Car Benefit £4,515

- (c) The report made by the Independent auditor on the financial statements for the year ended 31st December 2008 is shown on page 14.
- (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 2008

	NOTE	2008 £	2007 £
Membership Subscriptions	3	407,687	407,773
Net Conference Income/(Expenses)	6	9,150	5,032
Other Income	5	34,939	34,304
Profit/(Loss) on Sale of Investments		25,512	43,722
Profit/(Loss) on Sale of Fixed Assets		8,146	2,113
		<hr/>	<hr/>
		485,434	492,944
Operating Expenses	7	(532,498)	(482,391)
		<hr/>	<hr/>
		(47,064)	10,553
Interest from Investments	4	(28,595)	40,933
Bank Interest		5,488	9,512
		<hr/>	<hr/>
Pre-Tax Surplus/(Deficit)		(70,171)	60,998
Taxation		(1,879)	(1,870)
		<hr/>	<hr/>
SURPLUS/(DEFICIT) AVAILABLE FOR TRANSFER		(72,050)	59,128
		<hr/> <hr/>	<hr/> <hr/>
General Management Fund			
Registered Office	12	(70,660)	41,896
Constituent Associations	12	789	20,377
Conference Reserve	12	(2,179)	(3,145)
		<hr/>	<hr/>
		(72,050)	59,128

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 2008

FIXED ASSETS	NOTE	2008		2007	
		£	£	£	£
Investments	8		946,562		1,005,395
Tangible Assets	9		74,617		51,999
Current Assets					
Debtors	10	55,450		99,212	
Pre-paid expenses		10,839		12,747	
Cash in Hand		1,440		1,508	
Cash in Bank		160,981		174,363	
		<u>228,710</u>		<u>287,830</u>	
LESS					
Current Liabilities					
Creditors falling due within one year	11	(74,701)	154,009	(97,986)	189,844
			<u>1,175,188</u>		<u>1,247,238</u>
NET ASSETS REPRESENTED BY					
General Management Fund					
Registered Office	12	967,584		1,038,244	
Conference Reserve	12	36,073		38,252	
Constituent Associations	12	171,531		170,742	
			<u>1,175,188</u>	<u>1,247,238</u>	

The Revenue Account and Balance Sheet were approved by the General Council of NACO on the 25th February 2009

K.Froggatt,
President

N. D. Buist,
General Secretary

(Notes in amplification of the Balance Sheet and Revenue Account are to be found on pages 20 to 25).

CASH FLOW STATEMENT

For the year ended 31st December 2008

	NOTE	2008 £	£	2007 £	£
Cash from operating activities	13a	(26,505)		(36,112)	
Returns on investments and servicing of finance	13b	51,893		50,445	
Taxation	13c	(1,870)		(1,493)	
Capital expenditure & Financial investment	13d	(36,968)		(69,554)	
			<u>(13,450)</u>		<u>(56,714)</u>
Reconciliation in net cash flow to movement in net funds					
Increase/(Decrease) in cash in the period		(13,450)		(56,714)	
Increase/(Decrease) in liquid resources	13e		(13,450)		(56,714)
Net Funds as at 1st January 2008			<u>175,871</u>		<u>232,585</u>
Net Funds as at 31st December 2008			<u>162,421</u>		<u>175,871</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 2008 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.

NOTES *Continued*

	2008		2007	
	£	£	£	£
Note 3				
Members' Subscriptions				
Subscriptions received		411,951		411,092
Less: Paid over to Constituent Associations				
i) Membership Grants	1,929		1,916	
ii) Affiliate Membership Grants	335		403	
iii) Supplementary Grants	2,000	(4,264)	1,000	(3,319)
		<u>407,687</u>		<u>407,773</u>
Note 4				
Investment Income				
Registered Office	39,467		36,099	
Investment Diminution Provision	(65,000)			
Constituent Associations	6,938		4,834	
Investment Diminution Provision	(10,000)		-	
		<u>(28,595)</u>		<u>40,933</u>
Note 5				
Other Income				
Registered Office				
Conference Management Fees (see note 6)	9,500		10,500	
Other Income	18,082		17,320	
Constituent Associations				
From Registered Office	4,264		3,319	
Other Income	3,093		3,165	
		<u>34,939</u>		<u>34,304</u>

	2008	£	2007	£
Note 6				
Conference Income & Expenditure				
Registered Office				
Income	165,720		144,087	
Expenditure	(147,070)		(128,555)	
Conference Management Fees (see note 6)	<u>(9,500)</u>	9,150	<u>(10,500)</u>	5,032
		<u>9,150</u>		<u>5,032</u>

The Association organised four conferences and one seminar in 2008. The conference and Seminar accounts of the Pharmacy Professionals, Funeral Service Managers, HR Forum and 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	471,812	437,478	
General Council		8,545	12,884	
AGM		7,044		
Co-operative Group Council		4,196	5,203	
Constituent Associations		13,718	9,309	
Co-operative Official		16,263	7,563	
Affiliation Fees		5,464	5,196	
Donations & Presentations		3,277	1,613	
Conference Reserve		2,179	3,145	
		<u>532,498</u>		<u>482,391</u>

NOTES *Continued*

	2008		2007	
	£	£	£	£
Note 7a				
Registered Office				
Personnel Costs	293,782		252,933	
Occupancy Costs	22,074		29,943	
Office Administration Costs	65,736		59,989	
Other Costs	90,220		94,613	
		<u>471,812</u>		<u>437,478</u>

Note 8	Balance			Interest	Diminution	Balance	Investment
	1.1.08	Additions	Withdrawals	Capitalised	Provision	31.12.08	Income
Registered Office							
Fixed Term Investments	110,687	-	-	6,640	-	117,327	6,399
Equities including Preference Shares	598,809	159,318	90,607	23	65,000	602,543	28,073
James Sharp Cash Account	155,037	116,119	236,253	34,078	-	68,981	4,995
Constituent Associations							
Equities	93,325	27,338	-	-	10,000	110,663	5,862
James Sharp Cash Account	47,537	20,000	27,725	7,236	-	47,048	1,076
	<u>1,005,395</u>	<u>322,775</u>	<u>354,585</u>	<u>47,977</u>	<u>75,000</u>	<u>946,562</u>	<u>46,405</u>

Market Value of Securities	Cost Value	Market Value
Registered Office	£	£
Equities including Preference Shares	602,543	536,936

Constituent Association		
Equities	110,663	101,118
	<u>713,206</u>	<u>638,054</u>

NOTES *Continued*

Note 9 Fixed Assets

	Motor Cars	Computer Telephone Furniture Photocopier	Total
Cost	£	£	£
Balance B/Fwd	78,572	55,402	133,974
Additions	53,455	12,108	65,563
Disposals	(42,750)	(18,361)	(61,111)
	<u>89,277</u>	<u>49,149</u>	<u>138,426</u>

Depreciation

Balance B/Fwd	35,705	46,270	81,975
Provided this Period	21,200	10,641	31,841
Disposals/Retirements	(31,646)	(18,361)	(50,007)
	<u>25,259</u>	<u>38,550</u>	<u>63,809</u>

Net Book Value 2008

64,018 10,599 74,617

Net Book Value 2007

42,867 9,132 51,999

Note 10

Debtors

	2008		2007	
	£	£	£	£
Subscription Arrears	26,182		21,308	
Constituent Associations	11,351		5,533	
Other Debtors	16,732		69,912	
Interest Accrued	1,185		2,459	
		<u>55,450</u>		<u>99,212</u>

Note 11

Creditors

Registered Office	59,427		86,237	
Corporation Tax	1,879		1,870	
Constituent Associations	2,262		234	
Provision for External Repairs	4,000		4,000	
Holiday Pay Accrual	7,133		5,645	
		<u>74,701</u>		<u>97,986</u>

NOTES *Continued*

Note 12	2008	2007
General Management Fund	£	£
Registered Office		
Balance B/Fwd 1st January 2008	1,038,244	996,348
Revenue Account	(70,660)	41,896
Transfer in from Conference Reserve	-	-
Transfer to Conference Reserve	-	-
Transfer from Constituent Associations	-	-
Balance C/Fwd 31st December 2008	<u>967,584</u>	<u>1,038,244</u>
Conference Reserve		
Balance B/Fwd 1st January 2008	38,252	41,397
Revenue Account	(2,179)	(3,145)
Constituent Associations	-	-
Transfer in from Registered Office	-	-
Balance C/Fwd 31st December 2008	<u>36,073</u>	<u>38,252</u>
Constituent Associations		
Balance B/Fwd 1st January 2008	170,742	150,365
Transfers in From		
Revenue Account	789	20,377
Transfers out To		
Registered Office	-	-
Balance C/Fwd 31st December 2008	<u>171,531</u>	<u>170,742</u>

NOTES *Continued*

Note 13	2008	2007
Cash Flow Statement	£	£

Note 13a **Cash from operating activities**

Operating Surplus/(Deficit)	(47,064)	10,553
(Profit) on Sale of Fixed Assets	(8,146)	(2,113)
(Profit) on Sale of Investments	(25,512)	(43,723)
Depreciation Charge	31,841	35,036
(Increase)/Decrease in Debtors	45,670	(5,615)
(Decrease)/Increase in Creditors	(23,294)	(30,250)
	<u>(26,505)</u>	<u>(36,112)</u>
Net Cash (Outflow)/Inflow from Operating Activities		

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

Investment income received	46,405	40,933
Bank interest received	5,488	9,512
	<u>51,893</u>	<u>50,445</u>

Note 13c **Taxation**

Corporation tax paid	<u>(1,870)</u>	<u>(1,493)</u>
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Note 13d **Capital expenditure and financial investments**

Purchase of tangible fixed assets	(65,563)	(36,849)
Purchase of fixed asset investments	(370,752)	(452,542)
Proceeds from Sale of Investments	380,097	415,537
Sale of Plant and Machinery	19,250	4,300
	<u>(36,968)</u>	<u>(69,554)</u>

Note 13e **Analysis of net cash**

	As at 1st January 2008	Cash Flow	As at 31st December 2008
	£	£	£
Cash in Hand	1,508	(68)	1,440
Cash at bank	<u>174,363</u>	<u>(13,382)</u>	<u>160,981</u>
	<u>175,871</u>	<u>(13,450)</u>	<u>162,421</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 27 to 28.

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 28, 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 2008, 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

25th February 2009

BENEVOLENT FUND *Continued*

REVENUE ACCOUNT

For the year ended 31st December 2008

		2008 £	2007 £
Income	NOTE		
Income from Investments	3	(2,952)	4,544
Profit/(Loss) on Sale of Investments		-	12,075
Expenditure			
Equities Charge		(388)	(723)
Grants (2)		<u>(1,880)</u>	<u>(4,350)</u>
		<u>(5,220)</u>	<u>11,546</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 2008

	2008 £	2,007 £
ASSETS		
Current Assets		
Cash at Bank - Deposit	3,650	10,205
Equities	91,064	72,726
James Sharp Cash A/c	23,137	39,772
Accrued Interest	162	530
Net Assets	<u>118,013</u>	<u>123,233</u>
Represented by		
General Fund	123,233	111,687
Transfer from Revenue Account	<u>(5,220)</u>	<u>11,546</u>
	<u>118,013</u>	<u>123,233</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 ended 31st December 2008 and in accordance with applicable Accounting Standards

Note 3.

Interest Received	2008	2007
	£	£
Investments	6,048	4,544
Diminution Provision	(9,000)	-
	(2,952)	4,544

MINUTES NACO ANNUAL GENERAL MEETING

Minutes of the ninety-first Annual General Meeting held at the Yew Lodge Hotel, Kegworth, on Wednesday 21st May 2008

Roger Davies, NACO President, welcomed the members to the ninety-first Annual General Meeting of the Association, and specifically extended a warm welcome to the delegates from the Robert Owen Society, Abi Horsburgh and Alison Price, who were attending the AGM on behalf of the Society for the very first time.

1. Apologies for absence

Apologies for absence were received from Jayne Webb, Mark Dutoy, Neil Williams, Brian Emmerson, Peter Marks, Bob Page, John Williamson, John Hilbert, Darryl Smith, David Blackburn, Gary Hickton, Liz Colling, James Gallagher, George Flower and Alastair McGregor.

2. Minutes of the Annual General Meeting 2007

Resolved:

'That the Minutes of the ninetieth Annual General Meeting of the National Association of Co-operative Officials held at the Yew Lodge Hotel, Kegworth on Wednesday 16th May 2007, 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 gave his report to the Annual General Meeting.

5. Presentations

The Kevin Yorath Memorial Award was presented to

Joe Scullion of The Co-operative Group.

Honorary Life Membership was awarded to Dennis Thompson formerly of The Co-operative Group and the Co-operative Group Council in recognition of his exceptional service to the Association.

A 'For Service' award was granted to Peter Bartlam, formerly of the Midlands Co-operative Society and the Co-operative Loss Prevention Services Association for his exceptional support of the Constituent Association's activity.

6. Annual Report & Balance Sheet

The President proceeded to examine the Annual Report & 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 31 December 2007 and also reported on the activity of the Diversity Committee to date in 2008.

At the invitation of the President, Roger Myddleton spoke to the Annual General Meeting detailing the General Purposes Committee report for the year ending 31 December 2007 and also provided an update on the activity of the General Purposes Committee to date in 2008. Roger Myddleton also advised the Annual General Meeting on an updated report on the National Agreement.

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 2007 and also reported on the activity of the Co-operative Group Council to date in 2008.

At the invitation of the President, Chris Cooper spoke to the section of the report dealing with the work of the Benevolent Fund Committee during 2007 and advised the meeting of the numbers of applications received to date in 2008. Chris Cooper also made a plea for an increase in applications as the Benevolent Fund existed to support members, former members' spouses and dependants who were suffering from

financial hardship.

At the invitation of the President, Neil Buist, General Secretary, took the Annual General Meeting through the Annual Statement of Accounts for the year ended 31 December 2007.

Following a response to questions from the floor, the Annual Report & 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 Jack Devers as tellers.

Resolved:

'That Stefan Szymczak and Jack Devers be elected as tellers'.

8. Appointment of Auditor

Roger Davies, President, advised the meeting that Hurst & Co Accountants LLP were nominated by the General Council to act as auditors for the year 2008/2009.

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 and General Secretary of Co-operatives UK, Mr Philip Jones, 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 2008/2009.

Resolved:

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

10. Appointment of Appeals Tribunal

The President advised the meeting that the General Council nominated Professor John Goodman, Mr Roger Fretwell and Mrs Delma-Rose Yorath to serve on the Appeals Tribunal for 2008/2009.

Resolved:

'That Professor John Goodman, Mrs Delma-Rose Yorath and Mr Roger Fretwell be appointed to serve on the Appeals Tribunal for the ensuing 12 months'.

11. Motions to Amend the Rules

Composite Motion 1

Proposed by the General Council

To amend Rules 8, 9 (h), 9 (i), 14, 21 and Appendix B.11

In proposing amendments to these Rules, the General Council recognised that due to the amalgamation of the former United Co-operative and the Co-operative Group in July 2007, the democracy of NACO should reflect the change in membership between the 'Co-operative Group' Class and 'All Others' Class in order that the membership would be fairly represented within the General Council.

The amendments proposed would see the number of seats on the General Council reduce from 18 to 16. This would be facilitated by the number of seats available in the 'All Others' Class reducing from ten to six and the number of seats in the 'Co-operative Group' Class increase from eight to ten.

Amendments to Rule 9 (h) and (i) related to the process whereby the General Council members would all stand for election in 2009, and the five 'Co-operative Group' members together with the three 'All Others' Class receiving the highest number of votes being elected for a two year term and the remaining members of the General Council being elected for a one year term.

Rule 14 reflected the administrative requirement to provide a quorum for the General Council based on one third of the seats available.

Rule 21 proposed an amendment to allow NACO to confirm affiliation to the Trade Union Congress (and its affiliates) and any other organisation that the General Council may determine.

Finally it was proposed to amend Appendix B.11 to confirm that notice of the Standing Orders shall go to all Constituent Associations in advance of each Annual General Meeting.

The motions were duly seconded and on being put to the vote were carried nem.con.

Motion 2

Proposed by the Diversity Committee and supported by the General Council

Proposed amendment to Rule 3 (g)

It was proposed to remove the word 'colour' as this was covered under ethnic or national origin within the Rule being amended.

On behalf of the Diversity Committee and General Council, Ann Breen proposed the change to bring the Objects of NACO up to date with current legislation.

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

Motion 3

Proposed by the General Council

Proposed amendment to Rule 4 (a)

It was proposed to increase the salary level at which Unity Membership was granted from £22,500 to £25,000 per annum.

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

12. Motions General

Motion 1

Proposed by the General Council

Proposed amendment to Rule 5(a)

It was proposed that in accordance with Rule 5(a), the rate of Annual Subscription be increased from £202.80 to £207.48 with effect from January 2009.

On behalf of the General Council Karen Froggatt proposed the increase to the Annual Subscription Rate to enable NACO to continue its first class service to members in representations and negotiations. She went on to advise that the level of subscriptions had been maintained for a period of two years, but the General Council in reviewing the finances of the Association believed that an increase of 2.3% or £4.68 per annum, which equated to 9p per week was reasonable.

The delegate from Co-operatives UK spoke against the motion as, due to the size of the Association's reserves, and to enable the membership costs of joining NACO to remain competitive, the Constituent Association suggested it was not appropriate to increase the subscription rate.

Roger Myddleton from the General Council then spoke for the motion to advise the Annual General Meeting that, due to regular cost increases, it was imperative for NACO to maintain a first class service to members, and that as the suggested increase was below the current rate of inflation and that it would not be introduced until January 1st 2009, the motion should be supported.

The motion was duly seconded and on being put to the vote was carried 1,253 in favour, 22 against and 123 abstentions.

Motion 2

This was an emergency resolution proposed by the General Council

Due to the fact that expenses were last reviewed at the 2004 Annual General Meeting, and due to the ever increasing costs of travel and hotels, it was felt that the increase in the amount of expenses allowed for delegates travelling on NACO official business was required.

Proposed amendment to Rule 18

That mileage allowance should increase from 25p per mile to 33p per mile, and hotel allowance increase from £75 per night to £100 per night.

On behalf of the General Council, Karen Froggatt proposed the increase in expenses and advised the Annual General Meeting that these allowances were an increase of 30% on the previous allowance to reflect the rise in prices since the last review in 2004. She continued that the General Council had also committed to review the overall expenses policy for the National Association of Co-operative Officials and this would be detailed on the reverse side of future expense claim forms.

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

13. General Council Elections – Declaration of Results

At the invitation of the President, the General Secretary declared the following members had been re-elected to serve on the General Council in the 'Co-operative Group' Class for a period of two years:

Roger Davies
Jack Devers
Karen Froggatt

There were two further valid nominations received as follows:

James Gallagher
Samantha Rawlins

Therefore the 'Co-operative Group' Class would have three seats remaining vacant.

14. Any other competent business

There was no other competent business.

15. Induction of the National President for the year 2008/2009

The retiring President, Roger Davies, installed Karen Froggatt, Regional Secretary of the South East Region Membership Services, the Co-operative Group, as President of NACO for the year 2008/2009. The President wished Karen every success in her term of office as National President of NACO.

The President, Karen Froggatt, thanked Roger Davies for his kind words in respect of her induction as President for the year 2008/2009. Karen also thanked the General Council for their nomination and advised the meeting that she was proud and honoured to represent the membership of the Association during her year as President.

16. Presentation to the Retiring President

The President, Karen Froggatt, thanked Roger Davies for his Chairmanship of the ninety-first Annual General Meeting of the National Association of Co-operative Officials. The President also thanked Roger for being an excellent ambassador for the Association for the previous 12 months and presented Roger with his Past President's medallion.

The President advised the Annual General Meeting that during his year as President of NACO for the third time, Roger had supported his nominated charity, The Fair Literacy Project, and had raised a total of £2,000 to support their cause.

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

GENERAL COUNCIL 2008

Attendees		Class	Position
Called	Attended		
2	0	David Blackburn >	Co-operative Group Operations Manager Co-operative Group
4	4	Ann Breen	All Others Management Development Manager Midlands Co-operative
4	4	Chris Cooper	All Others Director of Learning & Development Co-operative College
4	0	Mark Craig +	All Others Head of Corporate Communications Co-operative Group
4	4	Roger Davies	Co-operative Group Senior Co-operative Affairs Officer Co-operative Group
4	3	Jack Devers	Co-operative Group Warehouse Manager Co-operative Group
4	3	Karen Froggatt	Co-operative Group Regional Secretary Co-operative Group
2	1	James Gallagher #	Co-operative Group Regional Manager Funerals Co-operative Group
2	1	Garry Hickton >	Co-operative Group Cuisine de France Manager Co-operative Group
1	1	Gary Hide <	Co-operative Group Regional Manager Funerals Co-operative Group
1	0	Ken Makin + *	All Others Area Manager Asset & Profit Protection Co-operative Group
4	3	Maria McGettigan	All Others General Manager – HR East of England Co-operative
4	3	Roger Myddelton	All Others Head of Finance & Secretary Chelmsford Star Co-operative
4	4	Malcolm Rutherford	All Others Chief Executive Officer Seaton Valley Co-operative
2	0	Joe Scullion >	Co-operative Group Project Manager Co-operative Group
4	2	Jayne Webb +	All Others Head of HR – Travel Co-operative Group

= Elected May 2008

< = Resigned March 2008

+ = Elected in "All Others Class" as an employee of
United Co-operatives but employing Society
Co-operative Group following the merger

* = Resigned April 2008

> = Resigned May 2008

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 negated 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 College
Co-operative Group Central & Eastern District
Co-operative Group Manchester & District
Co-operative Group South East
Co-operative Group South Wales & South West Managers
Co-operative Group Northern District
Co-operative Group Scottish & NI
Co-operative Party
Co-operative Retail Logistics Managers
Co-operatives UK
Dairy Farmers of Britain Managers
Heart of England
Midcounties
Midlands Society
Phone Co-op
Plymouth District
Robert Owen Society
Scotmid Managers
Scottish District
Southern Co-operatives

National Associations

Association of Retail Executives
Co-operative HR Forum
Co-operative Loss Prevention Services
Funeral Service Managers
Member Relations Officers
Professional Pharmacists
Transport Officials

PAST PRESIDENTS OF NACO



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

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