

**NABCO**

## **ANNUAL GENERAL MEETING 2010**

### **REPORT TO AFFILIATED MEMBERS**

**29th May 2010**

### **CO-OPERATIVE HOUSING**

### **REPRESENTATION, PROMOTION AND DEVELOPMENT**

**NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES**

**33, Lower Baggot Street, Dublin 2.**

**Tel: 353 (0)1 6612877    Telefax: 353 (0)1 6614462**

**E-mail: [admin@nabco.ie](mailto:admin@nabco.ie)    [www.nabco.ie](http://www.nabco.ie)**

**NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCo) SOCIETY LTD.**  
**Annual General Meeting - 29th May 2010**  
**Chairman's Address - Declan Hudson**

I would like to welcome you all to the Annual General Meeting for the year 2010. Thank you for coming and giving your time to represent affiliated co-operative housing societies. I am also pleased to welcome our co-operative managers and staff.

Since our last Annual General Meeting, I am glad to report that more co-operative housing developments have been completed and are now occupied at Kilcronan, Clondalkin, East Road, Dublin 3 and at Riverside, Loughlinstown Drive in Dun Laoghaire-Rathdown.

Co-operative housing societies are focused on the needs of members and their communities rather than on maximising profits from investment in property development. The Association leads and co-ordinates the sector in seeking to provide co-operative rental and affordable ownership housing as a means to contribute towards a more balanced, sustainable and socially just housing system.

During the past year we have seen what can only be described as the collapse of the housing market, a national economic and fiscal crisis, a substantial increase in unemployment and reductions in public spending.

The co-operative housing sector has not escaped the impact of this national crisis. The funding of new housing projects under the Capital Loan and Subsidy Scheme is to be terminated in 2011. This scheme has been successfully used to provide over 30 co-operative housing developments, creating a new stock of good quality, well managed rental housing in not-for-profit *member/user* co-operative ownership.

The consultants engaged by the Department of Finance (McCarthy Review Group) and by the Department of the Environment, Heritage and Local Government, obviously placed little value on co-operative housing endeavour for the supply of social housing. The involvement of member/tenants in the provision and management of their own housing, through well organised co-operatives as a means to build better communities, with State/Local Authority support, did not attract much support from them.

The Government is now implementing the consultants' recommendations that procurement policies be adopted for the leasing of dwellings to provide "social housing support" for waiting list applicants as a "reform" of the public and social housing systems.

There is some potential for the leasing of unsold or unlet dwellings to relieve social housing needs, even within a co-operative housing management structure, but it remains to be seen if this can really have an impact on relieving the back-log of some 56,000 officially approved housing waiting list applicants.

Ireland has a relatively small dedicated national social rental housing stock compared to other developed European countries. Too strong an emphasis on promoting individual home-ownership, with the associated mortgage commitments, chasing house-prices up and down the market, has been shown to lead to imbalances and lack of choice in the housing system, with some dire economic and social consequences.

New housing options to improve the range of affordable tenures, both rental and ownership, are needed. This will require new ways of financing and managing housing which have not been adequately addressed in the past.

# NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCo) SOCIETY LTD.

## Chairman's AGM Address

Careful consideration is required of how best to position the National Association of Building Co-operatives and affiliated co-operative housing societies in a changing housing system and market. This involves coping with changes in public policies and the withdrawal of direct capital funding support for the provision of co-operative social rented housing, while also seeking to respond to emerging needs.

During the Autumn of 2009, in response to the challenges facing the sector, the Association's management committee embarked on a review and revision of NABCo Strategies for the representation, promotion and development of co-operative housing in the years 2010 - 2015.

The sector will have to adopt new or alternative ways to deliver co-operative housing, using both independent financial borrowing and public funding supports to provide affordable rental and ownership housing to meet the needs of members and their communities. Adequate business planning, prudent financial management and risk control, will be even more important features of future co-operative housing development.

Housing co-operatives depend, in the first instance, on the self-help commitment and effective organisation of their members. There can also be little doubt that supportive housing policies conducted by Housing Ministeries and governmental agencies play a key role in co-operatives reaching their full economic and social potential.

The NABCo Strategies for 2010 - 2015 include an emphasis on sustaining and strengthening the Association's support services; working with affiliated societies to ensure effective co-operative management and provision of *quality housing services* for members.

This includes the updating and enhancement of the Association's information and training programmes for members, managers and staff together with a new management board member development programme. The knowledge, confidence, skills and collective leadership provided by management board members is crucial to the success and performance of their co-operative housing societies.

The year 2010 will see the retirement of the Association's Chief Executive. He has worked on a full-time basis for the Association since 1979 and prior to this was a co-operative committee member since 1968. During this lengthy period he has been involved in the innovation of many new housing projects and services and has been a close witness to changes in housing policies, bringing forward new ideas and responses to gaps in the housing system and to changing housing needs.

Despite current challenges, the co-operative housing movement, based on members working together to fulfill their need for decent, well managed and affordable housing has been shown to be a well proven and good approach to the building of better communities.

-----

Declan Hudson  
Chairman  
National Association of Building Co-operatives

29th May 2010

## NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCO) SOCIETY LTD.

### Members of Committee of Management (Board of Directors)

Chairman : Declan Hudson  
(Dublin South City Co-operative Housing Society Ltd.)

Mary Mac Comasciagh  
(Galway Co-operative Housing Development Society Ltd.)

Sean Dyas  
(Dublin South City Co-operative Housing Society Ltd.)

Michael Dooley  
(Galway Co-operative Housing Development Society Ltd.)

Michael Power  
(Goodwill Housing Co-operative Society Ltd. - Newbridge)

Liz Galvin  
(Dublin Co-operative Housing Society Ltd.)

Sarah Jane Leonard (coopted independent member)

Chief Executive : Bernard Thompson  
(Secretary)

Executive Director : Vincent Keenan

Regional Manager  
Niall O'Keeffe  
(Cork, Munster & Southern Counties)

Regional Housing Manager\*  
Jan Mingle

Financial Administrator  
Janet Frazer

Administrator  
Antoinette Towey

Clerical Officer  
Noreen Goss

Administrative Assistant (Cork)  
Aine O'Keeffe

\* Assigned to Dublin Co-operative Housing Society - Manager / Secretary

# NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCo) SOCIETY LTD.

## MANAGEMENT COMMITTEE'S ANNUAL REPORT

### BUSINESS ACTIVITIES

The Association's management committee, mainly comprising representatives of affiliated co-operative housing societies, had seven meetings since the last AGM in May 2009, together with three other facilitation sessions dealing with policies and strategies.

The management committee's primary function is to adopt policies and strategies to fulfill the objects or aims and to conduct the business of the Association as the national representative, promotion and development federation serving the Co-operative Housing Movement.

### STRATEGY REVIEW

During the year 2009, the Management Committee, with the assistance of a consultant, carried out a review of the skills necessary to manage the Association in the future and initiated a review and revision of NABCo Strategies for the representation, promotion and development of the co-operative housing sector for the years 2010 - 2015.

### REPRESENTATION

The Association, acting as the representative body for the co-operative housing sector, made detailed submissions and has also participated in consultations with the Department of the Environment, Heritage and Local Government and the Department of Enterprise, Trade and Employment concerning:-

- the proposed extension of the Rental Tenancies Act to include co-operative/ approved housing bodies,
- the review of the Industrial and Provident Societies Acts dating from 1893 to provide updated legislation for co-operatives.

### CAPITAL FUNDING SCHEMES

The application of burdensome procedures, combined with increasing uncertainty about the availability of funds from the DoEHLG/local authorities, when required to meet costs in line with the terms of the Schemes at the various planning/design and development stages, has caused concern as regards the reliability of the Capital Funding Schemes as a source of funds.

The Department of the Environment, Heritage and Local Government has notified the local authorities that financial commitments involving expenditure after 2011 for new projects will not be entered into under the Capital Loan and Subsidy Scheme.

The National Association of Building Co-operatives is a member or affiliated to the following bodies:

- Social Partnership (Community & Voluntary Pillar)
- Housing Forum (Chaired by the Minister of State for Housing)
- DoEHLG Working Group on Voluntary & Co-operative Housing
- National Homelessness Consultative Committee
- CECODHAS - Housing Europe E.U. federation of social, public and co-operative housing
- Co-operatives Europe - Housing (International Co-operative Alliance)
- Forum for the Co-operative Movement in Ireland.

# NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCo) SOCIETY LTD.

## MANAGEMENT COMMITTEE'S ANNUAL REPORT



*Completed Co-operative Housing Project  
Riverside, Loughlinstown Drive,  
Site provided by Dun Laoghaire Rathdown County Council*

### CAPITAL BORROWING

The National Association of Building Co-operatives is examining ways to achieve access to suitable borrowing arrangements for co-operative housing development and acquisition of houses/apartments in the future. This includes consideration of arrangements for direct access to the state Housing Finance Agency to raise loans subject to suitable terms and conditions.

### NEW LEGISLATION FOR CO-OPERATIVES

A review of the requirements for amendment and updating of the Industrial and Provident Societies Acts 1893 to 2005, following the issue of a Consultative Paper, is being conducted by the Department of Enterprise, Trade and Employment. These Acts have traditionally provided the means by which co-operatives have been legally registered and incorporated with limited liability status. The principle Act dates from 1893. There can be little doubt about the need for updated and modernised legislation which recognises and supports the distinct co-operative form of business organisation in Ireland.

The National Association of Building Co-operatives has made a detailed submission calling for proper legislative recognition of co-operatives in Ireland based on the internationally recognised values and principles identified by the International Co-operative Alliance. The submission also deals with the need to remove anomalies in the existing legislation and the updating of specific provisions to provide a modern legislative code for conditions.

### WEBSITE

Information about the National Association of Building Co-operatives, key characteristics of housing co-operatives, the co-operative housing sector in Ireland and activities of affiliated co-operative societies is available on the website: [www.nabco.ie](http://www.nabco.ie)

# NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCo) SOCIETY LTD.

## AUDITED FINANCIAL STATEMENTS AND REPORT FOR 2009 (SUMMARY)

### COMMITTEE OF MANAGEMENT STATEMENT OF RESPONSIBILITIES

1. The National Association of Building Co-operatives is a not-for-profit co-operative society, jointly owned by its shareholding affiliated co-operative housing societies, registered with limited liability status under the Industrial and Provident Societies Acts.
2. A statutory Annual Return providing financial information and the list of management committee members, duly signed by the officers and auditor, is submitted to the Registrar of Friendly Societies, accompanied by the Financial Statements and Auditor's report and opinion.
3. Reporting convention and applicable law requires the committee of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing those financial statements the committee of management are required to:-
  - select suitable accounting policies and then apply them consistently;
  - make judgements and estimates that are reasonable and prudent,
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The committee of management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The books of account are held at the Society's registered office, 33, Lower Baggot Street, Dublin 2.

#### 4. **Auditors**

JPA Brenson Lawlor carried out the audit of the accounts and financial statements as independent professional auditors and are willing to continue in office.

For and on behalf of the Committee of Management

Declan Hudson  
**Chairman**

Bernard Thompson  
**Chief Executive (Secretary)**

# **NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCO) SOCIETY LTD.**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

This report is made solely to the Society's members, as a body, in accordance with the Industrial and Provident Societies Acts. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have audited the financial statements of National Association of Building Co-operatives (NABCO) Society Limited for the year ended 31st December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

### **BASIC OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examinations, 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 committee of management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Society'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 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 Society's affairs as at 31st December 2009 and of its surplus for the year then ended and have been properly prepared in accordance with the Industrial and Provident Societies Acts.

We have obtained all the information and explanations we consider necessary for the purposes of our audit, other than the verification of the mortgage loan balances with the local authorities. In our opinion, proper books of account have been kept by the Society. The financial statements are in agreement with the books of account.

In our opinion, the information given in the committee of management report is consistent with the financial statements.

9th April 2010

JPA Brenson Lawlor  
Chartered Accountants  
Registered Auditors  
Argyle Square  
Morehampton Road  
Dublin 4.

**NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCo) SOCIETY LTD.**  
**INCOME & EXPENDITURE ACCOUNT**

<b>INCOME:</b>	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
<b>Administrative &amp; General</b>		
Representation, Promotion, Co-ordination, Social Partnership - Grants, Affiliation Fees & Contributions, Deposit Interest Co-operative Organisation Support Services	576,198	588,909
<b>Co-operative Housing Development and Management</b>		
Co-operative Housing Development Loan and Interest Subsidies	3,720,708	5,182,174
Housing Rents, Management & Maintenance Allowances (Dublin Area), Deposit Interest	2,910,495	2,781,535
	_____	_____
<b>TOTAL INCOME:</b>	<b>7,207,401</b>	<b>8,552,618</b>
<b>EXPENDITURE:</b>		
Representation, Promotion & Co-ordination Office, Salaries and Overheads including Social Partnership and Federation Regional Network Costs	(508,386)	(451,136)
Office Premises Loan Interest	( 35,187)	( 81,810)
	_____	_____
	<b>( 543,573)</b>	<b>( 533,046)</b>
Co-operative Housing Development Loan Interest Subsidies	(3,001,862)	( 4,124,842)
Rent Disbursements (Transfer to Co-operative Housing Societies (Dublin Area) - Caretaking, Repairs and Maintenance etc.	(1,695,130)	( 1,599,595)
Co-operative & Housing Management Support Services and Overhead Costs	( 891,420)	( 425,808)
Depreciation	( 919,807)	( 913,188)
Transfer to Building & Maintenance Reserve Fund	( 122,984)	( 900,276)
	_____	_____
<b>TOTAL EXPENDITURE:</b>	<b>( 7,174,776)</b>	<b>( 8,496,755)</b>
<b>Operating Surplus:</b>	<b>32,625</b>	<b>55,863</b>

**NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVE (NABCo) SOCIETY LTD.**

**BALANCE SHEET AS AT 31st DECEMBER 2009**

	€	2009 €	€	2008 €
<b>FIXED ASSETS</b>				
Co-operative Housing Properties		154,741,894		117,495,783
Less Capital Loan Balances		(140,134,170)		(108,115,090)
		<hr/>		<hr/>
		14,607,724		9,380,693
Other tangible assets		1,972,180		1,991,944
Investments		2,629		2,629
		<hr/>		<hr/>
		16,582,533		11,375,266
<b>CURRENT ASSETS</b>				
Debtors	288,690		149,786	
Cash at bank and in hand	4,914,361		7,851,114	
	<hr/>		<hr/>	
	5,203,051		8,000,900	
<b>Creditors Amounts falling due within one year</b>	(2,121,692)		(1,896,571)	
<b>Net Current Assets</b>		<u>3,081,359</u>		<u>6,104,329</u>
<b>Total Assets less Current Liabilities</b>		19,663,892		17,479,595
<b>Creditors Amounts falling due after more than one year</b>		<u>( 1,208,299)</u>		<u>(1,299,548)</u>
Accumulated Loan Subsidy		12,524,932		10,404,925
		<hr/>		<hr/>
		5,930,731		5,775,122
		=====		=====
<b>Capital and Reserves</b>				
Called up Share Capital		298		298
Co-operative Housing Development, Management & Maintenance Funds		5,533,240		5,410,256
Income and Expenditure Account		397,193		364,568
		<hr/>		<hr/>
		5,930,731		5,775,122
		=====		=====

Declan Hudson  
**Chairman**

Bernard Thompson  
**Secretary**

## **NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCO) SOCIETY LTD.**

### **ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention.

The accounts of the Society have been prepared in accordance with applicable accounting standards and the Industrial and Provident Societies Acts.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets (consisting mainly of housing stock in the Dublin area which is managed and maintained by affiliated co-operative housing societies comprising member/tenants and the office premises) are stated at cost less depreciation. Depreciation is provided at rates calculated to write off cost less estimated residual value of each asset over its expected useful life, as follows:-

Housing and Land	: 1% straight line
Housing in course of Planning and Construction	: No depreciation
Office Buildings	: 1% straight line (SL)
Equipment and Fittings	: Equipment 20% (SL), Computers 33.33% (SL) Furniture 14.33% (SL)

### **PENSIONS**

A defined pension scheme is operated by the Society. The assets of the scheme are held separately from those of the Society in an independently administered fund. The pension costs represent contributions paid by the Society to the fund in addition to staff employees.

### **LOCAL AUTHORITY LOANS**

The National Association of Building Co-operatives has received loans from the Local Authorities for the purchase of sites and the construction of houses or apartment buildings in the Dublin regional area, under the Department of the Environment, Heritage and Local Government's Capital Funding Schemes for Approved Housing Bodies. The loans received include allowances for development administration costs and the repayments and interest charges are either fully waived under the terms of the Capital Assistance Scheme or subsidised annually under the terms of the Capital Loan and Subsidy Scheme, subject to ongoing compliance with the terms of the Schemes and the use of the dwellings provided to meet the purposes of the Schemes during the period of the mortgage loans. The confirmation of the movements and loan balances are not available in all cases from the local authorities to coincide with the audit financial year and when such balances are not available committee of management calculations are used.

Affiliated co-operative housing societies (approved housing bodies) outside the Dublin regional area have also received loans with repayment and interest charge subsidised under the Department of the Environment, Heritage and Local Government's Capital Funding Schemes. These loans are accounted for by the societies, charged on their properties and are recorded on their balance sheets as separately registered industrial and provident societies. No guarantee or liability arises for NABCO in respect of these loans to the societies.

(abridged)

# NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES (NABCO) SOCIETY LTD.

## Annual Report 2010

### RESIDENTIAL TENANCIES ACT

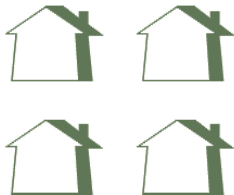
The National Association of Building Co-operatives has made detailed submissions and represented the co-operative housing sector in discussions with the Department of the Environment, Heritage and Local Government about the proposed extension of the Residential Tenancies Act to include approved housing bodies in the co-operative and the voluntary housing sectors.

The existing Act was based in 2004 to provide more security for private landlord tenants and to establish the Private Residential Tenancies Board (PRTB).

Housing co-operatives are not private landlords. The motivation of co-operatives as not-for-profit rental housing providers is to provide good quality housing accommodation, with security of tenure at an affordable cost for members. This follows careful advance explanation of the responsibilities of membership and the terms and conditions for the occupation of the co-operative dwellings and fixing of rents etc.

The shareholding *member/users* are represented on the co-operative housing society management committees or boards of directors.

NABCO is seeking to ensure that the distinct characteristics of co-operative/approved housing bodies are properly recognised and supported in any amended legislation.



**NABCO**

**36 Years Serving and United the  
Co-operative Housing Movement in Ireland**

**Building on the Past .....**

**Looking to the Future**

**United Nations International Year of Co-operatives : 2012**