

CO-OPERATIVE HOUSING

REPRESENTATION, PROMOTION AND DEVELOPMENT

Annual General Meeting

Report to Affiliated Members

16th May 2009

NATIONAL ASSOCIATION OF BUILDING CO-OPERATIVES

33, Lower Baggot Street, Dublin 2.

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NABCO

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

Chairman's Address - Declan Hudson

First, I would like to welcome you all to this Annual General Meeting and to thank you for coming to represent affiliated co-operative housing societies.

During 2008, we marked thirty five years of work by the Association in the building up of the Co-operative Housing Movement with an emphasis on sustaining quality and reliability in the delivery of housing services for co-operative members and their communities.

The updated and revised NABCo Co-operative Housing Handbook, launched last December, by the Minister of State for Housing, Urban Renewal and Developing Areas, Mr. Michael Finneran, provides a comprehensive guidance framework for good governance standards in affiliated co-operative housing societies and for the performance of housing management, caretaking, repair and maintenance services.

As always, this also requires effective teamwork between management committees, managers and staff to achieve and sustain the performance standards required for quality housing services.

The current difficulties in the housing market, combined with the rise in unemployment and the continued shortage of social housing, with over 56,000 approved applicants on local authority housing waiting lists, including both families and single persons, shows the need for more solutions and choices in the supply of housing.

Co-operative rental and affordable housing contributes towards a more balanced, sustainable and socially just housing system. Co-operative housing societies are focussed 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 productive partnerships to tackle housing needs with the public and private sectors.

The Association continues to urge a recognised place in national and local housing policies for the distinctive role of well organised housing co-operatives. The focus of co-operatives on the relief of housing needs, with member/user participation in management and decision-making, contributes to stable community development.

The National Association of Building Co-operatives continues to bring forward new housing projects, working in tandem with affiliated co-operative housing societies and with the support of the local authorities and the Department of the Environment, Heritage and Local Government.

New co-operative housing projects were completed in Kenmare and Rathcormac by the Munster Co-operative Housing Society with the support of NABCo during 2008. Members also moved into new dwellings provided by the Goodwill Housing Co-operative in Newbridge. More members will take up the occupation of co-operative dwellings in three new projects in the Dublin area during this year (2009). We wish them well in their new homes. Good progress is also being made on the construction of the new co-operative mixed tenure housing development on the site provided by Fingal County Council at Tyrrelstown Road, Mulhuddart, to be completed later in 2010.

However, the crises in the public finances is likely to limit the funding support available for the commencement of planned new housing projects during the next couple of years or so. The Association is committed to expanding the contribution of co-operative rental and ownership housing and is seeking ways to innovate affordable financing solutions in order to sustain output in the future.

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Chairman's Address - Declan Hudson

Providing decent and affordable homes is our key objective, but the co-operative housing sector is also concerned with building better communities. Co-operative members are already involved in decision-making about the upkeep and caretaking of their apartment buildings and estate management. The Association has been seeking to build on this joint-effort by assisting and supporting the development of social service projects for co-operative members and their surrounding neighbours.

The pre-school child-care and family support services undertaken in Brookview, Tallaght and Esker-Lucan by the South County Co-operative Housing Society are good examples of what can be achieved. These combine skilled staff and State funding with philanthropic support to make a worthwhile social service intervention for community benefit.

This type of not-for-profit, housing co-operative child-care service is also being planned for Island Key in Dublin docklands and at Tyrrelstown, Fingal. They will provide added value to the development of co-operative housing at these locations for the benefit of the local communities.

Difficult economic and financial circumstances may impact on the pace at which our sector can move forward and expand, but the concepts of self-help and working together, for mutual and community benefit, which form the basis of co-operative enterprise, are still valid and well proven as we face challenging times.

Declan Hudson
Chairman
National Association of Building Co-operatives

16th May 2009

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.)

Francis Byrne
(Galway Co-operative Housing Development Society Ltd.)*
(*resigned 10th March 2009)

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

Sarah Jane Leonard (coopted independent member)

General Secretary : Bernard Thompson

Executive Director : Vincent Keenan

Regional Manager (Cork)
Niall O'Keeffe

Regional Housing Manager (Dublin)*
Jan Mingle

Manager Financial Accounts
John Mac Cormaic

Administrator
Antoinette Towey

Clerical Officer
Noreen Goss

Administrative Assistant (Cork)
Aine O'Keeffe

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

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MANAGEMENT COMMITTEE REPORT

BUSINESS ACTIVITIES

The Association's management committee, mainly comprising representatives of affiliated co-operative housing societies, had seven meetings during 2008 and a further three meetings, have taken place during the year 2009 to date.

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

GOOD GOVERNANCE

During the year 2008 the Management Committee updated the Association's policies and procedures for good governance and issued a revised Handbook of Co-operative Housing Information, Policies and Procedures as guidelines for affiliated co-operative housing societies.

SOCIAL PARTNERSHIP

The management committee continued to review and support the representation of the Association within the Community and Voluntary Pillar and the national Social Partnership meetings. This has included negotiations concerning the serious national economic and financial crises, including the seeking of a balanced economic and social response, which protects social services for the most vulnerable and continued investment in social infrastructure, including social housing provision to relieve waiting lists.

CAPITAL FUNDING SCHEMES

The Association's management committee has been concerned to see the increase in the administrative and technical procedures imposed on the operation of the Department of Environment, Heritage and Local Government's Capital Funding Schemes for Approved Housing Bodies and the consequential delays in obtaining sanction of funds for more co-operative housing projects.

The application of burdensome procurement 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, causes concern as regards the reliability of the Capital Funding Schemes as a source of funds.

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 (European Liaison Committee for Social Housing)
- Co-operatives Europe - Housing
- Forum for the Co-operative Movement in Ireland.

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The Association's management committee, is, however, pleased to report that co-operative housing projects already underway on-site are making good progress. It would be regrettable if the pipeline of new co-operative housing projects at tender, planning and costing stages is delayed or stopped by a lack of speedy administrative and technical decision-making at local authority and national levels in relation to funding applications or the disruption of the flow of funds.

In these circumstances the Association also has to look in a prudent way at potential alternative and perhaps innovative ways of seeking the continued expansion of the co-operative housing sector and the contribution it can make to the relief of housing needs.



*Co-operative Housing Project
Loughlinstown Drive, Dun Laoghaire-Rathdown*

NABCO HOUSING CO-OPERATIVE MANAGERS' FORUM

The Association's management committee has initiated and supported a *consultative forum for housing co-operative managers/secretaries*. This will facilitate the regular exchange of information, together with the co-ordination of responses to co-operative management issues and the performance standards required for quality housing services.

NEW LEGISLATION FOR CO-OPERATIVES

The Management Committee was pleased to note the recent announcement of a review of the Industrial and Provident Societies Acts 1893 to 2005 and the issue of a Consultative Paper 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.

WEBSITE

A revised and updated website has been introduced, www.nabco.ie, providing comprehensive information about Housing Co-operatives in Ireland, the role of the co-operative housing sector, access to co-operative membership and about affiliated co-operative housing societies.

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

AUDITED FINANCIAL STATEMENTS AND REPORT

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
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 2008 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

Except for any adjustments that may be necessary arising out of the calculation of the local authority subsidised mortgage loan balances, in our opinion the financial statements give a true and fair view of the state of the Society's affairs as at 31st December 2008 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 reconsider 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.

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

29th April 2009

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

INCOME:	2008	2007
	€	€
Administrative & General		
Representation, Promotion, Co-ordination, Social Partnership - Grants, Affiliation Fees & Contributions, Deposit Interest Co-operative Organisation Support Services	588,909	662,785
Co-operative Housing Development and Management		
Co-operative Housing Development Loan and Interest Subsidies	5,182,174	4,466,963
Housing Rents, Management & Maintenance Allowances (Dublin Area), Deposit Interest	2,781,535	2,533,419
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TOTAL INCOME:	8,552,618	7,663,167
EXPENDITURE:		
Representation, Promotion & Co-ordination Office, Salaries and Overheads including Social Partnership and Federation Regional Network Costs	(451,136)	(454,033)
Office Premises Loan Interest	(81,910)	(77,299)
	-----	-----
	(533,046)	(531,332)
Co-operative Housing Development Loan Interest Subsidies	(4,124,842)	(3,381,751)
Rent Disbursements (Transfer to Co-operative Housing Societies (Dublin Area) - Caretaking, Repairs and Maintenance etc.	(1,599,595)	(1,453,176)
Co-operative & Housing Management Support Services and Overhead Costs	(425,808)	(726,246)
Depreciation	(913,188)	(914,370)
Transfer to Building & Maintenance Reserve Fund	(900,276)	(524,839)
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TOTAL EXPENDITURE:	(8,496,755)	(7,531,714)
Operating Surplus:	55,863	131,453

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

BALANCE SHEET AS AT 31st DECEMBER 2008

		2008		2007
	€	€	€	€
FIXED ASSETS				
Co-operative Housing Properties		117,495,783		98,532,291
Less Capital Loan Balances		(108,115,090)		(91,961,884)
		<u>9,380,693</u>		<u>6,970,407</u>
Other tangible assets		1,991,944		2,016,345
Investments		2,629		1,261
		<u>11,375,266</u>		<u>8,588,013</u>
CURRENT ASSETS				
Debtors	149,786		143,147	
Cash at bank and in hand	7,851,114		5,924,474	
	<u>8,000,900</u>		<u>6,067,621</u>	
Creditors Amounts falling due within one year	(1,896,571)		(1,654,933)	
Net Current Assets		<u>6,104,329</u>		<u>4,412,688</u>
Total Assets less Current Liabilities		17,479,595		13,000,071
Creditors Amounts falling due after more than one year		<u>(1,299,548)</u>		<u>(1,350,034)</u>
Accumulated Loan Subsidy		10,404,925		6,301,032
		<u>5,775,122</u>		<u>5,349,635</u>
		=====		=====
Capital and Reserves				
Called up Share Capital		298		298
Co-operative Housing Development Fund		5,410,256		4,509,980
Communal Facility Grants		-		530,653
Income and Expenditure Account		364,568		308,704
		<u>5,775,122</u>		<u>5,349,635</u>
		=====		=====

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 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.

(abridged)

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

2008 - SOME HIGHLIGHTS

South County Co-operative Housing Society opened a new estate management office at Hays House, 13 High Street, Tallaght on the 17th October 2008. The Society staff team, led by manager, Brendan Mac Phiarais with Sabrina Foley (housing officer), Danny Nelson (buildings officer) and Melissa Pagin Ferraz (clerical officer) provide housing management and other services for member/residents in the six co-operative housing developments/estates served by the Society.

The Society's child care staff team, co-ordinated by Catherine Healy, operates in Brookview, West Tallaght and St. Finians, Esker, Lucan.



Minister of State for Housing, Mr. Michael Finneran, with NABCo Chairman, Declan Hudson and the then Lord Mayor of Dublin, Cllr. Eibhlin Byrne at the launch of the Handbook of Co-operative Housing Information, Policies and Procedures.



NABCO

35

Years

Serving and Uniting

the

Co-operative Housing Movement