



Service Nova Scotia  
and Municipal Relations

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# Annual Report

Activities of Nova Scotia Co-operatives in 2008

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Co-operatives Branch  
Strategy, Integration and Registries

## Co-operatives Annual Report

This report is published by the Co-operatives Branch of Service Nova Scotia and Municipal Relations. It covers the activities of registered co-operatives taken from reports submitted to this office for their financial year ending in 2008. This document provides partial fulfilment of the requirements of the *Co-operative Associations Act*, Chapter 98, Acts of 1989, Section 5(2)(d-e).

### **Minister**

Honourable Ramona Jennex

### **Deputy Minister**

Kevin Malloy

### **Inspector of Co-operatives**

Ronald J. Skibbens

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Co-operative's public records are available at:

[www.gov.ns.ca/snsmr/rjsc/search.asp](http://www.gov.ns.ca/snsmr/rjsc/search.asp)

This and other annual Co-operative Annual Reports are available at:

[www.gov.ns.ca/snsmr/coop/resources/](http://www.gov.ns.ca/snsmr/coop/resources/)

The *Co-operative Associations Act* is available at:

[www.gov.ns.ca/legislature/legc/statutes/coopassc.htm](http://www.gov.ns.ca/legislature/legc/statutes/coopassc.htm)

The Regulations to the Act are available at:

[www.gov.ns.ca/just/regulations/regs/coopgen.htm](http://www.gov.ns.ca/just/regulations/regs/coopgen.htm)

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## Letter to the Minister Responsible for Co-operatives

The Honourable Ramona Jennex  
Minister of Service Nova Scotia and Municipal Relations

Dear Minister Jennex:

I am pleased to present the Co-operatives Annual Report for the year 2008, in compliance with the requirements of the *Co-operative Associations Act*. This is the 73<sup>rd</sup> report since 1935 when the first *Act* required the Inspector to report annually to the Minister. Co-operatives remain an important part of the Provincial economy, albeit with some mixed results this year. In spite of fewer co-operatives and decreased membership, co-operatives continue to show growth in sales, income, equity and the number of Nova Scotians employed. Co-operatives continue to help build and maintain strong communities in Nova Scotia.

### Demographic data:

- 14 co-operatives were incorporated, well below the average of 21 over the past 15 years.
- 24 co-operatives ceased operations, which is average for the past 15 years.
- The net was a decrease of 10, to 290 co-operatives active in the Province.
- Membership decreased by 2% to 42,107.
- Employment increased by 9% to 3,641.

### Financial data:

- Annual income increased to \$765 million, with gross profits of \$126 million and net profits of \$6 million.
- Members' equity increased to \$113 million from \$104 million in 2006.

### Co-operative functioning:

- The majority (87%) of co-operatives have all board positions filled and 95% held their required annual general members meeting.
- Most co-operatives held the expected number of board meetings (4-12), and the expected number of members' meetings (1-3). However a small number (2-3%) didn't hold either type of meeting, and a surprising 7% held more than 13 board meetings.
- 1,888 members attended an educational event in 2008, an average of 7 per co-operative.

I trust that this overview provides you with a comprehensive snapshot of the co-operative sector in 2008.

Sincerely,



Ronald Skibbens  
Inspector of Co-operatives

## Letter to Nova Scotian Co-operatives

Dear Co-operators,

In 2008, co-operatives reported a mixed set of results: fewer co-operatives but more employees, more sales but less profit, fewer AGMs but more education. Although your co-operatives have reported some mixed effects, overall co-operatives are weathering the difficult economy well.

The number of co-operatives has dropped by 10 from last year to a total of 290 co-operatives active in the Province at the end of 2008. Likewise, the number of members decreased. Surprisingly, the number of employees increased by an impressive 9%. Continuing the positive news, co-operatives reported strong growth in both annual income and equity. Your co-operatives also reported continued commitment to the co-operative principles. Almost all reported holding an AGM where quorum was met and the members reviewed the financial report. In addition, almost 1,900 co-operative members attended an educational event.

Your co-operative's public information is available on our website [www.rjsc.ca](http://www.rjsc.ca) by following the links to "Search Our Database". At that site, you can also find standard forms for all of your reporting requirements to Co-operatives Branch under "Forms and Information". As always, this report and other co-operative information is available at [www.gov.ns.ca/snsmr/coop/](http://www.gov.ns.ca/snsmr/coop/).

As in years past, I urge you to help make the sector in Nova Scotia even stronger by being actively involved in your co-operative and following the co-operative principles listed on the back page of this report.

Co-operatively yours,

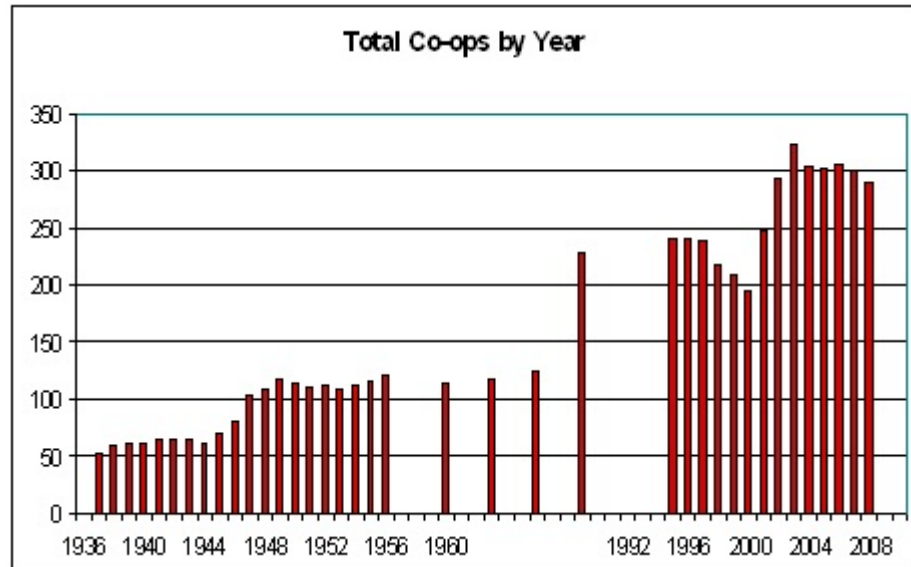


Ronald Skibbens  
Inspector of Co-operatives

## Demographic Summary

### Number of Co-operatives

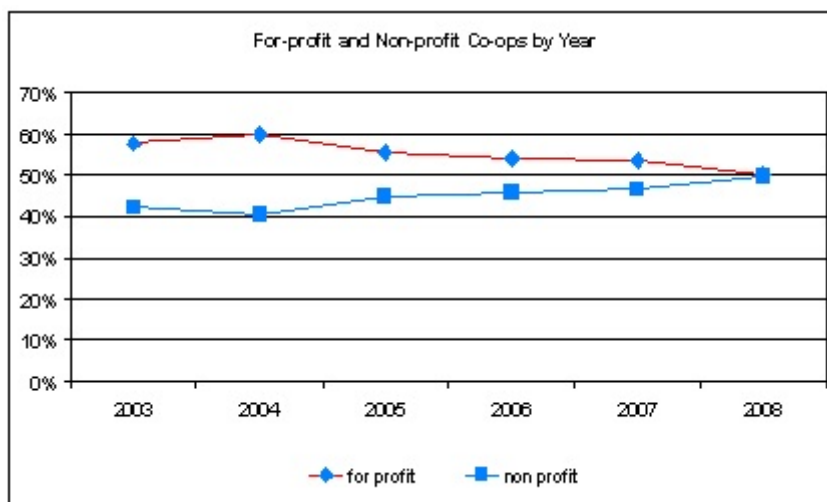
There were 290 co-operatives in Nova Scotia at the end of 2008. This graph shows that the number of co-operatives doubled in the first decade of the *Co-operative Associations Act* and doubled again between 1980 and 1990. Since the mid-90's the number has shown a sharp 4 year decline followed by a



sharp 3 year increase. For the past 7 years, the number has been relatively flat except for the spike in 2003 when no co-operatives were struck because of the new renewal process.

### Types of Co-operatives

Co-operatives in Nova Scotia identify themselves in their incorporation documents as either for-profit or non-profit. This choice reflects the founding members' guiding principles about whether surpluses are kept with the business (non-profit) or distributed to members (for profit). The graph below shows that there has been a shift toward non-profit incorporations over the past 6 years. In 2003, they made up just 41% of all co-operatives and now make up 50%.



Most of the increase in non-profit registrations is due to the fact that some applicants for society registration indicate that they are planning to run a non-profit business. Staff at the Registry of Joint Stock Companies ask those applicants to consider incorporating as co-operatives. The new society incorporation documents at [www.rjsc.ca](http://www.rjsc.ca) reinforce this policy.

As shown in the table below, non-profits are overwhelmingly consumer groups. Within that sub-group of 111 co-operatives, 79 are housing co-operatives providing affordable housing with funding from the Department of Community Services. As these co-operatives pay off their first mortgages, they are no longer contractually obligated to provide social housing. However, under the *Co-operative Associations Act* they will continue to be non-profits associations.

	<i>For profit</i>	<i>Non-profit</i>	<i>Total</i>
<i>Marketing</i>	77 (27%)	32 (11%)	<b>109 (38%)</b>
<i>Consumer</i>	69 (24%)	111 (39%)	<b>181 (62%)</b>
<b>Total</b>	<b>146 (50%)</b>	<b>144 (50%)</b>	<b>290 (100%)</b>

### **Geographic Location of Co-operatives, Employment and Membership**

The demographic data on the next page shows that the largest number of co-operatives are in Halifax County (n = 91) followed by Colchester County with 34. Overall, housing co-operatives were the largest sub-type with 81 of the total, followed by a tie for second with 50 service co-operatives and 50 worker co-operatives.

The data on page 6 shows that the total number of employees was 3,641 which is an impressive 9% increase from last year. Kings County had the most co-operative employees at 1,024, followed by Pictou County with 1,009. The same table shows that the number of members declined slightly to 42,107 with Colchester having the most at 8,215.

### **New Co-operatives, Significant Anniversaries and Struck Co-operatives**

On page 7 is a list of the 14 new co-operatives that were incorporated in 2008. Co-operatives Branch warmly welcomes them to the sector and wishes them every success in their endeavors. That number of new co-operatives is significantly below the average of the past 15 years and is the lowest number of new incorporations since 1997. In 2008, 24 co-operatives were struck, for a net decrease of 10 co-operatives active in the Province.

In recognition of their service and commitment to their communities, the co-operatives with significant anniversaries in 2008 and 2009 are listed starting on page 8.

**Distribution by Type and County**

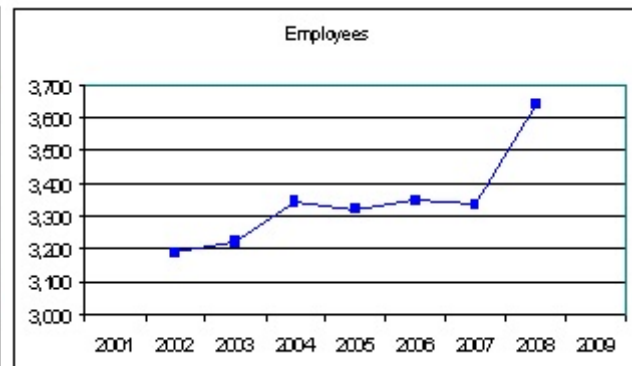
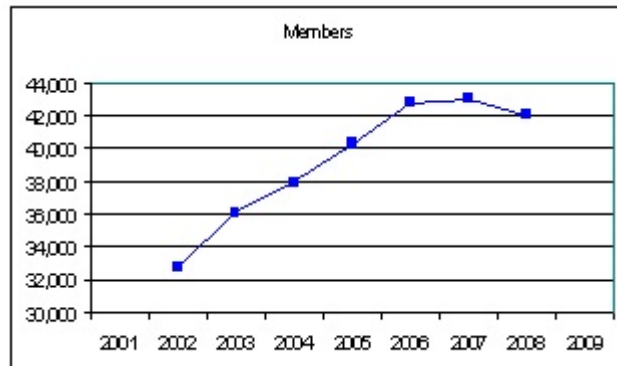
	Housing	Investment	Retail	Service	<b>Total Consumer</b>	Agriculture	Craft	Fishery	Timber	Worker	<b>Total Marketing</b>	<i>Total #</i>	<i>Coops %</i>
Annapolis	0	0	0	0	<b>0</b>	0	0	0	0	1	<b>1</b>	<i>1</i>	<i>0%</i>
Antigonish	4	0	2	3	<b>9</b>	2	0	1	0	1	<b>4</b>	<i>13</i>	<i>4%</i>
Cape Breton	5	4	1	5	<b>15</b>	2	0	0	1	7	<b>10</b>	<i>25</i>	<i>9%</i>
Colchester	3	8	3	5	<b>19</b>	8	1	0	1	5	<b>15</b>	<i>34</i>	<i>12%</i>
Cumberland	1	0	3	3	<b>7</b>	3	0	0	2	1	<b>6</b>	<i>13</i>	<i>4%</i>
Digby	1	1	0	1	<b>3</b>	1	0	0	0	0	<b>1</b>	<i>4</i>	<i>1%</i>
Guysborough	0	0	1	1	<b>2</b>	0	0	2	0	0	<b>2</b>	<i>4</i>	<i>1%</i>
Halifax	54	4	2	11	<b>71</b>	5	3	0	0	12	<b>20</b>	<i>91</i>	<i>31%</i>
Hants	0	0	0	1	<b>1</b>	2	0	0	0	1	<b>3</b>	<i>4</i>	<i>1%</i>
Inverness	2	2	5	6	<b>15</b>	0	1	2	0	5	<b>8</b>	<i>23</i>	<i>8%</i>
Kings	3	0	1	7	<b>11</b>	5	1	0	0	10	<b>16</b>	<i>27</i>	<i>9%</i>
Lunenburg	1	0	2	2	<b>5</b>	1	2	0	1	1	<b>5</b>	<i>10</i>	<i>3%</i>
Pictou	3	1	0	0	<b>4</b>	1	1	1	1	1	<b>5</b>	<i>9</i>	<i>3%</i>
Queens	1	0	0	1	<b>2</b>	0	0	0	0	1	<b>1</b>	<i>3</i>	<i>1%</i>
Richmond	0	0	2	3	<b>5</b>	0	0	2	0	2	<b>4</b>	<i>9</i>	<i>3%</i>
Shelburne	0	0	0	0	<b>0</b>	0	0	0	0	0	<b>0</b>	<i>0</i>	<i>0%</i>
Victoria	0	1	4	1	<b>6</b>	1	1	1	1	2	<b>6</b>	<i>12</i>	<i>4%</i>
Yarmouth	3	0	2	0	<b>5</b>	0	0	3	0	0	<b>3</b>	<i>8</i>	<i>3%</i>
<b>Total #</b>	<b>81</b>	<b>21</b>	<b>28</b>	<b>50</b>	<b>180</b>	<b>31</b>	<b>10</b>	<b>12</b>	<b>7</b>	<b>50</b>	<b>110</b>	<b>290</b>	<b>100%</b>
<b>Total %</b>	<b>2</b>	<b>8%</b>	<b>7%</b>	<b>10%</b>	<b>17%</b>	<b>62%</b>	<b>11%</b>	<b>3%</b>	<b>4%</b>	<b>2%</b>	<b>1</b>	<b>7%</b>	<b>38%</b>

Co-operatives Branch groups co-operatives into two types: consumer and marketing. Consumer co-operatives are organized for the benefit of buyers and marketing co-operatives are organized for the benefit of sellers. Both consumer and marketing are sub-divided further as above. Of special note are worker co-operatives, where labourers organize to market their services.



**Employees and Membership By County**

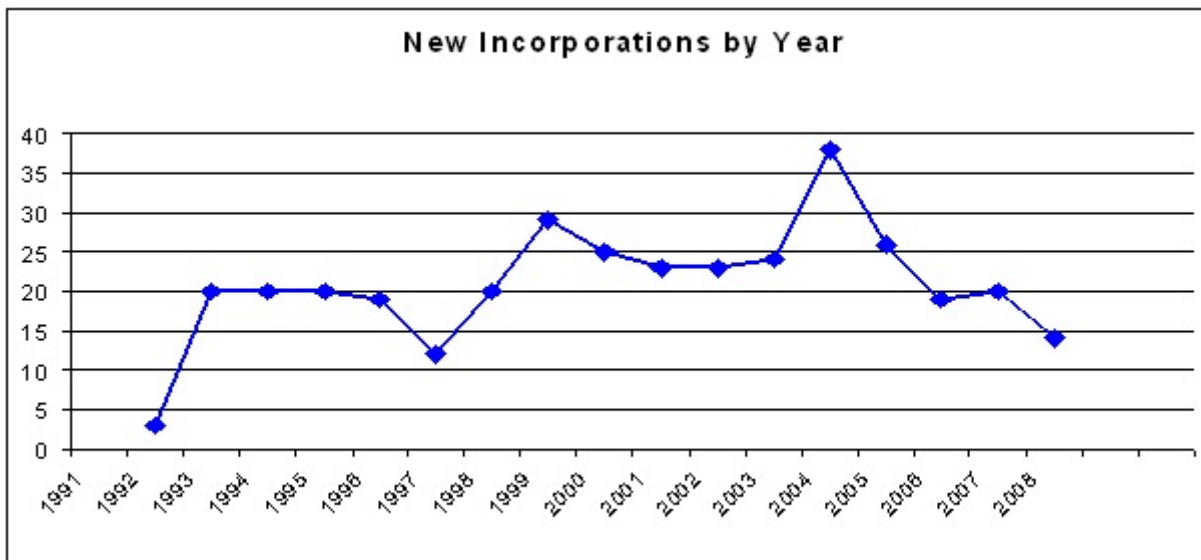
	Full-time	Part-time	Total Employees	Membership
Annapolis	0	0	0	12
Antigonish	13	4	17	441
Cape Breton	26	23	49	1,832
Colchester	31	60	91	7,447
Cumberland	39	36	75	5,143
Digby	1	161	162	182
Guysborough	15	9	24	844
Halifax	501	177	678	6,278
Hants	0	0	0	31
Inverness	87	76	163	8,010
Kings	936	88	1,024	4,363
Lunenburg	4	6	10	789
Pictou	766	243	1,009	570
Queens	4	3	7	277
Richmond	56	34	90	1,396
Shelburne	0	0	0	0
Victoria	57	157	214	3,218
Yarmouth	15	13	28	1,274
<b>Total 2008</b>	<b>2,551</b>	<b>1,090</b>	<b>3,641</b>	<b>42,107</b>



## Co-operatives Incorporated in 2008

The number of new co-operatives incorporated decreased to 14 in 2008. As shown in the chart at the bottom of this page, this is substantially below the average number of new incorporations over the past 16 years. As shown in the list below, there is a continuing trend toward non-profits (10 of 14 new co-operatives) with an emphasis on arts, community development and local food production.

Name	Profit/ NonProfit	City	County	Registry ID #
Art 1274 Hollis Co-operative Limited	N	Halifax	Halifax	3232669
Celtic Heart of North America Cooperative Limited	N	Iona	Victoria	3231260
Celtic Sea Media Co-operative Limited	N	Antigonish	Antigonish	3226980
Colchester Soccer Referee Association Co-operative Limited	N	Truro	Colchester	3225050
Evangeline Artists' Cooperative Ltd.	N	Grand Pré	Kings	3230550
Farmasea Cooperative Limited	P	Heatherton	Antigonish	3231698
Jiksutui Social Cultural & Economic Skills Development Co-operative Ltd.	N	Shubenacadie	Hants	3230368
Margaree Tourism Association Co-operative Limited	P	Margaree Forks	Inverness	3225644
Meristem Gardening Co-operative Ltd.	N	Halifax	Halifax	3226570
Nova Scotia Farmers' Market Development Cooperative Ltd.	N	Halifax	Halifax	3230729
Performance Genomics Investment Fund Co-operative Ltd.	P	Truro	Colchester	3233721
Scotia Organic Milk Producers Cooperative Limited	N	Truro	Colchester	3229298
Smart Christmas Tree Research Cooperative Ltd.	P	Hilden	Colchester	3229301
St. Ambrose Parish Bookstore Cooperative Limited	N	Yarmouth	Yarmouth	3225676



**Anniversaries of Incorporation in 2008 and 2009**

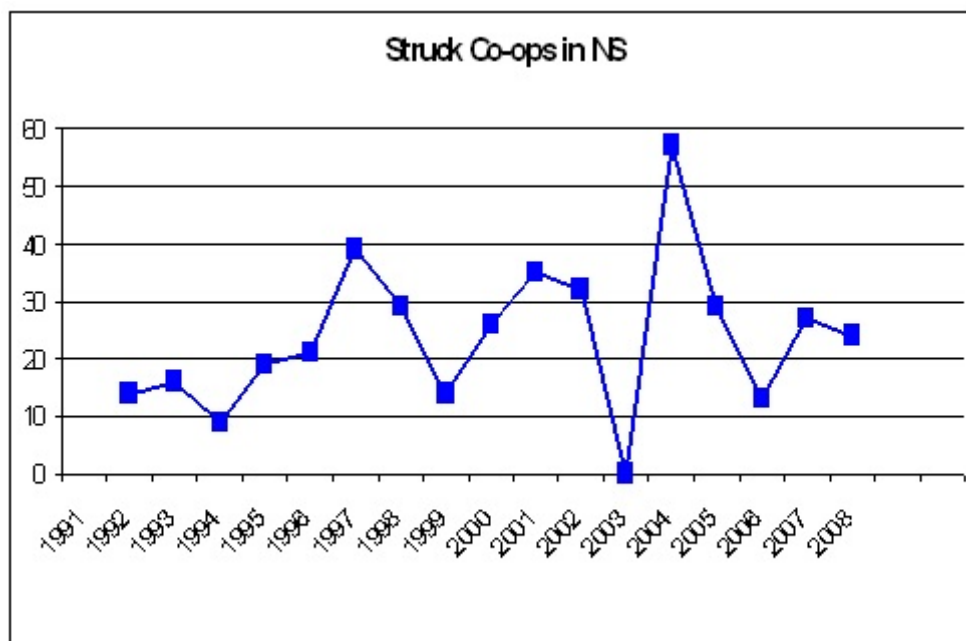
The data for this report is not available until the Fall of each year and so we present anniversaries for both 2008 and 2009. We congratulate the members and boards of directors for their continued commitment to co-operation and member services.

Anniversaries in 2008	Anniversaries in 2009
	70 <sup>th</sup>
Musquodoboit Valley Port Hood Whycocomagh	(none)
	65 <sup>th</sup>
ACA River Hebert Co-operative Service	De La Tour Co-operative Society
	45 <sup>th</sup>
Co-operative Artisanale De Cheticamp	United Farmers
	35 <sup>th</sup>
Baddeck Valley Wood Producers Black Duck Handcraft Chegoggin Dyke	Atlantic Filmmakers
	30 <sup>th</sup>
(none)	Halifax Peninsula Housing Little Pond The Brierly House
	25 <sup>th</sup>
Anathoth Housing Apple Blossom Housing Charles Court Housing Fresh Start Housing Gimmie Shelter Continuing Housing Privateer Housing Rocky Road Housing Samson The Cross-Roads Non Profit Housing The Trillium Housing Topshee Housing	Flip Flop Housing Hubtown Housing Joe MacIsaac Housing Loyalist Housing North Bay Fishermen's Saduke Housing Seaview Housing West Halifax Housing

Anniversaries in 2008	Anniversaries in 2009
	20 <sup>th</sup>
Canso Co-operative Health Centre Central Dartmouth Housing Dunbrack Housing Green Stem Johnstown Community Development Nova Heights Continuing Housing Pictou County Home Health Care The Birches Housing The Greenhouse	Evergreen Ecological Forchu Housing Guantanamo Landview Housing Soil and Sea Co-op Limited Woodland Estates Housing
	15 <sup>th</sup>
Arimathea Funeral Chignecto Manor City Market of Halifax SSG Support Services Group	Canoe Lake Machinery Tower Heights Housing
	10 <sup>th</sup>
340 Rancher's BCA Investment Bras D'or Producers C.A.J. Woodworkers Curl Up & Dye Northumberland Fish Richmond Community Management Fishery	C.B. Miners' Development Coastal Communities Economic Development Valley Pork Suppliers Waterville Airport
	5 <sup>th</sup>
Coastal Community Radio Coopérative Radio-Halifax-Métro Deep Roots Music Destination Richmond Tourism Gung Ho! Employment Investing in Nova Scotia Enterprises La Résidence Acadienne Missing Lint Tatamagouche Farmers' Market Wickwire	Big East Bluenose Quilting Arts Cape Blue Roads and Services Edunova Farmers' Markets of Nova Scotia Halifax Cheer Elite Honestworkingpeople.com Kempt Head Workers MacNeil Barrachois Cottage Marigold Cultural Centre Mersey Tobeatic Research Institute Mud Creek Medical Pathways Housing Services Pine Haven Water Truro Investment Tunstile Pottery Wild Blueberry Harvest

## Co-operatives Struck in 2008

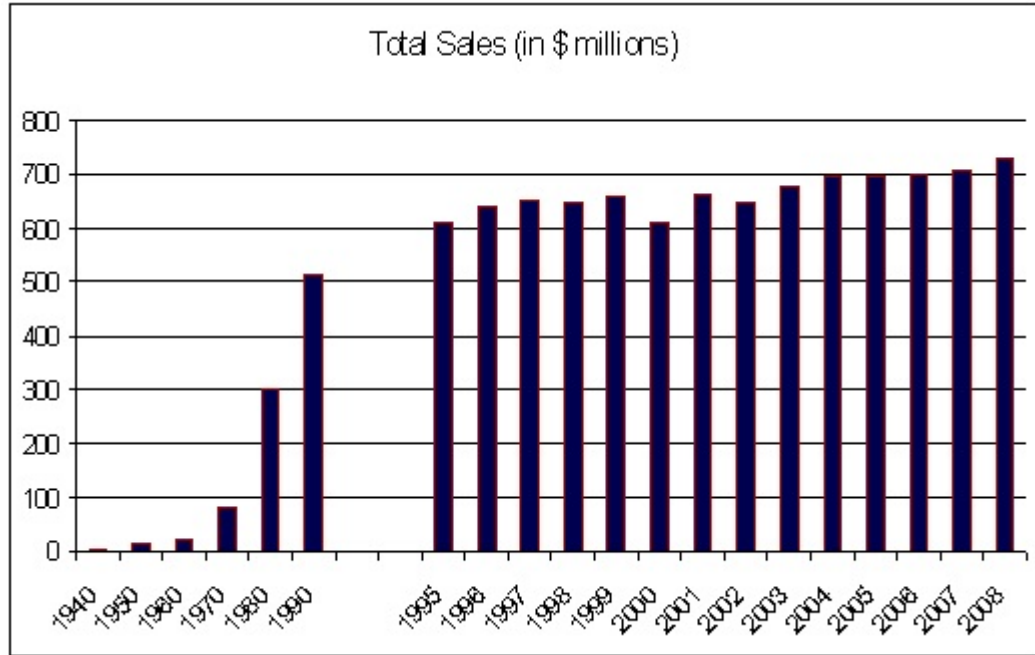
In 2008, 24 co-operatives were struck, which is the average over the past 16 years. As shown in this graph, 2003 and 2004 are outliers. No co-operatives were struck in 2003 as we began a new renewal process, resulting in double the usual number being struck the following year.



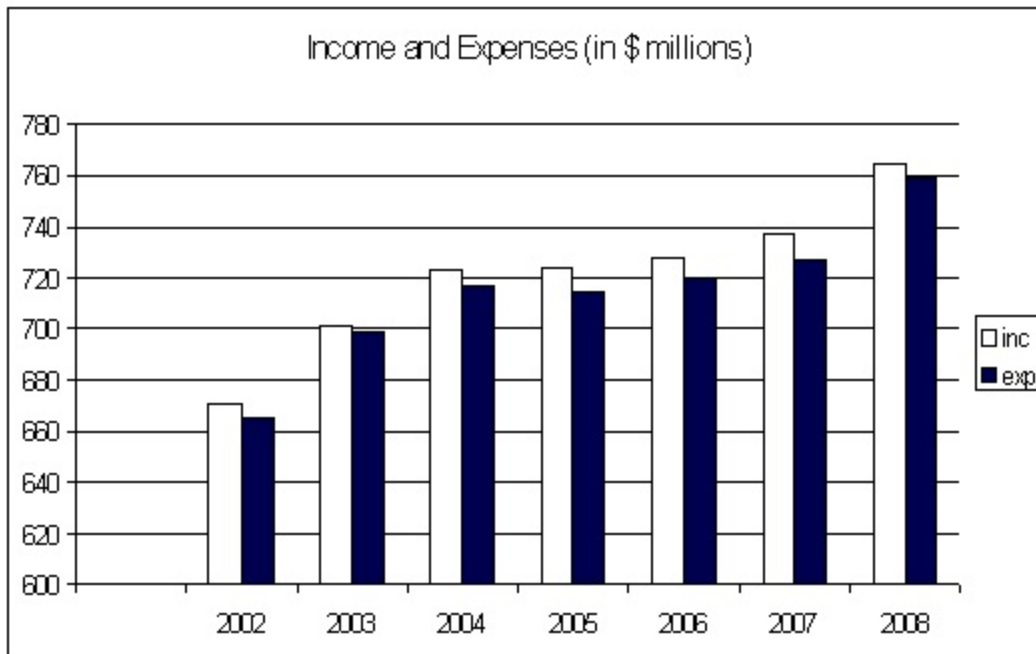
Name	City	County	Registry ID #
Co & Co Communication Design Co-operative Limited	Halifax	Halifax	3078743
Concession Co-operative Limited	Church Point	Digby	1354657
Connecting People for Health Investment Co-operative Limited	Truro	Colchester	3221078
Conway Co-operative Society Limited	Digby		1438282
Dover Co-operative Limited	Little Dover	Guysborough	2066124
Dundee Water Co-operative Limited	Halifax	Halifax	3111051
East Coast Herring Roe Processors Co-operative Ltd.	Halifax	Halifax	3093908
Elder Fields Farm Co-operative Limited	Whycocomagh	Inverness	3092102
Elroy's Plastic & Recycling Co-operative Limited	Truro	Colchester	3031030
Fresh Air Foods Co-operative Limited	Middleton	Annapolis	3089834
Garden Valley Community Investment Co-operative Limited	New Minas	Kings	3094600
Island Pride Marketing Co-operative Limited	North Sydney	Cape Breton	3050606
Islands Wind Power Investment Co-operative Limited	Westport	Digby	3073372
King's Bookstore Co-operative Limited	Halifax	Halifax	3167235
La Cooperative Pre-maternelle Cheticamp Limitee	Cheticamp	Inverness	2382935
La Frimousse Pre-school Co-operative Limited	Pomquet	Antigonish	3081271
Leighton Roofing Co-operative Ltd.	Shubenacadie	Hants	3215875
Quality Compost Producers Co-operative Ltd.	Brookfield	Colchester	3166154
Shiretown Housing Co-operative Limited	Pictou	Pictou	1413392
Soaring Sisters Enterprises Co-operative Limited	North Sydney	Cape Breton	3047544
Sustainable Living Co-op Ltd.	Mabou	Cape Breton	3104620
Total Essence Coaching Co-operative Limited	Dartmouth	Halifax	3056188
West Arichat Co-operative Limited	West Arichat	Richmond	1352715
Womax Manufacturing Co-operative Limited	North Sydney	Cape Breton	3091898

**Financial Summary**

Most co-operatives' income comes from sales (96% of total income in 2008). Co-operatives reported \$731 million in sales which is the most ever reported.



As shown in this graph and in the chart on the next page, income and expenses continue to trend upward. Gross margins (sales less cost of sales) were \$126 million. Net profits (total income less total expenses) of \$6 million were less than last year, but were still in the average range for the recent past.



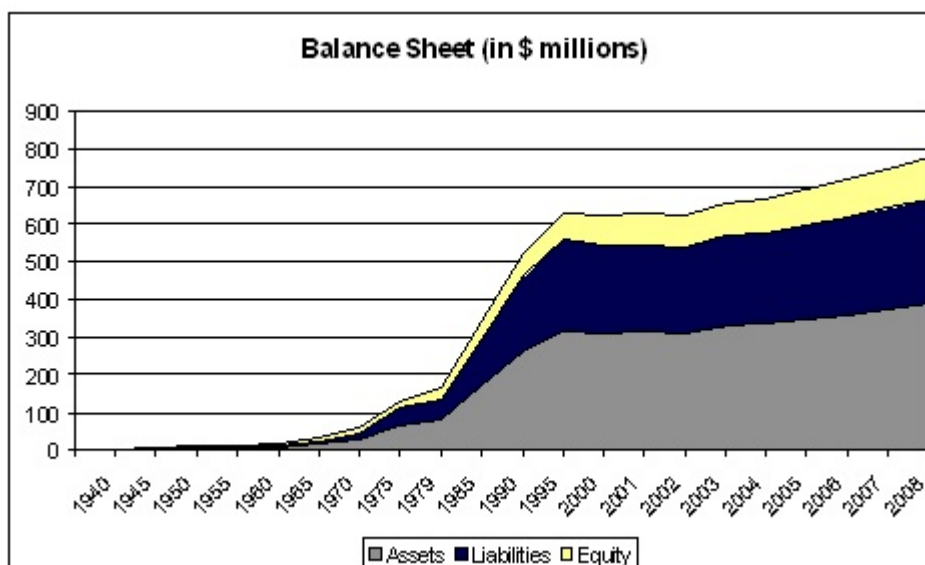
### 68-Year Operating Results Summary (all financial data in \$millions)

	Total Co-ops	Reporting Co-ops	Sales	Other Income	Total Income	Cost of Goods Sold	Other Expenses	Total Expenses	Net Income	Gross Margin
1940	62		3				1		0	
1950	113		14				2		0	
1960	114		21				5		1	
1970	117		79				14		1	
1980	124		302				57		4	
1990	228		512				120		4	
1995	241		609				133		2	
2000	194		612				138		8	
2001	247		663				143		9	
2002	293	193 (66%)	648	23	<b>671</b>	540	125	<b>665</b>	6	108
2003	323	256 (79%)	676	25	<b>701</b>	570	128	<b>699</b>	2	105
2004	303	285 (94%)	696	27	<b>723</b>	583	134	<b>717</b>	6	113
2005	302	291 (96%)	697	27	<b>724</b>	578	137	<b>715</b>	9	119
2006	305	291 (95%)	699	29	<b>728</b>	577	143	<b>720</b>	7	122
2007	300	280 (93%)	708	29	<b>737</b>	584	143	<b>727</b>	10	124
2008	290	271 (93%)	731	34	<b>765</b>	605	154	<b>759</b>	6	126

### 68-Year Balance Sheet Summary

The table and chart below summarize the balance sheet information from co-operatives over the past 68 years. The significant increase in the 1965-1995 period has been followed by steady growth since that time. The graph at the bottom of this page shows the data pictorially.

	Assets	Liabilities	Equity
1940	1	0	1
1945	2	1	2
1950	5	2	3
1955	6	2	4
1960	9	3	6
1965	15	8	7
1970	28	17	11
1975	64	47	17
1979	82	53	29
1985	171	120	51
1990	262	200	63
1995	314	243	71
2000	312	233	79
2001	314	232	82
2002	312	225	87
2003	328	242	86
2004	335	241	93
2005	345	253	92
2006	360	257	103
2007	374	269	103
2008	389	276	113





### Co-operative Functioning Summary

In 2002, Nova Scotia started asking co-operatives to report on how well they function as a co-operative in addition to how well they function as a business. The questions on the annual renewal forms provide information on board complements, meetings and the number of educational events attended by members (see the Annual Renewal form at [www.gov.ns.ca/snsmr/rjsc/forms.asp#coop](http://www.gov.ns.ca/snsmr/rjsc/forms.asp#coop)). The questions are intended to help identify developing problems and are based on the seven principles of co-operation (see page three of this Report for details).

The table below shows that the majority of co-operatives had all of their board positions filled. Almost all (95%) held an annual general meeting, and 100% of those met quorum. In all, 91% presented the financial report to the members for approval. In a reversal from last year, more non-profit co-operative members attended educational events than for-profit members. This could be due to the increased emphasis that the Department of Community Services (Housing Services) placed on training in housing co-operatives.

	for profit	non profit	combined total
All board positions are filled	91%	82%	87%
An AGM was held in the past fiscal year (or past 12 months)	95%	95%	95%
Quorum was established at the AGM	100%	99%	100%
A financial report was approved by the members at the AGM	98%	84%	91%
Average number of members who attended an educational event in the past fiscal year	5.7	8.9	7.3

The following table shows the number of meetings held to conduct the business of co-operatives. In general, the ranges are as expected, but the few outliers (0 and 13+ for board meetings and anything over 7 for members meetings) may point toward governance concerns. Development groups might be interested to see if the outliers have any correlation with management or governance issues, but that is outside the mandate of this report.

	0	1 - 3	4 - 6	7 - 9	10 - 12	13 +
Number of board meetings in the past fiscal year	2%	20%	32%	13%	27%	7%
Number of members meetings in the past fiscal year	3%	70%	16%	3%	7%	1%

## **The International Co-operative Alliance Statement on the Co-operative Identity**

### Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

### Values

Co-operatives are based on the values of self-help, democracy, equality, equity, and solidarity. Co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

### Principles

The co-operative principles are guidelines by which co-operatives put their values into practice. The co-operative principles are:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for the Community

*For full text see: [www.ica.coop/coop/principles.html](http://www.ica.coop/coop/principles.html)*



**Service Nova Scotia  
and Municipal Relations**