



UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

REPORT AND FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2017

Registered Number 04541415 (England & Wales)

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2017

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COMPANY INFORMATION

Directors John Hunter (Chairman)
 Helen Gibbons
 Peter Parry
 Martin White
 Robert McDonald (from 13th April 2017)

Company Secretary Robert McDonald

Registered Office Chislehurst Business Centre
 1 Bromley Lane
 Chislehurst, Kent
 BR7 5LH

Registered Number 04541415

COMPANY ACTIVITY

The United Kingdom Shareholders' Association (UKSA) was founded in 1992 and became a company limited by guarantee on 20 September 2002.

UKSA's fundamental purpose, as set out in its Memorandum of Association, is to promote the interests of individual shareholders and investors within the United Kingdom by all possible means. It is a not-for-profit body which relies on membership subscriptions for finance and on the voluntary efforts of its members, including board members, for the bulk of its activities.

UKSA's key aims are to:

- Campaign for the rights of private shareholders
- Give its members direct access to company directors
- Help members make better investments
- Support its community of members

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

CHAIRMAN'S REPORT

The surplus on Members' Account of £4,065 (2016: £1,397) has increased Members' reserves to £13,410. Not the least reason for improvement on 2016 was a substantial increase in voluntary donations from members (2017: £2,636. 2016: £1,743). We have also been more ruthless on expenditure – cutting a number of things and streamlining others. The improved funding position will at last enable us to engage in new activities that require some investment, and therefore carry financial risk.

We had 578 members at the end of 2017 (2016: 586). Membership has declined every year since the fundamental changes endured by UKSA in 2010, but this is the first time the decline has been in single figures.

The funds held on behalf of the Northern Rock campaign reduced by £2,387 to £34,260, following expenditure to support re-presenting the case at the 10th anniversary of the government confiscation of Northern Rock shares.

It was a year of stability for Board membership, the only change being the welcome elevation of Rob McDonald to director in addition to his duties as Company Secretary. He takes a special interest in membership matters.

The main activities of UKSA – keeping pressure on government on behalf of individual shareholders and arranging privileged member access to corporate management – continued without change but with increasing effectiveness (pages 4/5). Now, with an identified Media Director (Helen Gibbons), we are building a structure to make more use of social media.

One other organisation in the UK supports the interests of private shareholders: 'UK Individual Shareholders Society' (Sharesoc). During the year we have begun to co-operate rather than compete, and we hope to accelerate that process in 2018. We need to create an organisation powerful enough to have real influence, while retaining the integrity that comes from being independent of special interests. We continue to refuse all funding from such interests.

It's hard to find fresh ways to repeat continuing truths. So I will just reiterate that UKSA is run entirely by volunteers and without them it would not exist. I thank them once again.

John Hunter, Chairman

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

MEETINGS WITH COMPANIES & DIRECTORS

A distinctive part of UKSA's service is private access to the directors of public companies through its programme of 'analyst-style' meetings. These are small-group visits to hear presentations normally given to analysts or in other restricted circumstances. They are arranged by volunteers, often through their own initiative in achieving a personal acquaintance with Company Chairmen in UKSA's name.

Companies like to gain access to the views of the real investor community and are able to practise their presentations in relaxed surroundings. Members like them because they gain insights that cannot be obtained just from the written word and they can enjoy their host's hospitality. They are an important contributor to UKSA's key aims listed on page 2.

The following companies were visited in 2017:

NB All the below are Public Limited Companies except the Overseas ones

FTSE100

Anglo Pacific
BHP Billington
BP
BT
Ferguson
HSBC
National Grid
Segro
Standard Chartered
Vodafone
Whitbread

Overseas

Charles Schwab
TOTAL

AIM

Palace Capital
RWS Holdings
Youngs

FTSE250

Ashmore Group
Close Brothers
Hays
Investec Wealth &
Investment
Shaftesbury Group
Tate & Lyle

FTSE Fledgling

Titon Holdings

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

POLICY DIRECTOR'S REPORT

The policy team has continued to focus on reporting and governance issues affecting private investors. These include:

Financial Reporting: We have continued to build our relationship with the Financial Reporting Council (FRC). We have made input to a number of Reporting Lab projects and consultations and we also now have a seat on the FRC's Stakeholder Panel. These activities ensure that UKSA is actively involved in helping to shape Regulatory policy - as well as that of the government - on corporate governance, financial reporting and audit matters. They also provide us with excellent contacts in a wide range of organisations and help to ensure that we are well-informed about current thinking on a wide range of issues. In November the FRC ran a very successful consultative event for private investors. This was also attended by Better Finance (the European organisation of private shareholder groups) and will be repeated in 2018.

Other Regulatory Matters: Although contacts with the Financial Conduct Authority (FCA) are infrequent we continue to respond to consultations such as the Asset Management Market Study. We shall seek to build closer relationship with the FCA to ensure that the interests of private investors are promoted and influence the Regulator's thinking.

Building and maintaining networks: Developing our network of contacts is vital to our policy work. We are, for example, working with PriceWaterhouseCoopers on opportunities to run a number of events which should provide private investors with better insights into the rapidly changing world of audit. We are also represented on the Corporate Users Reporting Forum (CRUF) so that that our views are heard there. Within the investment industry there are firms whose culture and ethos are close to those which UKSA applauds. These firms have the skills, resource and depth of knowledge to pursue investor concerns which UKSA could not hope to cover alone. We value these relationships and will continue to support and develop them.

Collaboration with ShareSoc: Much of UKSA's policy work over the last year has been conducted jointly with ShareSoc. This has helped greatly by providing valuable resource. Typically, when responding to consultations we have responded as separate organisations but made it clear that we are each sending the same response. Thus our individual identities are preserved but we are seen to speak with a single, coordinated voice. The recipients have indicated that they like this approach. We have also been active in supporting the RBS Shareholder Committee campaign which ShareSoc has been leading.

Peter Parry, Policy Director

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

REPORT ON EUROPE & MEDIA

EUROPE

Better Finance

UKSA is affiliated with Better Finance, the EU-funded organisation that promotes the interests of shareholders and users of financial services. On behalf of UKSA I attended a number of Better Finance events over the year. I also continued to serve on the Board of Better Finance.

Jointly with the Maltese Association of Small Shareholders, Better Finance hosted a conference in Valletta focusing on the latest update to the EU's Shareholder Rights Directive.

I was appointed as a member of ESMA's corporate reporting working group, to continue the fine work of our member Roger Collinge. The working group meets in Paris twice a year.

Other events

UKSA was represented at the 'EU Corporate Governance in the 21st century' event in Brussels in June.

In September I represented UKSA at ShareAction's annual conference in The Hague. ShareAction is UK-based but active Europe-wide. The interests of our organisations overlap particularly in the pursuit of improved corporate governance.

In December I attended the Actionaria shareholder fair in Paris, in order to renew UKSA's contacts with a number of French large-cap companies and examine the potential for a multi-exhibitor event in London.

All the visits mentioned above were funded independently without recourse to UKSA funds.

Brexit

The departure of the UK from the EU would not have any effect on our membership of Better Finance, whose member organisations already include several non-EU countries. Our involvement with ESMA working groups, however, would end.

MEDIA

UKSA continued to expand its social media presence during the year. We also raised our profile in print and broadcast media through the campaign led by Dennis Grainger to publicise the situation of Northern Rock shareholders a decade after the bank's collapse.

Bill Johnston stepped down as editor of The Private Investor in July due to ill health and I assumed the role. In November we were greatly saddened to learn that Bill had passed away. He had been a staunch supporter of UKSA for many years and his readers will miss his wit and incisive commentary.

Helen Gibbons, Director - Europe & Media

DENBY MORRIS LTD

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**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD**

We have performed certain procedures in respect of the company's unaudited financial statements for the year ended 31 December 2017 on pages 8 to 12, made enquiries of the company's directors and assessed accounting policies adopted by the directors, in order to gather sufficient evidence for our conclusion in this report.

This report is made solely to the company's directors, as a body, in accordance with our terms of engagement. Our work has been undertaken so that we might state to the directors those matters that we have agreed to state to them in this 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 company and the company's directors as a body for our work, for this report or the conclusions we have formed.

Respective responsibilities

You have confirmed that you have met your duty as set out in the directors' statement on page 9. You consider that the company is exempt from the statutory requirements for an audit for the year. Our responsibility is to form and express an independent conclusion, based on the work carried out, to you on the financial statements.

Scope

We conducted our engagement in accordance with the Institute of Chartered Accountants in England & Wales Interim Technical Release TECH 07/16AAF. Our work was based primarily upon enquiry, analytical procedures and assessing accounting policies in accordance with the Financial Reporting Standard 102. If we considered it to be necessary, we also performed limited examination of evidence relevant to certain balances and disclosures in the financial statements where we became aware of matters that might indicate a risk of material misstatement in the financial statements.

The terms of our engagement exclude any requirements to carry out a comprehensive assessment of the risks of material misstatement, a consideration of fraud, laws, regulations or internal controls, and we have not done so. We are not required to, and we do not, express an audit opinion on these financial statements.

Conclusion

Based on our work, nothing has come to our attention to refute the directors' confirmation that in accordance with the Companies Act 2006 the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2017 and of the surplus for the year then ended and have been properly prepared in accordance with Financial Reporting Standard 102.

Paul Denby - Chartered Accountant
Denby Morris Ltd



8 February 2018

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

PROFIT & LOSS ACCOUNT

YEAR TO 31 DECEMBER 2017

Members' account

	Notes	2017 £	2016 £
Turnover	2	<u>25,573</u>	<u>23,803</u>
Administration Expenses			
Administration & communications	3	14,357	15,313
Directors & meetings	4	2,595	2,689
Services	5	5,008	5,404
Exceptional costs	6	548	-
Expenses recharged to Northern Rock a/c		(1,000)	(1,000)
Total Expenses		<u>21,508</u>	<u>22,406</u>
Surplus/(Deficit) for the year, before tax		4,065	1,397
Tax on surplus		-	-
Surplus/(Deficit) for the year, after tax		<u>4,065</u>	<u>1,397</u>
 <i>Northern Rock campaign account</i>			
Interest income		<u>51</u>	<u>76</u>
Campaign expenses		1,438	-
Expenses charged from members' account		<u>1,000</u>	<u>1,000</u>
Net Surplus/(Deficit) for the Year, before tax		(2,387)	(924)
Tax		-	-
Net Surplus/(Deficit) for the Year, after tax		<u>(2,387)</u>	<u>(924)</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

BALANCE SHEET

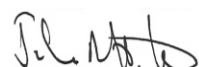
AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors		1,583	-
Cash at bank		54,759	55,645
		<u>56,342</u>	<u>55,645</u>
CREDITORS: amounts falling due within one year			
	7	<u>(8,672)</u>	<u>(9,653)</u>
NET CURRENT ASSETS			
		47,670	45,992
NET ASSETS			
		<u>47,670</u>	<u>45,992</u>
CAPITAL and RESERVES			
	8		
Members' reserves	9	13,410	9,345
Northern Rock campaign reserve	10	34,260	36,647
SHAREHOLDERS' FUNDS			
		<u>47,670</u>	<u>45,992</u>

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in accordance with section 476,
- the directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.



John Hunter
Chairman

Approved by the Board on 8 February 2018

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2017

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

Principal activity and turnover

In previous years the company has run shareholder campaigns both on behalf of its members and also for other action groups. All such campaigns have been wound up with the exception of the Northern Rock campaign. The latter is currently dormant but UKSA holds funds originally donated for that campaign and will disburse these funds at the direction of the Northern Rock Campaign Committee, which operates independently, subject to the basis on which they were donated. Interest on these funds is credited to campaign reserves and any expenses incurred by UKSA are matched by an equal transfer to members' reserves. From 1 January 2016 UKSA has made a service charge of £250 per quarter.

Members subscriptions are due annually in advance and are deferred over the following 12 monthly periods. The resulting deferred income is included in creditors (Note 7). All other income is accounted for on a cash basis.

	2017	2016
	£	£
2 INCOME		
Subscriptions	21,406	22,060
Donations	2,636	1,743
European projects	1,507	-
Other income	24	-
	<u>25,573</u>	<u>23,803</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2017

	2017 £	2016 £
3 ADMINISTRATION & COMMUNICATIONS		
Administrative services contract	12,600	12,600
Business Centre costs	361	361
Stationery	105	99
Telecoms	181	422
Bank charges	108	88
Marketing	-	610
Accountancy	900	900
Other	102	233
	<u>14,357</u>	<u>15,313</u>
4 DIRECTORS & MEETINGS		
Meeting expenses	614	448
Directors' insurance	841	909
AGM (including postage & stationery)	1,140	1,272
Conference costs	-	60
	<u>2,595</u>	<u>2,689</u>
5 SERVICES		
Website	533	955
'The Private Investor' - editorial	1,500	1,800
'The Private Investor' - printing	1,620	1,530
'The Private Investor' - post & packing	465	471
'Better Finance' subscription	606	568
Regional expenses	-	80
European projects	284	-
	<u>5,008</u>	<u>5,404</u>
6 EXCEPTIONAL COSTS		
Deconsolidation of SW Region bank account	1,612	-
Release of Lloyds campaign reserve	(1,064)	-
	<u>548</u>	<u>-</u>

The South-West region was inactive during 2017 and it's bank balance will be dispensed at the direction of local members.

The campaign reserve had been retained against uncashed cheques issued to donors on winding up the Lloyds campaign in 2012. No cheques have been presented against this reserve since 2014.

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YEAR TO 31 DECEMBER 2017

	2017 £	2016 £
7 CREDITORS - Amounts falling due within one year		
Trade creditors	-	-
Sundry creditors	-	1,516
Accruals	996	900
Subscriptions in advance	7,676	7,237
	<u>8,672</u>	<u>9,653</u>

8 SHARE CAPITAL

The company is limited by guarantee, hence has no share capital. The liability of each member is limited to £1.

9 MEMBERS' RESERVES

Opening balance	9,345	7,948
Surplus/(deficit) for the year	4,065	1,397
Closing balance	<u>13,410</u>	<u>9,345</u>

10 NORTHERN ROCK CAMPAIGN RESERVES

Opening balance	36,647	37,571
Surplus/(deficit) for the year	(2,387)	(924)
Closing balance	<u>34,260</u>	<u>36,647</u>

11 RELATED PARTY TRANSACTIONS

Elizabeth Baxter, the Chairman's wife, was Company Secretary and retained on a service contract at £1,050 per month until 31 July 2016.

12 COMPANY INFORMATION

United Kingdom Shareholders' Association Ltd is a private company, limited by guarantee and incorporated in England. The company's primary contact is at its registered office, as disclosed on page 2 of these accounts. The company's business is carried out by the directors and other volunteers working locally.