



UK Shareholders' Association

**UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR TO 31 DECEMBER 2015**

Registered Number 04541415 (England & Wales)

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2015

<b>CONTENTS</b>	<b>PAGE</b>
Chairman's Report	3
Meetings with Companies & Directors	4
Policy Director's Report	5
Report on Europe	6
Accountants' Report	7
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10

## COMPANY INFORMATION

<i>Directors</i>	John Hunter (Chairman) Brian Peart (Deputy Chairman) Harry Braund Eric Chalker Helen Gibbons (appointed 28 November 2015) Peter Parry (appointed 28 November 2015) Martin White
<i>Company Secretary</i>	Elizabeth Baxter
<i>Registered Office</i>	Chislehurst Business Centre 1 Bromley Lane Chislehurst, Kent BR7 5LH
<i>Registered Number</i>	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**

This has been a year of continued evolution for UKSA. Our unique programme of company visits has increased in popularity and there has been a notable step-up in the pressure we have been able to apply to seek improvement in the position of private shareholders.

Income, entirely from subscriptions and donations, was stable at £24,111 (2014: £24,567) and membership at the end of 2015 was 623 (2014:641). There was a small loss in the year of £593 in the Members' Account (2014:£1,356 profit). The reserves we hold for the Northern Rock Action Committee declined by £14,834 following a payment of £15,000 towards legal fees.

The year has seen more-than-usual changes to the Board. Brian Peart and Harry Braund are stepping down. Brian has been a director for nearly 20 years and a key figure for UKSA in that time, both as leader of the North-East Region and as Deputy Chairman. Harry has been on the board for nearly five years. He leads the London & South East Region and has also been one of our representatives in Europe - latterly on the board of 'Better Finance' (the representative organisation for private investors in Europe). Both have been helpful to me personally and provided wise counsel to the Board.

In their place we welcome Peter Parry and Helen Gibbons. Peter has been active in the policy team and is a specialist consultant in purchasing and supply chain management. Helen is a freelance translator in five European languages and works with European companies primarily on the translation of Annual Reports and other corporate documents. She replaces Harry as one of our representatives in Europe.

Eric Chalker has decided to step down as Policy Director at the AGM but remains on the Board. His report appears on page 5 and emphasises the consistent strategy he has followed, with the increasing assistance of other members.

The active work obtaining direct access to companies and pursuing policy issues for UK investors has continued with increased vigour (see pages 4-6), only because volunteers are willing to offer their professional skills and their time. My thanks go to all of them.

In 2016 we will continue to seek ways to build on our traditional strengths and secure UKSA's future for the longer term.

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 2015:

### FTSE100

BP PLC  
BHP Billiton PLC  
HSBC Holdings PLC  
Land Securities Group PLC  
Legal & General Group PLC  
Pearson PLC  
Smiths Group PLC  
Standard Chartered PLC  
Vodafone Group PLC  
Whitbread PLC  
Wolseley PLC

### FTSE250

Ashmore Group PLC  
Balfour Beatty PLC  
Capital & Counties Properties PLC  
Cranwick PLC  
Howden Joinery Group PLC  
Ladbroke's PLC  
Marshalls PLC  
Shaftesbury PLC

### Overseas

Airbus Group NV, Broughton plant

### FTSE Small Cap

Chesnara PLC  
KCOM Group PLC  
McKay Securities PLC  
Premier Farnell PLC  
Severfield PLC

### AIM

Redx Pharma PLC  
Synety Group PLC  
Venture Life Group PLC  
Wynnstay Group PLC  
Young and Co.'s Brewery, PLC

# **UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD**

## **POLICY DIRECTOR'S REPORT**

This is my final report as the member principally responsible for UKSA's policy campaigning activity, firstly as policy co-ordinator and latterly as policy director. I have followed a consistent strategy, which can be summed up in three words: selective, focused and determined. It has been focused on fundamental issues affecting private individuals who invest in company shares.

Of all the issues, extending shareholder rights to all of us is and must surely remain number one until it has been achieved. The rights attached to shares bought with our money should belong to us and to nobody else. This has been a formal objective since UKSA's manifesto was produced in 2009. Everything else we want depends on this, because investor influence ultimately depends on shareholder rights. UKSA has done more to highlight the penalties of pooled nominee accounts and to press for reform than any other body.

The three other objectives of the strategy have been the improvement of company accounting and auditing standards, more reliably informative company reports and improved ability to hold company directors to account. These objectives cannot be pursued without members of UKSA being prepared to work for them, selflessly and in a spirit of common enterprise. During the past year I have been particularly grateful to Peter Parry, Mohammed Amin and Mark Gahagan. Above all, I want to pay tribute to Roger Collinge who, for the past four years, has worked tirelessly for the improvement of accounting standards and auditing practice, partly with major institutional investors: progress has been made and Roger has added significantly to UKSA's reputation, standing and influence.

In pursuing all these objectives, we have sought the assistance of the Financial Reporting Council and the Financial Conduct Authority, but our experience now suggests that neither is really interested in the concerns of private investors. This is wrong and the time has come to push rather harder on this front. However, it is pleasing to report that over the past four years we have established a good relationship with key officials in the Department of Business, Innovation & Skills as it reviews the 'information rights' provisions of the Companies Act (Part 9) and prepares for dematerialisation. I believe that the submissions we have made to BIS and the meetings we have had there have been crucial for that work.

Dematerialisation – the abolition of paper share certificates – is necessary because establishing a safe, reliable and inexpensive method of holding shares electronically, in our own names, is fundamental to restoring to individual investors the rights that, over the years, have been taken away.

Eric Chalker, Policy Director

# **UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD**

## **REPORT ON EUROPE**

'Better Finance', lately EuroFinuse but now formally known as 'The European Federation of Investors & Financial Services Users' (EFIFSU), is the representative organisation for private investors in Europe, operating from Brussels with close links to many European Union bodies. UKSA makes the principal UK contribution to 'Better Finance', with finance, specialist expertise & members for EU study groups. 'Better Finance' provides a very necessary voice for small shareholders & investors in Europe in the face of powerful institutional lobbying.

Jean Berthon of France completes his third year in office as president in 2016 when a new board is due to be elected at the General Assembly to be held in Stockholm in April 2016. 'Better Finance' continues to promote 'cross-border' voting, mainly via DSW (the German shareholders association) involving eighteen London-based Company AGMs.

The 'Better Finance' office is under the direction of Managing Director Guillaume Prache who leads a small professional team representing shareholder associations across Europe. It depends upon annual membership fees from its constituent national associations in proportion to the size of membership. These fees have recently increased as a result of a cut in the annual grant from the EU, the bulk of which goes to an organisation called 'Finance Watch' which is not a representative body but is strongly sponsored by members of the European Parliament.

VEB, the Dutch association, parted company with 'Better Finance' in 2015. VEB has a strong legal team which has been involved over many years in successful European 'class actions'. The Netherlands and the Amsterdam market has become the centre of such actions in Europe, helped by Dutch tax laws. In late 2015 VEB launched 'European Investors', a new pan-European association.

The 'Better Finance' General Assembly was held in Paris on 14th December. The highlight was a presentation by Carl Rosen, the CEO of Aktiespararna, the Swedish shareholders association, which has the largest paying membership of any association in 'Better Finance' and will celebrate its 50th anniversary in Stockholm in April 2016.

In October the World Federation of Investors, supported by DSW, launched a programme to enable holders of Volkswagen AG, Porsche AG & Audi AG securities to seek recovery for loss in value because of the fraud committed by VW. Although this is not supported by UKSA, details are on our website.

Harry Braund, Europe

**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 2015 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 AAF03/06. Our work was based primarily upon enquiry, analytical procedures and assessing accounting policies in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015). 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 2015 and of the deficit for the year then ended and have been properly prepared in accordance with Financial Reporting Standard for Smaller Entities (Effective January 2015).

Paul Denby - Chartered Accountant  
Denby Morris Ltd



8 March 2016

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## PROFIT & LOSS ACCOUNT

YEAR TO 31 DECEMBER 2015

### *Members' account*

	Notes	2015 £	2014 £
<b>Income</b>	2	<u>24,111</u>	<u>24,597</u>
<b>Expenses</b>			
Rent & payroll	3	12,600	13,021
Other admin & communications	4	3,114	1,781
Directors & meetings	5	2,810	2,832
Services	6	6,180	5,607
<b>Total Expenses</b>		<u>24,704</u>	<u>23,241</u>
<b>Surplus/(Deficit) for the year, before tax</b>		(593)	1,356
Tax		-	-
<b>Net Surplus/(Deficit) for the year, after tax</b>		<u>(593)</u>	<u>1,356</u>

### *Northern Rock campaign account*

Interest income		<u>166</u>	<u>200</u>
Campaign expenses		<u>15,000</u>	<u>-</u>
<b>Net Surplus/(Deficit) for the Year, before tax</b>		(14,834)	200
Tax		-	-
<b>Net Surplus/(Deficit) for the Year, after tax</b>		<u>(14,834)</u>	<u>200</u>



# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## BALANCE SHEET

AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
<b>CURRENT ASSETS</b>			
Debtors & prepayments		-	92
Cash		55,899	71,004
		<u>55,899</u>	<u>71,096</u>
<b>CREDITORS: amounts falling due within one year</b>			
	7	<u>(10,380)</u>	<u>(10,150)</u>
<b>NET CURRENT ASSETS</b>			
		45,519	60,946
<b>NET ASSETS</b>			
		<u>45,519</u>	<u>60,946</u>
Financed by:			
<b>CAPITAL and RESERVES</b>			
	8		
Members' reserves	9	7,948	8,541
Northern Rock campaign reserve	10	37,571	52,405
<b>SHAREHOLDERS' FUNDS</b>			
		<u>45,519</u>	<u>60,946</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

For the financial year ended 31 December 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006; and no notice has been deposited under section 476.

The directors acknowledge their responsibilities for:

- (1) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006; and
- (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.



John Hunter  
Chairman

Approved by the Board on 8 March 2016

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2015

### 1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### *Basis of accounting*

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.

#### *Income*

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.

	2015 £	2014 £
2 INCOME		
Subscriptions	23,030	23,461
Donations	1,061	1,136
Advertising & other	20	-
	<u>24,111</u>	<u>24,597</u>

### 3 RENT & ADMINISTRATIVE SERVICES

Rent	-	421
Secretarial services	12,600	12,600
	<u>12,600</u>	<u>13,021</u>

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2015

	2015 £	2014 £
<b>4 OTHER ADMINISTRATION &amp; COMMUNICATIONS</b>		
Business Centre costs	366	226
Stationery	335	36
Telecoms	304	156
Bank charges	110	111
Legal costs	-	-
Marketing	591	405
Accountancy	900	815
Other	508	32
	<u>3,114</u>	<u>1,781</u>
<b>5 DIRECTORS &amp; MEETINGS</b>		
Meeting expenses	280	185
Directors' insurance	974	1,011
AGM (including postage & stationery)	1,556	1,636
	<u>2,810</u>	<u>2,832</u>
<b>6 SERVICES</b>		
Website	1,488	960
The Private Investor - editorial	1,800	1,800
The Private Investor - printing	1,505	1,570
The Private Investor - post & packing	698	542
'Better Finance' subscription	506	494
Regional expenses	183	241
	<u>6,180</u>	<u>5,607</u>

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2015

	2015 £	2014 £
7 CREDITORS - Amounts falling due within one year		
Sundry creditors	1,063	1,063
Accruals	960	900
Subscriptions in advance	8,357	8,187
	<u>10,380</u>	<u>10,150</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	8,541	7,185
Surplus/(deficit) for the year	(593)	1,356
Closing balance	<u>7,948</u>	<u>8,541</u>

## 10 NORTHERN ROCK CAMPAIGN RESERVES

Opening balance	52,405	52,205
Surplus/(deficit) for the year	(14,834)	200
Closing balance	<u>37,571</u>	<u>52,405</u>

## 11 RELATED PARTY TRANSACTIONS

The Company Secretary, Elizabeth Baxter, is the wife of the Chairman and has been retained on a service contract at £1,050 per month since 1 November 2014.