

**UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LIMITED  
ANNUAL GENERAL MEETING 2008**

**NOTICE** is hereby given that the Annual General Meeting will be held at 2.00pm on Saturday 17<sup>th</sup> May 2008 at the Crowne Plaza Hotel, Wellington Street, Leeds LS1 4DL

**AGENDA**

1. To receive the Report of the Board of Directors for the year ended 31 December 2007
  2. To receive the financial statements for the year ended 31 December 2007
  3. To elect as a member of the Board of Directors Mr Stanley William Grierson
  4. To elect as a member of the Board of Directors Mr Roger William Lawson
  5. To elect as a member of the Board of Directors Mr Peter Stephen Raynes
  6. To elect as a member of the Board of Directors Mr Martin George White
  7. To elect as a member of the Board of Directors Mr Michael O'Neill
  8. Special Resolution to register support for an increase in the standard membership subscription rate to £50
  9. Special Resolution proposed by Nick Stevens, to amend the Articles of Association
  10. Special Resolution proposed by Catherine Moss, to include a budget and business plan in AGM business
- Special Resolutions proposed by Mark Pagliaro concerning Tasks, Roles & Links paper:
11. To call for circulation of the paper to UKSA membership
  12. To ask for consultation on the paper and publication of results
  13. To ask for arrangement of EGM to implement changes relating to the paper

Toby Keynes, Company Secretary  
12<sup>th</sup> April 2008

The hotel is on the south side of Wellington Street, next to the Yorkshire Post building, around ¼ mile east from Leeds City Railway Station.

**YOUR VOTE IS IMPORTANT; IF YOU MIGHT NOT BE ABLE TO  
ATTEND THE AGM, PLEASE COMPLETE & RETURN YOUR PROXY  
FORM OR FORMS (ATTACHED) AS SOON AS POSSIBLE**

## AGM DISCUSSION

After the conclusion of the formal AGM there will be an informal and open discussion, led by Martin White. We hope you'll be able to join us both for the AGM and for this discussion.

## YOUR RIGHT TO ATTEND THE AGM AND VOTE

If you are a single member, you are entitled to attend and vote at the meeting.

If you are joint members, both of you are entitled to attend and vote at the meeting.

If you are a corporate member (i.e. investment club or company action group) you are entitled to appoint one person to attend and vote at the meeting on the member's behalf.

**However, if your membership subscription is overdue at the date of the meeting you are NOT entitled to attend or vote.**

## PROXY FORMS

If you are entitled to attend and vote, but you may not be able to come to the meeting, you can appoint a proxy to attend and vote on your behalf.

To do this, please complete the attached proxy form (or forms if you are joint members) and return it to me at the address shown on the form.

**I must receive forms by midnight on the night of Wednesday 14<sup>th</sup> May at the latest, or they will not be valid!**

**If you send me your proxy form, you can still come to the meeting and vote in person.**

If you have any questions, you are welcome to contact me – see below.

## SPECIAL RESOLUTIONS AND ADVISORY RESOLUTIONS

The full texts of all the Special Resolutions are stated in full on the following pages.

Items 1 to 7 are ordinary resolutions, and will be successfully carried if 50% of votes cast are in favour.

Items 8 to 13 are Special Business, as defined in the Company's Articles, and are therefore being proposed as Special Resolutions. They will be successfully carried if 75% of votes cast are in favour of the resolutions.

Items 8, and 11 to 13, do not commit the Directors to do anything, but they allow you to express your views clearly to us as your elected representatives.

Parts of item 9, proposed by Nick Stevens, are, in our view, in conflict with the Companies Act 2006, and we therefore believe that they cannot take effect even if the resolution is carried.

## THE MEMORANDUM & ARTICLES OF ASSOCIATION, AND BYE LAWS

Copies of UKSA's Memorandum and Articles of Association, and Bye-Laws, are available to members from me on request – see below.

## THE REPORT AND ACCOUNTS

The Directors' Report & Accounts are published on the following pages. As usual, we are arranging an examination of the accounts, but the examiner's report is not yet available. The examiner's report will be published as soon as possible in a future issue of The Private Investor.

## REFRESHMENTS

Tea and coffee will be provided during the meeting.

## QUESTIONS / CONCERNS / REQUESTS

As always, if you have any questions, concerns or requests you are welcome to contact me by phone, on 020-8405 9816, or by email ([membership@uksa.org.uk](mailto:membership@uksa.org.uk)).

Toby Keynes, Company Secretary  
12<sup>th</sup> April 2008

**CHAIRMAN'S REPORT FOR THE YEAR 2007**

A great deal has happened in the last year, and there's not a lot of space to report on it. For those of you who are able to come to the AGM in Leeds, there will be plenty of time for discussion, but for the majority of members who will be unable to come, I will try to cover the main points in this report. Last year's report did not give much space to discussing our future campaigning activities and other plans, and I'm going to try to do better.

I would like to start by thanking all members for their continued support of UKSA, but most especially all those who have toiled in the background to keep us going. You will all be aware of our magazine and also of the many meetings that are arranged for members throughout the country, and of the effort they involve. Our regional activities are quite an important highlight for some of our members – get involved if you can, and support the efforts of your regional volunteers. Some put in super-human efforts, and act as a catalyst to others to join in. Many of you will be aware of our activities in representing the interests of savers and investors generally. The biggest contribution here has been our submission to the Financial Services Authority's review of retail distribution of savings products, where we have insisted that payment by commission is not consistent with either independence or professionalism. Thanks for this and other work are due to our policy team, led by Roy Colbran. The other really large policy project has been education, and John Hunter has produced an early stage of an educational resource that we mention in the latest edition of PI magazine. We are increasingly well known in the media, with recently a big boost coming from the campaign on Northern Rock that has been run by Roger Lawson. And we must also thank John Nairn who has been our PI editor for a number of years. We also welcome our new PI editor, Bill Johnson, and our Treasurer, Peter Horncastle. Thanks are also due to Roger for taking the Treasurer's role on a temporary basis.

I should also like to thank all my colleagues on the UKSA board for their efforts during the year. Running UKSA is not quite as easy as one might expect from the outside, and I think the board as a whole has managed to supply a good blend of constructive criticism and hard work. (You may notice that some of us are offering ourselves for re-election after less than three years – the reason for this is that we are voluntarily introducing a two rather than three year period between elections, this being one of the agreed recommendations of the working party that we will propose for formal adoption at a future general meeting.) We are pleased to have been able to co-opt Peter Raynes and Stan Grierson during the year. Stan is Chairman of the South-East region, and Peter is Chairman of the North-West, though these positions were not the reasons we asked them to join. They were prepared to contribute further time and effort to UKSA and to assume the responsibilities of board membership. We need more people of similar calibre to come forward.

However, at the top of the roll of honour must certainly come Toby Keynes. Most of you will know of Toby as the name on certain communications. But over the years, Toby has put in much more time and effort to UKSA's activities than anyone else. In recent years, Roger Lawson has come close, but Toby's service goes back over eight years. Originally, Toby led our policy team and produced a huge output of material representing the interest of investors, much of it in response to official consultations. He then created the function of National Secretary, which included the roles of Membership Secretary and later, after our incorporation, Company Secretary. He has carried out these roles, which amount almost to a full time job, completely unpaid. Toby is now stepping down from these roles and we will sorely miss him. Nobody is irreplaceable, but Toby undoubtedly comes closer than anyone else. The fact that we have had Toby's services unpaid for so long is the main reason we have to propose raising the subscription, but to all of us the loss of his professional approach and counsel will be a bigger blow than the loss of his indirect financial contribution.

As well as the unpaid efforts of our many volunteers, members should also be aware that virtually no expenses are claimed by any of them; this represents a significant aggregate financial contribution, though we would emphasise that it is our policy to meet out of pocket expenses, within certain limits, if they are claimed. Most of the unclaimed expense arises in travelling to meetings and, in the case of some regional officers, travelling to arrange meetings for members.

A brief word at this stage on Northern Rock (NR). This campaign has proved controversial within UKSA, with most members supporting us, but with a number making some well argued points against the campaign. We thought quite carefully before going ahead, but once we had backed it, we had to let Roger see it through. We were concerned to protect UKSA in a number of ways, and some aspects could not be openly discussed because of confidential discussions that took pace with outside parties. To get a company campaign off the ground, especially one where there are so many shareholders, you need to spend money contacting people. So we decided to risk a limited amount of UKSA's funds to start it off, the clear understanding being that the campaign would not get anywhere unless the NR shareholder themselves came forward with both money and volunteer time. As I

write, UKSA is not out of pocket, and we will not incur significant expenditure of UKSA's money going forward either. As regards legal risk, UKSA will not be a party to any litigation. Any litigants will be individuals, and litigation is dependent on the shareholders of NR coming up with the necessary funds themselves.

This is not the place to recite the twists and turns of the NR story, but members who are interested will find a series of beautifully clear progress reports written by Roger on our web site. It started off as a campaign to prevent the bank being sold off too cheaply. Then, as the Government decided to take control, the focus changed to getting a fair hearing on the level of compensation due to shareholders. There is of course the general view remaining that the Government consistently ignored the interests of shareholders as "stakeholders" in this business, which sets a bad precedent for the rights of all shareholders; they took the view that shareholders in the company were simply short-term gamblers who had speculated on the share price, rather than rational long-term investors.

The NR campaign is quite different to any campaign we would normally expect to run. Our normal focus is on companies being run properly in the long-term interests of shareholders. In the NR case, those running the company were no longer doing so soon after the campaign commenced. And most of our campaigns are not company-specific but are of a more general nature.

As well as our member activities, and our other activities in the public eye, we have begun to build links with the academic community. For example, Paul Klumpes, who is Professor of Accounting at Imperial College, has joined as a member and will be attending InvestFest and leading one of the sessions.

### **What are we here for?**

UKSA is essentially a campaigning organisation. That is why we were founded, and it's the common theme that links all of our members. Investors with many years of experience recognise the extent to which companies can be run in either a self-serving way, or with too short-term a focus. And the need for a body to represent the interests of savers and investors is as strong as ever. Not only does the western world face increasing threats to the long-term profitability of its established businesses, but its citizens have increasingly to fend for themselves in terms of provision for retirement. Many UKSA members today will have the benefit of final salary pensions, but they are members of a dying financial aristocracy – pensioners of the future will have to navigate the treacherous waters of the financial services industry. The big shareholding institutions seem incapable of requiring the sort of long-term focus that company leaders should be adopting – there are of course some honourable exceptions, but we still find chief executives swapping positions after too short a period, and the conventional approaches to remuneration do not encourage the right long-term behaviour.

As individuals, we join UKSA for enjoyment, for profit, and for the satisfaction of contributing to something worthwhile. Speaking for myself, I have found it extremely rewarding in all senses. In recent years, it has been profitable too, and I would like to explain how, since I think some other members will have had a similar experience. First there have been years of interesting discussion on investment matters, with the occasional valuable insight arising. But following our first InvestFest in Banbury, with presentations from many different companies in just over two days, it became evident that there was an opportunity for private investors interested in smaller companies to group together to support those companies, in a way that would normally only be open to larger financial institutions. I have subsequently got to know a number of company managements, and having formed a good opinion of the people and of the businesses I have had the confidence to invest in their businesses. As well as the buzz of investing in the businesses, I have begun to meet a number of other investors, each with particular skills and experience. All due to UKSA. When I say that it's been profitable, I may be making that judgement much too early in the day, but I think it will turn out to be profitable in due course.

As I write, we still have places at InvestFest in Leeds on Thursday 15 to Saturday 17 May, with the AGM following in the same venue on the Saturday afternoon. We have done our best to make this as inexpensive as possible, with a daily rate option for those who do not want to stay in the conference hotel. Thanks are due to Redmayne-Bentley, who are taking on the admin for us at no charge; it is only because of their help that we are able to offer such good value. Indeed, without their help it would have been very hard for us to find the manpower to run it again this year. Once again, we have an impressive range of speakers, a selection of companies presenting, some large and some small, and a number of educational sessions as well. Do come along if you can. And, of course, there is no charge to attend the AGM.

## **Member recruitment**

Growth in membership numbers is always an objective. We need to continue to recruit just to keep our numbers stable. If we were able to attract a larger proportion of the individual shareholders in the UK, we would then comfortably have the resources to employ a paid secretariat, which we believe is a goal for which we should definitely aim. Most of our members seem to come from specific campaigns, though many of our current active members were attracted by articles in places such as the Investors Chronicle. During 2007 our numbers declined slightly, with memberships falling from 911 to 899 and members from 1,274 to 1,245. Since January, and almost entirely as a result of the Northern Rock campaign, our numbers (at 12th April) have risen to a record 1,004 memberships, and 1,359 members.

## **Finances**

Our accounts are shown on pages 8 to 11. The deficit for the 2007 year, and the fall in our net funds, arose mainly from a loss on InvestFest, which had made a profit in 2006. However, there was also a cost of £3,607 spent on Northern Rock mailings towards the end of the 2007 year, from which donations have subsequently been received in the 2008 year. As a result, as of today the contributions from donors to this campaign considerably exceeds the total expenses incurred on that campaign, and our bank balances have correspondingly been restored to a very healthy position.

## **Reporting failures as well as successes**

Whilst we have achieved a great deal in the last year, we do have some items in the “could do better” category, and I’m going to discuss some of them as well as some further positive developments.

We are definitely a stronger organisation now than we were a year ago. The most immediate challenge is filling the gaps left by Toby, but the other challenge, which I am very much looking forward to, is in bringing our policy debates much more effectively to you, the members. More of this later.

InvestFest last year was a great success (although not financially). Thanks especially to Charles Breese for helping with the programme but also to the many UKSA members who contributed sessions as well as the many outside speakers. The admin was a great strain, though. I took it on at the last minute and have to admit that there are still a few loose ends, even after this time. That, becoming chair of UKSA as a whole, chairing the working party - see below - and a full-time job that must always take priority, have led to important tasks continually being put back. Similarly, the working party discussions were a success as far as they went but until recently I had been unable to produce a draft report. We need more wordsmiths to join the team! I have rightly received a great deal of criticism from some quarters for the delay in producing the report. I can assure you that it is not for the lack of trying.

## **Working party deliberations**

Last year, I reported on the main conclusions coming out of the working party, but it has taken until now to produce the written results. We have had a draft with the members of the working party for some weeks now, and I am going to try to ensure that at the very least a summary of the key points will be available at the AGM itself.

You will notice resolutions 11 to 13 for the current AGM relating to a paper “Tasks, Roles and Links”. This paper is a streamlined version of a paper that was put to the working party by Nick Steiner quite late in the day, but which we did not have the time to discuss specifically, though the issues and principles within it were largely covered in the meetings. The suggestions were not agreed by all of the working party members, though the principles driving it, proper involvement of members in UKSA’s policies and organisation, were not in dispute.

I undertook from the outset that the working party would not be a mechanism to suppress opinions, and that even if there was a matter on which a person was in a minority of one, that minority opinion would be included within the report if that person wished. So the paper “Tasks, Roles and links” will be included within the full version of the working party report, and all members will be able to obtain a copy if they wish, and the key points will also be included in the summary report.

## **Company limited by guarantee? Yes, but it’s not the whole story.**

At the working party it was agreed that we should remain a company limited by guarantee. *But that is not all we are. We are in essence a voluntary association, where members join to further a common purpose.*

Whilst we have, by law, to go through certain formal processes and the formal part of our AGM is necessary to meet legal requirements, we must not forget what we are really all here for. UKSA is about ideas, essentially investment ideas, and dialogue amongst members and with the outside world is our core activity. So I regard the most important part of the meeting to be the informal part where we have an open discussion. If we discipline ourselves, I am hopeful that we will be able to discuss both certain organisational matters (such as whether the Chairman should be elected directly or chosen by the board, regional funding, the role of the regions in influencing board membership) and matters of campaigning policy. I will suggest we start with the policy, since that will probably be quicker and easier.

As mentioned elsewhere in this document, *we do envisage the need at a later date to have another formal meeting* (an EGM, using the language of the old Companies Act) where certain constitutional changes can be put to the membership following the publication of the working party report. It is important to have sufficient time for members to consider the issues and discuss them amongst themselves – quick decisions are often not wise ones. So we envisage using part of the time at the meeting in Leeds to test out a number of ideas, but to consult with the regional officers, particularly regarding the best timing for a subsequent formal meeting. It may be that between now and then the proposals will be modified in response to discussions within the membership. One point that should be borne in mind is that legitimacy in an organisation like UKSA comes from a mixture of one member, one vote and from volunteer effort. It does not come from “being prepared to spend time in talking shops.” If you really want something done, or done in a certain way, you should not “expect”, or even try to “direct”, others to do it. You can suggest and encourage, but at the end of the day doing it yourself is often an option.

### **Campaigning issues**

- Last year we identified education as an area where we wanted to make progress. This is a long slog rather than a simple issue. It is important that we have a clear focus and only tackle what we can usefully deliver. It would be good to get members’ thoughts on this – and maybe we can inspire some members to join in!
- CGT changes. This was one of the failures of last year. We tried to get a consensus and failed, so we did not get out a public response when the issue was still hot. The lesson we have learned is to try and say something sound and safe quickly in future, even if we need to follow up with an amplified position at a later stage. But going forward, we have a very clear position, which is to focus primarily on the unfairness of taxing inflationary gains, and the terrible message this sends regarding long-term investment. We have not formulated a communication plan yet, but we do envisage at the very least having a dialogue with all of the political parties, as well as trying to get articles published in the press. All suggestions welcome.
- The impact of expenses on retail investment returns. Our response to the FSA’s Retail Distribution Review, mentioned above, was our first main shot in the battle. Broadcasting the importance of intelligent purchasing of investment services, or avoiding most of the costs altogether by holding shares directly, will not make us popular in the City. But that’s hardly a concern. Commission-based financial advisers are definitely in our sights, but also investment managers whose performance fails to justify high fees. The “best value” products are not sold actively – you have to have the knowledge to seek them out for yourself, or alternatively to employ a good fee-based adviser.
- Investment trust buybacks. A related message to the above is that Investment Trusts are often better value than Unit Trusts. However their expenses are tending to increase, and a number of investment trusts are buying back their shares so fast (to try to keep the discount down) that they will cease to be viable in a few years. Is this in the long-term interest of investors?
- Whether remuneration structures within companies are designed to encourage the right behaviour. We don’t think they are appropriately designed, but there is a huge challenge in suggesting and encouraging change. The commonest approach to “encouraging” senior managers appears to be to give them share options, which in the opinion of many of us is one of the main reasons for the short-term focus of many companies as well as the paranoid concern for the share price. It seems to be used as a way simply to make the managers wealthy.

### **An “Owners manual” for UKSA? Lessons from Berkshire Hathaway**

Members who came to InvestFest last year may remember a talk I gave on my trip to Omaha two weeks previously. I believe it was discovering the material written by Warren Buffett in his annual report to shareholders in around 1999, and then promptly investing in Berkshire Hathaway, which inspired me to join the

original team that set up UKSA. I don't know whether any current members remember a piece I did in the predecessor to PI magazine talking about the company well over 10 years ago.

One of the permanent features on the Berkshire Hathaway web site is the "Owners Manual", which has the lengthier title "Owner-related Business Principles". If you have web access, it is freely available at <http://www.berkshirehathaway.com/ownman.pdf> It is full of principles that are worth bearing in mind when judging the managerial ethos of any company in which you consider investing yourself. It also contains a discussion of what Mr Buffett calls "intrinsic value", which is how he judges the worth of businesses.

### **And the relevance to UKSA?**

First, virtually all significant potential policy or campaigning issues that UKSA could adopt will be found superbly considered in some past issue of Warren Buffett's letters to shareholders, again all freely available on the web. If you come to a view that is at odds with his letters, or with his owner's manual, take a dose of humility and think again. Unless, of course, you are a more successful investor.

But the second relevance is to make me wonder if we might not try to develop some sort of "member's manual" for UKSA, which tries to capture the ethos of our organisation, and which not only shows what goes on and how members can contribute, but also lays down principles for behaviour both within the organisation and in relation to outside parties, things that could never be captured in a formal constitution. Something of this kind was suggested at the working party, and it would be interesting to hear members' views. Another thought is how to run really high-quality discussion meetings. All suggestions very welcome.

### **Join us, get involved**

As we always emphasise, we very much need members to join in our campaigning work and in our regional activities, and also in forming our policies. We do much of the work ourselves, particularly at the UK level, but we need to find ways in which members will feel encouraged to play a much greater part. It is a poor organisation that does not put a big effort into listening to its members. We need more members to offer to join the board, but we hope the "great leap forward" will come from a much better involvement of all of the members. This will be my personal priority whilst I am Chairman. Which role, for the avoidance of doubt, I would be very happy to hand to a team-minded individual without a full-time job, if a suitable candidate came forward.

We have received a number of resolutions to change the way in which UKSA is run. We believe these proposals are premature, and we urge you to vote against them.

We are keen to see UKSA develop and change, and we set up the working party to collect ideas on how this could be done. The working party will be reporting shortly. However, it is vital that the changes are well thought through and are considered by the board, by regional officers and by volunteers in the association before going to the membership as a whole. These resolutions have not been through this process.

UKSA is a small organisation that cannot exist without a relatively small number of individuals giving up a large part of their time free to run the Association. Our methods of working and governance need to minimise bureaucracy and encourage more individuals to be involved in working for our greater good. Whatever final structure UKSA takes, we believe that it must be founded on these principles.

I hope you will conclude from my report that we are completely comfortable with the idea of discussing how UKSA should be run. We do need to encourage such discussions amongst interested members. The working party report, including the paper on Tasks, Roles and Links, will be made available to all members in due course, and we plan to have a meeting at a later date to discuss issues arising out of the report.

We look forward to meeting as many of you as possible at the AGM, and also at InvestFest.

Martin White  
Chairman

12<sup>th</sup> April 2008

Registered number  
4541415

**United Kingdom Shareholders Association Limited  
Directors' Report**

The directors present their report and accounts for the year ended 31<sup>st</sup> December 2007

**Principal Activities**

The company's principal activity during the year continued to be the promotion of shareholders' interests.

**Directors**

The directors who served during the year were as shown below. The company is limited by Guarantee and the liability of each of the directors, who are also members, is limited to £1.

T W Keynes  
R W Lawson  
M L Morton  
M G White  
D Lowe  
D Miles  
P Raynes (appointed November 2007)  
S W Grierson (appointed November 2007)

**United Kingdom Shareholders Association Limited**

**Report and Accounts**

**31 December 2007**

**Small company special provisions**

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on the 12<sup>th</sup> of April 2008.

T Keynes  
Director



United Kingdom Shareholders Association Limited  
Income and Expenditure Account  
for the year ended 31 December 2007

	Notes	2007 £	2006 £
<b>Income</b>			
Direct expenses		67,545	57,714
		(34,177)	(29,637)
<b>Net Income</b>		<u>33,368</u>	<u>28,077</u>
Administrative expenses		(40,472)	(19,683)
<b>Operating surplus/(deficit)</b>		<u>(7,104)</u>	<u>8,394</u>
Interest receivable		853	814
<b>Surplus/(deficit) on ordinary activities before taxation</b>		<u>(6,251)</u>	<u>9,208</u>
Tax on surplus/(deficit) on ordinary activities		-	-
<b>Surplus/(deficit) for the financial year</b>		<u>(6,251)</u>	<u>9,208</u>
Retained surplus/(deficit) for the financial year	5	<u>(6,251)</u>	<u>9,208</u>

United Kingdom Shareholders Association Limited  
Balance Sheet  
for the year ended 31 December 2007

	Notes	2007 £	2006 £
<b>Fixed Assets</b>	1, 2		
<b>Current Assets</b>			
Debtors	3	1,253	1,609
Cash at bank and in hand		<u>18,938</u>	<u>30,488</u>
		<u>20,191</u>	<u>32,097</u>
<b>Creditors: amounts falling due within one year</b>	4	<u>(11,335)</u>	<u>(16,724)</u>
<b>Net current assets</b>		<u>8,856</u>	<u>15,373</u>
<b>Net Assets</b>		<u>9,122</u>	<u>15,373</u>
<b>Capital and reserves</b>			
Profit and loss account	6	<u>9,122</u>	<u>15,373</u>
<b>Net funds</b>		<u>9,122</u>	<u>15,373</u>

The directors are satisfied that the company is entitled to exemption under Section 249A (1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B (2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts 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 226 of the Companies Act 1985, and which otherwise comply with the requirements of this act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

T Keynes  
Director  
Approved by the board on 12<sup>th</sup> of April 2008

**United Kingdom Shareholders Association Limited  
Notes to the Accounts  
for the year ended 31 December 2007**

**1 Accounting policies**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

**Income**

Members' subscriptions are accounted for on the accruals basis. InvestFest income and charges to members for specific events are accounted for in the period in which the events occur. InvestorEase sales are accounted for in the period in which the sales occur.

**Expenses**

Expenses are accounted for on the accruals basis.

**Depreciation**

Depreciation of tangible fixed assets is calculated by reference to cost, at rates estimated to write off the relevant assets over their expected useful lives.

Principal annual rates used are:

Computer and office equipment 25%

**2 Fixed assets**

	Computer and office equipment £	Total £
<b>Cost</b>		
At 1 <sup>st</sup> of January 2007	-	-
Additions	356	356
Disposals	-	-
At 31 <sup>st</sup> December 2007	<u>356</u>	<u>356</u>
<b>Depreciation</b>		
At 1 <sup>st</sup> of January 2007	-	-
Charge for the year	90	90
Disposals	-	-
At 31 <sup>st</sup> December 2007	<u>90</u>	<u>90</u>
<b>Net book value</b>		
At 31 <sup>st</sup> December 2007	<u>266</u>	<u>266</u>

**United Kingdom Shareholders Association Limited  
Notes to the Accounts  
for the year ended 31 December 2007**

**3 Debtors**

	2007 £	2006 £
Other debtors	1,253	1,609

**4 Creditors: amounts falling due within one year**

	2007 £	2006 £
Other creditors	11,335	16,724

**5 Share capital**

The company does not have any share capital as it is limited by guarantee. Each of the members is liable for a maximum of £1 under the guarantee.

**6 Income and expenditure account**

	2007 £	2006 £
At 1 <sup>st</sup> January	15,373	6,165
Retained surplus/(deficit)	(6,251)	9,208
At 31 <sup>st</sup> December	<u>9,122</u>	<u>15,373</u>

**United Kingdom Shareholders Association Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2007**

Additional information for members

<b>Income</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Members' subscriptions	26,424	25,886
InvestFest income	20,660	25,774
Investor Ease sales	220	396
Charges to members by Regions for specific events	3,645	5,460
Northern Rock Donations	10,785	-
Miscellaneous Income	1,122	198
Torex donations	3,699	-
Advertising	990	-
<b>At 31<sup>st</sup> December</b>	<b>67,545</b>	<b>57,714</b>

<b>Direct expenses</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
InvestFest expenses	23,606	20,526
Investor Ease costs	103	206
Expense of regions and events	10,468	8,095
<b>At 31<sup>st</sup> December</b>	<b>34,177</b>	<b>29,637</b>

<b>Administrative expenses</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Campaigning, membership recruitment and marketing expenses	13,023	10,465
Private investor newsletter	2,354	2,944
Board meetings-room hire	453	431
AGM expenses	938	1,180
Euroshareholders subscription	364	350
Website	152	136
Northern Rock mailings and administration costs	14,392	-
Telephone	141	153
Bank charges	467	439
D&O insurance	1,022	1,055
Administrative expenses	4,466	2,530
Professional fees	2,610	-
Depreciation charge	90	-
<b>At 31<sup>st</sup> December</b>	<b>40,472</b>	<b>19,683</b>

**United Kingdom Shareholders Association Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2007**

Additional information for members

<b>Details of debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Advertising	290	-
Prepaid insurance	947	935
Interest receivable	16	46
InvestFest payments for next year	-	592
Prepaid website expenses	-	36
	<u>1,253</u>	<u>1,609</u>

<b>Details of creditors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Membership subscriptions received in advance	10,774	9,021
Accounts payable	561	-
InvestFest receipts for next year	-	6,625
Bank charges	-	16
Investor Ease costs	-	69
Marketing	-	23
Postage	-	118
Private investor	-	380
Stationery and supplies	-	125
Expenses of regions	-	347
	<u>11,335</u>	<u>16,724</u>

**ITEMS 3 TO 7: ELECTION OF DIRECTORS****STATEMENT BY STANLEY WILLIAM GRIERSON, AGE 69**

Stan Grierson joined UKSA in the early nineties and has been an enthusiastic member ever since. He started investing in the 1950s and now spends much of his time monitoring portfolios for his family. His background includes a period as a Royal Air Force officer, where he served as a pilot, many years in sales and marketing with a major computer company, and twenty years running his own catering supplies company.

Since retiring he has been more active in UKSA. He represents the Euroshareholders group for Great Britain along with Martin Morton, working to level the playing field for small investors throughout the EU, and liaising with the European Parliament on investment matters. He has been asked on several occasions to speak to the associations of other countries on the subject of investing. Last year he was elected to the chair of the South East Region of UKSA, and later was co-opted to the main board. He is responsible for the monthly meetings at the Cricketers' Club in Marylebone. His main interests within UKSA are in increasing our membership so that we can exercise more influence as a group, forming meaningful ties with senior industrialists and other members of the financial community, and in the financial education of all our citizens.

*Nominated by the board of directors*

**STATEMENT BY ROGER WILLIAM LAWSON, MBA, MBCS, AGE 62**

Roger's past career has primarily been as a director of IT companies. He got actively involved in the affairs of the Association some years ago when he agreed to redevelop the organisation's website. Since then he was served as a Director with responsibility for marketing, but he has also put in a lot of effort on such matters as the Company Law Reform Bill, the enfranchisement of nominee shareholders and other policy issues. He also led the UKSA campaign to improve the performance of Venture Capital Trusts and has recently spent considerable effort on the campaign to protect the interests of shareholders in Northern Rock.

He says: I believe it is a priority for UKSA to increase its membership numbers if we are to have more influence on the financial community and on Government. Also we need to expand the range of services we offer to members not just to make membership more attractive but to improve the "value for money" that members get from their subscription. For example, improving the "Private Investor" newsletter and providing more educational material are two aspects that I would like to see developed. I also believe that UKSA, and the members of the board, should spend less time on internal debates and more on promoting the interests of UKSA and its members externally by campaigning and media activities - for a small organisation with very limited funds, we are much too bureaucratic and not entrepreneurial enough.

*Nominated by the board of directors*

**STATEMENT BY PETER STEPHEN RAYNES, AGE 47**

Peter Raynes has spent 25 years in the detergents industry working for Unilever and from 1986 for PZ Cussons. A Chemical Engineer by background his initial career was in process design and project management working on projects for Africa, Asia and Europe. In 1994 he moved into manufacturing management firstly in Poland where he became Technical Director and in 1998 to China as Manufacturing Director. From 2001 he was based in Manchester running the Manufacturing Improvement Programme for Asia and Africa.

An active investor from his early 20's he obtained a diploma in Finance & Accountancy in 1985 and in 2005 joined UKSA.

He is currently Chairman of the UKSA North West Branch and Chairman of the Campaign for the Protection of Rural England (CPRE) for Cheshire.

His activities on behalf of UKSA include the organisation of InvestFest.

*Nominated by the board of directors*

**STATEMENT BY MARTIN GEORGE WHITE, AGE 52**

A member of the team that set up UKSA in 1992, on the UKSA executive committee and successor board ever since and Chairman since 2007. I was the second editor of UKSA's magazine and started our web site, which Roger has turned into a very professional resource.

I am employed full time as a general insurance actuary, and I also have experience in life insurance and pensions. I understand too well the poor deal that the financial services industry offers most of its clients, especially those using products or services paying commission. I believe the climate is right for UKSA to play a part – as perhaps the only genuinely independent body representing private investors – in redressing the balance between the financial services industry and the client base from which it makes most of its profits.

As well as my Chairman's duties, I have led the UKSA Working Party, and other contributions include letters which raise UKSA's profile in the press on issues such as company managers needing to admit the cost of options they award themselves; technical input to a number of public policy issues; and representing UKSA at industry events. I will continue to contribute quietly to UKSA's campaigning and educational efforts on behalf of private investors whether or not I am on the board. I believe UKSA should be an enjoyable and rewarding experience, which permits members to contribute as much or as little as their time, skills and inclinations allow.

*Nominated by the board of directors.*

**STATEMENT BY MICHAEL O'NEILL, AGE 51**

I am a businessman of some twenty five years experience, holding directorships in a couple of companies. My experience and expertise is at the highest level in the corporate world, prior to pursuing my own ventures. I am involved in key investment sectors in relation to property, M&A, banking and technology, at the highest levels.

I am particularly focused and active in the area of good business conduct, to ensure ethical, transparent and fair functioning of publicly listed companies, in order to ensure sound performance to the benefit of all stakeholders.

I hope to assist the board in the progressive growth of UKSA, such that it becomes the principal voice of the Private Shareholder and a force for good, juxtaposed to the influence and weight enjoyed by the scale and presence of the Institutional Shareholders, to ensure that the interests of the Private Shareholder are fully protected. I am keen to achieve greater scale in membership numbers, increased financial strength, for greater delivery and impact of our message and position.

I believe that it is essential that UKSA grow in stature for the sake of the Private Shareholders and, more importantly, for the reputation of our publicly listed companies and our stock markets, in keeping with London's status as one of the leading Capital/Financial markets in the world. It is thus right and proper that UKSA attain, the status appropriate to the market we in and have a right to influence, commensurate with our central position in the markets.

*Nominated by Nick Stevens.*

**DIRECTORS' HISTORY**

Under UKSA's current Articles of Association, the term of office for each director is up to three years, and at least one third of the board must retire each year.

In order to increase our accountability as directors to the membership, we intend to propose changes to the Articles of Association that would reduce the maximum term of office to two years, and to require at least one half of the directors to retire each year. We hope to propose these changes at a General Meeting later in 2008. In the meanwhile, board members have agreed voluntarily to retire by rotation at this AGM as if this change was already in effect.

Roger Lawson and Martin White, who were last elected to the board on 14<sup>th</sup> May 2006, are both retiring by rotation and standing for re-election.

Stan Grierson and Peter Raynes were co-opted to the board on 19<sup>th</sup> November 2007, and are standing for election. Derek Miles and Martin Morton were last elected to the board on 14<sup>th</sup> April 2007, and continue in office.

David Lowe resigned on 15<sup>th</sup> August 2007.  
Toby Keynes is retiring from the board.

Michael O'Neill has been proposed by Nick Stevens, and is standing for election to the board.

**The February/March issue of the Private Investor included a notice inviting members to stand for election to the board of directors. No other nominations have been received.**

#### **TABLE OF ATTENDANCE AT BOARD MEETINGS**

As of 12<sup>th</sup> April 2008, there have been 8 meetings of the board of directors since the 2007 AGM. These have been attended by board members as follows:

8 meetings: Toby Keynes, Martin White

7 meetings: Martin Morton, Derek Miles, Roger Lawson

5 meetings: Stan Grierson (out of a possible 5 meetings)

3 meetings: Peter Raynes (out of a possible 5 meetings).

**ITEM 8: TO REGISTER SUPPORT FOR A CHANGE TO THE SUBSCRIPTION RATE**

The following Special Resolution is proposed by the board of directors:

**That this meeting registers its support for an increase in the standard membership subscription rate to £50, from June 2008.**

*We ask you to vote IN FAVOUR of this resolution.*

Since 2006, we have included an advisory resolution at each AGM, which gives you a chance to indicate your approval of the standard membership fees for the coming year and of any changes that we are planning to introduce.

These votes are advisory because we are legally responsible for the management of UKSA's finances, and because this gives us flexibility to make changes to membership fees during the year in response to changing circumstances that may require immediate action - but they do allow you to let us know if you support our decisions, and they allow us to consider the result and review our decisions.

We have discussed membership fees with members on a number of occasions, in various ways, but we have found that members have a very wide range of opinions about whether fees should go up, stay the same or even go down. We had to take a decision, and we felt that UKSA would have difficulty continuing, let alone improving its campaigning and its services to members, without a significant increase.

As UKSA has grown, the effort involved in administering its membership services has also grown greatly. Since Toby Keynes began handling our membership administration, our member numbers have almost trebled, from under 500 to over 1300. As we continue to grow in numbers, it is clear that we can no longer rely on volunteers to handle our membership services. In any case, Toby Keynes will step down from this role by 15<sup>th</sup> August, and we have not been able to find any volunteers to replace him. We will therefore have to start paying for our membership administration shortly after the AGM. This will cost many thousands of pounds a year.

We have also become a Company Limited by Guarantee. When UKSA was an unlimited association, our members had unlimited liability for the association's debts if it was wound up; now that we are a Limited Company, our members are only liable for up to £1 each. However, as a Limited Company we are bound by Company Law, and fulfilling our obligations as a company involves major effort - and this is far greater because of the demands made on us by a small but very persistent number of members. Toby Keynes has been acting as Company Secretary for some years, but will be stepping down at the AGM, and we have difficulty finding a member willing and able to take on this role. Having this work performed professionally will cost more thousands of pounds a year.

We also need to grow the Association to the point where we can pay for a professional secretariat, so that we can campaign and represent the interests of shareholders more effectively, and so that we can improve our services to members generally. This will clearly take time, but it cannot be done as long as UKSA remains so underfunded and reliant on volunteers.

If you support this resolution, we intend to introduce the new subscription rate in June this year for new members, in January 2009 for existing members and in January 2010 for existing members who pay by Standing Order.

As we are all volunteers, none of your subscription goes towards paying any directors' fees or salaries.

**ITEM 9: TO AMEND THE ARTICLES OF ASSOCIATION**

The following Special Resolution is proposed by Nick Stevens and seconded by Gavin Palmer.

**To amend the articles of Association relating to the Proceedings at General Meetings by the insertion of a new article:**

**5.0A The company in general meeting undertakes the following business:**

- (i) Approve general meeting minutes and discuss matters arising,**
- (ii) Presentation of Reports and Accounts,**
- (iii) Advice on members' subscription rate for the following year,**
- (iv) The determination of ordinary and special resolutions according to the provisions set out in these articles, where necessary amplifying the accompanying instructions/details as to how a resolution may be implemented.**
- (v) Non-binding resolutions without notice, which the chairman shall put to the meeting to ascertain how much support the resolution has. If a resolution has majority support at the meeting, the Board shall report to members within 90 days what action they propose to take.**

*The board of directors asks you to vote AGAINST this resolution.*

**Statement by the proposers**

1. Purpose

The purpose of this new article is to clarify the role of the AGM in the governance of UKSA and to return some powers that the AGM used to have before UKSA was incorporated. Thus Non-binding resolutions and the power to approve the minutes of the AGM would be reinstated.

2. The Clarification in Clause 5.0A (iv)

Resolutions are often more acceptable if the manner of their implementation is defined more exactly than is given in the resolution papers. 5.0A (iv) allows the AGM to decide such details in their discussion of the resolution before putting them to the vote at the AGM. The word 'amplify' does not mean that the AGM can decide on details that nullify the intent set out in the resolution.

It has been argued that it is for the Board to decide such details and that it would be 'grossly disrespectful' to those not present at the AGM to make such amplifications. Thus in the 2006 resolution to set up a working party reporting to the Board, it became an issue as to whether the AGM could insist on the working party reporting also to members. The proposed new article would put such an issue, beyond doubt.

3. Clause 5.0A (v) concerning Non Binding Resolutions

The wording is taken straight from the old constitution, before UKSA was incorporated.

4. Clause 5.0A (i) concerning the AGM Minutes

Existing clause 11.4(c) makes the Board a 'book keeper' with an implied but not explicit responsibility for making the minutes which describe the 'resolutions and proceedings' at UKSA's AGM. The addition of clause 5.0A (i) in effect transfers the responsibility for the final minutes to the AGM, leaving the bookkeeping responsibility with the Board. In the last two years, the AGM minutes have only recorded the votes cast, with the Board failing to produce anything else.

5. The Justification

Deciding everything by proxy voting increased the power of the Board and reduces the influence that members can have, since proxy votes are cast without hearing the AGM discussions. This is not appropriate for a voluntary campaigning organisation. UKSA's members must feel they own the policies their Board espouses.

With this amendment to the Articles, members at an AGM will have a role beyond that of just voting for resolutions and the AGM will be empowered to decide how its business is reported.



**Response by the Board of Directors**

This is a thoroughly bad resolution.

It lays down the business of **all** General Meetings, including business that only needs to be dealt with at an AGM. We believe this would mean that, if we have another General Meeting later this year, we will have to consider the 2007 Report and Accounts and the Membership Subscriptions all over again - an absurd waste of time and money.

**Item (i) requires that the minutes of previous General Meetings are approved and matters arising are discussed.**

This adds to the cost and effort required for the production of General Meeting notices, without any benefit in terms of campaigning or membership services. Now that UKSA is a company, subject to company law, we believe the board has to be able to approve the minutes so that we can proceed with the authorised business: we cannot wait until the next AGM.

We also believe a discussion of matters arising from a meeting a year earlier are not of great interest to most members, and will take up General Meeting time that members would prefer to spend discussing current issues.

**Item (iv) allows “accompanying instructions/details” to be added to resolutions during the meeting.**

We believe

- \* it would be a flagrant breach of company law. A resolution cannot be “amplified” during the meeting: the meeting may only vote on the resolution in the form that it has been circulated to the entire membership;
- \* it would be grotesquely wrong in principle: members who vote by proxy must know **exactly** what they are voting on;
- \* UKSA is a democratically-governed body: every single member, throughout the UK and abroad, is able to vote on every director’s election, and on every decision taken at the AGM. This proposal tramples on that basic democratic principle: it gives to members present at the meeting important decision-making powers that members who cannot attend do not have;
- \* the Chairman would also have to decide, on the spot, what was a legitimate “amplification” and what was effectively a different proposal; the potential for dispute, even legal challenge, is horrendous;
- \* there is also enormous potential for confusion about whether something has been formally voted on or simply discussed - and about the exact wording of what has been voted on - again giving grounds for dispute;
- \* finally, a “detail” may be developed at a meeting, may seem sensible at the time and may be voted on and approved - but may turn out afterwards to have major implications that were not thought of at the time.

As a Company, subject to company law, we may be legally bound by a General Meeting decision, and we cannot afford to risk these sorts of problems.

**Item (v) allows members to raise “non-binding resolutions without notice” during the meeting.**

Again, we believe this would be a flagrant breach of company law, which only allows the AGM to vote on resolutions that have been published in the AGM Notice, so that every member may vote in person or by proxy.

Of course, it’s essential that members can raise issues not covered by the formal AGM resolutions. For this reason, we try to ensure that there is an informal debate immediately after the formal AGM, at which relevant matters may be raised and discussed.

**ITEM 10: TO INCLUDE A BUDGET AND BUSINESS PLAN IN AGM BUSINESS**

The following Special Resolution is proposed by Catherine Moss and seconded by Mark Pagliaro.

**It is resolved that the Directors shall present a financial budget together with the business plan for the forthcoming year, in advance of the AGM, to be considered and agreed by ordinary resolution of the membership at the AGM.**

*The board of directors asks you to vote AGAINST this resolution.*

**Statement by the proposers**

In recent years the Board of UKSA has published a Business Plan setting out the objectives and the development of the organisation for the coming year. We hope this will always include specific targeted outcomes. An associated financial budget, necessary as a point of good governance, has not to date been fully visible to members. Our activities have been increasing in scope and complexity, significantly the taking on of public campaigns on behalf of disadvantaged shareholders, with concomitant financial challenges.

As paying members in a mutual organisation we believe we should not only be fully cognizant of the proposed planned use of our subscriptions, and of how major projects are to be funded, but also be in a position to question and agree the budget before implementation.

**Response by the Board of Directors**

*We ask you to vote AGAINST this resolution.*

We agree that it is appropriate for us to prepare a business plan and budget each year, if possible: they are very valuable aids for us in planning the year's activities. That is why we introduced them, and why we make them a high priority. However, we have to be able to change our plans and budgets throughout the year, to reflect changing opportunities and circumstances and the difference between planned income/spending and actual income/spending. The budget, in particular, is updated at every regular board meeting, if possible.

So we would not be able to run UKSA effectively, or responsibly, if we were bound by a fixed plan or budget. In any case we may not always be able to produce a business plan, depending on circumstances, and we believe it is not reasonable or necessary to require us to do so.

The business plan is also an internal document, used by us for decision-making. It may contain commercially sensitive and confidential information, which is not suitable for publication. It may also be many pages long, and would add considerably to the length and expense of the AGM Notice.

This resolution would add to the expense of running the AGM and the burden of obligations put upon your elected, volunteer directors. It would take up time and money that would be diverted away from campaigning and membership services. It would also significantly increase the burden of paperwork that you, as members, have to wade through, and the length of the AGM.

We believe it will bring absolutely no real benefit, in campaigning or membership services.

It is symptomatic of the instincts of a small proportion of members who are deeply concerned with holding your elected volunteers to account, and introducing procedures and obligations to control our activities, but have very little understanding of the extra burden that this would place on us, or the practical impact on our ability to campaign effectively and respond flexibly to events.

We are elected by you: that is your ultimate authority as members to determine who runs UKSA on your behalf. Members who do not have confidence in our integrity, or our ability, or who believe that our decisions are wrong, can and should vote against us. However, we believe the overwhelming majority of UKSA members support us, and want us to be able to concentrate on getting on with the work for which we are elected.

**ITEMS 11,12,13: TASKS, ROLES & LINKS PAPER**

The following Special Resolutions are proposed by Mark Pagliaro and seconded by John Lander.

**ITEM 10: TO CALL FOR CIRCULATION OF THE PAPER TO UKSA MEMBERSHIP**

This meeting receives the briefing paper from the 5 member Working Party Minority Group titled 'UKSA Tasks, Roles & Links' and decides that their report should be sent to all members for consideration.

**ITEM 11: TO ASK FOR CONSULTATION ON THE PAPER AND PUBLICATION OF RESULTS**

This meeting asks all the regional committees to discuss the paper 'UKSA Tasks Roles & Links' with their respective members during the forthcoming regional meetings, before 25th September 2008.

Furthermore this meeting asks all the regional committees to report the views of their regional members on the paper 'UKSA Tasks, Roles & Links' by means of short written reports, to be submitted to the editor of 'Private Investor' prior to 25th September 2008.

Furthermore this meeting asks the Board of Directors of the company to arrange that all the reports from the regions regarding 'UKSA Tasks Roles & Links' to be published to the membership in 'Private Investor' if necessary by a special edition, in time for consideration by UKSA members before the Extraordinary General Meeting referred to in the Resolution relating to that meeting.

**ITEM 12: TO ASK FOR ARRANGEMENT OF EGM TO IMPLEMENT CHANGES RELATING TO THE PAPER**

This meeting asks the Board to arrange an Extraordinary General Meeting of UKSA to take place in London during November 2008. This is to consider and arrange for the necessary changes to UKSA's Memorandum & Articles stemming from the paper 'UKSA Tasks, Roles & Links'.

*The board of directors asks you to vote AGAINST these resolutions.*

**Statement from the proposers.**

The working party was set up as a result of the 2006 AGM, where a perceived gulf was growing between the approach and actions of the Board and the wishes of ordinary members engaged in regional activities. The working party consisted of ten members and met five times between November 2006 and February 2007.

The first draft of the working party report has recently been received by the working party members, who are considering it.

A discussion paper titled 'Task Roles & Links' was submitted to the working party by Dr Nick Steiner, a former chairman of UKSA. The paper suggested an alternative managerial structure for UKSA which intended to spread the managerial/policy load across a greater number of members and to seek a stable structure in the event of membership of UKSA growing. It was the intention of 'Tasks Roles & Links' that the wider participation of members would improve the communication across the organisation.

There was insufficient time to consider Dr Steiner's paper in detail during the working party. In March 2008 five members of the working party re-convened to consider the paper. They found it worthy of consideration and believed that the membership as a whole should have the chance to consider, amend and adopt some or all of its ideas.

The approach of the 2008 AGM spurred the 5 members of the working party to propose resolutions to the AGM so that this paper could reach the membership without delay.

**Summary of 'Tasks Roles & Links'**

It is proposed that there will be five distinct parts of UKSA

- 1) **An Advisory Group** formed from elected regional representatives who will consult members on actual and anticipated policy matters.
- 2) **An Operations Group** This group will assemble the committees needed to research and respond to specific issues (e.g. corporate governance or education) which benefit private shareholders.
- 3) **A Reading Group** to ensure the quality of UKSA literature prior to its issue.
- 4) **An Office Group** to run the administration of UKSA, and to provide a link between the Advisory Body and the Operations Group. (This group will include the Treasurer and Company Secretary and PI Editor).
- 5) **Chairman and Deputy** whose roles are to consult and monitor membership issues and to represent UKSA in External affairs. The Chairman will be an Ex-Officio member of all the groups.

### **Response from the Board of Directors**

**We ask you to vote AGAINST these resolutions.**

UKSA is a small organisation with limited resources and, like every regional committee member of UKSA, we provide our time free of charge. We need to consider whether there are better ways of operating, which is why we set up the Working Party.

However, UKSA is a campaigning organisation, and its role is to campaign and provide services to our members, **not** to indulge in endless, expensive and time-consuming debate about how we organise ourselves. We want to consult sensibly and at low cost, introduce any appropriate changes and get on with the business of promoting UKSA, campaigning and serving our members. We believe that is what most of you want, too.

**The first resolution proposes that the full Tasks, Roles & Links report be sent to all UKSA members for consideration.**

The Working Party's report has been delayed. We regret this, and our chairman, Martin White, has accepted full responsibility for the delay.

The proposers know that the report is nearly finished; they know that it will include their Tasks, Roles & Links report, and that we intend to send a summary of both reports to every member, and to make both reports available to all members on request or on the UKSA website.

We believe that sending copies to every member will use up time and money that is best spent on campaigning and membership services, and will simply annoy many members.

**The second resolution proposes that regions debate the proposals, and that reports of their debates be published and circulated to all members.**

We would welcome regional discussions of all the proposals in the working party report, if regional committees wish to arrange these discussions, and, if appropriate, we could publish reports of those discussions on the internet. However, the reports may not be suitable for publication, and in any case printing all of them, and circulating them to every member, is yet more wasted time and money, and more annoyed members.

**The third resolution asks the board to arrange a General Meeting to consider the Tasks, Roles & Links**

The proposers know that we intend to allow a period for discussion of the working party reports, and to allow time for any appropriate changes to the memorandum and articles to be drafted, and we hope to call a General Meeting to vote on any changes later in the year. However, more time may be required. The General Meeting would consider any changes to the memorandum and articles proposed by the board, as well as other changes proposed by UKSA members including the Tasks, Roles & Links group.

We do not believe it is appropriate to set a deadline for the General Meeting, and we believe that it should not be limited to the Tasks, Roles & Links report.