

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2011

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2011

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COMPANY INFORMATION

<i>Directors</i>	Chris Hulme (Chairman) Eric Chalker John Hunter (to 16/4/2011) Derek Miles (to 16/04/2011) Martin Morton (to 16/04/2011) James Murray (to 22/10/2011) Brian Peart Peter Wilson Harry Braund (appointed 07/05/2011) Gerald Roberts (appointed 07/05/2011) Rosita Sherrard (appointed 07/05/2011 to 12/10/2011)
<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 24 April 2004.

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 its membership subscriptions for finance and on the voluntary efforts of its members, including board members, for the bulk of its activities.

UKSA has activities for members and publishes a regular magazine, The Private Investor, but its campaigning focus is on the needs of individual shareholders and investors more generally. This includes their ability to contribute to the corporate governance of companies, as well as being able to take responsibility for their financial decisions.

UKSA supports the development of shareholder skills and knowledge through programmes of company visits and meetings organised by a number of active regional branches.

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

CHAIRMAN'S STATEMENT & REPORT OF THE DIRECTORS FOR THE YEAR TO 31 DECEMBER 2011

As with 2010, the last year has had its challenges for UKSA, membership and region function being the main cause for concern of late. UKSA as a whole is not short of ideas and projects to enhance the member experience but as a volunteer organisation lacks the manpower to fulfil these ideas and projects.

Policy

2011 developed incredibly well where UKSA's Policy functions are concerned. The three key members of the policy team – Martin White, Eric Chalker and John Hunter were freed up from their previous UKSA functions and so able to support Roy Colbran and Roger Collinge in the policy formation that has developed UKSA's voice and credence on key matters of policy.

In Europe, Harry Braund now leads the team which still includes Martin Morton and we have seen contingents from overseas bodies visit UKSA and similarly we have learned more about how our European counterparts operate, especially on a funding front. As we see more focus and impact from Europe, UKSA's policy function continues to keep close tabs on the Financial Reporting Council as well as the Business and Innovation secretary's departments.

Finance

The fall in member numbers has seen revenues decline further than feared a year ago. Following on from the lead of John Hunter, UKSA has seen a stringent control of its finances in the last year but the reduced subscription revenues saw us with a deficit attributable to members of £6,287 (2010 - £6,502).

Administration

The Association's office in Chislehurst, Kent continues to provide the location to facilitate the work of membership secretary, Elizabeth Baxter, who remains as company secretary. This provides a base from which the activities of the regions can be supported and, potentially, membership campaigns launched.

Campaigns

In 2010, UKSA saw a need to operate its campaigns as separate functions to those of its members and followed this up by ensuring campaigns took formal responsibility for their futures. Most campaigns have now run their course, with Northern Rock awaiting the outcome of the action it supports in the European Court of Human Rights, expected later this year, and Bradford & Bingley awaiting a decision from the Upper Tribunal.

Where required, closed campaigns will see a structured return of supporters' funds, the next of these to be undertaken is for the Spark VCT.

Membership

Subscriptions declined during the year, from 843 to 600 (805 actual members). Member losses fall into three categories. The first of these was created by the Board to organise what should be done with memberships being paid by Standing Order at the old rate of £38. Members who failed to respond to requests to make up the difference could no longer be classed as members and such numbers make up a large part of the decline. Sadly events such as death also see members numbers reducing. Resignations make up the last part of the reduced numbers. The board is focused on the need to increase membership.

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

CHAIRMAN'S STATEMENT & REPORT OF THE DIRECTORS FOR THE YEAR TO 31 DECEMBER 2011

(Continued)

Directors

Eric Chalker will step down as a Director of UKSA at the AGM. UKSA has benefited enormously from his tenacity, hard work and dedication. As our newly appointed Policy Co-ordinator, I am sure that Eric will continue to support and shape our policy function.

Brian Peart will retire by rotation and I welcome the fact that he is offering himself for re-election at the forthcoming AGM.

Other Information

The principal activity of the company in the year under review was that of the promotion of private shareholders' and investors' interests. The directors who served during the year are as shown in Company Information.

The company is limited by Guarantee and the liability of each member is limited to £1.

This report has been prepared in accordance with the special provisions related to small companies within Part 15 of the Companies Act 2006.

Chris Hulme
Chairman and Treasurer

Harry Braund
Director

23rd March 2012

DENBY + associates
Chartered Accountants
Ravensbourne Business Centre
Keston
Kent
BR2 6HE

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

We report on the financial statements for the year ended 31 December 2011 set out on pages 6 to 11.

Respective responsibilities of directors and reporting accountants

As described on the balance sheet the company's directors are responsible for the preparation of the financial statements and they consider that the company is exempt from an audit.

In order to assist you fulfil your statutory responsibilities, you have instructed us in a letter of engagement to compile the annual financial statements based on the accounting records maintained by the company and the information and explanations supplied to us.

Basis of engagement

We have a professional duty to compile financial statements which conform with generally accepted accounting principles. We planned our work on the basis that no report is required by statute or regulation for the year. Our work as the compilers of the annual financial statements is not an audit of the financial statements in accordance with auditing standards. Consequently, our work does not provide assurance that the accounting records or financial statements are free from material misstatement, whether caused by fraud, other irregularity or error and, accordingly, no assurance or opinion is given by us, whether implied or expressed.

Report

We report that, in accordance with your instructions and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the financial statements from the accounting records of the company and from information and explanations supplied to us.

Denby + associates
Chartered Accountants

23 March 2012

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

PROFIT & LOSS ACCOUNT

FOR THE YEAR TO 31 DECEMBER 2011

	Notes	UKSA Members		Consolidated	
		2011 £	2010 £	2011 £	2010 £
Income	2	<u>31,086</u>	<u>53,283</u>	<u>32,131</u>	<u>121,624</u>
Expenses					
Rent & payroll	3	17,945	16,840	19,009	62,537
Other admin & communications	4	4,088	10,397	7,510	19,293
Directors & meetings	5	3,997	7,508	3,997	7,932
Services	6	10,058	18,143	10,332	42,897
LSCI loss (see page 12)		-	5,694	(4,316)	-
Other	7	1,541	1,367	12,951	25,990
Total Expenses		<u>37,629</u>	<u>59,949</u>	<u>49,483</u>	<u>158,649</u>
(Deficit)/Surplus for the year		<u>(6,543)</u>	<u>(6,666)</u>	<u>(17,352)</u>	<u>(37,025)</u>
Interest income		212	208	212	208
Net Deficit/Surplus for the Year, before tax		<u>(6,331)</u>	<u>(6,458)</u>	<u>(17,140)</u>	<u>(36,817)</u>
Tax	10	44	(44)	44	(44)
Net Deficit/Surplus for the Year, after tax		<u>(6,287)</u>	<u>(6,502)</u>	<u>(17,096)</u>	<u>(36,861)</u>
Reserves, start of year		22,586	29,088	75,276	112,137
Reserves, end of year	15	<u>16,299</u>	<u>22,586</u>	<u>58,180</u>	<u>75,276</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

BALANCE SHEET

AT 31 DECEMBER 2011

	Notes	Consolidated	
		2011	2010
		£	£
FIXED ASSETS			
Tangible assets	11	<u>227</u>	<u>1,559</u>
CURRENT ASSETS			
Debtors & prepayments	12	283	7,149
Cash		78,457	103,611
		<u>78,740</u>	<u>110,760</u>
CREDITORS: amounts falling due within one year	13	<u>(20,787)</u>	<u>(37,043)</u>
NET CURRENT ASSETS		57,953	73,717
CREDITORS: amounts falling due after one year		-	-
NET ASSETS		<u>58,180</u>	<u>75,276</u>
Financed by:			
CAPITAL and RESERVES			
Reserves	14		
	15	58,180	75,276
SHAREHOLDERS' FUNDS		<u>58,180</u>	<u>75,276</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 April 2008).

For the financial year ended 31 December 2011 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.

Chairman

Treasurer

Approved by the board on 14 March 2012

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2011

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Basis of accounting

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

The company has run shareholder campaigns both on behalf of its members and also for other action groups. The figures for these accounts are the consolidated figures for all campaigns viz. the income and expenses for all action groups except on pages 6, 8 & 9 where both the consolidated figures and those related to UKSA members' activities only are shown.

Tangible fixed assets

Tangible fixed assets, comprising office furniture & computer equipment, are stated at cost less depreciation. Depreciation is calculated at 25% per year straight line.

Income

Income includes members' subscriptions and donations. Subscriptions and donations are accounted for on a cash basis. In 2009 subscriptions were accounted for on an accruals basis. The subscription reserve of £15,848 was released to the Profit and Loss account in 2010.

	UKSA Members		Consolidated	
	2011	2010	2011	2010
	£	£	£	£
2 INCOME				
Subscriptions	31,038	36,925	31,038	36,925
Release subscription reserve	-	15,848	-	15,848
Donations	(84)	-	961	68,341
Advertising	-	290	-	290
InvestorEase & miscellaneous	132	220	132	220
	<u>31,086</u>	<u>53,283</u>	<u>32,131</u>	<u>121,624</u>
3 RENT & PAYROLL				
Rent (net)	7,210	11,559	7,210	11,559
Payroll	10,735	5,281	11,799	50,978
	<u>17,945</u>	<u>16,840</u>	<u>19,009</u>	<u>62,537</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2011

	UKSA Members		Consolidated	
	2011	2010	2011	2010
	£	£	£	£
4 OTHER ADMIN. & COMMUNICATION COSTS				
Postage	98	1,184	113	2,392
Printing	-	2,959	1,975	3,555
Stationery	1,346	3,593	1,572	5,384
Supplies	(2)	114	(2)	623
Telecoms	739	502	1,845	1,125
Systems work	39	504	39	4,063
Bank charges	171	547	271	456
Marketing	91	-	91	-
Multiple email facility	274	2	274	620
Depreciation	1,332	1,335	1,332	1,335
Office insurance	-	23	-	23
Other administration	-	(366)	-	- 283
	<u>4,088</u>	<u>10,397</u>	<u>7,510</u>	<u>19,293</u>
5 DIRECTORS & MEETINGS EXPENSES				
Meeting expenses	678	615	678	750
Other travel expenses	-	319	-	608
Directors' insurance	2,880	1,253	2,880	1,253
AGM (including postage & stationery)	439	1,830	439	1,830
EGM (including postage & stationery)	-	3,491	-	3,491
	<u>3,997</u>	<u>7,508</u>	<u>3,997</u>	<u>7,932</u>
6 SERVICES				
Bulk mailings	-	2,800	228	27,117
Website	1,709	568	1,755	1,005
Private Investor - pack/ mailing	1,615	3,553	1,615	3,553
Private Investor - printing	1,185	3,944	1,185	3,944
Private Investor - editorial	1,400	2,879	1,400	2,879
Myners reception (net)	-	572	-	572
InvestorEase	-	138	-	138
Regional expenses	3,669	3,206	3,669	3,206
Euroshareholders subscription	480	483	480	483
	<u>10,058</u>	<u>18,143</u>	<u>10,332</u>	<u>42,897</u>
7 OTHER EXPENSES				
Professional fees - financial statements	979	1,632	979	2,106
- legal and other	-	676	11,530	41,346
Sundry expenses	470	(941)	350	(841)
Reverse forward loss provision	92	-	92	(36,346)
Closure and return of surplus (see note 9)	-	-	-	19,725
	<u>1,541</u>	<u>1,367</u>	<u>12,951</u>	<u>25,990</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2011

	Consolidated	
	2011	2010
	£	£
8 OPERATING PROFIT		
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	1,332	1,335
(Release of forward loss reserve)/Reserve for forward loss	<u>-</u>	<u>(36,346)</u>

In accordance with the Articles, directors did not receive any emoluments.

The directors assessed the forward losses of the campaigns as at 31 December 2011 as negligible.

9 CLOSURE RESERVES

The directors have assessed that the reserves of each campaign are sufficient to cover closure costs should that be the decision of the campaign committees.

10 TAXATION

UK Corporation Tax	<u>(44)</u>	<u>44</u>
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Liability for UK Corporation Tax for the previous year was recorded at 21%. The charge has been reversed in the current year as the liability will not be paid.

11 TANGIBLE FIXED ASSETS

	£
<i>Cost</i>	
At start of year	5,349
Additions	-
Disposals	-
At end of year	<u>5,349</u>
<i>Depreciation</i>	
At start of year	3,790
Charge for the year	1,332
Disposals	-
At end of year	<u>5,122</u>
<i>Net book value</i>	
At start of year	<u>1,559</u>
At end of year	<u>227</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2011

	2011 £	2010 £
12 DEBTORS & PREPAYMENTS		
<i>Due within one year</i>		
Trade debtors	-	2,677
Less: provision for doubtful debt	-	(2,677)
Due from a related company	-	675
Other debtors and prepayments	283	5,211
Prepaid stationery	-	1,263
	<u>283</u>	<u>7,149</u>
13 CREDITORS - Amounts falling due within one year		
Trade creditors	24	1,284
Other creditors and accruals	19,898	15,990
Lloyds campaign closure reserve	865	19,725
Tax	-	44
	<u>20,787</u>	<u>37,043</u>
14 SHARE CAPITAL		
The company is limited by guarantee hence has no share capital. The liability of each member is limited to £1		
15 RESERVES		
<i>Campaign reserves:</i>		
Northern Rock	37,157	47,183
Bradford & Bingley	53	793
Lloyds	-	-
Unicorn VCT	117	128
Artemis	602	621
Spark VCT	3,952	3,965
Total campaign reserves	<u>41,881</u>	<u>52,690</u>
Members reserves	16,299	22,586
Total reserves	<u>58,180</u>	<u>75,276</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

CAMPAIGN ACCOUNTS

FOR THE YEAR TO 31 DECEMBER 2011

	Artemis	Bradford&B	Lloyds	Northern R	Spark	UKSA	Unicorn	TOTAL
Ordinary Income/Expense	-	-	-	-	-	-	-	-
Income	-	-	-	-	-	-	-	-
Deferred/Overpaid subscriptions	-	-	-	-	-	2,173.00	-	2,173.00
Donations	-	400.00	-	630.98	14.38	(84.36)	-	961.00
Interest Income	-	-	-	-	-	255.69	-	255.69
InvestorEase	-	-	-	-	-	132.00	-	132.00
Subscriptions	-	-	-	-	-	28,864.69	-	28,864.69
Total Income	-	400.00	-	630.98	14.38	31,341.02	-	32,386.38
Expenses								
Rent & Payroll								
Rent	-	-	-	-	-	7,209.60	-	7,209.60
Payroll Expenses	-	-	1,064.40	-	-	10,734.67	-	11,799.07
Total Rent & Payroll	-	-	1,064.40	-	-	17,944.27	-	19,008.67
Admin & Communications								
Postage and Delivery	-	1.75	-	12.77	0.25	97.88	-	112.65
Printing and Repro	-	-	1,975.24	-	-	-	-	1,975.24
Stationery	4.37	4.37	204.38	4.37	4.37	1,345.85	4.37	1,572.08
Office Supplies	-	-	-	-	-	(1.53)	-	(1.53)
Telecoms	14.41	118.21	934.44	17.72	14.67	738.80	7.13	1,845.38
Software	-	-	-	-	-	38.98	-	38.98
Bank Service Charges	-	-	-	100.00	-	170.70	-	270.70
E-mailings	-	-	-	-	-	90.82	-	90.82
Office Insurance	-	-	-	-	-	273.62	-	273.62
Depreciation Expense	-	-	-	-	-	1,332.00	-	1,332.00
Total Admin & Communications	18.78	124.33	3,114.06	134.86	19.29	4,087.12	11.50	7,509.94
Directors and Meetings								
Meeting Expenses	-	-	-	-	-	677.50	-	677.50
Directors' insurance	-	-	-	-	-	2,880.02	-	2,880.02
AGM	-	-	-	-	-	439.39	-	439.39
Total Directors and Meetings	-	-	-	-	-	3,996.91	-	3,996.91
Services								
Bulk campaign mailings	-	-	228.00	-	-	-	-	228.00
Website	-	31.20	-	6.40	8.40	1,708.60	-	1,754.60
PI - pack/mailling	-	-	-	-	-	1,615.23	-	1,615.23
PI - printing	-	-	-	-	-	1,185.20	-	1,185.20
PI - other	-	-	-	-	-	1,400.00	-	1,400.00
Regional expenses	-	-	-	-	-	3,669.04	-	3,669.04
Euroshareholder subs	-	-	-	-	-	479.93	-	479.93
Total Services	-	31.20	228.00	6.40	8.40	10,058.00	-	10,332.00
Professional Fees								
Accounts	-	-	-	-	-	979.00	-	979.00
Legal	-	1,000.00	-	10,530.48	-	-	-	11,530.48
Audit	-	(15.50)	(90.00)	(14.50)	-	470.00	-	350.00
Lloyds closure	-	-	(4,316.46)	-	-	-	-	(4,316.46)
Miscellaneous	-	-	-	-	-	92.29	-	92.29
Capital	-	-	-	-	-	-	-	-
Total Professional Fees	-	984.50	(4,406.46)	10,515.98	-	1,541.29	-	8,635.31
Total All Expenses	18.78	1,140.03	-	10,657.24	27.69	37,627.59	11.50	49,482.83
Profit/(Loss) for the Year	(18.78)	(740.03)	-	(10,026.26)	(13.31)	(6,286.57)	(11.50)	(17,096.45)