

The logo for the UK Shareholders' Association is located at the top left of the page. It consists of a series of overlapping squares in various shades of gray, creating a pixelated or mosaic effect. To the right of this graphic, the text "UK Shareholders' Association" is written in a white, sans-serif font on a solid black rectangular background.

UK Shareholders' Association

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

REPORT AND FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2018

Registered Number 04541415 (England & Wales)

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2018

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COMPANY INFORMATION

Directors Colin Colvin (Chairman, appointed director 29 November 2018)
Helen Gibbons
John Hunter
Robert McDonald
Sue Milton (from 29 November 2018)
Peter Parry
Martin White

Company Secretary Robert McDonald

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

Registered Number 04541415

COMPANY ACTIVITY

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

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

UKSA's key aims are to:

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

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

DIRECTORS' REPORT

CHAIRMAN'S REPORT

Having been appointed to the Board as Chairman in November, I can claim no credit for the excellent work carried out by the organisation during 2018. I can, however, confidently say that the board, voluntarily, provides a most competent stewardship of members' interests. The team has broad experience and is determined to ensure that the basic principles and objectives of UKSA - providing an independent voice, standing up for private shareholders - are progressed with enthusiasm. I feel privileged to lead that cause and look forward to meetings of the Board and with members in 2019.

Colin Colvin, Chairman

PAST CHAIRMAN'S REPORT

It has been an extremely active year. Increasing cooperation with ShareSoc has opened all sorts of opportunities and both organisations are learning how to make the most of them.

In November we were pleased to elect two new directors, Colin Colvin and Sue Milton. In January 2019 Colin also took over the chairmanship position which I had vacated at the AGM in May. He has much experience in leadership roles, including chairmanship of a National Health Trust and of private limited companies. Sue runs her own corporate governance consultancy with a sideline in cyber security management. They have already made a considerable impact on the volunteer team.

We have for a couple of years been concerned at the decline in public trust of the corporate sector and of those with ultimate responsibility - namely the shareholders. The public are unaware of the lack of rights and influence of private shareholders and can perceive campaigning as simply a contest between two privileged groups. UKSA believes, on the contrary, that individual investors can lead a way out of this dilemma and have begun an initiative to achieve this. Headlined 'Savers Take Control' and led by former Chairman Martin White this idea will be developed during 2019.

UKSA is proud of its status as an organisation free of commercial pressures and therefore of conflicts of interest. It follows that we are completely dependent on our members both for funding and as volunteers. We are grateful to them all.

John Hunter, Past Chairman

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

DIRECTORS' REPORT (continued)

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 closed meetings. 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 2018:

NB. All the below are Public Limited Companies except Redmayne Bentley.

FTSE100

Associated British Food
BHP
BP
Ferguson
HSBC
Pearson
Smiths Group
Standard Chartered
Wm Morrisons

FTSE SmallCap

4imprint Group
Chesnara
PhotoMe

AIM

Nichols
RWS Holdings

Other

Redmayne Bentley

FTSE250

Ashmore Group
Assura
Balfour Beatty
CapCO
Clarksons
Electrocomponents
Equiniti
Kier
NewRiver
RDI REIT

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

DIRECTORS' REPORT (continued)

FINANCE

Another record surplus on members' account of £4,632 takes the members' reserves to £18,042. We had been expecting to spend substantially on the website – written in a language that had ceased to be supported – but through the initiative of David Riches participated in a project run from the US that resulted in a new site for just \$200. The reserves we have built, and the continued and essential generosity of donors, allow us to contemplate more radical new initiatives in 2019.

£934 was spent on the Northern Rock campaign, leaving reserves of £33,326 held on its behalf.

John Hunter, Finance

POLICY

The policy team has continued to focus on reporting and governance issues making input to Sir John Kingman's review of the FRC and the CMA's investigation into competition in the audit market.

Collaboration with ShareSoc: Much of UKSA's policy work over the last year has been conducted jointly with ShareSoc. It would now be almost impossible to cover the current range of policy initiatives without this close relationship. It is clear that by speaking with a single voice and unity of purpose we are much more effective than if we appear as two separate organisations each promoting its own agenda.

Campaigns: Unity of purpose has been very clear in the campaign work this year. Along with the wider investor community, UKSA and ShareSoc mounted a successful campaign opposing Aviva's planned cancellation of its irredeemable preference shares and Unilever's proposal to relocate to Rotterdam. We also campaigned on the threat to investor funds in nominee accounts following the failure of Beaufort Securities.

Regulatory matters: We now have a joint place on the FRC's Investor Advisory Group as well as the Stakeholder Panel. The FRC ran another very successful event to engage with private shareholders. Encouragingly, more members have come forward wanting to get involved in FRC projects. This can only serve to strengthen our influence in shaping regulatory policy. With ShareSoc we continue to develop the relationship with the FCA. We have submitted joint responses to a number of consultations on issues such as the Market Platforms study.

Building our network: In other areas, PWC ran an event for private investors in July which was well attended. We attend EY's 'Dialogue with Investors' and, whenever possible, the meetings of the Corporate Reporting Users Forum (CRUF). In addition to this, we continued to build our relationships with the business media.

Peter Parry, Policy Director

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

DIRECTORS' REPORT (continued)

MEMBERSHIP

We had 536 members at the end of 2018, compared with 578 the previous year. Ageing demographics has resulted in the number of members leaving for age-related reasons continuing to outstrip new member recruitment and retention. The member joining process has been updated to provide a more welcoming and encouraging feel to the UKSA organisation.

Membership is important not just for funding and influence but also to increase the available pool of willing volunteers - the lifeblood of any voluntary organisation. With clarity on the evolving relationship with ShareSoc and with two new members joining the Board to provide more resource, there is an opportunity to consider more radical changes in membership structure.

Rob McDonald, Membership Director

EUROPE

In Europe, UKSA continued to play an active part in Better Finance, the umbrella body for shareholder organisations and consumer bodies at European level. We took part in conferences on subjects such as Capital Markets Union, the EU's Shareholder Rights Directive and financial education. We also worked with other shareholder bodies in Europe to facilitate the representation of individual shareholders at company AGMs held in the UK. Our participation in Better Finance is not dependent on EU membership. UKSA also took part in a corporate reporting working group of the European Securities and Markets Authority.

Helen Gibbons, Director – Europe & Media

MEDIA

Our media activity during the year focused on the overhauling of our website to incorporate improved functionality, comprehensive searching and improved mobile rendering. UKSA's bimonthly magazine 'The Private Investor' was also redesigned to give it a refreshed look with increased use of colour and greater interactivity through embedded web links. A regular presence was maintained on social media and efforts were made to engage with financial media on matters of mutual interest.

Helen Gibbons, Director – Europe & Media

DENBY MORRIS LTD

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

We have performed certain procedures in respect of the company's unaudited financial statements for the year ended 31 December 2018 on pages 8 to 12, made enquiries of the company's directors and assessed accounting policies adopted by the directors, in order to gather sufficient evidence for our conclusion in this report.

This report is made solely to the company's directors, as a body, in accordance with our terms of engagement. Our work has been undertaken so that we might state to the directors those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work, for this report or the conclusions we have formed.

Respective responsibilities

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

Scope

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

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

Conclusion

Based on our work, nothing has come to our attention to refute the directors' confirmation that in accordance with the Companies Act 2006 the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2018 and of the surplus for the year then ended and have been properly prepared in accordance with Financial Reporting Standard 102.

Paul Denby - Chartered Accountant
Denby Morris Ltd



6 February 2019

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

PROFIT & LOSS ACCOUNT

YEAR TO 31 DECEMBER 2018

MEMBERS' ACCOUNT

	Notes	2018 £	2017 £
Turnover	2	<u>24,250</u>	<u>25,573</u>
Administration Expenses			
Administration & communications	3	13,618	14,357
Directors & meetings	4	2,770	2,595
Services	5	4,230	5,008
Exceptional costs	6	-	548
Expenses recharged to Northern Rock a/c		(1,000)	(1,000)
Total Expenses		<u>19,618</u>	<u>21,508</u>
Surplus/(Deficit) for the year, before tax		4,632	4,065
Tax on surplus		-	-
Surplus/(Deficit) for the year, after tax		<u>4,632</u>	<u>4,065</u>

NORTHERN ROCK CAMPAIGN ACCOUNT

Interest income		<u>160</u>	<u>51</u>
Campaign expenses		94	1,438
Expenses charged from members' account		<u>1,000</u>	<u>1,000</u>
Net Surplus/(Deficit) for the Year, before tax		(934)	(2,387)
Tax		-	-
Net Surplus/(Deficit) for the Year, after tax		<u>(934)</u>	<u>(2,387)</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

BALANCE SHEET

AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
CURRENT ASSETS			
Debtors		79	1,583
Cash at bank		59,111	54,759
		<u>59,190</u>	<u>56,342</u>
CREDITORS: amounts falling due within one year			
	7	<u>(7,822)</u>	<u>(8,672)</u>
NET CURRENT ASSETS			
		51,368	47,670
NET ASSETS			
		<u>51,368</u>	<u>47,670</u>
CAPITAL and RESERVES			
	8		
Members' reserves	9	18,042	13,410
Northern Rock campaign reserve	10	33,326	34,260
SHAREHOLDERS' FUNDS			
		<u>51,368</u>	<u>47,670</u>

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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



Colin Colvin
Chairman

Approved by the Board on 6 February 2019

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2018

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with FRS 102 (as applied to small enterprises by S1A of the Standard), the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

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

Principal activity and turnover

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

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

	2018	2017
	£	£
2 INCOME		
Subscriptions	21,252	21,406
Donations	1,250	2,636
European projects	1,544	1,507
Other income	204	24
	<u>24,250</u>	<u>25,573</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

	2018	2017
	£	£
3 ADMINISTRATION & COMMUNICATIONS		
Administrative services contract	12,600	12,600
Business Centre costs	361	361
Stationery	17	105
Telecoms	182	181
Bank charges	94	108
Marketing	-	-
Accountancy	300	900
Other	64	102
	<u>13,618</u>	<u>14,357</u>
4 DIRECTORS & MEETINGS		
Meeting expenses	499	614
Directors' insurance	946	841
AGM (including postage & stationery)	1,325	1,140
Conference costs	-	-
	<u>2,770</u>	<u>2,595</u>
5 SERVICES		
Website	300	533
'The Private Investor' - editorial	-	1,500
'The Private Investor' - printing	1,685	1,620
'The Private Investor' - post & packing	764	465
'Better Finance' subscription	622	606
Regional expenses	-	-
European projects	859	284
	<u>4,230</u>	<u>5,008</u>
6 EXCEPTIONAL COSTS		
Deconsolidation of SW Region bank account	-	1,612
Release of Lloyds campaign reserve	-	(1,064)
	<u>-</u>	<u>548</u>

During 2017 the South-West region's account was returned to the control of local members.

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

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2018

	2018 £	2017 £
7 CREDITORS - Amounts falling due within one year		
Trade creditors	-	-
Sundry creditors	-	-
Accruals	600	996
Subscriptions in advance	7,222	7,676
	<u>7,822</u>	<u>8,672</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	13,410	9,345
Surplus/(deficit) for the year	4,632	4,065
Closing balance	<u>18,042</u>	<u>13,410</u>

10 NORTHERN ROCK CAMPAIGN RESERVES

Opening balance	34,260	36,647
Surplus/(deficit) for the year	(934)	(2,387)
Closing balance	<u>33,326</u>	<u>34,260</u>

11 RELATED PARTY TRANSACTIONS

There were no related party transactions

12 COMPANY INFORMATION

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