

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 2016

Registered Number 04541415 (England & Wales)

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2016

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COMPANY INFORMATION

<i>Directors</i>	John Hunter (Chairman) Brian Peart (resigned 25 April 2016) Harry Braund (resigned 25 April 2016) Eric Chalker (resigned 2 June 2016) Helen Gibbons Peter Parry Martin White
<i>Company Secretary</i>	Elizabeth Baxter (until 31 July 2016) Robert McDonald (from 1 August 2016)
<i>Registered Office</i>	Chislehurst Business Centre 1 Bromley Lane Chislehurst, Kent BR7 5LH
<i>Registered Number</i>	04541415

COMPANY ACTIVITY

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

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

UKSA's key aims are to:

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

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

CHAIRMAN'S REPORT

This year there is a surplus on the Members' Account of £1,397 (2015: deficit of £593), improving Members' reserves to £9,345. This is the largest surplus since 2008 and is despite a small fall in income to £23,803. The latter would have been more severe without additional voluntary contributions from members for which we are extremely grateful. Membership at the end of the year was 586 (2015:623). The funds held on behalf of the Northern Rock campaign declined by £924 to £36,647.

There have been some Board changes during the year. Eric Chalker had previously announced his intention to step down as Policy Director and in the event left the board in June. His contribution during two spells on the Board over many years has been incalculable; Peter Parry has taken his place as Policy Director. Helen Gibbons has taken the position of Media Director in addition to her responsibilities for Europe, where her business experience will be invaluable to us as the sands shift over the coming year.

In August the end of an era as Liz Baxter retired from her roles as Company Secretary and Membership Secretary - the latter a title that covered all administration. All members will miss her efficiency and charm. Under new arrangements administrative services are now being provided by member David Riches and we welcome Rob McDonald as Company Secretary.

Changes in government leadership heralded a fresh approach to issues of corporate governance. In November a far-reaching Green Paper at last exposed for debate many of the issues raised in the past by UKSA and others. UKSA has responded to the consultation and is co-operating with other independent organisations to fight for the outcomes we believe in. After a long period with no effective restraint on practices that are ethically doubtful and economically damaging we are hopeful that the current year will prove something of a watershed.

UKSA is proud to maintain its independence from special interests by surviving entirely on the membership fees and donations of individuals who believe in a culture of responsible share ownership. Our programme of company visits has continued to enable enlightened companies to communicate directly with these informed investors to the mutual benefit of both.

UKSA depends on member volunteers. Therefore thanking volunteers, on and off the Board, for their contribution is not just a politeness but a recognition that they are the lifeblood of the organization without whom nothing at all would get done. I am pleased to do so.

John Hunter, Chairman

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MEETINGS WITH COMPANIES & DIRECTORS

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

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

The following companies were visited in 2016:

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

FTSE100	Overseas
BHP Billiton	Air Liquide
BP	Schneider Electric
HSBC Holdings	TOTAL
Land Securities Group	
Legal & General Group	FTSE Small Cap
Pearson	Taylor Wimpey
Standard Chartered	
Vodafone Group	AIM
WPP	Burford Capital
	James Cropper
FTSE250	T Clarke
Ashmore Group	
Assura	
Balfour Beatty	
Capital & Counties Properties	
Home Retail Group	
Redefine International	
Rentokil Initial	
SAGA	
Shaftesbury Group	

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POLICY DIRECTOR'S REPORT

The policy team has continued to focus on fundamental issues affecting private shareholders. These include:

- **Government enquiries:** This has been a watershed year for governance initiatives with a Department of Business, Environment, Innovation and Skills (BEIS) select committee on corporate governance, a Green Paper which BEIS subsequently published on the reform of corporate governance and a consultation on the Financial Conduct Authority's mission. UKSA has submitted comprehensive responses to all of these. We maintain regular contact with BEIS, and individual members of select committees. Boardroom pay and wider governance issues are now very much on the government's reform agenda and we have sought to ensure that UKSA is in a strong position to influence government thinking.
- **Financial reporting:** Contact with the Financial Reporting Council and major audit firms has been actively maintained. There is clear evidence that our input is valued and that there is a real desire to engage with us. We made input to the FRC's Reporting Lab project on how companies report their business models and we will continue to work closely with the FRC on its digital reporting project.
- **Royal Bank of Scotland shareholder committee campaign:** One of the suggestions in the BEIS Green Paper is that shareholder committees might help in controlling increases in executive pay. We were pleased to support an initiative by ShareSoc – another organisation that shares our values - to get a resolution onto the agenda at the next AGM of RBS for the implementation of a shareholder committee. At the time of writing RBS has sought to dismiss the requisition on a technicality which we believe is without merit.
- **Building Networks:** We have been pleased to work with many other organisations that share our values. These include the ESOP Centre, The High Pay Centre, Share Action, the Financial Inclusion Centre and the Wealth Management Association. A much closer working relationship has been developed with ShareSoc on a number of topics of mutual interest. Contacts have been maintained with the press resulting in media appearances, including the BBC News Channel, Skye News and BBC Radio Scotland.
- **AIM reports:** the team that critically analyses the quality of reports to shareholders of AIM companies looked at eight more companies this year. We believe that supportive criticism is the best way to improve corporate reporting – regulation can only do so much.

I thank all those who have made input to the work of the Policy team over the last year. As well as their time, members provide unique knowledge and expertise which gives great weight to the work that we do.

Peter Parry, Policy Director

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

REPORT ON EUROPE

Better Finance

UKSA's main contact with shareholder organisations in Europe is through Better Finance, the EU-funded umbrella organisation that promotes the interests of shareholders and users of financial services. We attended a number of Better Finance events over the year.

Jointly with the Swedish shareholders' association Aktiespararna, Better Finance hosted a conference at the Nasdaq OMX exchange in April 2016. With 68,000 members, Aktiespararna is a benchmark of good practice in terms of member benefits, education and youth policies.

Better Finance also held conferences in Brussels and Wiesbaden in September and November 2016 to publicise its 'barometer' on Capital Markets Union, gauging progress made in the reform of capital markets in Europe. The events featured high-profile speakers from the European Commission, investment funds, stakeholder organisations and stock exchanges.

Other events

UKSA was represented at a 'multi-stakeholder' event in Berlin hosted by ShareAction, the UK-based organisation promoting responsible investment to pursue social objectives. ShareAction adopts an activist stance at UK AGMs but is focused more on climate than on governance. There is nevertheless some overlap with UKSA's positions on executive pay.

A summit on 'Creating Sustainable Companies' hosted in Brussels by 'Purpose of Corporation' drew no fewer than 38 speakers, notably including John Kay of the FT. This organisation has an agenda similar to that of ShareAction but is more strident in challenging 'shareholder primacy'.

Issues

Volkswagen case

Following the 'Dieselgate' scandal, a foundation was formed in the Netherlands to pursue a class action on behalf of European owners of Volkswagen shares through the court of Amsterdam. UKSA has partnered with the foundation to assist any members wishing to participate in the litigation free of charge.

Shareholder Rights Directive

Through Better Finance we took part in EU consultations on the future iteration of the Shareholder Rights Directive. We were successful in securing advances in shareholder identification along the chain of intermediation, but were unable to overcome opposition in some member states to transparency of holdings below 0.5% of a company's capital.

Brexit

In terms of our membership of Better Finance, Brexit will have no effect, as the organisation already includes non-EU members such as Norway and Iceland. With the shape of the UK's future relationship with the EU currently unclear, the relevance of future EU legislation such as the Shareholder Rights Directive will depend on the version of Brexit that ultimately prevails. The departure of the City of London would effectively remove 25% of the volume of the EU financial market, but given the existing degree of integration some regulatory alignment looks inevitable.

Helen Gibbons, Director - Europe

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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 2016 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 2016 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



24 February 2017

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

PROFIT & LOSS ACCOUNT

YEAR TO 31 DECEMBER 2016

Members' account

	Notes	2016 £	2015 £
Turnover	2	<u>23,803</u>	<u>24,111</u>
Administration Expenses			
Administrative service contract		12,600	12,600
Other admin & communications	3	2,713	3,114
Directors & meetings	4	2,689	2,810
Services	5	5,404	6,180
Expenses recharged to Northern Rock a/c		(1,000)	-
Total Expenses		<u>22,406</u>	<u>24,704</u>
Surplus/(Deficit) for the year, before tax		1,397	(593)
Tax on surplus		-	-
Surplus/(Deficit) for the year, after tax		<u>1,397</u>	<u>(593)</u>

Northern Rock campaign account

Interest income		<u>76</u>	<u>166</u>
Campaign expenses		-	15,000
Expenses charged from members' account		<u>1,000</u>	<u>-</u>
Net Surplus/(Deficit) for the Year, before tax		(924)	(14,834)
Tax		-	-
Net Surplus/(Deficit) for the Year, after tax		<u>(924)</u>	<u>(14,834)</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

BALANCE SHEET

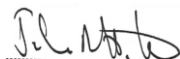
AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
CURRENT ASSETS			
Debtors		-	-
Cash at bank		55,645	55,899
		<u>55,645</u>	<u>55,899</u>
CREDITORS: amounts falling due within one year			
	6	<u>(9,653)</u>	<u>(10,380)</u>
NET CURRENT ASSETS			
		45,992	45,519
NET ASSETS			
		<u>45,992</u>	<u>45,519</u>
CAPITAL and RESERVES			
	7		
Members' reserves	8	9,345	7,948
Northern Rock campaign reserve	9	36,647	37,571
SHAREHOLDERS' FUNDS			
		<u>45,992</u>	<u>45,519</u>

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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



John Hunter
Chairman

Approved by the Board on 24 February 2017

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2016

1 ACCOUNTING POLICIES

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

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

Principal activity and turnover

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

Members subscriptions are due annually in advance and are deferred over the following 12 monthly periods. The resulting deferred income is included in creditors (Note 6). All other income is accounted for on a cash basis.

	2016 £	2015 £
2 INCOME		
Subscriptions	22,060	23,030
Donations	1,743	1,061
Advertising & other	-	20
	<u>23,803</u>	<u>24,111</u>

UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2016

	2016 £	2015 £
3 OTHER ADMINISTRATION & COMMUNICATIONS		
Business Centre costs	361	366
Stationery	99	335
Telecoms	422	304
Bank charges	88	110
Marketing	610	591
Accountancy	900	900
Other	233	508
	<u>2,713</u>	<u>3,114</u>
4 DIRECTORS & MEETINGS		
Meeting expenses	448	280
Directors' insurance	909	974
AGM (including postage & stationery)	1,272	1,556
Conference costs	60	-
	<u>2,689</u>	<u>2,810</u>
5 SERVICES		
Website	955	1,488
'The Private Investor' - editorial	1,800	1,800
'The Private Investor' - printing	1,530	1,505
'The Private Investor' - post & packing	471	698
'Better Finance' subscription	568	506
Regional expenses	80	183
	<u>5,404</u>	<u>6,180</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2016

	2016 £	2015 £
6 CREDITORS - Amounts falling due within one year		
Trade creditors	-	-
Sundry creditors	1,516	1,063
Accruals	900	960
Subscriptions in advance	7,237	8,357
	<u>9,653</u>	<u>10,380</u>

7 SHARE CAPITAL

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

8 MEMBERS' RESERVES

Opening balance	7,948	8,541
Surplus/(deficit) for the year	1,397	(593)
Closing balance	<u>9,345</u>	<u>7,948</u>

9 NORTHERN ROCK CAMPAIGN RESERVES

Opening balance	37,571	52,405
Surplus/(deficit) for the year	(924)	(14,834)
Closing balance	<u>36,647</u>	<u>37,571</u>

10 RELATED PARTY TRANSACTIONS

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

11 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.