Letters to the Editor

Dear Sir,

As an ordinary investor, I would like to encourage other UKSA members to protest whenever they receive, or see on screen, an annual report which is difficult to read. I have just had that experience with Shell and members may like to see what I was moved to write to the chairman, Charles Holliday.

On opening the annual report, I was immediately struck by the near invisibility of the opening pages. Have you seen the poor print quality of your 'Chairman's Message'? Unnecessarily tiny, pointlessly faint characters seemingly intended to discourage reading and certainly painful to attempt. The CEO's is no better. It's a shameful way to treat your investors. No doubt when you and he saw and approved the drafts they were printed, or appeared on screen, in an easily readable font size presented in black. Had they appeared as they do in the report I am sure you would have sent them back.

Looking through the report, I see that much of it is in the same poor quality print. Font size may be influenced by the quantity of information it is necessary to present on each page, but this extensive use of grey is an abomination. It is at its worst in the miniscule font used for footnotes, as on page 52 where they are supposed to help readers understand the company's contractual obligations: can you read them at all comfortably?

There are other criticisms that can be made about the report's appearance, such as on pages 2 and 3 where it would be so much more helpful to eliminate the otiose gap between text and numbers, but the key point I wish to make is that the appearance of annual reports should be primarily influenced by what is easy for investors to read. When something is not easy to read it takes longer to read and then it requires a great deal more patience and determination to understand the meaning. A company's annual report is the key means by which investors can judge its performance and they should not have to struggle to do so.

Eric Chalker

Dear Sir,

I read with interest Mr.Chalker's article in issue 181 of *The Private Investor* about the rights of investors in ISAs.

We used to hold our shares in Crest through Stocktrade and received annual reports, notices of AGMs etc. When Stocktrade shut its service last Autumn we migrated to an Investment Dealing Account with Alliance Trust Savings (ATS). It is what I suppose you class as a nominee account and the company info dried up.

ATS does run a Shareholder Enfranchisement service: see page 32 here: http://www.alliancetrustsavings.co.uk/forms-documents/guides/platform-guide.pdf
However ATS doesn't really publicise the service (not surprisingly) and, so far, the service has been erratic. ATS has told us that not all companies subscribe to the service; when we asked for a list of those that did we were told there wasn't one.

For the rest of this year we'll keep a careful note of what we receive through the service; and what we might have expected to receive but didn't.

Keep up the good work!

Ian Nimmo

Dear Sir,

The article on rights in ISAs (March issue) by Eric Chalker reminds me of the benefits of joint registration that I used to enjoy. This is still allowed by HMRC but has really become a dead letter. The consolidated regulations governing ISAs actually say "*the title to all **account investments** shall be vested in the **account manager** or his nominee or jointly in one of them and the **account investor**".* For a long time I ran my PEP and then my ISA through a small stockbroker in the Midlands who operated the joint method in certificated form. His nominee company held the certificates and received the dividends but I received the Annual Reports, could attend meetings and my name was on the register alongside the nominee's. Sadly the broker sold out to a national firm who soon ended that arrangement.

The message is that the people to attack if we want to avoid nominee holdings in ISAs are not those responsible for the regulations but Euroclear (operators of Crest) and the brokers to get them to work together to provide appropriate joint accounts in Crest.

Roy Colbran