

Report of the Directors and
Financial Statements for the Year Ended 31 December 2008
for
United Kingdom Shareholders' Association Limited

United Kingdom Shareholders' Association Limited

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for the Year Ended 31 December 2008

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United Kingdom Shareholders' Association Limited

Company Information

for the Year Ended 31 December 2008

DIRECTORS:

Martin White (Chairman)
Eric Chalker (started 9th May 2009)
Stan Grierson (Treasurer)
Roger Lawson
Derek Miles
Martin Morton
Michael O'Neill (started 17th May 2008
ceased 9th May 2009)
Peter Raynes

REGISTERED OFFICE:

1 Bromley Lane
Chislehurst
Kent
BR7 6LH

REGISTERED NUMBER:

4541415 (England and Wales)

ACCOUNTANTS:

Amersham Accountancy
Suite 1 East House
33 - 41 Chiltern Avenue
Amersham
Buckinghamshire
HP6 5AE

United Kingdom Shareholders' Association Limited

Report of the Directors for the Year Ended 31 December 2008

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

CHAIRMAN'S REPORT

The UK Shareholders' Association (UKSA) was founded in 1992 as an unincorporated association and, as United Kingdom Shareholders' Association Limited, became a company limited by guarantee on 24 April 2004.

The Company's Objects, as set out in its Memorandum of Association, are to promote the interests of individual shareholders and investors within the United Kingdom by all possible means including:

- Assisting shareholders and other investors in exercising their rights and responsibilities and advising how best to safeguard their interests as investors.
- Presenting the views of shareholders and other investors to companies, the Government, the Stock Exchange and other appropriate bodies
- Promoting improved standards of corporate governance.
- Providing, through regular meetings throughout the United Kingdom and through other forms of communication, opportunities for Members to communicate with each other, to compare views and, where appropriate, to formulate opinion.
- Encouraging the provision of, and contributing to, investor education.
- Researching all aspects of saving, investment and related matters.

UKSA 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. These efforts include organising activities, but also developing and presenting arguments in furtherance of the objects above.

UKSA's long term focus is on the objects as set out above. We have activities for members and publish a regular newsletter, the Private Investor, but our 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, an increasingly urgent and difficult challenge which current Government policies seem not to recognise.

2008 was an active year for UKSA. As well as our ongoing member activities and efforts to influence Government and other agencies to have better regard to the interests of private investors generally, we set up a number of campaigns through which particular shareholder groups could be represented, most notably shareholders in Northern Rock. This activity has made our financial statements more complex.

During 2008, the Banking Crisis heightened private investors' awareness of their poor legal position. UKSA saw almost a 50% growth in membership, which continues in 2009. It was 1200 by the end of 2008, well above our planned target. No formal "Marketing" took place but we achieved an improved media profile with regular Television and newspaper coverage of our activities in Northern Rock, Bradford & Bingley, the Banking sector generally and Spark VCT (formerly Quester). These campaigns have raised our public awareness considerably and have added to our membership numbers.

In May 2008 Toby Keynes, our Secretary stood down from the board. Toby was widely respected for the enormous amount of time he put into role which grew to such a size that UKSA put the administration of membership out to a paid contract from July 2008. The role of Company Secretary remained vacant through out the 2nd half of 2008 and is still vacant.

An increase in membership fees to £50/head was approved at our AGM in May 2008. This increase has allowed UKSA for the first time to employ part time paid staff to carry out tasks for which volunteers are no longer forthcoming. No further increase is envisaged in 2009. Our intention is to increase our surplus funds further if we can, in order to have the flexibility to employ an executive officer if the right person were to come forward, to improve the effectiveness of UKSA in promoting the interests of savers and investors.

United Kingdom Shareholders' Association Limited

Report of the Directors for the Year Ended 31 December 2008

The Private Investor, our Newsletter, is now monthly. Bill Johnson is now editor, but our previous editor, John Nairn, continues to assist. Bill's inimitable style and widespread knowledge of financial issues and company analysis give the magazine a special character, and we always welcome feedback and contributions from members.

InvestFest 2008 took place in May at the Leeds Crowne Plaza Hotel. For the first year the event was organised with the help of Redmayne Bentley, and we would like to thank them for their support of the event. Speakers included Alastair Blair of Investors Chronicle, Colin Mclean of SVM Asset Management, Zed Cama of HSBC and Adam Philips of the FSA.

At regional level, we ran well over 60 events including Company Visits, education sessions and Stockbroker updates. The Board thanks the Regional Officers for their work. These events are critical in retaining members and promoting investing skills. Since the year end the Scottish Branch is being revived, thanks to the efforts of Jim McDill and George Miller. We are still looking for an active member to restart the Midlands region.

The Northern Rock (NR) nationalisation raised an important issue concerning compensation payable on the nationalisation of companies. Small shareholders found themselves particularly vulnerable and UKSA has associated itself with their cause in a major way. The campaign has been self-financing and financially self-contained.

The NR campaign needed an office with a small number of paid staff to carry out administrative tasks. The board agreed to this on the basis that the contributors to the NR campaign supported it and were prepared to meet the costs. The office is managed by Roger Lawson. Its role has since been extended to cover other campaigns, with each contributing its due share of costs. Since the year end, we have extended its role to include UKSA's own membership function paid for out of UKSA funds.

In our balance sheet, we have separated campaign surpluses from that which arises from our other activities. Only the latter is available to UKSA itself. Campaign surpluses are held for the benefit of those campaigns and the commitments we have made for handling any residual surpluses.

A proportion of the company's bookkeeping and accounting costs for the year is to be allocated to the company campaigns. This is to be done by reference to comparative transaction volumes, but the split has yet to be calculated. For the time being, the whole of these costs for 2008 are shown as attributable to the company, but an adjustment to reflect the split when made will be reported in the accounts for 2009.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the promotion of private shareholders' and investors' interests.

DIRECTORS

The directors during the year under review were:

Martin White	(Chairman)
Stan Grierson	(Treasurer)
Roger Lawson	
Derek Miles	
Martin Morton	
Michael O'Neill	(started 17 th May 2008 / ceased 9 th May 2009)
Peter Raynes	

The directors who served during the year were as shown above. The company is limited by Guarantee and the liability of each member is limited to £1.

United Kingdom Shareholders' Association Limited

Report of the Directors
for the Year Ended 31 December 2008

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

ON BEHALF OF THE BOARD:

.....
Martin White Chairman

Date:

United Kingdom Shareholders' Association Limited

Independent Examiner's Report to the directors of United Kingdom Shareholders' Association Limited

I hereby report on the accounts of the United Kingdom Shareholders' Association Limited for the year ended 31st December 2008.

Respective responsibilities of directors and examiner

The directors are responsible for the preparation of the accounts. The directors consider that an audit is not required for this year and that an independent examination is appropriate.

It is my responsibility to examine the records used to prepare the accounts and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination includes a review of the accounting records kept by the company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent examiner's statement

In connection with my examination, I have reasonable cause to believe that :-

(1) in all material respects the requirements :

- to keep accounting records in accordance with Section 221 of the Companies Act, and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements with Section 226 of the Companies Act.

have been met; and

(2) there are no material matters, in my opinion, to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
W. Tulloch FCMA
Amersham Accountancy Limited
Suite 1 East House
33 - 41 Chiltern Avenue
Amersham
Buckinghamshire
HP6 5AE

Date:

United Kingdom Shareholders' Association Limited

Statement of Financial Activities
for the Year Ended 31 December 2008

	Notes	31.12.08 £	31.12.07 £
Income		284,038	67,545
Direct Expenses		<u>3,064</u>	<u>34,177</u>
Net Income		280,974	33,368
Resources Expended		<u>228,873</u>	<u>40,472</u>
Net Incoming Resources	1	52,101	(7,104)
Interest receivable and similar income		<u>1,266</u>	<u>853</u>
Net Income for the year		53,367	(6,251)
Reconciliation of Funds			
Balance as at 1 st January		9,122	15,373
Balance as at 31 st December		<u>62,489</u>	<u>9,122</u>

The notes form part of the financial statements

United Kingdom Shareholders' Association Limited

Balance Sheet
31 December 2008

	Notes	31.12.08 £	£	31.12.07 £	£
FIXED ASSETS					
Tangible assets	4		2,995		266
CURRENT ASSETS					
Debtors	5	8,868		1,253	
Cash at bank		<u>182,270</u>		<u>18,938</u>	
		191,138		20,191	
CREDITORS					
Amounts falling due within one year	6	<u>131,644</u>		<u>11,335</u>	
NET CURRENT ASSETS			<u>59,494</u>		<u>8,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>62,489</u>		<u>9,122</u>
RESERVES					
Funds	7		<u>62,489</u>		<u>9,122</u>
			<u>62,489</u>		<u>9,122</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
Martin White Chairman

.....
Stan Grierson Treasurer

The notes form part of the financial statements

United Kingdom Shareholders' Association Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Income

Income includes members' subscriptions and donations. Subscriptions are accounted for on an accruals basis.

Tangible fixed assets

Depreciation is calculated at 25% straight line annual rate.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. **OPERATING PROFIT/(LOSS)**

The operating profit (2007 - operating loss) is stated after charging:

	31.12.08	31.12.07
	£	£
Depreciation - owned assets	<u>1,028</u>	<u>90</u>
Directors' emoluments and other benefits	<u>-</u>	<u>-</u>

3. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax has been recorded on ordinary activities for the year ended 31 December 2008 nor for the year ended 31 December 2007.

The notes form part of the financial statements

United Kingdom Shareholders' Association Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2008

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery £
COST	
At 1 January 2008	356
Additions	<u>3,757</u>
At 31 December 2008	<u>4,113</u>
DEPRECIATION	
At 1 January 2008	90
Charge for year	<u>1,028</u>
At 31 December 2008	<u>1,118</u>
NET BOOK VALUE	
At 31 December 2008	<u>2,995</u>
At 31 December 2007	<u>266</u>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.08 £	31.12.07 £
Trade debtors	818	-
Other debtors	<u>8,050</u>	<u>1,253</u>
	<u>8,868</u>	<u>1,253</u>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.08 £	31.12.07 £
Trade creditors	115,506	-
Other creditors	290	290
Subscriptions	<u>15,848</u>	<u>11,045</u>
	<u>131,644</u>	<u>11,335</u>

7. **RESERVES**

	£
Torex campaign reserve	3,699
Northern Rock campaign reserve	32,631
Bradford & Bingley campaign reserve	<u>780</u>
Total Campaigns Reserves	37,110
Members' reserves	<u>25,379</u>
Total Reserves at 31 st December 2008	<u>62,489</u>

The notes form part of the financial statements

United Kingdom Shareholders' Association Limited

Trading and Profit and Loss Account for the Year Ended 31 December 2008

	31.12.08		31.12.07	
	£	£	£	£
Income				
Bradford & Bingley Donations	3,019		-	
Members subscriptions	37,984		26,424	
InvestFest income	-		20,660	
Investor Ease sales	660		220	
Charges to members	-		3,645	
Northern Rock Donations	240,958		10,785	
Advertising & Other Income	1,417		2,112	
Torex donations	-		3,699	
		284,038		67,545
Other income				
Deposit account interest		1,266		853
Total Income		285,304		68,398
Expenditure				
Administrative Expenses	26,478		18,858	
AGM	451		938	
Bank Charges	1,411		467	
Board Meeting Room Hire	348		453	
British Monomark	197		-	
Depreciation	1,028		90	
Directors Insurance	1,050		1,022	
Euroshareholders	433		364	
Insurance	273		-	
InvestorEase	430		103	
InvestFest Expenses	-		23,606	
Legal Fees	112,646		-	
Mailing Campaigns	65,052		13,023	
Meeting Expenses	2,154		-	
Sundry Expenses	262		-	
Office Rent	4,784		-	
Payroll Expenses	3,326		-	
Private Investor	3,138		2,354	
Bookkeeping	5,550		2,610	
Regional Expenses	1,532		10,468	
Telecoms	1,067		141	
Telewest	141		-	
Website	186		152	
		231,937		74,649
Net Income for the year		<u>53,367</u>		<u>(6,251)</u>

This page does not form part of the statutory financial statements

United Kingdom Shareholders' Association Limited

	<u>Torex</u>	<u>Bradford & Bingley</u>	<u>Northern Rock</u>	<u>Regions & Central</u>	<u>TOTAL</u>
Income					
Interest Received				1,266	1,266
InvestorEase Sales				660	660
Membership Subscriptions				37,984	37,984
Donations & Misc Income		3,019	240,958	1,417	245,394
Total Income	-	3,019	240,958	41,327	285,304
Expense					
Admin Expenses			20,044	6,434	26,478
AGM				451	451
Bank Charges		3	45	1,364	1,411
Board Meeting Room Hire				348	348
British Monomark				197	197
Depreciation Control				1,028	1,028
Directors Insurance				1,050	1,050
Euroshareholders				433	433
Insurance		136	136		273
InvestorEase Payments				430	430
Legal Fees			112,631	15	112,646
Mailing Campaigns		283	64,041	728	65,052
Meeting Expenses			475	1,679	2,154
Misc		153		110	263
Office Rent			4,784		4,784
Payroll Expenses		1,663	1,663		3,326
Private Investor				3,138	3,138
Professional Fees				5,550	5,550
Regional Capitation & Expenses				1,532	1,532
Telecoms			901	166	1,067
Telewest				141	141
Website				186	186
Total Expense	-	2,238	204,720	24,979	231,937
Surplus / (Spend) for the Year	-	781	36,238	16,348	53,367
Surplus / (Spend) prior year	3,699	-	(3,607)	9,030	9,122
Surplus / (Spend) Carried Fwd	<u>3,699</u>	<u>781</u>	<u>32,631</u>	<u>25,378</u>	<u>62,489</u>

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