

**UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR TO 31 DECEMBER 2010**



Registered Number 04541415 (England & Wales)

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2010

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### COMPANY INFORMATION

|                          |  |
|--------------------------|--|
| <i>Directors</i>         | Martin White (Chairman to 22 Jan 2011)<br>Chrs Hulme (appointed 14 Apr 2010, Chairman from 22 Jan 2011)<br>Enc Chalker<br>Janet Gee (14 Apr 2010 to 12 May 2010)<br>Stan Grierson (Treasurer, resigned 31 Mar 2010)<br>John Hunter (Treasurer, appointed 12 May 2010)<br>David Kaye (10 Mar 2010 to 20 May 2010)<br>Derek Miles<br>Martin Morton<br>James Murray (appointed 1 December 2010)<br>Brian Peart (Vice Chairman, appointed 14 Apr 2010)<br>Peter Wilson (appointed 10 Mar 2010) |
| <i>Company Secretary</i> | Elizabeth Baxter   |
| <i>Registered Office</i> | Chislehurst Business Centre<br>1 Bromley Lane<br>Chislehurst, Kent<br>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 and Report of the Directors for the year to 31 December 2010

This is my first report as Chairman, Martin White having stepped down in January 2011. This last year has been an extremely difficult one and Martin has led the Association through it with great tenacity. The resignation of Roger Lawson as a director followed by disputes over the running of some campaigns which he had initiated, his attempt to unseat the Chairman and the subsequent damaging and costly EGM, all placed considerable demands upon the board which have been reflected in a loss of momentum from which the Association is only now recovering.

There have been positives from the cloud of the EGM. We have greater accountability and discipline in the organisation with four new Board Committees (list them and their Chairmen), resolutions to improve the operation of UKSA and (I would like to think) my appointment to the Board as a Campaign Committee Chairman, a practising financial adviser who passionately supports UKSAs objectives (including its campaigns against the unacceptable fringes of my industry) and – dare I say it – a representative of a new generation of responsible shareholders.

### Policy

2010 began well for UKSA with the publication of our booklet, *Responsible Investing – for the Individual and for Society* that was held to high acclaim by media commentators and the membership.

Subsequently, the time of three key members of the policy team – Martin White, Eric Chalker and John Hunter – was consumed by their obligations as Chairman, Treasurer and Administration Director respectively to deal with the difficulties alluded to above and UKSA did not attempt any high profile activity. Nevertheless under the leadership primarily of Roy Colbran UKSA managed to respond as usual to official British consultations relevant to our interests. These included responses to the department for Business Innovation and Skills on 'A Long-term Focus for Corporate Britain' and 'The Future of Narrative Reporting', HM Treasury on 'A new approach to financial reporting', the Financial Reporting Council on 'Audit committees: non-audit services' and the House of Lords select committee reviewing the Financial Services Bill. As important, was the continued pursuit of informal contacts with these and other bodies such as the ABI, the FSA, the FSCP, The Institute of Actuaries, journalists and academia.

In Europe, Martin Morton continued to monitor the increasing torrent of European regulation as the Euroshareholders representative. The coming year will undoubtedly include more focus on Europe, while in the UK returning to the attack on the critical issues of nominee rights, shareholder communication, investor protection and personal financial education.

### Finance

A combination of factors including the "free members" brought about the deficit attributable to members in 2010 was £7,268. This loss was struck after writing back the subscription reserve of £15,848. This unprecedented deficit was caused by, first, the staffing and office costs necessary to run the campaigns for which no financial provision had been made, second, by the expense of the Extraordinary General Meeting called by a group of dissident members just six weeks before the regular AGM, and, third, by reduced membership income caused partly by the unsettling effect of the latter.

Reserves attributable to the campaigns decreased by £10,631, bring the total loss for UKSA to £17,899.

### Administration

New financial systems have been implemented to enable the Board to budget properly, and control both its own operational costs and those of the campaigns.

The Association's office in Chislehurst, Kent, was originally set up and staffed for the running of shareholder action groups sponsored by UKSA and also provided a location to facilitate the work of the membership secretary. Detailed examination was given to how such an office might continue to be financed by a succession of shareholder action groups, but as it became apparent that this was not going to happen and as, upon enquiry, none of the existing groups showed any desire for the continued provision of office facilities, the decision was taken to terminate this office support.

A small office has been retained for the membership secretary, Elizabeth Baxter, who has also been appointed company secretary. This provides a base from which the activities of the regions can be supported and, potentially, membership campaigns launched.

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

Chairman's Statement and Report of the Directors for the year to 31 December 2010

(continued)

## Campaigns

By the end of the year, the Northern Rock and Bradford & Bingley action groups had taken formal responsibility for the future maintenance of their databases, but the position of the other groups is uncertain. As long as any group wishes to retain its public connection with UKSA, information it puts into the public domain must continue to have an UKSA director's prior approval and an UKSA director will be responsible for use of its website and multiple-contact email facility, but any further fund raising will not be UKSA's responsibility. Action group funds will continue to be held by UKSA.

The Lloyds Shareholders' Committee Initiative was begun in the spring of 2010 but because of director overload has yet to be brought to fruition. Its purpose is to create a body of private shareholders ready to seek the establishment of a shareholders' committee for Lloyds Banking Group. Two mailings were conducted, producing £5,800 in registration fees and donations, but leaving a net cost of £5,694. In addition, 56 of the responders became members of UKSA at a first year discounted rate of £25 payable by standing order only. Such Shareholder Committees are expected to be a key part of UKSA working with FTSE companies going forward to protect your rights as the owners of those companies.

## Membership

Paying membership declined during the year, from an estimated 900 to 843, caused mainly by the events already referred to. The board also had to deal with the consequences of having previously wrongly admitted to free membership a substantial number of shareholder action group supporters who had not signed the mandatory guarantee required of all members and whose interests were not necessarily in line with UKSA's primary aims. This was a painful experience for all concerned, but the board's decision that these memberships could not be allowed to stand was endorsed by the AGM in July 2010. We are pleased to report that a number of those affected by this decision subsequently signed the guarantee and rejoined.

Regional successes across the UK have been highlighted by the London Regions Evening with Lord Myners held at the East India Club, the start of truly great relationships where members can meet, question and share ideas with some of the most influential people in UK industry, commerce and governance.

A breath of fresh air on the technological side in modernising the website is the creation of a members only area of the site where members can exchange thoughts and ideas on forums just for members and it is hoped this will lead to an increase in membership across the age ranges.

## Directors

Derek Miles, Martin White, John Hunter and Martin Morton all step down as directors at the AGM. UKSA has benefited enormously from their hard work and wise counsel. I am sure that Derek will continue to write occasional elegant and trenchant words in support of UKSA, but he will otherwise be taking a well-earned rest. I am pleased that the others will continue to be active in policy work – Martin White and John Hunter in the UK and Martin Morton as our representative for the increasingly important Euroshareholders.

## Future

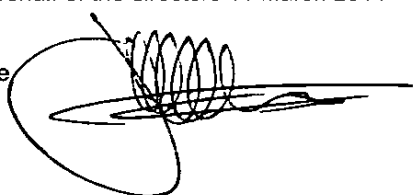
Whilst we see the "younger" investor as an integral part of the UKSA membership to bolster its finances through subscriptions and volunteers to spread the workload, rest assured, UKSA values its existing members irrespective of age group. UKSA is not changing direction to the younger generation, it is widening its appeal to all investors across the age ranges.

There is UKSA and only UKSA to truly represent the views of the private shareholders in the UK. We, us, you, me, everyone in this organisation can be proud of UKSA and its reason for being.

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

Signed on behalf of the directors 11 March 2011

Chris Hulme  
Director



**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 2010 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

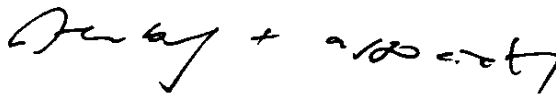
In order to assist you fulfil your statutory responsibilities, you have instructed us in a letter of engagement to compile the annual Financial Statements based on the accounting records

*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

11 March 2011

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## PROFIT & LOSS ACCOUNT

FOR THE YEAR TO 31 DECEMBER 2010

|   | Notes | UKSA Members   |               | Consolidated    |                |
|---|-------|----------------|---------------|-----------------|----------------|
|   |       | 2010           | 2009          | 2010            | 2009           |
|   |       | £              | £             | £               | £              |
| <b>Income</b>                                       | 2     | <u>53,283</u>  | <u>44,862</u> | <u>121,624</u>  | <u>443,063</u> |
| <b>Expenses</b>                                     |       |                |               |                 |                |
| Rent & payroll                                      | 3     | 16,840         | 7,964         | 62,537          | 53,289         |
| Other admin & communications                        | 4     | 10,397         | 8,723         | 19,293          | 37,791         |
| Directors & meetings                                | 5     | 7,508          | 6,243         | 7,932           | 8,587          |
| Services  | 6     | 18,143         | 18,173        | 42,897          | 166,173        |
| LSCI loss (see page 12)                             |       | 5,694          | -             | -               | -              |
| Other   | 7     | 1,367          | 4,291         | 25,990          | 128,118        |
| <b>Total Expenses</b>                               |       | <u>59,949</u>  | <u>45,394</u> | <u>158,649</u>  | <u>393,958</u> |
| (Deficit)/Surplus for the year                      |       | <u>(6,666)</u> | <u>(532)</u>  | <u>(37,025)</u> | <u>49,105</u>  |
| Interest income                                     |       | 208            | 543           | 208             | 543            |
| <b>Net Deficit/Surplus for the Year, before tax</b> |       | <u>(6,458)</u> | <u>11</u>     | <u>(36,817)</u> | <u>49,648</u>  |
| Tax   | 10    | (44)           | -             | (44)            | -              |
| <b>Net Deficit/Surplus for the Year, after tax</b>  |       | <u>(6,502)</u> | <u>11</u>     | <u>(36,861)</u> | <u>49,648</u>  |
| Reserves, start of year                             |       | 29,088         | 29,077        | 112,137         | 62,489         |
| <b>Reserves, end of year</b>                        | 15    | <u>22,586</u>  | <u>29,088</u> | <u>75,276</u>   | <u>112,137</u> |

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## BALANCE SHEET

AT 31 DECEMBER 2010

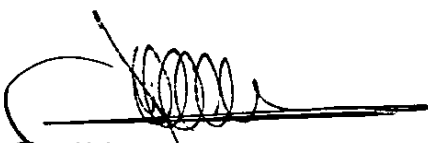
|   | Notes | <b>Consolidated</b> |                  |
|---|-------|---------------------|------------------|
|   |       | 2010                | 2009             |
|   |       | £                   | £                |
| <b>FIXED ASSETS</b>                                   |       |                     |                  |
| Tangible assets                                       | 11    | <u>1,559</u>        | <u>2,894</u>     |
| <b>CURRENT ASSETS</b>                                 |       |                     |                  |
| Debtors & prepayments                                 | 12    | 7,149               | 9,088            |
| Cash  |       | 103,611             | 200,383          |
|   |       | <u>110,760</u>      | <u>209,471</u>   |
| <b>CREDITORS. amounts falling due within one year</b> | 13    | <u>(37,043)</u>     | <u>(100,228)</u> |
| <b>NET CURRENT ASSETS</b>                             |       | 73,717              | 109,243          |
| <b>CREDITORS amounts falling due after one year</b>   |       | -                   | -                |
| <b>NET ASSETS</b>                                     |       | <u>75,276</u>       | <u>112,137</u>   |
| Financed by   |       |                     |                  |
| <b>CAPITAL and RESERVES</b>                           | 14    |                     |                  |
| Reserves  | 15    | 75,276              | 112,137          |
| <b>SHAREHOLDERS' FUNDS</b>                            |       | <u>75,276</u>       | <u>112,137</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 2010 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

  
Chris Hulme  
Chairman

  
John Hunter  
Treasurer

Approved by the board on 11 March 2011

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2010

### 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 runs 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 has been released to the Profit and Loss account

|                              | UKSA Members  |               | Consolidated   |                |
|------------------------------|---------------|---------------|----------------|----------------|
|                              | 2010          | 2009          | 2010           | 2009           |
|                              | £             | £             | £              | £              |
| <b>2 INCOME</b>              |               |               |                |                |
| Subscriptions                | 36,925        | 44,587        | 36,925         | 44,587         |
| Release subscription reserve | 15,848        | -             | 15,848         | -              |
| Donations                    | -             | -             | 68,341         | 398,201        |
| Advertising                  | 290           | -             | 290            | -              |
| InvestorEase & miscellaneous | 220           | 275           | 220            | 275            |
|                              | <u>53,283</u> | <u>44,862</u> | <u>121,624</u> | <u>443,063</u> |
| <b>3 RENT &amp; PAYROLL</b>  |               |               |                |                |
| Rent (net)                   | 11,559        | 1,378         | 11,559         | 8,780          |
| Payroll                      | 49,776        | 6,586         | 50,978         | 44,509         |
| Rent/payroll recharge        | (44,495)      | -             | -              | -              |
|                              | <u>16,840</u> | <u>7,964</u>  | <u>62,537</u>  | <u>53,289</u>  |

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2010

|  | UKSA Members  |               | Consolidated  |                |
|--|---------------|---------------|---------------|----------------|
|  | 2010          | 2009          | 2010          | 2009           |
|  | £             | £             | £             | £              |
| <b>4 OTHER ADMIN &amp; COMMUNICATION COSTS</b> |               |               |               |                |
| Postage  | 1,184         | 1,667         | 2,392         | 12,416         |
| Printing                                       | 2,959         | 516           | 3,555         | 2,593          |
| Stationery                                     | 3,593         | 569           | 5,384         | 6,095          |
| Supplies                                       | 114           | 97            | 623           | 1,095          |
| Telecoms                                       | 502           | 714           | 1,125         | 1,969          |
| Systems work                                   | 504           | 717           | 4,063         | 4,236          |
| Bank charges                                   | 547           | 577           | 456           | 1,593          |
| Marketing                                      | -             | 1,091         | -             | 1,091          |
| Multiple email facility                        | 2             | -             | 620           | -              |
| Depreciation                                   | 1,335         | 1,337         | 1,335         | 1,337          |
| Office insurance                               | 23            | 27            | 23            | 742            |
| Other administration                           | (366)         | 1,411         | (283)         | 4,624          |
|  | <u>10,397</u> | <u>8,723</u>  | <u>19,293</u> | <u>37,791</u>  |
| <b>5 DIRECTORS &amp; MEETINGS EXPENSES</b>     |               |               |               |                |
| Meeting expenses                               | 615           | 2,254         | 750           | 3,962          |
| Directors' travel                              | -             | 437           | -             | 462            |
| Other travel expenses                          | 319           | 648           | 608           | 1,260          |
| Directors' insurance                           | 1,253         | 963           | 1,253         | 963            |
| AGM (including postage & stationery)           | 1,830         | 1,941         | 1,830         | 1,940          |
| EGM (including postage & stationery)           | 3,491         | -             | 3,491         | -              |
|  | <u>7,508</u>  | <u>6,243</u>  | <u>7,932</u>  | <u>8,587</u>   |
| <b>6 SERVICES</b>                              |               |               |               |                |
| Bulk mailings                                  | 2,800         | 1,756         | 27,117        | 149,312        |
| Website  | 568           | 126           | 1,005         | 570            |
| Private Investor - pack/ mailing               | 3,553         | 7,515         | 3,553         | 7,515          |
| Private Investor - printing                    | 3,944         | 4,477         | 3,944         | 4,477          |
| Private Investor - other                       | 2,879         | 2,500         | 2,879         | 2,500          |
| Myners reception (net)                         | 572           | -             | 572           | -              |
| InvestorEase                                   | 138           | 152           | 138           | 152            |
| Regional expenses                              | 3,206         | 1,177         | 3,206         | 1,177          |
| Euroshareholders subscription                  | 483           | 470           | 483           | 470            |
|  | <u>18,143</u> | <u>18,173</u> | <u>42,897</u> | <u>166,173</u> |
| <b>7 OTHER EXPENSES</b>                        |               |               |               |                |
| Professional fees - financial statements       | 1,632         | 855           | 2,106         | 12,363         |
| - legal and other (see note 16)                | 676           | -             | 41,346        | 75,965         |
| Sundry expenses                                | (941)         | 3,436         | (841)         | 3,444          |
| LSCI loss                                      | 5,694         | -             | -             | -              |
| Reverse forward loss provision                 | -             | -             | (36,346)      | 36,346         |
| Closure and return of surplus (see note 9)     | -             | -             | 19,725        | -              |
|  | <u>7,061</u>  | <u>4,291</u>  | <u>25,990</u> | <u>128,118</u> |

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2010

|  | Consolidated    |               |
|--|-----------------|---------------|
|  | 2010            | 2009          |
|  | £               | £             |
| <b>8 OPERATING PROFIT</b>                                  |                 |               |
| The operating profit is stated after charging              |                 |               |
| Depreciation of tangible fixed assets                      | 1,335           | 1,337         |
| (Release of forward loss reserve)/Reserve for forward loss | <u>(36,346)</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 2010 as negligible, except as disclosed in note 9 below

## 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. The Lloyds campaign has been closed and the surplus of £12,254 will have been returned to donors by April 2011, after closure costs of £7,471. Full provision has been made in these financial statements.

## 10 TAXATION

|                    |           |          |
|--------------------|-----------|----------|
| UK Corporation Tax | <u>44</u> | <u>-</u> |
|--------------------|-----------|----------|

Liability for UK Corporation Tax for the current year has been recorded at 21%

## 11 TANGIBLE FIXED ASSETS

|                       |              |
|-----------------------|--------------|
|                       | £            |
| <b>Cost</b>           |              |
| At start of year      | 5,349        |
| Additions             | -            |
| Disposals             | -            |
| At end of year        | <u>5,349</u> |
| <b>Depreciation</b>   |              |
| At start of year      | 2,455        |
| Charge for the year   | 1,335        |
| Disposals             | -            |
| At end of year        | <u>3,790</u> |
| <b>Net book value</b> |              |
| At start of year      | <u>2,894</u> |
| At end of year        | <u>1,559</u> |

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2010

|                                     | 2010<br>£    | 2009<br>£    |
|-------------------------------------|--------------|--------------|
| <b>12 DEBTORS &amp; PREPAYMENTS</b> |              |              |
| <i>Due within one year</i>          |              |              |
| Trade debtors                       | 2,677        | 9,073        |
| Less provision for doubtful debt    | (2,677)      | -            |
| Due from a related company          | 675          | -            |
| Other debtors and prepayments       | 5,211        | 15           |
| Prepaid stationery                  | 1,263        | -            |
|                                     | <u>7,149</u> | <u>9,088</u> |

## 13 CREDITORS - Amounts falling due within one year

|                                 |               |                |
|---------------------------------|---------------|----------------|
| Trade creditors                 | 1,284         | 43,823         |
| Other creditors and accruals    | 15,990        | 4,211          |
| Forward loss reserve            | -             | 36,346         |
| Lloyds campaign closure reserve | 19,725        | -              |
| Subscription reserve            | -             | 15,848         |
| Tax                             | 44            | -              |
|                                 | <u>37,043</u> | <u>100,228</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            | 47,183        | 45,251         |
| Bradford & Bingley       | 793           | (944)          |
| Lloyds                   | -             | 26,418         |
| Unicorn VCT              | 128           | -              |
| Artemis                  | 621           | 4,400          |
| Spark VCT                | 3,965         | 7,924          |
| Total campaign reserves  | <u>52,690</u> | <u>83,049</u>  |
| Members reserves         | 22,586        | 29,088         |
| Total reserves           | <u>75,276</u> | <u>112,137</u> |

## 16 RELATED PARTIES

During the year UKSA shared services with other companies of which one UKSA director - Mr Roger Lawson - was also a director. Space in the UKSA office was sublet from 6 November 2009 to 31 July 2010 to Royal Bank of Scotland Shareholders Action Group Ltd (RBOSSAG) - a company entirely separate from UKSA of which Mr Lawson was the sole executive director.

At 31 December 2010 £675 was due from RBOSSAG in respect of shared office services paid by UKSA on behalf of RBOSSAG.

At 31 December 2009 £9,073 was owed to UKSA by a mailing house that UKSA had paid in error for services supplied to RBOSSAG. During the year £6,396 was recovered at a cost of £676 in legal fees and a further £2,677 is still due. Full provision has been made against this debt.

# UNITED KINGDOM SHAREHOLDERS' ASSOCIATION LTD

## CAMPAIGN ACCOUNTS

FOR THE YEAR TO 31 DECEMBER 2010

|  | Total<br>£      | UKSA<br>Members<br>£ | Northern<br>Rock<br>£ | Bradford<br>& Bingley<br>£ | Spark<br>VCT<br>£ | Lloyds<br>£     | Artemis<br>VCT<br>£ | Unicom<br>VCT<br>£ | Lloyds<br>SCI<br>£ |
|--|-----------------|----------------------|-----------------------|----------------------------|-------------------|-----------------|---------------------|--------------------|--------------------|
| <b>INCOME</b>                                |                 |                      |                       |                            |                   |                 |                     |                    |                    |
| Subscriptions & donations                    | 105,266         | 36,925               | 5 666                 | 50,258                     | 75                | 1 378           | 180                 | 4 984              | 5 800              |
| Release subscription reserve                 | 15 848          | 15 848               | -                     | -                          | -                 | -               | -                   | -                  | -                  |
| Other Income                                 | 510             | 510                  | -                     | -                          | -                 | -               | -                   | -                  | -                  |
| Interest                                     | 208             | 208                  | -                     | -                          | -                 | -               | -                   | -                  | -                  |
| <b>Total Income</b>                          | <b>121 832</b>  | <b>53 491</b>        | <b>5 666</b>          | <b>50 258</b>              | <b>75</b>         | <b>1 378</b>    | <b>180</b>          | <b>4,984</b>       | <b>5,800</b>       |
| <b>EXPENSES</b>                              |                 |                      |                       |                            |                   |                 |                     |                    |                    |
| <b>RENT &amp; PAYROLL</b>                    |                 |                      |                       |                            |                   |                 |                     |                    |                    |
| Rent (net)                                   | 11,559          | 11,559               | -                     | -                          | -                 | -               | -                   | -                  | -                  |
| Payroll                                      | 50 978          | 49 776               | 380                   | 442                        | -                 | 380             | -                   | -                  | -                  |
| Rent/payroll recharge                        | -               | (44 495)             | 7 955                 | 21 152                     | 1 191             | 7 992           | 1 527               | 1 863              | 2,815              |
|  | <b>62,537</b>   | <b>16,840</b>        | <b>8,335</b>          | <b>21,594</b>              | <b>1,191</b>      | <b>8,372</b>    | <b>1 527</b>        | <b>1 863</b>       | <b>2 815</b>       |
| <b>OTHER ADMIN &amp; COMMUNICATION COSTS</b> |                 |                      |                       |                            |                   |                 |                     |                    |                    |
| Depreciation                                 | 1,335           | 1 335                | -                     | -                          | -                 | -               | -                   | -                  | -                  |
| Other admin and communications               | 17,958          | 9,062                | 925                   | 2 172                      | 1,425             | 350             | 2 197               | 1 230              | 597                |
|  | <b>19 293</b>   | <b>10 397</b>        | <b>925</b>            | <b>2 172</b>               | <b>1,425</b>      | <b>350</b>      | <b>2,197</b>        | <b>1,230</b>       | <b>597</b>         |
| <b>DIRECTORS &amp; MEETINGS EXPENSES</b>     |                 |                      |                       |                            |                   |                 |                     |                    |                    |
| AGM (including postage & stationery)         | 1,830           | 1,830                | -                     | -                          | -                 | -               | -                   | -                  | -                  |
| EGM (including postage & stationery)         | 3,491           | 3,491                | -                     | -                          | -                 | -               | -                   | -                  | -                  |
| Other expenses                               | 2 611           | 2 187                | -                     | 424                        | -                 | -               | -                   | -                  | -                  |
|  | <b>7 932</b>    | <b>7,508</b>         | <b>-</b>              | <b>424</b>                 | <b>-</b>          | <b>-</b>        | <b>-</b>            | <b>-</b>           | <b>-</b>           |
| <b>SERVICES</b>                              |                 |                      |                       |                            |                   |                 |                     |                    |                    |
| Bulk mailings                                | 27,117          | 2,800                | 3,261                 | 7,393                      | 2,852             | 1 377           | -                   | 1 602              | 7 832              |
| Website                                      | 1 005           | 568                  | 238                   | 88                         | 29                | 82              | -                   | -                  | -                  |
| Member Services                              | 14,775          | 14,775               | -                     | -                          | -                 | -               | -                   | -                  | -                  |
|  | <b>42,897</b>   | <b>18,143</b>        | <b>3 499</b>          | <b>7,481</b>               | <b>2,881</b>      | <b>1 459</b>    | <b>-</b>            | <b>1 602</b>       | <b>7,832</b>       |
| <b>OTHER EXPENSES</b>                        |                 |                      |                       |                            |                   |                 |                     |                    |                    |
| Professional fees                            | 43 452          | 2 308                | (3 735)               | 44 360                     | 121               | 92              | 215                 | 81                 | 10                 |
| Sundry expenses                              | (841)           | (941)                | -                     | -                          | -                 | (240)           | 20                  | 80                 | 240                |
| Reverse forward loss provision               | (36,346)        | -                    | (5,290)               | (27 510)                   | (1,584)           | (1 962)         | -                   | -                  | -                  |
| Closure and return of surplus                | 19 725          | -                    | -                     | -                          | -                 | 19,725          | -                   | -                  | -                  |
|  | <b>25 990</b>   | <b>1 367</b>         | <b>(9 025)</b>        | <b>16 850</b>              | <b>(1 463)</b>    | <b>17 615</b>   | <b>235</b>          | <b>161</b>         | <b>250</b>         |
| <b>TAX</b>                                   | <b>44</b>       | <b>44</b>            | <b>-</b>              | <b>-</b>                   | <b>-</b>          | <b>-</b>        | <b>-</b>            | <b>-</b>           | <b>-</b>           |
| <b>Total Expenses</b>                        | <b>158 693</b>  | <b>54 299</b>        | <b>3 734</b>          | <b>48 521</b>              | <b>4 034</b>      | <b>27,796</b>   | <b>3,959</b>        | <b>4,856</b>       | <b>11 494</b>      |
| <b>SURPLUS/(DEFICIT)</b>                     | <b>(36,861)</b> | <b>(808)</b>         | <b>1,932</b>          | <b>1,737</b>               | <b>(3,959)</b>    | <b>(26,418)</b> | <b>(3,779)</b>      | <b>128</b>         | <b>(5,694)</b>     |
| Opening Reserves @ 31 Dec '09                | 112 137         | 29 088               | 45,251                | (944)                      | 7 924             | 26,418          | 4,400               | -                  | -                  |
| Transfer                                     | -               | (5,694)              | -                     | -                          | -                 | -               | -                   | -                  | 5,694              |
| <b>CLOSING RESERVES @ 31 Dec '10</b>         | <b>75,276</b>   | <b>22,586</b>        | <b>47,183</b>         | <b>793</b>                 | <b>3,965</b>      | <b>-</b>        | <b>621</b>          | <b>128</b>         | <b>-</b>           |