THE UKSA NEWSLETTER

UKSA
UK Shareholders' Association

Issue 27 – November 2025

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1 Chairman's message: Charles Henderson

Charles Henderson - Chairman of UKSA

Dear members

Newsletter

Helen Gibbons retired as a director at our AGM on 30th June 2025 and I would like to thank her for all her volunteered hard work and contributions on our behalf. She is still contributing, including representing UK Shareholders on the Better Finance board. However, she has handed over as editor of the newsletter to Martin White. This is Martin's first issue and if you would like to provide feedback or future contributions to newsletters, please contact him - editor@uksa.org.uk. Martin also leads on STC and co-leads with John Hunter on Financial Learning. For an update on financial learning, please see John's HonestMoneyNews below.

UK Shareholders' membership survey

On Tuesday 23rd September we sent out a survey to full members. We received a good response, which will help us to develop our organisation with your interests in mind. If you didn't respond or, even if you did and want to provide further feedback, please email me at charles.henderson@uksa.org.uk.

The state of the UK and productivity

I suggested in the last newsletter that we shouldn't give up on the future. In some ways, the UK (and the world) appears to be better than it used to be. But we still have big problems, and it's vital that we face them rather than giving up in despair. The Government is clearly moving in this direction, or at least trying to – much thought has gone into "industrial strategy". But are they putting much effort into establishing a cross-party consensus on the things that need policy consistency over time through successive governments? The Select Committee process is of course helpful here, and the Business and Trade Committee is perhaps the most important. But is there any real dialogue going on behind the scenes on these issues between the major political parties? What would be your guess on this one? Because if they don't show this kind of leadership, do any of them deserve our votes?

For me the key problem that needs fixing in the UK is productivity. I read an FT article recently about taxing the rich and came across this insightful (Ed: perhaps inciteful too!) comment underneath it – "This isn't about wealth distribution, it's about productivity. Every one of us should be pushing toward better jobs that pay more, so we can contribute more. That requires lifelong learning, continuous education, relentless effort, and the discipline to save rather than waste."

The problem with identifying this problem of productivity is there are no obvious solutions (if there were, someone would have come up with one and started implementing it). The finding of solutions to the productivity problem should be what our politicians and civil servants should be working on and finding.

The current government was elected with a massive majority on the back of what they said was a growth agenda (improving productivity?). The hike in employers' national insurance seems to have been key to the increases in unemployed and the reduction of available jobs, and it seems inevitable that a lot of people will head for Reform to "save" us. However, they, like all other politicians, are not saying anything that looks as if it will fix the productivity problem.

The Chancellor's budget is due on 26th November and she keeps scrabbling around to find tax revenues that will plug the finances. Again, if she/Labour are going to do the right thing, they should break their manifesto promise and increase the basic rate of income tax by 2%. She should also think about reversing the employer NI increase to get jobs increasing, which would help productivity.

Your board and policy team are thinking about the productivity problem and where we can help. This is one reason among many that we are promoting financial learning and individual shareholder engagement and stewardship of good long term UK businesses. If you've got any thoughts on this, especially on potential solutions, please email me.

The Investment Summit 2025

A number of us, prompted by Danny Wallace at the Northern Region zoom meeting on 26th July, signed up for and went to the Investor Summit 2025 at The Brewery, Chiswell Street, London on 13th August. Danny prompted us because he was the moderator at the session on Financial Education: What will it take to make Britain financially literate. It was an interesting event (and a first I believe) and gave much food for thought, not least in respect of whether financial services institutions (such as those sponsoring and speaking at the event) have their customers' interests first and foremost to heart.

Some of the points I picked up were:

- Defined contribution pension schemes have grown from just under two million active participants to around 11 million now (and I think I'm one of them).
- The financial services industry seems to think that financial education is part of the national curriculum (but it's not really, as we discovered when helping with Cameron Holt's petition)
- 42% of investment trusts have a yield of 4% or more (if you're interested in income).
- Justin Urquhart-Stewart entertained (and it was hard to stop him at the end of his time) on the shattering of global complacency. He did mention that we shouldn't talk ourselves into total doom and gloom, and emphasised the importance of families in spreading financial knowledge and experience across the generations.
- A reemphasis that private acquisitions are causing a problem to UK and USA stock markets.
- Patrick Tooher in Danny's session suggested it's in some people's interests to make financial education sound more complicated than it needs to be for most people.

- Danny’s session also suggested it was important to be clear on what financial literacy actually means.

Here is a link to the YouTube videos of the Investment Summit 2025 sessions. You may want to look out for next year’s event (or other events) by subscribing to emails from the investment summit website - https://www.investorsummit.co.uk/ .

Digitisation

For those who may not have looked at our website recently, we have posted a news story and paper on our views of Sir Douglas Flint’s Digitisation Taskforce’s final report. If you have any comments on these, please email me.

UKSA, ShareSoc and ShareAction had a zoom meeting on 16th September on how to follow up this final report. We agreed to draft a joint position paper focusing on the degradation of shareholder rights and Mark Northway of ShareSoc went away to start this. The key points of our meeting were:

- The main concern is the total intermediation of shareholders and how they will retain their Companies Act rights
- Flint's report did not fully comply with the terms of reference, particularly regarding shareholder rights
- Currently 97% of shareholders are already intermediated through nominees, losing many of their Companies Act rights
- The joint position paper should emphasize that all Companies Act rights must be preserved through any intermediation process.

I will keep you posted on progress.

2 Editor’s introductory notes: what’s in this issue? Martin White

First of all, I’d like to echo Charles’ message of thanks to Helen Gibbons, from whom I have taken over the newsletter. She is a hard act to follow; I hugely value her expertise and her ongoing advice and look forward to working with her in the future.

This issue has taken me a long while to produce; future issues will be more regular. The reason for this gap, apart from the frank admission that I’m still on the learning curve, is the scale of activity that we have been involved in, in terms of networking and developing opportunities for us all to have a real impact in the future. I wanted to ensure that you can get a feel for this as soon as possible, and include brief notes on a number of current issues in my piece in Section 8

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Hari Mann: On 30 June, Harinder (Hari) Mann, the Dean of Ashridge Management College, gave a talk about the role of share ownership to an UKSA social meeting at the RAF club in London. The transcript is set out in full in the next session. This brief extract introduces his topic nicely:

> "Something has gone amiss. And that, in the core of our thesis, is 'Purpose'. Today, I want to build on this concept by focusing on the role of share ownership—why it matters, what's gone wrong, what the future could look like, and how this connects to making finance work better *for* shareholders, *because* of shareholders."

Hari is, along with David Pitt-Watson, one of the proponents of the "CDC", or Collective Defined Contribution pensions movement, which is all about trying to achieve better pensions than are currently available for most people, given that companies are no longer prepared to take on the liabilities involved in conventional defined benefit pensions. We will explain more about all this in future newsletters. But the outcomes for individuals of CDC pensions will ultimately depend on the investment returns achieved by the new funds set up to deliver them, as well as minimising any intermediary take – so whilst in his address, Hari does not explicitly talk about the importance of achieving good investment returns for shareholders, I guess this can be taken as read!

HonestMoneyNews: We report on a recent meeting we had with the Money and Pensions Service – if they let us, we would like to offer some assistance with the (generic, not regulated!) advice sections of their web site. And there is encouraging news from the Government in relation to financial education in schools, something we are very interested in.

Next we have a brief update from **Sue Milton**, followed by a short piece by **Dean Buckner** about one of the most worrying stories I have heard about British Justice – the "**Libor Scandal**". Banks acted badly in relation to interest rate setting, the orders to implement this seemed to come from the top, yet the most junior people in the chain were the ones prosecuted. There is plenty on this on Youtube. If you would *really* like to know lots more, the following in-depth event with the title *TTF Book Club: "Rigged" with Andy Verity* from the Transparency Task Force should more than satisfy your appetite. https://youtu.be/7zJrViZS4b8?si=dhMorf_krmOaq-aR

What will AI do to corporate reporting? Some members will be aware that our Chairman, Charles Henderson is an active participant in something called the "corporate reporting user forum", or CRUF. As a result of this, we have a very thoughtful article on this topic by a guest contributor, Claire Bodanis.

3 UKSA Social: address from Harinder Mann, dean of Ashridge: full transcript

Good afternoon everyone.

It is a pleasure to speak with you today about an issue that lies at the very heart of our economic system, but one that too often receives too little critical scrutiny—the purpose of share ownership.

Too often, conversations about finance are mired in jargon, complex instruments, or short-term market movements. But if we take a step back and ask the fundamental question, "What is finance for?", we quickly realise that at its core, finance is meant to serve a purpose: to connect our long-term savings to productive investments that power real economic activity. That, in turn, should deliver prosperity—not just for a few, but for the many.

RAF Club, Piccadilly, venue for UKSA Social event

Our research began by thinking as finance individuals, why did finance not feel right. We see so many good individuals in the industry, and yet the most popular term to describe the finance industry in a study conducted by the Bank of England was "**corrupt**". Something has gone amiss. And that, in the core of our thesis, is 'Purpose'. Today, I want to build on this concept by focusing on the role of share ownership—why it matters, what's gone wrong, what the future could look like, and how this connects to making finance work better *for* shareholders, *because* of shareholders.

What Is Share Ownership For?

Let's begin with the most basic question: **what is the purpose of share ownership?**

At its most fundamental level, share ownership enables individuals—whether directly or through pension funds, insurance companies, or savings vehicles—to hold a stake in productive enterprise. Shareholders provide capital to companies, and in return, they gain not just the prospect of financial return, but also legal and economic rights: to vote, to hold boards accountable, and to share in the rewards of success.

But there's a deeper purpose here. Ownership isn't just about *having* shares—it's about *exercising* ownership.

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- It’s about aligning capital with purpose.
- It’s about stewarding businesses to operate sustainably, responsibly, and for the long term.
- And it’s about ensuring that the financial system delivers not just profits, but value—economic, social, and environmental.

In short, share ownership is the transmission mechanism through which our savings become the real economy. If we neglect that, we sever the connection between finance and its purpose.

What’s Gone Wrong?

Yet too often, this is exactly what we see today.

Over the last few decades, share ownership has become increasingly fragmented, intermediated, and short-term. In practice:

- **Most shareholders today are not individual owners but institutions**, acting on behalf of others—pension funds, index funds, sovereign wealth funds. This creates an "agency gap" between the ultimate owner and the decisions being made.
- **Share trading has replaced shareholding.** The average holding period of shares has collapsed—from around 6 years in the 1950s to less than 6 months today.
- **The purpose of ownership has narrowed**—from stewardship and long-term alignment, to quarterly returns and relative performance.

This hollowing out of finance’s purpose has real-world consequences. It distorts corporate behaviour, misprices risk, underfunds innovation, and externalises costs—on workers, on communities, and on the planet.

Perhaps most damning of all, it means that **finance is failing even its supposed beneficiaries—the shareholders themselves**.

Why This Matters for Shareholders

The irony is that by neglecting the purpose of ownership, we actually harm the very people the system claims to serve—investors.

If you're a long-term shareholder—for example, a pension saver in your 30s—then what you care about is the sustainable performance of the economy over the next 40 years. You want:

- Companies that reinvest in skills and innovation,
- Markets that allocate capital efficiently, and
- A planet that's still habitable when you retire.

But if your capital is being used to chase short-term profits, inflate executive bonuses, or fuel financial engineering at the expense of R&D, you're not going to get what you need.

In short, the finance system today is not acting as a **faithful agent** for its end investors. It's treating them as bystanders, not as **owners**.

To fix this, we need to re-establish **share ownership as a mechanism for stewardship, not speculation**.

The Future of Share Ownership: Key Discussion Points

So what needs to change? Let me outline **three future discussion points** that are essential if we are to realign finance with its purpose—and make it work for shareholders again.

1. Reclaiming Stewardship through Institutional Ownership

The vast majority of shares are now held by institutions—especially asset managers like BlackRock, Vanguard, or our pension funds. This means that stewardship—the active engagement of owners with the companies they invest in—is critical.

But how effective is it?

Too often, institutional investors outsource stewardship or treat it as a compliance exercise. Do we need:

- **Stronger stewardship codes** with teeth, not just principles.
- **Disclosure requirements** that show how votes are cast and why.
- And **alignment of incentives**, so asset managers are rewarded not just for performance, but for how they fulfil their fiduciary duties.

2. Reconnecting the Beneficial Owner to Their Capital

Another critical issue is the disconnect between **beneficial owners**—like you and me—and the capital markets. The majority of our research has shown that most pension holders have no idea how their pensions are invested, what they're funding, or what rights we might have as owners.

We need a system where **owners are empowered to express preferences**, demand accountability, and participate in shaping the investment agenda. That could mean:

- Giving pension members voting rights or influence over stewardship policies.
- Creating **citizen investor forums** that shape how our collective capital is deployed.
- Using technology to increase **transparency and participation** in investment decisions.

Ownership should not be passive. It should be **democratic** and **engaged**.

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3. Valuing Externalities in Investment Decisions

Finally, if share ownership is to serve its full purpose, then investment decisions must account for externalities—those costs that are not priced into financial statements but deeply affect long-term value.

Think about:

- Climate risk,
- Social inequality,
- Political instability.

These are not fringe issues—they are **material risks**. Yet traditional finance continues to ignore them or relegate them to ESG appendices.

A future-fit finance system must **embed purpose in valuation**, internalise externalities, and focus on **long-term system-level returns**, not just short-term individual gains.

As universal owners, shareholders have an incentive to support system stability—not exploit it.

But that's just the starting point of ideas, you're the experts and it would be great for us to debate what might work.

The Bigger Picture: A More Effective Finance System

So why do these future directions matter?

Because they enable a system where:

- **Companies think long-term** because owners reward them for it.
- **Capital is allocated efficiently** because it's directed towards solving real-world problems.
- **Risk is priced fairly**, and not offloaded onto the environment or the taxpayer.

And **ordinary savers see the benefits** of their investments in both financial and societal terms.

This is not just a matter of ethics. It's a matter of **economic efficiency**.

When finance serves its true purpose, it builds trust, channels capital productively, and delivers returns *and* resilience. It works *for* shareholders—because it is grounded in *the purpose of ownership*.

Let me close with this.

We often think of ownership as a right. And it is. But it is also a responsibility.

To own shares is to hold power. Power to shape the direction of business. Power to demand sustainability, fairness, and innovation. Power to insist that capital serves society—not just the other way around.

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But if we neglect that power—if we delegate it without oversight, or trade it without purpose—then we are complicit in a system that fails us.

Let's reclaim the purpose of share ownership. Let's design a finance system that serves real people, rewards real value, and builds a better future.

Because in the end, finance is not an end in itself. It is a tool—a powerful tool—for building the world we want to live in.

Thank you.

4 HonestMoneyNews   John Hunter

Progress with the Money & Pensions Service (MaPS)

To quote their website 'MaPS is an arm's-length body sponsored by the Department for Work and Pensions, established at the beginning of 2019, and also engages with HM Treasury on policy matters relating to financial capability and debt advice'.

MaPS is also responsible for the national Ten-Year Financial Wellbeing Strategy. The introduction states that 'the plans are for those interested in driving positive changes to people's personal finances'.

UKSA is just such an organisation.

MoneyHelper is the 'consumer-facing brand' of the Money and Pensions Service (MaPS). We offered to make suggestions to update their website and a first meeting with the MoneyHelper team took place on October 23. We will meet again before Christmas.

It is now widely realized that levels of financial understanding in the UK are inadequate. Several industry-sponsored initiatives are in the pipeline. UKSA's independence will be essential to counter this influence.

John Hunter

Co-Head, Financial Learning

Breaking news - Financial education taken seriously at last?

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Editor: Since John Hunter wrote the above some while ago, we have been given some very good news. On 4 November, the headline

All schoolchildren in England to be taught financial literacy

Appeared in the FT. Earlier that day, the Government had announced significant reforms to the national curriculum; the press release can be found at [New curriculum to give young people the skills for life and work - GOV.UK](). The plan is for the new curriculum to be ready in time for adoption in schools from September 2028.

We have written to the FT, welcoming the announcement.

5 External Relations – some observations from Sue Milton

Cyber risk inherent in our companies

The Financial Reporting Council shares a number of conversations on corporate governance issues. This one - In Conversation: Board leadership in relation to cyber risk - UK Corporate Governance Code 2024 – looks at the impact cyber risk is having on organisations.

I have picked out two key things as investors we need to understand:

“The bad guys are always one step ahead.”

“It's really, really important [that our companies] plan for the consequences of the risk occurring.”

M&S, Jaguar Land Rover and now Heathrow Airport know just how painful computer and data breaches can be. It affects their viability and our personal safety.

Do you agree that companies should provide much better disclosures on the cyber risks and controls?

A unique sales opportunity.

You have to admire Swatch. With the US placing 39% tariffs on Switzerland, Swatch have created a new watch. Check the positions of the ‘3’ and the ‘9’. They have swapped sides. https://www.swatch.com/en-gb/what-if-tariffs-so34z106/SO34Z106.html.

Back to the Future 1.

A way of opening up audit competition, something the CMA reviewed way back in 2018?

The Financial Reporting Council will invite small audit firms to participate in a 'Scalebox Programme' to develop their audit quality and systems of quality management for potentially carrying out less complex Public Interest Entity (PIE) organisations. https://www.frc.org.uk/news-and-events/news/2025/09/financial-reporting-council-launches-bold-new-programme-to-build-capability-and-support-growth-by-small-uk-audit-firms/

Back to the Future 2.

UKSA once again organised a successful retail shareholders meeting with BHP. The presentation and the Q&A session were excellent.

But what was also nice was the feeling that we were both respected and appreciated. Good pre-meeting refreshments and a great buffet lunch afterwards. This is happening less and less, perhaps for good reasons. But it is nice to be treated well.

6 "It's not just the market that's rigged. It's the entire system". Dean Buckner

At the end of July, the Supreme Court quashed the convictions of interest rate traders Tom Hayes and Carlo Palombo, who had been jailed in 2015 and 2019 for the practice of "lowballing", i.e. manipulating the Libor interest rate during the 2008 financial crisis.

The decision was on a technicality (the jury had been wrongly directed), and the traders were not wholly exonerated. Indeed, the Court found "ample evidence" that *could* have led to a conviction. But never mind that. The underlying issue is that lowballing was standard industry practice and was accepted throughout the entire banking system. Senior managers were involved, and there is evidence of tacit, possibly even explicit, approval of the regulators. Jerry del Missier, a former Barclays executive (and my old boss) testified to the Treasury Committee on 16 July 2012, that he had received instructions from chief executive Robert Diamond to lower rates after discussions with regulators, referring to a conversation between Diamond and Paul Tucker, deputy governor of the Bank of England. Interest rates had to appear lower in order to avoid loss of confidence in the banking system, and it was his understanding that senior British government officials had instructed the bank to alter the rates.

This did not help the traders. In 2015 Justice Cooke ruled that "common practice" is no defence. The standard for dishonesty is absolute, he said, and cannot change by reference to market standards or market ethos, standard practice in an industry or any common understanding amongst employees.

> The history of the markets has shown that, from time to time, markets adopt patterns of behaviour which are dishonest by the standards of honest and reasonable people; in such cases, the market has simply abandoned ordinary standards of honesty. Each of the members of this court has seen such cases and the damage caused when a market determines its own standards of honesty in this way. Therefore to depart from the view that standards of honesty are determined by the standards of ordinary reasonable and honest people is not only unsupported by authority, but would undermine the maintenance of ordinary standards of honesty and integrity that are essential to the conduct of business and markets.

This is true. But why such harsh sentences for traders who were simply doing what senior management had requested? Why were senior managers not prosecuted? On the contrary, Del Missier was reported to have received £8.75m from Barclays as part of his leaving package. Finally, should we be relaxing regulation on businesses (and a system) with a culture like this? Rachel Reeves has claimed that rules and red tape are acting as a "boot on the neck" of businesses and risk "choking off" innovation across the UK without "bold reforms", including proposals to "radically streamline" accountability rules for senior bankers.

In the run up to the financial crash, fine words of approval for "light touch" regulation, praise from politicians and financial institutions lauding the innovation of the financial services industry and claims that at the centre of all this "prudence" was the guiding light still ring in the ears of an older generation as we continue to count the cost of the collapse that followed in 2008.

Those who cannot remember the past are condemned to repeat it. *

(*Ed: I looked up this familiar saying. Apparently it comes from Spanish-American philosopher George Santayana in 1905 book, *The Life of Reason*.)

7 Financial reporting – will AI make it completely meaningless? Some suggestions to make the best of it, by Claire Bodanis

Claire Bodanis, the founder of the Falcon Windsor, a firm that helps companies with their corporate reporting, has some thoughts for how AI could be used but not abused.

Post #91 Are the stars aligning? Rethinking reporting for the age of AI

With thanks to the IR Society for commissioning a version of this blog for the Summer edition of their magazine, Informed.

Awash with reporting consultations and discussions, and with AI marching swiftly on, Claire believes the time is right to rethink reporting from first principles – to ensure that it achieves its purpose for investors and other stakeholders, while making it much simpler and easier to produce. Claire's gathering support for her proposal, so if you're interested in supporting or hearing more, please contact her – claire@falconwindsor.com.

Like many who work in reporting, in the last year I seem to have spent more time talking and writing about it than I have actually doing it. There was the UK Financial Reporting Council's digital reporting consultation in November. The EU's Omnibus in February. The UK government's early work to resurrect their Non-Financial Reporting Review, which kicked off in May. And in late June (finally, hurray!), the UK government's consultation on adopting the ISSB standards, IFRS S1 and S2 (now known as UK SRS) – along with consultations on assurance and transition planning. I'm pleased to say that they're encouraging us to 'consider responses to these three consultations together' and that our feedback 'will help to develop an enhanced sustainable finance framework, including sustainability-related financial disclosures, that is fit for the future and maintains the UK's position as a global leader in this area.'

But what we really need is not just a consultation on these three things together, but a consultation on *everything* to do with reporting together. While I'm delighted that all these bodies involved in determining how companies should report are alive to its challenges, and seem disposed to address them, the fact that they all come from different angles at the same time points to the real problem at the heart of it all: reporting requirements do not derive from one place, and no single body owns or governs them. Reporting has got into the lengthy mess it has precisely because so many organisations are involved, piling requirements onto companies with good intent but often misguidedly, because they start by asking 'What do we want companies to do?' instead of 'How does this serve the purpose of reporting?'

This problem is not new. But it's become critical because the sheer volume of information that companies must report today, on so many subjects, threatens to render the exercise meaningless – swamping the truthful (we hope) story being told by management and the Board, that's at the heart of reporting. It's therefore no surprise that many are hoping that generative AI will ride to the rescue, assuming we can mitigate its considerable risks.

And perhaps it can. But *only* if reporting itself is rethought first, starting from its purpose; and *only* if generative AI is introduced carefully, with proper training and guidelines in support of that purpose. We've already done the legwork on the introduction of AI with 'Your Precocious Intern', our research and recommendations on the responsible use of generative AI in reporting, in partnership with Insig AI.

Here's my view on what rethinking reporting itself could look like – and which I'm working on developing into a more detailed proposal to suggest to the government. Although first, a caveat. It assumes a world in which humans still run companies, and are answerable to other human stakeholders.

Let's start with the purpose of reporting. What is it? Many will say, 'To meet regulatory requirements'. And yes, it must. But the more important question is, what is the purpose *of* those requirements? Why are companies required to report *at all*? My definition, which seems to resonate with everyone I discuss this with, is: 'To build a relationship of trust with investors and other stakeholders through truthful, accurate, clear reporting that people believe because it tells an honest, engaging story.'

Reporting serves this purpose by providing two types of information:

1. **Accurate data and disclosures** in accordance with reporting requirements
2. **A truthful story; namely, the opinion of management and the Board** as to the meaning of those disclosures for the company and its future prospects.

When I started in reporting nearly 25 years ago, reports were so much shorter that when it came to writing them, this distinction didn't really matter. The 'front half' – everything except the financial statements – could be written pretty much as a single story that incorporated all the other necessary disclosures, without clarity or meaning being obscured.

Now that reports are so long, this has become impossible. A single narrative cannot contain everything required without being bent unreadably out of shape. So we must make the distinction much clearer – not just between financial disclosures and the story, but between *all* disclosures and the story. A growing number of companies, particularly FTSE 100s, are already doing their best by creating a 'disclosure statements' section at the end of the strategic report, or an 'additional information' section right at the back.

So what should generative AI be doing in this disclosures-plus-story approach to reporting? The biggest benefit it can offer reporters is in the heavy lifting of reams of information; while its biggest risk, highlighted by investors in our research, is that companies start using Copilot or chatbots (the types most likely to be used in report writing) to produce opinion. If used in this way, reporting would no longer give real insight into the minds of management and the Board. Signing off an opinion written by AI would *not* make it their own opinion, albeit making them accountable for it.

My proposal for rethinking reporting for the age of AI, which the keen-eyed amongst you may remember from my response to the FRC's digital reporting consultation, is simple:

1. **Codify the purpose of reporting**: It's essential that we do codify the purpose, because without it, there is no means of judging how effective any changes are likely to be.
2. **Mandate two parts to the annual report**:
    1. **'Our disclosures':** A set of disclosures covering everything that is material to the business, provided in a single, structured statement, subdivided by type (financial statements, governance statements, environmental statements, remuneration statements and so on). *Let generative AI do its best with that, as long as the resulting statement is checked and signed by humans.*

2. **'Our opinion':** A fair, balanced and understandable narrative, authored by each of management and the Board, which gives their truthful opinion of what those disclosures mean for the company and its prospects. Companies should be allowed to produce this however they think best, assuming a basis in written form that can stand as a document of record to which they can be held to account. *Generative AI has no place in creating this – opinion must be the preserve of humans. If companies do use AI in writing opinion, they should be required to disclose it.*
3. **Non-material disclosures to be published on the corporate website**: Any other disclosures that the government wants companies to make should be published in a dedicated section of the corporate website, rather than in the annual report.

With generative AI offering considerable benefits while also threatening to undermine reporting altogether, and with so many reviews in train – particularly the Non-Financial Reporting Review – we have the perfect opportunity to rethink the whole endeavour for the benefit of companies and stakeholders alike. The UK SRS is breaking reporting out of its old finance-only mould, by establishing the principle of the connectivity of financial and other information. Now it's time to break the other mould – the old reporting structures that prevent us from communicating effectively.

8 Looking ahead- things to watch out for, and an editor's request   Martin White

As I mentioned in my introductory notes, we are in a period of intense activity, with much more to come in future newsletters. Indeed, I hope, after the big gap that preceded this one, to produce another newsletter very shortly and some of the items mentioned below will be expanded on then.

Investment clubs

Sue Milton is leading on our efforts here. A number of investment clubs have been told by their stockbroker Interactive Investor that they will be discontinuing the service, and we will be asking our members for their thoughts on alternatives.

Withholding taxes

If you own shares in an overseas company, it is likely that dividends you receive will have tax, known as a withholding tax, deducted by the country where the company is based. The way this operates, and whether and how it may be possible to reclaim or reduce the amount deducted, will depend on any treaty there may be between your country of residence and the other country. Mohammed Amin has written an explanatory paper on this, which we will be putting on our web site, and we will be issuing a public message on the topic, asking for SIPP managers in particular to reclaim withholding taxes as permitted by the relevant treaties – at present, we believe the amounts being unclaimed are very material.

Plumbers Arms near Victoria: favourite venue for UKSA board meetings

All-party Parliamentary Group (APPG) on Investment Fraud and Fairer Financial Services

On 13 November, a number of UKSA directors have been invited to an event in parliament billed as "Protecting Consumer Protections; for the sake of Society and The City". We expect there to be a lively discussion about what is happening to the balance of power between the financial sector and its customers. We will report on this in the next issue.

Business and Trade Committee

The UK Parliament's Business and Trade Committee has asked for input on its work plan for 2026, with a deadline of 12 November. There is a list of questions which you can find by following this link: Priorities of the Business and Trade Committee for 2026 - Committees - UK Parliament. As is typical these days, it's all about "growth", and it's not obvious whether the focus is short term fixes or a long-term strategy. I'm uncertain at the current time whether submissions will be published – I do hope so.

Productivity

Charles Henderson mentions productivity in his chairman's message, and UKSA member John Mulligan led a member discussion on the subject some while ago. I have been engaging with The Productivity Institute (TPI), an academic research body funded ultimately by government, including attending their main 2025 event, a two-day conference they held in Manchester in September. This was open to the public, but I think I may have been the only non-academic in attendance, which I think may have added to my enjoyment of the event rather than the reverse! There are clear overlaps with the questions in the "growth" agenda; I'll share some of my thoughts in the next newsletter.

Collective defined contribution (CDC) pension schemes

In my introductory notes (Section 2) above, I explained what CDC is when I introduced Hari Mann. On 22 October, I attended a meeting organised by David Pitt-Watson and Hari Mann to mark the publication by the Government of its tentative plans for CDC schemes. They have asked for input on how these schemes might work, with another short deadline of early December. The sceptic in me is very worried that these schemes may be a really nice way for finance companies to make a lot of money from complexity, rather in the way life insurers have profited nicely from long term savings. But if a CDC arrangement is really run in the interests of the members, with the financial sector as servant rather than master, it could lead to some interesting changes which could be positive for everything we care about as shareholders. Not a quick and easy story – more for the next newsletter. These are really radical thoughts that the financial sector would hate.

Academic engagement: shareholder-led discussions

Corporate governance, executive pay, financial education – some of us keep an eye out for good serious presentations on these topics. And there is indeed some good stuff amidst all the "get rich quick" rubbish on YouTube. You may find it sad, but there really is some good stuff at the London School of Economics, for example! Here are links to a couple of recent talks I enjoyed listening to.

1. **The CEO: the rise and fall of Britain's captains of industry**

Link: The CEO: the rise and fall of Britain's captains of industry | LSE Event

2. **Fixed: Why Personal Finance is Broken and How to Make It Work for Everyone.**

Link: Make Personal Finance Work for Everyone with J. Campbell & T. Ramadorai | Markus Academy | Ep. 152

In both cases, I wrote to the presenters soon after the event, asking whether they were interested in taking to us, and we now have conversations set up with relevant members of the UKSA team. We will let you know what comes from these – it would be nice if we can find a way for members to engage, perhaps by organising webinars. Activity like this will be important for UKSA's future, I feel.

Active investment management – when and how might it be worth paying for?

Another fun discussion topic. It's blindingly obvious that most of the time, it's not worth paying significant sums for active investment management. Certainly not the way the business currently operates. But it can raise passions when one makes the point. And UKSA is one of very few organisations free to make the point – something that makes us special.

Finally: wanted: ideas and questions from you

If anything in this issue prompts you to respond in any way, we would be delighted. Please don't feel that all we are looking for is offers to write articles. Any comments and suggestions would be gratefully received. Particularly interesting would be to hear about topics and specific questions in any investment-related area that you would like to have discussions on. Whether we feature them in the newsletter, put something onto the web site, or organise special member discussion events about them!

Don't forget, Associate Members can take advantage of half-price full membership of UKSA in the first year by clicking here.

The UKSA Board November 2025

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