ShareSoc Informer
UK Individual Shareholders Society

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Full ShareSoc member edition

Features:

Coercive delistings and takeovers

Digitisation Taskforce final report – fatal flaws

ShareSoc shortlisted as Shareholder Rights Champion

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Editorial

So much for a summer lull! July saw a plethora of coordinated announcements from the FCA, from HM Treasury and from Rachel Reeves, many with direct relevance to individual investors.

The FCA has set out a plethora of changes to its Prospectus Rules allowing greater flexibility for firms to issue follow-on capital without the cost of a full prospectus. The changes also brought more protection to issuers around forward-looking statements.

In her Mansion House speech, Reeves focused on revitalising capital markets, on pension reform and on retail investor inclusion. She announced a national campaign to promote individual share ownership and acknowledged the need to simplify the ISA landscape. She talked of rolling back some of the post financial crisis regulation.

HM Treasury finally released the Digitisation Taskforce's final report, which will eventually force all shareholders into an intermediated regime. ShareSoc was particularly disappointed to note dangerous flaws in Sir Douglas Flint's proposals which are explored in the Policy section below.

Overall, the announcements indicate an understanding of the need to mobilise investor capital, although many of the detailed initiatives miss the mark. In particular, the Government, Treasury and Regulator have still failed to grasp the nettle on financial education.

The FCA also announced long overdue fines for Neil Woodford and for Woodford Investment Management (WIM) for their part in the demise of the Woodford Equity Income Fund. We have long been advocating for action against WIM, but we had called for this to be in the form of a restitution order for the benefit of affected investors. There are now calls for a formal review of the FCA's handling of the whole Woodford debacle.

This issue of the ShareSoc Informer highlights the continuing flow of delistings and takeovers in UK stock markets and looks at some of the pitfalls these represent for minority shareholders. This area needs urgent policy focus to protect individual investors from being treated as a temporary source of relatively low-cost early-stage capital and from being dumped ignominiously as prospects improve.

And, finally, we're absolutely delighted to be shortlisted in Investors' Chronicle's Celebration of Investment Awards. It's a great honour, and a valued recognition of our work in the field of Shareholder Rights.

I hope you enjoy the read.

Mark Northway, director

RETURN TO INDEX

GUEST ARTICLE

Takeovers are more harmful than we realise

Rosie Carr, Investors' Chronicle

Takeovers have been a prominent and dominant feature of the London market in recent years. The pattern has continued into 2025, with 15 bids launched so far, and (as Peel Hunt notes) at a higher rate in the first quarter than for the same period last year. Investors can take their pick of takeover candidates – there's barely any need to weigh up valuations against profitability or keep an eye out for distressed companies. With the exception of the strongest constituents in the FTSE 100, the high discounts applied to London listings (the result of years of constant outflows of money) mean most are susceptible to acquisition. Analysis by Aberdeen in February found that UK smaller companies were the most undervalued stocks in the world based on 12-month forward PE ratios versus their 10 year average – putting them on a discount of -23.4 per cent compared to -3.2 per cent for global companies. Although the discount has since narrowed to -14.6 per cent, that is still generous enough to tempt buyers.

That London remains undervalued is clear from the fat premiums being put in front of boards. But these are not true premiums given the false low baseline. Meanwhile the view that listings are there to be picked off is reflected in the recent bold demand of private equity billionaire Orlando Bravo for London stock market rules to be changed, to make it even easier for companies to be taken over. His dubiously contrarian argument was that stripping away such protections would lead valuations to rise as investors flock to buy in anticipation of bids.

Takeovers and mergers are a natural part of life on the market. It makes sense for companies to buy or merge with competitors or expand their markets. But with so many takeovers being take-privates or leading to a delisting, deals are weakening, not strengthening the market. Private equity is particularly active, in deals large and small. De La Rue's long life on public markets is at an end now it is being acquired by US private equity firm Atlas. Among large caps, Hargreaves Lansdown has been acquired by a private equity consortium.

Cyber specialist Darktrace was bought out by Bravo's firm Thoma Bravo, Smart Metering Systems by KKR, FD Technologies is being acquired by TA Associates. US private equity giants understand the value of UK tech. Recently, property Reits have become a new key target for them. Blackstone is seeking to buy Warehouse Reit, and KKR has attempted to secure Assura.

Although London's losses make it stand out, it's a trend that has accelerated in other markets, too. Research by think-tank New Financial reveals private acquisitions of European publicly listed companies pose a much bigger threat to the UK and EU public markets than companies switching their listing to US markets. The 130 British and European companies to have made this move in the past decade represent just 2 per cent of all listed companies across Europe, says New Financial. A much bigger problem is that more than 1,000 European companies – with a combined value of more than $1tn (£740bn) – delisted after being acquired by private companies or private equity firms.

Nor can we expect new listings to inject new vitality any time soon. Peel Hunt warns that recent volatility

has caused many potential issuers to shift their timetables to after the summer.

The fact is investors are being cheated out of bigger rewards in the future with rich streams of income and growth potential being sold off into private hands at bargain prices.

At a recent Quoted Companies Alliance debate on the best place for growing companies to thrive, Dr Filipe Morais from Henley Business School cited French and American academics to challenge "myths" about private equity ownership. First, research by Ludovic Phalippou showed private equity returns are in fact no better than those for public indices. Secondly, research led by Douglas Cumming revealed that private equity backed companies pose a threat to innovation because when companies are taken private, patenting activity falls by up to 45 per cent, with the effects even more pronounced in buyouts where private equity firms install new management teams.

Little wonder that the audience voted strongly in favour of the motion that "this house believes growing companies best thrive on public markets". That's because they do.

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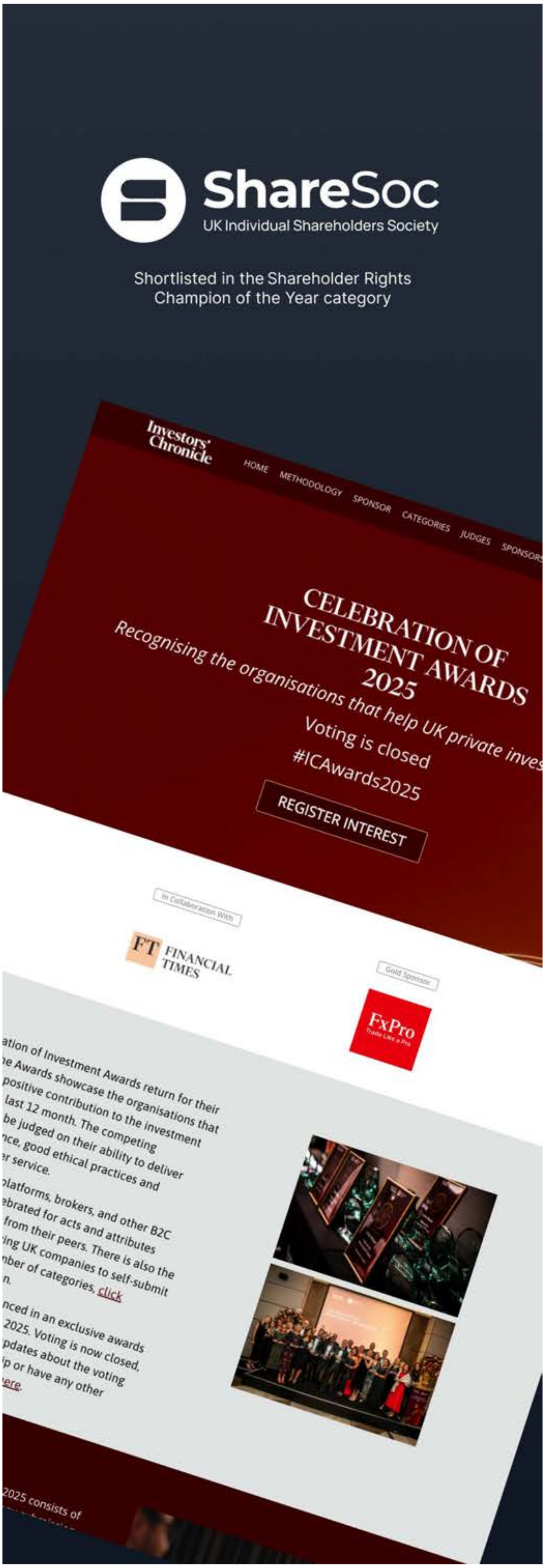
SHARESOC NEWS

Celebration of Investment Awards 2025



ShareSoc nominated for Shareholder Rights Champion of the Year

ShareSoc has been shortlisted in the Shareholder Rights Champion of the Year category at this year's Investors' Chronicle [Celebration of Investment Awards.]

This honour reflects the tireless work of our directors, team and volunteers in standing up for the rights of all individual shareholders – whether members or not.

From campaigning on voting rights and market reform to supporting investors through scandals and corporate battles, our mission is always clear: to champion shareholder rights, challenging corporations and government entities alike to ensure fair and equitable treatment for all individual shareholders.

We're honoured to be recognised alongside outstanding organisations. The winners of each category will be selected by a panel of judges and announced at the awards ceremony on 27th November.

POLICY MATTERS

Delistings

As highlighted by Cliff Weight's personal blogs on Anexo, Dewhurst and Gusbourne (to which one could add K3 Business Technology Group and Tandem Group), the flow of recent shareholder-unfriendly delistings underlines serious issues with UK valuations, with the cost of maintaining a public listing or quotation, with the takeover code and with the protection of minority interests post privatisation.

It also underlines the timely relevance of PISCES, the regulatory sandbox-based initiative to improve liquidity on private markets, which was heavily discussed in the June edition of the ShareSoc Informer.

The government appears to be aware of some of these issues, and has looked to address them through proposals in March's Mansion House Accord and in July's Mansion House speech. While the latter largely aligns with ShareSoc's goals around retail empowerment and capital access, its focus has been primarily on attracting issuers and coercing capital. We advocate a more fundamental approach to attracting capital from individual investors through financial education, increased fiscal incentives and enhanced consumer protection.

In both the Anexo and Dewhurst cases, individual investors have sat alongside founders, family or others owning substantial proportions of the shares. It shouldn't surprise anyone that major shareholders behave opportunistically and see undervaluations as a chance to take out minority investors at an attractive price.

This, in large part, is why the takeover code exists: to ensure that the offer to shareholders is fair and reasonable. In a mandatory offer (rule 9) there are strict requirements for ensuring fair treatment, and under rule 6.1 there are measures to ensure a minimum exit price based on the bidders' prior purchases.

Notably, in the case of Anexo, these protections did not come into play because the parties were not deemed to constitute a concert party prior to the bid. This despite two of the bidders having senior strategic roles in the company, being married and living at the same address! Clearly the Takeover Panel has some thinking to do.

More worrying is the use, in Anexo's case, of rollover loan notes and deferred consideration for minority investors. Forcing these instruments onto public shareholders (the cash tender was only a partial exit) raises serious governance concerns.

But the real governance concern in the Anexo case is the decision of the independent directors to recommend the proposals despite the opinion of the independent adviser: *"Grant Thornton does not consider the financial terms of the Tender Offer to be fair and reasonable".*

Anexo's final public share price of 35p on 1st September evidences the real value of the takeover proposal and the harm done to minority shareholders.

This is an example of why ShareSoc advocates for more effective investor protection.

Caveat emptor!

Meeting with Callum Anderson MP

Heather Benjamin and Mark Northway had a very positive and useful meeting with Callum Anderson MP (Labour, Buckingham and Bletchley) on 21st May at Portcullis House.

Callum has emerged as a vocal advocate for retail investor empowerment in the UK.

In a Westminster Hall debate on 22nd April, he led a motion entitled "Government support for retail investors", arguing that individual share ownership is not just a financial issue but a matter of economic agency and national resilience.

Callum has highlighted that in the 1960s individuals owned over 50% of UK-listed shares, while today that figure has dropped to just 10%. He sees direct investment as a way for ordinary citizens to build wealth and financial resilience, to share in the success of UK companies and to strengthen domestic capital markets against global shocks.

He advocates:

- Easier access to regulated investment products
- Better financial education
- Incentives for companies to engage with retail shareholders

The intersection between Callum's retail investor advocacy and ShareSoc's own mission is striking, and it was hugely refreshing to speak with someone in government who genuinely understands the need for greater individual share ownership, market access and governance transparency.

Our meeting was very time constrained. Nevertheless, we had the opportunity to present ShareSoc and to tear through a wide-ranging agenda including:

- Democratisation of company ownership
- The role of direct investment versus / alongside fund investment
- ISAs, and the importance of consistency and simplicity
- UK stock market valuations
- Financial education
- Virtual vs hybrid AGMs
- Private equity / PISCES
- AIC's My Share My Vote campaign

We thank Callum for his time and attention, and look forward to working with him.

The Digitisation Taskforce Final Report

Proposals miss the mark, damage corporate governance and put shareholder activism at serious risk

- Digitisation Taskforce has failed to address its Terms of Reference
- City lobby's influence has outweighed shareholder interests
- The move to a fully intermediated (nominee) shareholding system fails to protect key shareholder rights
- Proposed "Bill of Shareholder Rights" misses the mark
- "Investor pays" access to rights will further diminish shareholder engagement
- Critical checks and balances are at risk

The Digitisation Taskforce, comprising Sir Douglas Flint, Mark Austin and, latterly Chris Horton, has at long last released its final report.

The report recommends a staged plan to completely eliminate both paper share certificates and digitised share registers, forcing all UK investors into an intermediated (nominee) system where shares are held on their behalf by financial institutions:

Step 1: Eliminate paper share certificates by 2027 (via a temporary transition to digitised registries)

Step 2: Improve the intermediated system of shareholding (to provide, among other things, a baseline service in relation to shareholders' rights)

Step 3: All shares transitioned to the intermediated securities chain (eventually eliminating the digitised registries)

It includes 16 recommendations and proposes a Technical Group to oversee implementation. ShareSoc notes that the Technical Group does not include any individual shareholder representatives and would like to see this addressed.

The government has reportedly accepted all recommendations and committed to full implementation.

While the modernising of the system and dematerialisation of shares are positive steps, the taskforce's proposals fail to address some of its key objectives. Most worryingly, the proposals contain two fatal flaws that, if not addressed, will strip essential rights from millions of investors and will erode their ability to hold company boards to account.

SHARESOC HIGHLIGHTS TWO FUNDAMENTAL FLAWS IN THE REPORT:

1. Shareholder activism is under attack. The Taskforce proposes a “Shareholder Bill of Rights” which sets out a baseline service level for intermediaries. This focuses on providing information rights and on the right to vote and participate in general meetings but it signally fails to address other key shareholder rights enshrined in the Companies Act 2006, including the rights to inspect and receive copies of the shareholder register, to submit statements and requisitions and to requisition meetings. The Taskforce also actively looks to remove the headcount test for court sanction of schemes of arrangement (CA2006 S899) which protects minority shareholders in takeovers and delistings.

   The proposals also seek to restrict investors with proper purpose from having access to email addresses of other investors. This eliminates a primary benefit of digitisation, which is to facilitate communication between investors on stewardship matters including excessive executive pay, poor operational management, or environmental and social failings.

   The preservation and facilitation of these rights is fundamental to good governance and to shareholder activism. Their omission is a potential death knell for shareholder activism and communication in the UK.

2. Investors are financially incentivised to relinquish shareholder rights. Although the Taskforce proposes a baseline service to facilitate the exercise of shareholder rights, it then proceeds to make a nonsense of this concept by allowing intermediaries to offer a lower level of service without access to voting rights etc. at a lower cost.

   This creates a perverse financial incentive for investors to opt out, en masse, from the ability to access the rights associated with their shares. It also introduces the risk that nominees may introduce prohibitive charges for the baseline service, effectively penalising responsible shareholders.

   Allowing discriminatory pricing also significantly disadvantages current certificated shareholders.

Effective shareholder democracy is a critical element of the checks and balances that hold company directors to account. The taskforce has quite clearly placed the interests of issuers and financial intermediaries above those of investors. The recommendations in the report fail to protect key shareholder rights and instead introduce dangerous financial incentives which will further erode investor engagement.

While ShareSoc acknowledges that some of the report’s recommendations offer an improvement over the current broken nominee system, it firmly believes these are overshadowed by the fundamental and damaging flaws at the report’s core.

In a ShareSoc Press Release, ShareSoc Director Mark Northway has said:

“For over a decade, ShareSoc has campaigned for every investor in UK shares to have full, frictionless access to the shareholder rights legally enshrined in the Companies Act.

The report fails to address key objectives set by the Treasury and is a significant blow to investors. It fails to protect key shareholder rights and introduces dangerous financial incentives which will further erode investor engagement.

It is a charter for unaccountable boards. Without the threat of shareholder activism, many of the corporate governance improvements of the past twenty years would not have happened.”

ShareSoc is now urging HM Treasury and government to override the damaging elements of the report’s recommendations and work with investor organisations to ensure a truly modern system that empowers all shareholders, rather than silencing them.

Woodford fines announced

No further redress for WEIF investors

Six years after the suspension of the Woodford Equity Income Fund (WEIF) trapped 300,000 investors, and following more than five years of investigation, on 5th August 2025 the Financial Conduct Authority (FCA) finally announced its decision to fine Neil Woodford and his firm, Woodford Investment Management (WIM).

The FCA has issued fines of £5.88 million to Neil Woodford and £40 million to WIM. Both have referred the decision to the Upper Tribunal, meaning the fines have no immediate effect and may not be paid for some time, if at all. The latest action raises more questions than it answers about the regulator's handling of this national scandal.

Whilst any sanction is welcome, these fines are a textbook case of 'too little, far too late'. Worse, the regulatory action offers no further compensation for investors despite the FCA's acknowledgement that they have suffered greater financial harm than the paltry redress paid [last year] by Link Financial Services Limited (LFSL).

The FCA estimates that WEIF investors at the point of fund suspension (3rd June 2019) were harmed in the amount of £289 million (excluding forgone earnings), but the LFSL scheme of arrangement (which the FCA approved) will only return between £186 million and £230 million, leaving an acknowledged shortfall of between £59 million and £103 million. That's a significant failure of the UK's redress system.

This outcome is a token slap on the wrist for the fund's managers. Woodford and his partner Craig Newman took tens of millions of pounds in fees and dividends from their firm, yet the personal fine amounts to a tiny fraction of that. No one has faced criminal charges for the losses inflicted upon ordinary people.

Delayed justice is bad justice. The FCA's glacial pace has caused frustration and has failed to address demonstrable harm. Had the regulator acted decisively years ago, investors would not have had to rely on ShareSoc standing up for them, nor felt compelled to sign up for group litigation claims (most of which were eventually upended by the FCA brokered LFSL scheme of arrangement). The regulator's anaemic actions have prolonged and increased the emotional stress of victims.

KEY SHORTCOMINGS ARISING FROM THE LATEST FCA ANNOUNCEMENT:

- **No further compensation for investors**: To the extent they are upheld, the fines will not go to the victims but will instead be trousered by the Treasury. The FCA has confirmed that this action brings no further redress for WEIF investors, leaving the Link scheme of arrangement as their only (paltry) compensation.

- **Will the fines be paid?** WIM is effectively a dormant company with no net assets. It is unclear if it holds any insurance that might cover the £40m fine. Likewise, will Mr Woodford pay his £5.88m fine personally, or will a Directors & Officers (D&O)

insurance policy, paid for with investor-generated fees, pick up the tab?

- **Why no restitution order?** The FCA has powers to order firms and individuals to pay restitution to those who have suffered loss. Why was this power not used against Woodford and WIM? In the event that WIM had insufficient assets, the Financial Services Compensation Scheme (FSCS) would be called on to make up the shortfall. It seems the FCA may again have chosen to protect the FSCS (and indirectly the financial services industry) at the expense of the demonstrably harmed consumer. Conflict, what conflict?!
- **Hargreaves Lansdown's role:** The FCA's findings state that Woodford and WIM "did not react appropriately as the fund's value declined, its liquidity worsened and more investors withdrew their money." Hargreaves Lansdown continued to feature the fund on its Wealth 50 list until the very end, but appears to have avoided FCA scrutiny. The ongoing RGL claim against HL is now the only game in town.

OTHER DEVELOPMENTS

The Woodford scandal continues to attract much press comment. Since our last update, there has been a notable increase in pressure on the regulator itself.

In March 2025, the All-Party Parliamentary Group on Investment Fraud and Fairer Financial Services wrote to the Treasury Committee calling for a full inquiry into the FCA's handling of the Woodford scandal. The group alleged that the regulator failed to act on clear warning signs and that its actions in relation to the Link settlement were misleading.

THE CAMPAIGN CONTINUES

ShareSoc's campaign objectives have been clear from the start: to facilitate communication, help investors recover losses, hold those responsible to account, and drive regulatory change.

ShareSoc has consistently pressured the FCA to act decisively and in the interests of affected investors. The regulator's actions to date, while inadequate, are testament to the importance of our campaign and the power of the collective voice of investors.

The latest fines mark a partial victory in our battle to hold those responsible to account, with Link, Neil Woodford, and WIM all now having faced regulatory sanctions or voluntary restitution. But it is far from the end of the road, with the appeals against these fines yet to be heard and the RGL litigation claim against Hargreaves Lansdown ongoing.

The lack of further redress to investors is shameful. Justice will not be fully served until all relevant parties have been properly and transparently examined. This includes Hargreaves Lansdown.

ShareSoc continues to endorse the RGL claim against Hargreaves Lansdown, which is now the only remaining route for Woodford investors to recover more of their losses. Sadly, this has now closed to further claimants. We will continue to fight for investors and campaign for a regulatory system that protects consumers, rather than one that takes half a decade to act while victims' life savings are decimated.

For more information about ShareSoc's Woodford Campaign click here.

DGI9

ShareSoc to take no further action

In November 2024, ShareSoc director Mark Bentley wrote about the disturbing revelations at DGI9.

Research revealed apparent failures by the fund's former Alternative Investment Fund Manager (AIFM), TriplePoint, to comply with the investment policies set out in the fund's prospectus, contributing to a collapse in DGI9's NAV and its share price.

Following consideration by ShareSoc's policy committee, we approached and duly met with the FCA and raised our concerns. For more background information, please click here for the original news item regarding DGI9.

Mark attended DGI9's AGM on 10th June, with the express intention of discussing the situation with DGI9's new board.

After the formal business Mark was able to have a chat with the chair and other board members. It is notable that the AGM was held at the offices of DGI9's legal advisers, Stephenson Harwood, a highly regarded law firm.

Clearly the new board is in a much better position to initiate legal action against Triplepoint than an outside agency. Importantly, were they to take such action, any resulting settlement would flow back to DGI9 and hence all its shareholders and not just benefit a smaller group of claimants.

They said clearly that they had taken advice – unfortunately, the advice received was that they didn't have a strong enough case against Triplepoint and would be unlikely to win if the case was taken to court.

Speaking to the board, Mark made another important discovery: one of the board members, who has a significant shareholding himself, is a full member of ShareSoc!

So, Mark concludes that the new board has acted in the interests of shareholders and ShareSoc members effectively have representation on the board.

It doesn't appear that a campaign would be able to achieve anything meaningful, given what was learnt.

If anyone has any (sensible) questions they would like to put to the board, Mark would be happy to relay them to our member (who he will not identify, for data protection reasons).

TwentyFour Income Fund

A question of transparency

ShareSoc writes to TwentyFour Asset Management expressing concerns.

A member of ShareSoc/SIGnet has raised concerns regarding the transparency of the TwentyFour Income Fund. In response, we have written an open letter to the fund's manager, TwentyFour Asset Management, and await their response with interest.

As Buffett has emphasised, before making any investment, you should understand what you are investing in. Without adequate disclosure regarding the assets held in the fund, it is impossible to gain such an understanding.

The contents of the letter are as follows:

"***Open Letter re TwentyFour Income Fund – improving disclosures to retail investors***

26 August 2025

Dear Sir or Madam,

I am writing on behalf of our members to express our concern about the low level of disclosures provided by the Fund. We understand that the fund is popular amongst retail investors and we are concerned that they are significantly disadvantaged compared with institutional investors because of the lack of disclosures.

The securitisations you invest in are effectively private investments: they are largely, if not all, listed on Irish exchanges meaning that prospectuses are not publicly available. To our knowledge you have refused requests for access to prospectuses from retail investor members. The regular portfolio and covenant reporting done by the securitisation vehicles is similarly not available to retail investors.

For example, Lloyds Bank ABS are in your portfolio. If an investor tries to access deal data through Lloyds website, the enquiry is linked through to European Datawarehouse https://eurodw.eu. This data platform has high access charges and typically refuses retail investor requests for data.

In any event, it is highly unlikely that a retail investor will have the relevant background, knowledge or time to make sense of granular loan level data. Indeed, from the very limited data you provide about the portfolio it would probably be impossible for an investor to identify the particular tranches you are invested in, within a particular securitisation.

As over 40% of the portfolio is in unrated assets, investors do not have the comfort of a (however flawed) third-party opinion on the quality of the underlying assets.

These issues make your fund a "black box" for retail investors. The critical drivers of pricing of the subordinated securitisation instruments it invests in are underlying default rates on mortgages, the development of volumes of non-performing loans and recovery rates. Institutional investors will have access to very granular data regarding the individual tranches you own. Your investors do not even get the benefit of commentary around the aggregate performance of the portfolio's underlying loan and mortgage assets.

We would welcome your views as to what concrete steps the fund could take to improve matters for retail investors. The fund's track record is strong. We are sure that increased transparency will only serve to highlight the strength of the fund's value proposition to investors and increase its investor appeal.

Yours faithfully,

Mark Bentley

Director, ShareSoc"

London Stock Exchange Group consultation

Shaping the future of AIM

ShareSoc responded to a consultation by LSEG, looking at initiatives to improve and enhance the AIM market. This was followed by a meeting to flesh out our comments.

A brief summary of our responses follows:

1. Investor confidence & market Integrity

- ShareSoc calls for stronger enforcement of AIM rules, especially around misleading RNS disclosures and NOMAD accountability.
- Criticises the conflicted role of NOMADs, especially in smaller companies, and proposes independent regulatory oversight.
- Opposes removing AIM Rule 13 protections for director remuneration — calling it a "window on the soul" of company ethics.

2. Retail investor empowerment

- Advocates for greater individual investor participation to boost liquidity and free float.
- Supports equity ownership for non-executive directors, with enforceable sunset clauses on dual-class shares.
- Urges restoration of shareholder rights for nominee holders, especially in digitalisation reforms.

3. Fiscal incentives & tax reform

- Criticises the halving of Business Property Relief (BPR) as counterproductive to AIM investment.
- Recommends:
  - Increasing VCT limits.
  - Reversing 2016 age limits for VCTs.
  - Eliminating double taxation on pension pots.
  - Abolishing stamp duty on share transactions.

4. Liquidity & market structure

- Proposes maximum spread and minimum quote size rules for AIM market makers.
- Supports index inclusion for larger AIM

constituents.

- Warns against UK market fragmentation (AIM, Aquis, Cboe, Turquoise) and the liquidity drain from dark pools and CFDs.

5. Admission document reform

- Supports incorporation by reference with strict retention of linked documents.
- Opposes boilerplate-heavy templates; prefers best practice examples.
- Endorses simplified working capital disclosures for companies with 3 years of clean audited accounts.

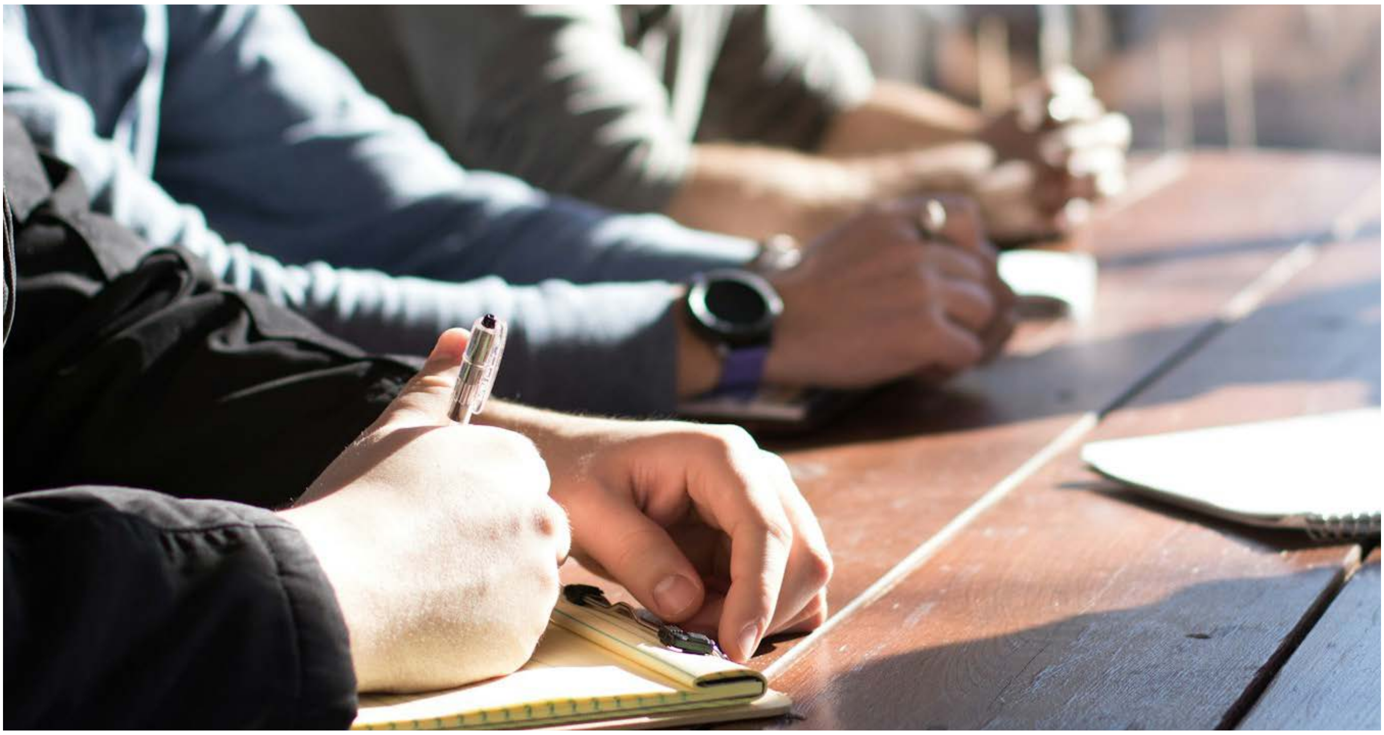
6. Governance & regulation

- Endorses the QCA Code for smaller companies; rejects further governance code options as unnecessary.
- Supports a prescribed list of accounting standards (e.g. EU IFRS, US GAAP, Canadian GAAP) based on IAS equivalence.
- Opposes removing shareholder votes on acquisitions that materially alter risk or control, even if not a fundamental change.

These responses are underpinned by **ShareSoc's roadmap for revitalising UK Capital Markets:**

Regulation & Protection	FCA reform, faster enforcement, stronger investor compensation
Tax & Incentives	Abolish stamp duty, simplify ISAs, fix pension taxation
Governance & Stewardship	Restore nominee rights, improve cost transparency
Market Competitiveness	Implement Austin Review, unlock secondary raises for retail
Pro-Investment Culture	Embed financial education, promote business as a public good

Class action by former STM shareholders



A class action group is being formed to represent former STM shareholders. This development follows a letter from Edmund Truell and Jambo SRC Limited ("Jambo") to certain former shareholders stating that no deferred consideration is payable in respect of Jambo's acquisition of STM.

If you held shares in STM Group plc at the time of the takeover, you will have received a Deferred Consideration Unit ("DCU"), exchangeable into loan notes worth up to seven pence per DCU and redeemable in cash in October 2025, subject to certain conditions being satisfied.

Former directors of STM, including Peter Smith (the STM-appointed DCU representative approved by Jambo), have taken legal advice and are unanimously of the view that such additional payment is in fact properly due and payable in full.

A steering committee comprising Peter Smith, Alan Kentish (former CEO of STM) and some larger former shareholders is leading the establishment of an STM shareholder class action group. Larger STM shareholders have already been contacted and are supportive of the initiative.

Should Edmund Truell and his company, Jambo, refuse to acknowledge such payment is due, then a legal action will be needed to ensure that the legal terms of the takeover are honoured.

If you were a shareholder in STM, or know anyone who was a shareholder in STM, please contact STM@walbrookpr.com

Tom Cooper, Director, Walbrook PR

This guest article reflects the opinions of its author and not necessarily those of ShareSoc.

OPINION PIECES

Featuring articles from members, directors and others.

These articles reflect the opinions of their authors and not necessarily those of ShareSoc.

US markets are hitting new highs despite the threat of Trump's tariffs

President Trump's announcement of sweeping Liberation Day tariffs initially sent shockwaves through financial markets, triggering a significant downturn in US equities. However, following the partial rollback of the most severe measures, markets have rebounded sharply, with major indices now reaching record highs.

This remarkable recovery raises a critical question: Why are US markets surging despite widespread concerns about a potential economic slowdown and the inflationary risks posed by the new tariffs? This article aims to explore the underlying factors driving this unexpected market resilience.

Chart provided by TradingView

PAUSE OF MOST TARIFFS

The S&P 500 has rebounded to over 30% from its April Liberation Day lows, now reaching record highs. A key driver behind this strong recovery has been the suspension of the majority of the Liberation Day tariffs, which had initially triggered the market downturn. The pause was implemented to allow for negotiations, resulting in trade agreements with the United Kingdom, China, and Vietnam. Additionally, discussions are ongoing with other major partners, including India and the European Union. This shift in policy suggests that the White House has recognised the adverse impact of the initial tariff strategy and has opted to adjust its approach for the time being.

RESILIENT US ECONOMY

The US economy is proving more resilient than expected. The tariffs were expected to harm consumption and thus reduce economic growth. However, it seems like the US consumer is still powering the US economy. This is for a multitude of reasons. For example, we have large numbers of wealthy Baby Boomers reaching and in retirement, who carry on spending heavily. Financial researcher Ed Yardeni of Yardeni Research has shown that Baby Boomers will retire with a net worth of $75 trillion.

In addition to this, the percentage of wealthy citizens has increased as stock portfolios and properties have jumped in value, creating a wealth effect that powers US spending. As the market recovers from the April lows, this wealth effect encourages more consumer spending, boosting the US economy. Also, the US labour market remains robust with US unemployment at a historically low rate of roughly 4.1%, helping sustain US consumer spending.

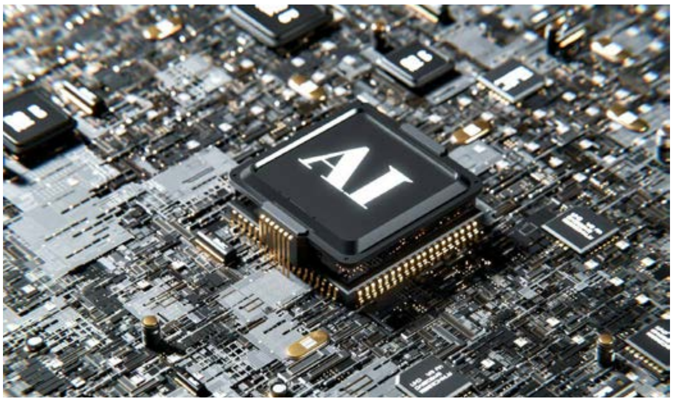
STRONG US CORPORATE EARNINGS

US corporate earnings in Q1 2025 beat expectations, and key US economic indicators have stayed robust. Even though tariffs have pushed consumer prices higher, inflation overall remains below the pace seen when Trump took office. In addition to this, fears of a deep recession or rampant inflation have not materialised. Instead, strong domestic demand, paired with unexpectedly strong company profits, has reassured investors.

RETURN TO INDEX

TAX CUTS & DEREGULATION

Now that fear has been taken away from tariffs, investors are starting to focus on the reasons why market participants were looking forward to a Trump presidency in the first place, namely tax cuts and deregulation, which would boost economic growth and corporate profits. This has improved confidence and allowed greater investment into the US markets.



AI BOOM

The United States is entering a transformative industrial phase, transitioning from the cloud computing era to the age of Artificial Intelligence. This emerging technology holds the potential to reshape industries globally and, crucially for investors, significantly enhance corporate profitability. Leading this revolution are a handful of US companies at the forefront of AI innovation, including semiconductor powerhouse Nvidia and the major Hyperscalers Microsoft, Google, Amazon and Oracle. These firms not only drive technological advancement but also represent a substantial portion of the S&P 500, amplifying their influence on broader market performance.

INFLATION REMAINS SUBDUED FOR NOW

The great fear of tariffs was that they would spike inflation rates as prices of goods increased. Since the USA is a major importer of goods, this would push up inflation. This would prevent the Fed from cutting interest rates to stimulate the economy, or even force them to increase rates to cool the economy and bring inflation back in check. However, we have continued to see inflation fall towards its target of 2%. The reasons for this are that companies stockpiled inventory when Trump was elected due to fears he would increase tariffs. Therefore, they have large inventories of stock that avoid tariffs, allowing them to sell at normal prices.

Also, it looks like tariffs are being eaten by all sections of the supply chain, not all by consumers. So, suppliers and manufacturers are each taking a hit to their margins so that they can continue to sell at a similar price, to prevent loss of sales.

In addition to this, it looks like suppliers (especially Chinese ones) have used grey tactics to avoid the worst of the tariffs, by rerouting through countries with lower tariffs.

FED RATE CUTS INCOMING

As inflation remains low, and it looks like the tariffs will not be as inflationary as feared, investors are betting that the US Central Bank (the Federal Reserve) will have the latitude to cut interest rates, which will help prevent any slowdown and boost economic growth. We already have calls from members of the Fed to cut rates to prevent any slowdown or fall in jobs, and those calls will only get louder as time goes on.

CONCLUSION

The recent surge in US markets, despite initial shocks from Liberation Day tariffs and ongoing economic uncertainties, reflects a complex interplay of policy shifts, consumer resilience, and technological transformation. The rollback of aggressive trade measures has restored investor confidence, while strong consumer spending, driven by demographic trends, rising asset values, and a robust labor market, continues to support economic growth. At the same time, the USA is entering a new industrial era led by Artificial Intelligence, with key technology firms driving innovation and profitability. Together, these factors help explain why markets are not only recovering but reaching new highs, even amid broader concerns.

Ram Sachdev, director

The Starmer Account

Better financial education and share ownership for all

Should we be pressing for Starmer Accounts in the UK to rival the US Trump Accounts?

Every child born in the USA from 31 Dec 2024 receives $1,000 in a Trump Account. This is a tax-deferred (not exempt) investment which tracks the performance of a broad-based US stock market index. Parents and others can also contribute up to $5,000 a year into the account.

The Trump account will only invest in shares, not cash. The logic is that investing grows the economy and the power of compounding has a significant effect.

Michael Dell, founder and CEO of Dell Technologies, has promised to match the government's $1,000 contribution for children of Dell employees. No doubt other companies will follow.

Trump Accounts mark out the US as an ownership-focussed society. The amounts are significant enough for the next generation to experience directly the power of compounding and how stock markets work. The initiative will give US children a launchpad for starting their own businesses. At the launch event, business leaders stressed how many of the big US companies were started in garages and bedrooms with seed capital.

Mike Johnson, Speaker of the US House of Representatives, said: "If you have a 401(k) [a US self-managed pension] you understand the power of investing early for the future. Trump Accounts take that same principle and they apply it from the very beginning of Americans' lives. … Trump Accounts are all about setting up the next generation for success."

The Guardian also published a review, mentioning the UK Child Trust Fund and Singapore's Baby Bonus Scheme.

A Starmer Account (or, less narcissistically, a Starter Account) could be an improved version of Gordon Brown's Child Trust Fund, investing only in the UK. With ~600,000 children born in the UK each year, the annual cost would be a relatively modest £600m assuming a £1,000 per child government contribution.

Making the tax breaks on Starmer Accounts, ISAs and even pensions contingent on a minimum allocation to the UK market would, in my view, be eminently sensible if it can assist in creating wealth for future generations.

Cliff Weight, member

Dowlais Group takeover

Undervaluation driving exodus from London Stock Exchange

The recent takeover of automotive engineering firm Dowlais Group by a US competitor illustrates a worrying trend plaguing the UK stock market. Yet again, a British company has been acquired for what seems to be a bargain price, underscoring a persistent failure by UK investors to recognise the value inherent in domestic growth companies.

This trend has left UK PLC vulnerable to foreign takeovers and has contributed to a steady decline in the number of companies listed on the London Stock Exchange. The Dowlais case should serve as a wake-up call for UK investors, for the government, for regulators and for LSEG.

Dowlais, a spin-out from Melrose Industries, agreed to a takeover by American Axle & Manufacturing (AAM) in a deal announced at the end of January 2025. The offer of 85.2 pence per share represented a 25% premium to the previous day's closing price, but looked less generous when compared to the company's net book value (NBV).

In its 2024 Annual Report, Dowlais revealed that the implied equity value of the takeover, approximately £1.2 billion, represented a significant discount to Group net assets of £2.3 billion. This suggests the company was acquired at around 48% below its NBV.

Furthermore, the sale price reflects an EV / EBITDA ratio of just 3.5x, and a P/E ratio of approximately 4.6x, as compared with 8x for American Axle and 10.5x for Valeo.

The one saving grace is that the deal leaves existing shareholders with 49% of the combined entity, allowing them to benefit from $300m in anticipated annual synergies and from future upside.

UK STOCK MARKET MALAISE

The failure of UK markets to appreciate the value in companies like Dowlais creates an environment where overseas buyers can swoop in and acquire British innovation, intellectual property and market share on the cheap. This contributes to a hollowing out of the UK's public markets.

Data on company listings on the London Stock Exchange (LSE) paints a bleak picture. Both the main market and the Alternative Investment Market (AIM) have seen a consistent downward trend in the number of listed entities.

The Main Market, home to the UK's largest and most established companies, has been haemorrhaging constituents. In 2023, the market suffered a net loss of 65 companies, with only 23 new listings and 88 delistings. This exodus is driven by a combination of factors, including the allure of higher valuations on other international exchanges, particularly in the US, and the increasing burden of regulation for traded companies in the UK.

The AIM market, designed to help smaller, growing companies access capital, is facing an even more acute crisis. The number of companies listed on AIM has plummeted from a peak of 1,694 in 2007 to just 679 in March 2025, its lowest level in over two decades. In the 12 months to March 2025, the market shrank by a net 61 companies. This decline stifles the

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growth of the next generation of British businesses and limits investment opportunities for those seeking to back UK enterprise.

Several factors are contributing to this chronic undervaluation of UK equities:

- **Investor sentiment:** There is a prevailing pessimism among many UK investors towards their home market, partly fuelled by the economic and political uncertainty following Brexit. This has led to a flight of capital towards international markets, particularly the perceived glamour and high-growth prospects of US tech stocks. Positive rhetoric from the new Labour Government has yet to change investor sentiment, and the market has not reacted well to NI increases, IHT changes, the failure to remove stamp duty on UK shares and the exit of many non-doms.
- **Structural issues**: The UK's pension fund landscape has shifted focus from equities and towards bonds, reducing a significant source of domestic investment in UK companies.
- **Lack of retail investor participation**: While organisations like ShareSoc champion the cause of individual investors, retail participation in the UK stock market remains lower than in other developed economies.
- **A focus on dividends over growth**: The UK market has traditionally been favoured for its dividend-paying stocks. This focus can lead to an undervaluing of companies with strong long-term growth potential that reinvest their profits.

A CALL TO ACTION FOR UK INVESTORS

The solution to this predicament lies, in large part, with UK investors themselves. We need to look again at the opportunities on our own doorstep. Significant discounts to book, as seen in the case of Dowlais, are not always a risk but also a potential opportunity for discerning investors.

By actively seeking out and investing in undervalued UK companies, we can:

- **Drive a re-rating of the UK market**: Increased demand for UK shares will naturally lead to higher valuations, making it more difficult for foreign predators to acquire British assets on the cheap.
- **Support UK businesses**: Providing capital to UK companies allows them to invest, innovate and grow, creating jobs and strengthening the UK economy.
- **Generate strong returns:** Investing in undervalued assets can contribute to long-term wealth creation.

The buy British message is clear; however, the timing of when it is best to buy is difficult, if not impossible, to get precisely right.

Cliff Weight, member

DISCLOSURE: Cliff owned shares in Dowlais.

Anexo

Another delisting on the cheap

ANALYSIS OF THE 60P BID AND INVESTOR REACTION

Following the 22nd July 2025 announcement of a takeover offer for Anexo Group plc, this blog represents my personal analysis of the offer.

1. THE OFFER: A 60P PRICE WITH A COMPLEX STRUCTURE

The offer from Bidco (an entity controlled by DBAY and the company's founders) purportedly valued Anexo at 60p per share. However, it is critical to understand that this was not a straightforward cash bid. The deal was structured to give minority shareholders two elements of consideration:

- **A Partial Cash Exit**: A Tender Offer allowed shareholders to sell a guaranteed minimum of 46.47% of their holding for 60p per share in cash.
- **A Paper Rollover**: For all remaining shares, shareholders received 60p per share in the form of illiquid, unsecured loan notes with a five-year maturity. These loan notes pay no cash interest for up to five years; instead, the 15% interest accrues and is paid on redemption.
- There was also an **"Alternative Offer"** to receive non-voting shares in the new private company, which will be equally illiquid.

The bidders, who already controlled over 60% of the company, intend to delist Anexo from the AIM market, which will remove all public trading facilities for the shares.

2. SHAREHOLDER REACTION: ANGER AND FRUSTRATION

A review of public investor forums, including the LSE and ADVFN bulletin boards, shows a near-unanimous feeling of outrage and betrayal among minority shareholders. The sentiment is overwhelmingly negative, with key themes emerging:

- **Outrage at the price**: The 60p price is widely seen as a "take-under" or "theft," in light of the historically low share price and the indicative 2021 offer from DBAY at 150p.
- **Anger at the independent directors:** There is profound anger directed at the independent directors for recommending an offer that their own independent financial adviser, Grant Thornton, "does not consider… to be fair and reasonable." This is seen as a complete failure of corporate governance.
- **Feeling trapped:** With the bidders holding an unassailable 63% stake and forcing through the delisting, investors felt trapped with no good options.
- **Unattractive structure:** The loan notes and alternative shares are viewed as "monopoly money"—illiquid, high-risk instruments designed to benefit the bidders while offering little security or value to minorities.
- **Inadequate cash exit:** The partial cash tender offer is seen as a "crumb from the table," designed to give the appearance of fairness while the bidders secure the company's assets on the cheap.

3. OFFER PRICE: JUSTIFIED OR OPPORTUNISTIC?

In June 2021, DBAY advisors had announced a potential cash offer at 150p. This was withdrawn in August 2021. At the time, the shares had been trading at around 140p.

In April 2023, DBAY advisors again expressed interest, although no Rule 2.7 offer was made. At the time, the shares were trading at around 100p. Market speculation focused on a potential offer price in the 80p / 100p range.

RETURN TO INDEX

In 2025, Anexo was trading around 60p to 70p prior to the offer, but dropped to 52p on 22 July 2025.

ANEXO'S FINANCIAL PERFORMANCE SINCE THE FIRST OFFER

The past few years have been challenging for the company, which largely explains the share price decline and the lower offer price. The key issues are not with revenue, but with profitability and, most importantly, cash flow and debt.

Here's a summary of the company's performance based on its published results for the full year 2024 (released in Spring 2025):

Revenue growth (the positive): Top-line revenue has continued to grow. The business is still successfully acquiring new cases for its legal services division (Bond Turner) and growing its credit hire vehicle fleet. This indicates that the core business engine is still running well.

Profitability under pressure (the concern): While revenue grew, profit before tax (PBT) fell. In its most recent annual report, the company reported a decline in profit before tax compared to the previous year. This was attributed to inflationary pressures on fixed costs and the significant investment required to pursue new cases within the VW emissions litigation portfolio.

- **Financial year 2023**: PBT was £28.1 million.
- **Financial year 2024**: PBT fell to £21.7 million.

This represents a significant year-in-year decline of £6.4 million, or nearly 23%, and provides a clear reason for a bidder to argue for a lower valuation.

Rising net debt and problematic cash flow (the major issue): Anexo's business model requires a huge amount of cash to fund car credit hire and the costs of litigation before cases are settled. Net debt is a crucial metric for Anexo as it uses debt to fund its cases and vehicle fleet.

- **As of 31 December 2023:** Net debt stood at £67.5 million.
- **As of 31 December 2024**: Net debt had risen to £81.4 million.

This represents an **increase of £13.9 million, or over 20%**, in just twelve months.

Slow cash conversion: The company has seen a slowdown in the time it takes to receive cash from settled cases, a theme across the sector.

Investment in VW cases: Pursuing the potentially lucrative VW emissions claims requires substantial upfront cash.

This combination has led to a significant increase in the company's net debt. The market is concerned about this rising debt level and the strain it places on the balance sheet.

The bidder is taking on a much larger debt pile, which increases the risk profile of the business and potentially justifies a lower equity price.

FAIRLY PRICED OR OPPORTUNISTIC?.

The argument for the price being justified: Since the withdrawn offer in mid 2021 and the potential offer of mid 2023, Anexo's financial profile has become steadily riskier:

- Profits have declined.
- Net debt has risen substantially.
- The time it takes to turn cases into cash has lengthened.

The offer is broadly consistent with the recent open market price of the shares.

The argument for the bid being too low:

- **Timing is key:** The bidders are making their move when the company's cash flow is at a point of maximum strain and market sentiment is low. They are bidding before the massive investment in the VW emissions cases begins to turn into highly profitable cash settlements.
- **Capturing the upside:** If the VW litigation is successful over the next 1-3 years, it could lead to a huge influx of cash and profit for Anexo. By

taking the company private now at 60p, DBAY and its partners will capture all of this future upside, while current shareholders will miss out.

- **Underlying business is intact**: The fact that revenues are still growing proves the business model is not broken. The current issues are primarily related to timing, not to a fundamental collapse in operations.
- **The independent advice:** Grant Thornton, the official financial adviser, has not been able to advise whether the offer is fair and reasonable. They specifically note that the offer "does not give any consideration to the potential upside" from the valuable diesel emissions litigation claims. It is highly unusual for a board to recommend an offer without such advice.
- **The value proposition:** While Anexo has faced cash flow headwinds, a 60% reduction from the earlier indicative 150p offer seems entirely disproportionate. The bidders are using the company's short-term (and self-induced) cash constraints to appropriate the significant long-term value of the litigation portfolio for themselves.
- **The structure:** The deal is structured to consolidate the bidders' control while pushing the financing risk onto minority shareholders who accept the paper offers.

Because this was a voluntary offer, rule 6.1 of the Takeover Code is not triggered. There is a strong argument that the bidders should have shown goodwill (and defended themselves against shareholder criticism) by voluntarily adhering to this rule by offering at least the highest price paid for shares in the 12 months prior to the offer.

In conclusion, the 60p offer appears to be a masterclass in opportunism, using inside knowledge and a controlling stake to take a company private at a price its own adviser cannot endorse, leaving minority shareholders justifiably furious.

Cliff Weight, member

DISCLOSURE: Cliff is a long-term shareholder in Anexo.

FULL TEXT OF GRANT THORNTON'S OPINION

Here is the text from paragraph 6 of the offer, detailing the independent adviser's view:

View of the Company's independent financial adviser with regard to the financial terms of the Tender Offer and the Takeover Offer

The Independent Anexo Directors have received advice from Grant Thornton in connection with the financial terms of the Tender Offer and the Takeover Offer. In providing its advice, Grant Thornton has taken into account the commercial assessments of the Independent Anexo Directors.

The Tender Offer

Grant Thornton notes that although the Offer Price (which is the same for both Tender Offer and Takeover Offer) implies an earnings multiple which falls within a range of multiples observed in companies and transactions identified as being broadly comparable to the constituent parts of the Wider Anexo Group (whilst acknowledging the limited availability of directly comparable and relevant companies and transactions, particularly in relation to the Wider Anexo Group's credit hire activities), the Offer Price does not give any consideration to the potential upside that could be realised if the Company successfully delivers the potentially material, albeit uncertain returns associated with the Wider Anexo Group's investment into diesel emission litigation claims.

A favourable settlement of the diesel emission litigation claims would be expected to enhance the Company's revenue, profitability and cashflows although the certainty, quantum and timing of any negotiations or court settlement, and the costs associated with pursuing the claims, remains uncertain.

Furthermore, although the Offer Price represents a premium of 17.6 per cent to the closing price of 51 pence per Anexo Share on 17 April 2025 (being the last Business Day before the Offer Period began), it is a discount of 2.6 per cent to the Volume Weighted Average Price of 61.6 pence since the start of the Offer Period up to the Latest Practicable Date, and also a discount to longer term volume weighted averages (between 4 and 12 months) prior to the Offer Period. Consequently, Grant Thornton does not consider the financial terms of the Tender Offer to be fair and reasonable.

Grant Thornton notes that the Tender Offer represents the only cash exit opportunity available to Anexo Shareholders under the proposals. However, the Tender Offer does represent a partial liquidity opportunity offering Anexo Shareholders (excluding the Joint Bidders) cash for up to approximately 46.47% of their holdings on a pro rata basis, which may not be achievable in the future, if at all.

PIK Loan Notes

In addition to the financial considerations relating to the Offer Price detailed above, Grant Thornton notes that the PIK Loan Notes, as described in paragraph 12 of this Announcement, are non-cash consideration which have no readily realisable market value as they are unlisted and non-transferable other than with the consent of Bidco. The PIK Loan Notes are inherently subject to the risks associated with illiquid and non-transferable securities, as further described in paragraph 14 of this Announcement.

For the reasons above, together with the risk factors and other investment considerations set out in paragraph 14 of this Announcement, and the uncertainties relating to the valuation of the PIK Loan Notes, Grant Thornton is unable to advise the Independent Anexo Directors whether or not the financial terms of the Loan Note Offer are fair and reasonable.

Consideration Shares

In addition to the financial considerations detailed above, Grant Thornton notes that the Consideration Shares as described in paragraph 13 of this Announcement are non-cash consideration and (a) are unlisted and will not be transferrable except in limited circumstances; (b) will not carry any voting rights; © will only carry pre-emption rights on new issues of securities by Midco if any such issue is for cash, and such rights will be subject to other important exceptions presenting a risk of significant dilution and reduction; and (d) their future value will be uncertain as any exit will be reliant on either one or both of the Joint Bidders exiting (either by ceasing to control directly or indirectly control Topco or Topco and its affiliates ceasing to control Midco).

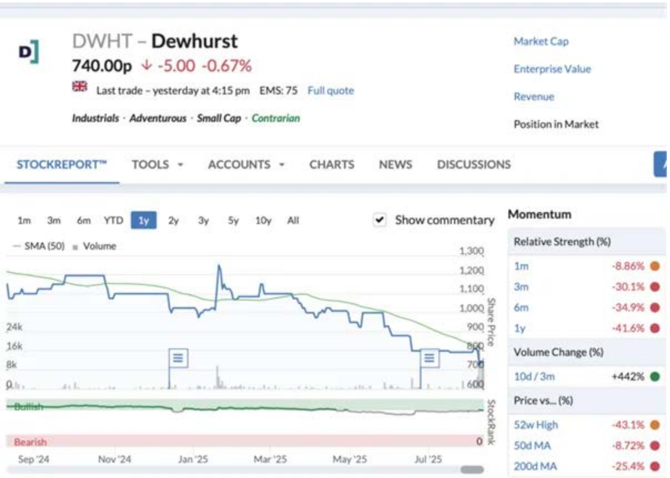
For the reasons above, together with the risk factors and other investment considerations set out in paragraph 14 of this Announcement, it is not possible to provide a reasonable assessment of the present value of the Consideration Shares and Grant Thornton is unable to advise the Independent Anexo Directors whether or not the financial terms of the Alternative Offer are fair and reasonable.

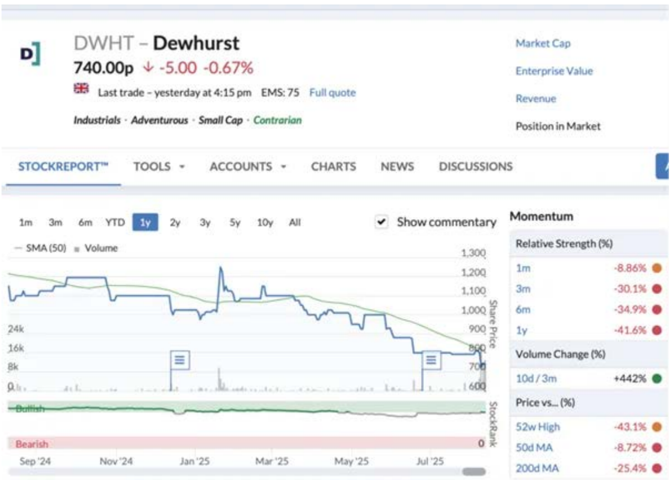
Dewhurst

Yet another opportunistic delisting

Following Gusbourne and Anexo, here is another recent example of exploitation of minority shareholders by controlling shareholders through delisting.

The share price of the ordinary and A shares clearly shows the dangers of dual class structures and the divergence of their share prices:





Source: Stockopedia

On 4th August 2025, Dewhurst Group PLC, a global manufacturer and supplier of components for the lift, transport, and keypad industries, announced its intention to delist from AIM and to re-register as a private limited company.

TERMS AND RATIONALE:

- **Return of Capital:** Dewhurst announced a tender offer to return up to £25.0 million in cash to qualifying shareholders, to allow shareholders who no longer wish to be invested in a private company to sell some or all of their shares.
- **Pricing:** The tender was at **£9.00 per ordinary share** and **£6.65 per 'A' share**. These prices were stated to be at a premium to the market price at the time of the announcement.
- **Delisting:** Dewhurst stated that the company is too small to be of interest to most UK investors and that it has historically funded its expansion through internally generated funds, never having raised capital on AIM.
- **Process:** The delisting, tender offer, and re-registration proposals were inter-conditional and subject to shareholder approval at a General Meeting scheduled for August 21, 2025.

IMPACT ON MINORITY SHAREHOLDERS

Delisting from a public market removes liquidity and transparency for remaining shareholders. This restricts remaining minority shareholders by limiting their ability to trade shares freely and access public information and effectively forces many of them to accept the tender.

Delisting can have a significant impact on the minority shareholders' interest and may oblige the majority shareholder to offer compensation. In this case, Dewhurst did offer compensation via the tender.

SHARE PRICE PRIOR TO DELISTING (AUGUST 5, 2025)

Here's a summary of the share price performance for both Dewhurst's Ordinary Shares (DWHT) and 'A' Non-Voting Ordinary Shares (DWHA) in the 12 months leading up to the announcement date:

Dewhurst ordinary shares (DWHT: LSE):

- **Price on August 5, 2025 (announcement day):** 725.00 pence.
- **52-week range** (to Aug 8, 2025):
    - **Low**: 715.00 pence (set on July 17, 2025).
    - **High:** 1,300.00 pence (set on January 22, 2025).
- **Tender price**: 900.00 pence.

Dewhurst 'A' non-voting ordinary shares (DWHA: LSE):

- **Price around announcement**: 615.00 pence (as of August 10, 2025).
- **52-week range**:
    - **Low**: 450.00 pence.
    - **High**: 684.00 pence.
- **Tender price**: 665.00 pence.

In the 12 months leading up to the delisting announcement, Dewhurst's ordinary shares (DWHT) experienced significant volatility. They traded as high as 1,300.00 pence in January 2025 before falling to a 52-week low of 715.00 pence in July 2025, just prior to the delisting announcement. The tender offer price of 900.00 pence for ordinary shares was a premium to the market price at the time of the announcement (725.00p), but significantly below the 52-week high.

Similarly, the 'A' shares (DWHA) also saw a range of prices, with a 52-week high of 684.00 pence and a low of 450.00 pence. The tender offer price of 665.00 pence for 'A' shares is also a premium to their recent market price.

The fact that the share price for the ordinary shares had fallen significantly from its 52-week high before the delisting announcement, despite the tender being at a premium to the then-current market price, is a key point for minority shareholders. While the tender offers an exit, it is at a price considerably lower than the price shares traded at earlier in the year.

PARTIAL OFFER

The tender offer announced by Dewhurst Group PLC was a partial offer, not an offer for all of the company's shares.

- Dewhurst proposed to return up to £25.0 million in cash to qualifying shareholders via a tender offer.
- Specifically, the company offered to purchase up to a **maximum** of 20,000,000 ordinary shares.
- This amount represented approximately half of the company's market capitalisation at the time of the announcement.
- The tender offer was designed to provide an opportunity for shareholders who did not wish to be invested in a private company to sell some or all of their shares.

CONTROLLING SHAREHOLDERS

Based on the latest available shareholder information (as of June 14, 2022), the Dewhurst family and related parties held significant stakes in both the Ordinary (voting) and 'A' (non-voting) shares, indicating they had effective control over the company.

The voting shares were largely concentrated within the Dewhurst family and associated entities:

- **Mrs V E Dewhurst: 19.7%**
- **Mr R Dewhurst (and related parties): 14.9%**
- **Mr D Dewhurst (and related parties): 12.7%**
- State Street Nominees Ltd (OM02 Acct): 6.1%
- Mrs B Bruce: 5.7%

- Exors of Ms E Dewhurst: 5.3%

Collectively, the named Dewhurst family members and related parties (Mrs V E Dewhurst, Mr R Dewhurst, Mr D Dewhurst, and Exors of Ms E Dewhurst) held approximately **52.6%** of the voting shares. Furthermore, the "percentage of securities not in public hands" for voting shares was stated as **71.6%**. This level of ownership allowed them to pass ordinary resolutions (requiring over 50% of votes) and significantly influence or block special resolutions (often requiring 75% of votes).

GENERAL MEETING

Dewhurst Group shareholders approved the delisting from AIM on 21st August. The delisting is scheduled to take effect on 11th September 2025. Dewhurst will re-register as a private company and establish a secondary market trading facility, although liquidity and pricing are unlikely to match AIM levels.

CONCLUSION:

The Dewhurst family and related parties, through their significant combined shareholdings in the Ordinary (voting) shares, exercise effective control over Dewhurst Group PLC. Their collective ownership allowed them to direct the company's strategic decisions, including the recent delisting and re-registration as a private company, which required shareholder approval.

Arguably, this is another delisting on the cheap. It is certainly a cautionary tale for minority investors in companies with large controlling stakes.

Cliff Weight, member

DISCLOSURE: Cliff does not hold any shares in Dewhurst.

The FCA and Woodford

A regulatory catastrophe

The aftershocks of the collapse of the Woodford Equity Income Fund (WEIF), once a titan of the UK's retail investment scene, continue to reverberate through the financial landscape.

Six years on from the fund's ignominious suspension, the recent levying of a £46 million fine on Neil Woodford and his firm by the Financial Conduct Authority (FCA) has done little to quell the simmering anger of hundreds of thousands of investors who saw their savings decimated.

This protracted scandal is a damning indictment of the UK's financial regulator, whose catalogue of failures, culminating in a disastrous fire sale of the fund's illiquid assets, raises profound questions about the FCA's fitness for purpose.

This article focuses on the FCA's failings in the Woodford affair, with a particular focus on the regulator's role in the forced liquidation of the fund's assets. It draws upon the tireless campaigning of ShareSoc, the UK Individual Shareholders Society, and the insightful commentary of financial journalists, including Emma Dunkley of the Financial Times, to argue that the regulator was not a passive bystander but an active participant in a process that crystallised substantial losses for ordinary investors.

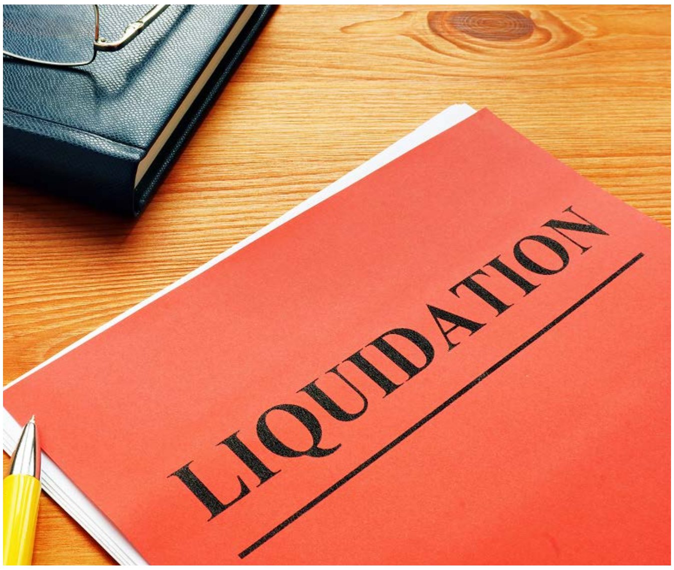
GENESIS OF A DISASTER: A REGULATOR ASLEEP AT THE WHEEL

The Woodford Equity Income Fund, launched to great fanfare in 2014, was built on the star power of its founder, Neil Woodford. His long and successful track record at Invesco Perpetual attracted a deluge of retail investment, with the fund's assets under management peaking at over £10 billion.

However, the seeds of its destruction were sown when the fund's investment activity started to drift, veering increasingly into unlisted, illiquid and non-income-producing securities.

This growing illiquidity was a ticking time bomb in an open-ended fund that promised daily liquidity to its investors. The FCA, the body charged with protecting these investors, had ample warning of the impending danger. Whistleblowers had raised concerns, and the fund's increasingly unconventional portfolio was a matter of public record, but the regulator failed to take decisive action to curb the fund's escalating risk profile.

The suspension of the fund in June 2019, triggered by a wave of redemption requests that it could not meet, was the inevitable consequence of this combination of irresponsible investment management coupled with regulatory inaction. But, for the 300,000 investors trapped in the fund, the suspension was just the beginning of their nightmare.



THE LIQUIDATION: A FORCED SALE SANCTIONED BY THE FCA

The decision to liquidate the WEIF in October 2019, driven by the fund's administrator, Link Fund Solutions, and sanctioned by the FCA, marked a critical juncture in the saga.

It was at this point that the regulator's failure to protect investors morphed into an active role in the destruction of their capital. The process of winding down the fund evolved into a fire sale of its illiquid assets, with specialist buyers circling to pick up distressed assets at knockdown prices.

One of the most egregious examples of this was the sale of a portfolio of 19 biotech stocks to the US firm Acacia Research in June 2020 for £224 million. This portfolio, which included promising companies such as Oxford Nanopore, was sold at a significant discount to its previous valuation.

The speed with which Acacia was able to sell on some of these assets for a swift and substantial profit underscored the extent to which investors' interests were being sacrificed in the liquidation.

The role of PJT Park Hill, the adviser appointed to manage the sale of the illiquid assets, has also come under scrutiny. The firm charged substantial fees for its services, further eroding the value returned to investors. The entire process was conducted with a shocking lack of transparency, leaving investors in the dark as their savings were carved up and sold off for pence in the pound.

The FCA's role in this calamitous process was not one of a detached observer. As the regulator, it had the authority to intervene and ensure an orderly and value-maximising liquidation. Instead, it appears to have prioritised a swift and clean end to the Woodford affair, regardless of the cost to investors. Its approval of the liquidation process, knowing that it would inevitably lead to a fire sale, is a betrayal of its statutory duties.

THE SHARESOC CAMPAIGN: A VOICE FOR THE DISENFRANCHISED

Throughout this sorry saga, ShareSoc has been a relentless and powerful voice for the dispossessed investors. The organisation has tirelessly campaigned for redress for the victims of the Woodford collapse and for fundamental reforms to the UK's financial regulatory framework.

ShareSoc has highlighted the regulator's failure to act on the early warning signs of the impending crisis, its ineffectual oversight of Link Fund Solutions, and its complicity in the disastrous liquidation of the fund's assets.

The campaign group has argued that the compensation offered to investors by LFSL is woefully inadequate and fails to account for the full extent of their losses, which have been compounded by the opportunity cost of having their capital trapped in a failed fund for years.

The campaign has also highlighted systemic flaws in the UK's regulatory architecture. The Woodford collapse has exposed the inherent conflicts of interest in a system where the regulator is tasked with promoting the competitiveness of the financial services industry while protecting consumers.

THE FCA'S CULPABILITY

The collapse of the Woodford Equity Income Fund has been a landmark disaster with many contributing factors. The hubris of its founder, the failures of the fund's authorised corporate director, and the inadequacies of the regulatory framework all played a part. However, the role of the Financial Conduct Authority warrants particular focus.

From its failure to act on the danger posed by the fund's illiquidity to its sanctioning of a liquidation that crystallised significant losses for investors, the FCA has been found wanting at every turn. The recent fines, while headline-grabbing, are a wholly inadequate response to a regulatory failure of this magnitude.

The Woodford affair is a stain on the reputation of the UK's financial services industry and its regulator. It is a cautionary tale of what happens when a regulator loses sight of what should be its primary duty: to protect the investing public from foreseeable and avoidable harm.

For the hundreds of thousands of ordinary people whose financial futures have been blighted by this scandal, the pursuit of justice and meaningful regulatory reform must continue.

The FCA has been an active participant in a financial tragedy. A full and independent inquiry into its handling of the Woodford affair is not just desirable; it is a national imperative.

Cliff Weight, member

AGMs

Attending AGMs Using AJ Bell's Voting Service

How the service works in practice

AJ Bell has introduced an electronic voting service for clients which can be accessed from the Account menu (Voting Instructions) when viewing your portfolio. The same Broadridge technology is the same as that used by interactive investor (ii). It offers the valuable option of requesting attendance at a general meeting, which can be found at the top of the form for completing voting instructions.

When I use that option with ii, they send me a letter of representation (LoR), by post. This authorises me to attend, vote and speak as a representative of their nominee in respect of my holding. The voting/attendance feature on ii's website can be accessed from the "Manage" option on the "Portfolio menu", selecting "Voting Mailbox".

I recently requested attendance at two AGMs through AJ Bell's service but was surprised and disappointed not to receive LoRs from them. Ahead of the AGMs, I queried this with AJ Bell. They advised me that Broadridge communicates the authorisation directly to the registrars of the company concerned and that I would be permitted to attend, speak and vote if I simply presented my ID at the registration desk.

I did this at the AGM of FTSE100 mining company Endeavour Mining and am delighted to report that it worked. I just showed up at the registration desk for the AGM and was duly handed a poll card showing the correct number of shares that I held with AJ Bell.

However, I was very keen to attend the potentially controversial Digital 9 (DGI9) AGM. To be certain of gaining admission, I requested a physical LoR using AJ Bell's secure messaging service and duly received it in the post.

I hope that other clients of AJ Bell find this information helpful.

Mark Bentley, director

DISCLOSURE: Mark holds shares in Endeavour Mining and DGI9

Halma (HLMA) AGM Report 2025

AGM Date: July 24, 2025

LOCATION

The Offices of The King's Trust, Cavendish Square, London. (Close to Oxford Street tube station.)

STRUCTURE

Coffee & biscuits in the main reception area with plenty of annual reports available to browse (for those strong enough to pick them up!).

30 minutes before the start, Halma officials flooded into the room and made a point of speaking to the attendees.

At the meeting, the Chair introduced the directors, then the CEO gave a brief talk about the past year and future prospects. Questions were then invited. There were 6, all seeking further details to specific items of the business. AGM business followed briefly. The whole meeting took just 30 minutes.

There were no post meeting refreshments or networking.

ATTENDANCE

The top table had 12 directors. There were about 50 people in the room, including other Halma staff. I estimate that there were about 30 Private Investors, with no brokers or fund managers in attendance.

THE BUSINESS

Halma is quite an unusual business. After a detailed conversation with the Chair before the meeting, I now have a much better understanding of how it works. It owns nearly 50 individual companies which function independently.

Each company has a board of directors with the Chair appointed by Halma. Each Chair leads 5 or 6 companies, and they come together to keep everyone centrally informed of operations.

The advantage of being part of a larger group is the breadth of knowledge. For example, if one company decides they would like to begin selling in India, there will be the expertise within other companies to help.

The businesses are generally technology based in the sectors of health, environment and safety. Their aim is to make the world healthier, safer and cleaner. The range of the business is vast, including blood pressure monitors, water analytics, fire detectors and corrosion monitors.

Halma employs 9,000 people in 20 countries. Listed in 1972, it became a member of the FTSE100 in 2017. It has grown profits every year for the last 22 (so this includes the Financial Crisis and Covid) and increased its dividend by over 5% for 42 consecutive years.

PERSONAL COMMENTS

It was a pleasure to attend an AGM in a large auditorium and sit in comfortable seats!

There was an air of contentment among the shareholders. None of the questions were critical of the board in any way – they were all just asking for more details.

Halma is confident of its ability to continue growing using the same business model, and expects further acquisitions.

I was also interested to talk to the officers about their Head Office, which is not what one expects from one the UK's largest companies. It is about a quarter of a mile from my home, in an old, converted mill, on the banks of a small river; and has no signage to suggest what it is. The car park is abundantly fitted with EV charging points.

Chris Hardstaff, ShareSoc & SIGnet member

RETURN TO INDEX

Farewell to Angela, Welcome to Lucy

We'd like to extend our heartfelt thanks to Angela, our Digital Marketing Assistant, who is moving on after making a fantastic contribution to ShareSoc and SIGnet. Her creativity and dedication have helped us grow our online presence and connect more effectively with our community. We wish her every success in her next chapter.

Stepping into Angela's shoes is Lucy Masia, who brings fresh energy and experience to the role. Lucy is excited to support both ShareSoc and SIGnet, and looks forward to engaging with our members and wider audience. She'll be continuing our mission to raise awareness and encourage participation through digital channels.

To help Lucy hit the ground running, we invite you to follow us on your favourite social media platforms — and don't forget to follow, like, comment and share our posts to help spread the word!

Twitter: @ShareSocUK

LinkedIn: /sharesoc & /signet

Facebook: /sharesoc

Instagram: @sharesoc

SIGNET

Message from Bill Fawkner-Corbett, Head of SIGnet

SIGnet continues to grow, adding new groups and members every month. Our three most recent additions are physical groups in Harpenden and Cambridge, and a virtual Dividend Investing group. Most new SIGnet members are ShareSoc members who have added SIGnet to their membership.

The main activity of SIGnet is our groups, which typically have 8 to 15 members and meet regularly, usually every month, to discuss shares and investing. Members are welcome regardless of their investing experience or investment style. SIGnet groups offer an opportunity to learn from fellow investors in a friendly, social environment.

One strength of the SIGnet network is that we have many different groups with different styles, locations and experience levels. This map shows our national coverage and you can find out more about the various groups here.

Our Beginners' and Intermediate groups have now launched for their third run, following their successful introduction in October 2023. Each group consists of eight monthly virtual meetings and continues to be very popular among members. If you're interested in joining, please visit our Groups webpage to check for current vacancies or email us at info@sharesoc.org.

Membership of SIGnet includes more than just the groups. For example, we reintroduced SIGnet company visits last year, and have organised over ten since then. Recently, we have organised successful visits to Solid State (SOLI), 1Spatial (SPA) and Cohort (CHRT). Those who attended have found these very valuable.

So if you are not yet a SIGnet member, why not consider joining us? If you want to find out more or ask any questions you can join one of our monthly Introduction to SIGnet Zoom calls. The next one is at 6.30pm on 21st October. You can sign up here or keep an eye on our Events page for future dates.

EVENTS

Amanda McTomney. General Manager

Leeds in-person event

On 8th October we will be hosting an in-person event in Leeds, the first event in the area for a number of years. Held in a central Leeds hotel, the seminar will feature presentations from multiple companies including Built Cybernetics (BUC), N4 Pharma (N4P) and Aptamer Group plc (APTA), as well as an opportunity to network with presenters and fellow members.

We encourage all members in the area to register. Both Bill Fawkner-Corbett, Head of SIGnet, and I will be attending and we look forward to meeting you there. Please spread the word with friends and family in the area.

For more information or to register, please click here.

Your Route to a Financial Future

On 16th October, we will be hosting a webinar focusing on how modest, regular investment can help you grow a retirement pot, and ways and means of achieving your goals. The webinar host, ShareSoc director **Mark Northway** will be joined by panel members **Baroness (Ros) Altmann** (Former Pension Minister) **Annabel Brodie-Smith** (Communications Director, AIC); **Mark Bentley** (Director of ShareSoc) and **Jez Dyer** (Convener, SIGnet Reading Group).

Key Topics to be Discussed:

- Why you need to invest to secure your financial future
- What are investment trusts and how they can help you to build wealth for a secure future

- Practical experience of growing a retirement fund and drawing an income from it
- How joining a SIGnet group can help you in your investment journey.

The webinar is free for all to attend and there will be an opportunity to ask questions. For more information, or to register, please visit: Your Route to a Secure Financial Future Webinar - ShareSoc

Please let any of your friends or relatives who are not yet investors, or are just starting out, know about this event. They will find it invaluable!

London Hybrid Event

The next London Hybrid event takes place at ISH Venues on 13th November and will feature presentations from TheraCryf plc (TCF) and Bioventix (BVXP), as well as other company updates (to be announced soon) and the ability to network with presenters and members over drinks and a buffet. For those unable to attend in-person, you will have the option to watch online and submit questions. Please click here for further information, and to register.

Meet the Analyst webinars

The Meet the Analyst webinars continue to go from strength to strength showcasing different sectors and providing members with insights from Edison analysts. If you haven't seen the webinars yet, keep an eye on the events email and webpage for forthcoming sessions, and visit our YouTube channel for past recordings.

As always, if you know of a company which would like to engage with individual investors, please contact events@sharesoc.org.

Forthcoming events

22 SEPTEMBER 2025

Lloyds Banking Group webinar

Register via the ShareSoc website events page

23 SEPTEMBER 2025

Meet the Analyst Webinar- Healthcare (CNS)

Register via the ShareSoc website events page

24 SEPTEMBER 2025

The City of London Investment Trust webinar

Register via the ShareSoc website events page

8 OCTOBER 2025

Leeds in-person Seminar

Register via the ShareSoc website events page

16 OCTOBER 2025

Your Route to a Financial Future webinar

Register via the ShareSoc website events page

5 NOVEMBER 2025

Lowland Investment Company webinar

Register via the ShareSoc website events page

13 NOVEMBER 2025

London Hybrid event

Register via the ShareSoc website events page

Catch-up corner

Lowland Investment Company plc (LWI) - 25 June 2025

Supermarket Income REIT (SUPR) webinar - 20th March

Discovery Company Webinar- Sound Energy (SOU) & Oxford Technology Management - 23 July 2025

CONTACT INFO

NEWS & SOCIALS
Join the discussion!

Go to our social pages where you can follow the news or add comments.
Twitter: @ShareSocUK
LinkedIn: /sharesoc
Facebook: /sharesoc
Instagram: @sharesoc

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us with a donation

Are you finding your ShareSoc membership of value? If so, please consider donating to help us continue to support individual shareholders. Go to our website for more information

PROTECTION
of your personal data

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PUBLICATION & CONTACT INFO

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ADDRESS CHANGES

Please notify ShareSoc's Membership Secretary of any change of postal or email addresses (do that using the contact page on our main web site).

Not that we write to people usually, but if an email address stops working, then we do send a letter to you. Paid subscription reminders may also be sent by post, so make sure your details are up to date!

TERMS OF USE