



Shareholder
Executive

HM Government

Annual Review 2014-15

December 2015

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Opening Words by the Rt Hon Anna Soubry MP



The Government is committed to ensuring that the taxpayer gets best value from the assets that it owns.

This is the role of the Shareholder Executive (ShEx). It acts as custodian of vital publicly-owned assets, ensuring their effective and efficient management. It also considers opportunities to increase value through transformation. This means considering whether continued public ownership is the right way forward, or whether there is potential for an asset to operate more efficiently in the private sector, or for an injection of private capital. ShEx also plays an important role in boosting our economy through supporting innovation, such as through the establishment of the Green Investment Bank, and the British Business Bank.

As well as marking the major achievements that ShEx has delivered during the past year, this Review also marks a stepping stone to the new arrangements that will create a single centre of excellence under HM Treasury.

As the Government announced in May this year, responsibility for ShEx will fully transfer by 1 April 2016, from the Secretary of State for Business, Innovation and Skills to the Chancellor of the Exchequer. ShEx will become a division of UK Government Investments (UKGI), a new government company wholly owned by HM Treasury. It will be joined by UK Financial Investments (UKFI), which manages the Treasury's remaining shareholdings in the Royal Bank of Scotland and Lloyds Banking Group.

I welcome this move. It will bring together the two government bodies that manage most of the taxpayer's stakes in business into a single company, UKGI, which will provide a single, high-profile centre of excellence for corporate finance and corporate governance. It demonstrates this Government's commitment to transforming the public sector, fostering excellence and delivering best value for the taxpayer.

The Rt Hon Anna Soubry MP

**Minister of State for Small Business, Industry
and Enterprise**

Department for Business, Innovation and Skills (BIS)

The Shareholder Executive

Who are we?

A unique and diverse group, bringing together private sector commercial expertise and essential civil service skills.

An exemplar for the modern civil service, working flexibly and collaboratively across Government to provide expert advice and a professional service.

What is our mission?

To ensure that Government is an effective and intelligent shareholder in its part or wholly-owned businesses.

To manage Government's interventions in the private sector to secure best value for the taxpayer.

What do we do?

We manage the Government's shareholder relationships with businesses owned or part-owned by the Government.

We offer corporate finance expertise and advice to Government departments to ensure the taxpayer gets best value from the assets it owns.

We deliver growth and boost the economy in new and innovative ways – via entities like the Green Investment Bank, investing in green projects, or the British Business Bank, helping finance markets to work better for smaller businesses.

What's new?

We are moving from BIS, to form part of UKGI, a new government-owned company which will bring together ShEx and UKFI to form one single centre of excellence in securing best value for the taxpayer, owned by HM Treasury.

Our Activities

Area of work	Governance	
For BIS	<ul style="list-style-type: none"> • Board appointments • Business/Financial Plan Approvals • Performance monitoring <ul style="list-style-type: none"> <li style="width: 50%;">• British Business Bank <li style="width: 50%;">• Land Registry <li style="width: 50%;">• Companies House <li style="width: 50%;">• Met Office (until October 2015) <li style="width: 50%;">• Royal Mail <li style="width: 50%;">• Ordnance Survey <li style="width: 50%;">• Post Office Ltd <li style="width: 50%;">• UK Export Finance <li style="width: 50%;">• Green Investment Bank <li style="width: 50%;">• Urenco <li style="width: 50%;">• Insolvency Service 	
Across Whitehall	<ul style="list-style-type: none"> <li style="width: 50%;">DECC <li style="width: 50%;">HMT <li style="width: 50%;">• Nuclear Decommissioning Authority (NDA) <li style="width: 50%;">• Royal Mint <li style="width: 50%;">• Nuclear Liabilities Fund <li style="width: 50%;">• Eurostar (until 2015) <li style="width: 50%;">• National Nuclear Laboratory <li style="width: 50%;">DfT <li style="width: 50%;">• Electricity Settlements Co (ESC) <li style="width: 50%;">• NATS <li style="width: 50%;">• Low Carbon Contracts Co (LCCC) <li style="width: 50%;">• London Continental Railways <li style="width: 50%;">• Established new Oil and Gas Authority – 2015 <li style="width: 50%;">• Network Rail <li style="width: 50%;">• Finalised arrangements for Hinkley Point C nuclear new build project – 2015 <li style="width: 50%;">• Highways England <li style="width: 50%;">DCMS <li style="width: 50%;">• Channel 4 <li style="width: 50%;">DfiD <li style="width: 50%;">• CDC <li style="width: 50%;">DWP <li style="width: 50%;">• Working Links 	

Transactions

- Investments
- Realisations

- Sale of Westinghouse – 2006
- Sale of British Energy – 2008
- Launch investment negotiations e.g. Bombardier C Series – 2008; and Airbus A350 – 2008/09
- Sale of Royal Mail Pension Assets – 2012
- Royal Mail IPO – 2013; sale of shares – 2015
- Sale of mortgage-style student loans – 2013
- Sale of Constructiononline – 2015
- Sale of Greencoat UK Wind – 2015

MOD

- Sale of QinetiQ – 2006

DECC

- Sale of NDA land – 2011

DCMS

- Sale of Tote – 2011

DH

- Sale of Blood Plasma UK – 2013

HMT

- Sale of Eurostar shares – 2015

Corporate Finance

- Commercial negotiations
- Restructuring/distressed companies
- Business incubation

- MG Rover – 2005
- Jaguar Land Rover – 2009/10
- GM Opel – 2009/10
- Launch of Green Investment Bank – 2012
- UK Coal – 2014
- Launch of British Business Bank – 2014
- Pfizer/Astrazeneca – 2014
- UK Coal and Hatfield – 2015

DH

- Southern Cross – 2011

MOD

- BAE/EADS – 2012

DECC

- Launch of Green Deal Finance Co – 2012
- Finalising arrangements with EDF on Hinkley C Build – 2015
- Launch of the LCCC and the ESC – 2014

Foreword to the Annual Review by Robert Swannell



This has been my first full year as Chairman of the Shareholder Executive Board. I have been impressed by the sheer range and quality of the work of the Shareholder Executive and also its importance in key aspects of the UK landscape. Our mission remains to do first-class business in a first-class way.

There were a number of achievements during the year such as the sale of the Government's share in Eurostar; the vesting of Ordnance Survey; and the establishment of the British Business Bank. It is also important to give due credit to the work that goes on behind the scenes, both in preparing for major new changes and also the vital, but less prominent, day-to-day work of ensuring that the businesses owned by the public are well governed and deliver best value for the taxpayer. It is a credit both to ShEx, and the businesses that it oversees, that we can also celebrate a number of awards this year, a testimony to the hard work and dedication of staff in ShEx and in the many businesses we work with.

Amidst all these successes, changes, and day-to-day challenges, I have also been pleased to be able to work with ShEx and our new colleagues in UKFI as we prepare for change and embark on our exciting next step, joining with UKFI to become UK Government Investments (UKGI).

UKGI will be a centre of excellence in corporate finance and corporate governance for HM Government. This transformation will place ShEx even more firmly at the heart of Government. The creation of UKGI is testimony to the importance of the vital mix of private and public sector skills that ShEx and UKFI each bring to this field and the value that they will continue to drive for Government and the public.

Robert Swannell
Chairman
Shareholder Executive Advisory Board

1. Chief Executive's Report



1.1 Introduction

This is an exciting moment in the history of the Shareholder Executive. As we look back on another busy year with many important milestones and major achievements, we are also looking forward to our new role as part of UKGI.

As the Chancellor announced in May this year, Government is setting up a new government-owned company, UKGI, wholly owned by HM Treasury, to oversee the activities of both the Shareholder Executive (ShEx) and UK Financial Investments (UKFI).

We will continue to work directly with Ministers and senior officials across Whitehall on governance and corporate finance activities. This means that departments may continue to use ShEx in exactly the same way that they use departmental staff. However with the combined forces of UKFI and ShEx acting together as a centre of excellence on corporate finance and corporate governance, we will be able to have greater focus on key issues and be able to bring more expertise to bear on some of the most complex and challenging corporate issues across Government.

As a government-owned company, we will also have greater autonomy and independence from departments. It will enable us to operate more effectively across Whitehall by taking a leading role in a wider range of larger, higher profile commercial work across government. It will also give us the flexibility to shape the Shareholder Executive in the best way to challenge businesses and ensure that the taxpayer gets best value from the assets that it owns.

1.2 Major achievements, 2014-15

Since last year's Annual Review was published at the end of October 2014, there have been a number of key milestones and achievements across ShEx's portfolio companies, transactions and corporate finance advisory work. Many activities touch on all three areas of ShEx's work, but they are set out below using the headings outlined in the diagram on previous pages:

- Governance
- Transactions
- Corporate Finance

Governance

Much of the day-to-day work in ShEx concerns ensuring good governance of the businesses for which ShEx acts as shareholder on behalf of Government. This includes managing the process for senior appointments, such as Chief Executives and Chairmen, to ensure that processes are open, fair, accountable and represent value for money. ShEx has continued to work closely with our partner organisations and colleagues in central BIS and the Cabinet Office to advise Ministers in BIS and in other departments on public appointments. Our priority is to ensure that boards across the companies we work with are quorate and well-balanced, with high-quality directors who add value to the business.

Our priority is to ensure that boards across the companies we work with are quorate and well-balanced

ShEx's day-to-day role also includes conducting regular reviews of those businesses and the delivery of their business plans, and scrutinising their performance on behalf of the taxpayer. Where there is a good business case for doing so, ShEx also advises Ministers on the case for structural change, including the creation of new organisations, and then implements those changes that Ministers agree offer best value for the taxpayer.

An example of this was **the new model for Sellafield**, the Nuclear Decommissioning Authority's (NDA) largest and most complex site, and home to some of the oldest nuclear facilities in the world. ShEx worked with the NDA and the Department for Energy and Climate Change (DECC) over a number of months to consider what business model might best deliver improved performance and value for money at this unique site. Following the announcement by the DECC Secretary of State in January 2015 of a simplified set of arrangements, ShEx has worked closely with the NDA and the senior management team at the site as they manage the transition and begin to implement the new model. This includes the formation of a newly constituted Board for the site, development of new subsidiary governance arrangements, and preparatory work for the appointment of a strategic partner which will strengthen programme management and commercial capability, as well as playing a key role in managing capital projects and contracts.

Another key achievement for the year was secured as a result of ShEx working closely with colleagues from DECC, HM Treasury and Cabinet Office to successfully establish **the Oil & Gas Authority (OGA)** as a new Executive Agency of DECC from 1 April 2015, following the recommendations of the Wood Review. The OGA is charged with delivering the maximum economic return to the UK from the remaining oil and gas reserves in the UK North Sea through more effective oversight and regulation of the continental shelf and by working collaboratively with industry. This has become even more pressing following the current downturn in the sector. In creating its governance and operating framework as an agency of DECC, we have been conscious of the fact that the OGA itself is on a journey to becoming a government-owned company (GovCo) in 2016. For this reason, ShEx will continue to work with DECC, the OGA itself and others on the arrangements and documents for this transition, which will become effective following Royal Assent for the current Energy Bill.

A major success that was completed this year was the launching of **the British Business Bank (BBB)** as a government-owned public company in November 2014, following the granting of State Aid approval. This was a significant and innovative step and is expected to provide

ShEx worked closely with colleagues from DECC, HM Treasury and Cabinet Office to successfully establish the Oil & Gas Authority

a blueprint for development banks across the EU. The BBB is helping to unlock finance for smaller businesses, providing a greater choice of financing options and helping the market for business finance to work more effectively. At the end of the 2014-15 financial year, the BBB had supported £2.3 billion of finance to over 40,000 smaller businesses, and participated in a further £2.9 billion of finance to small mid-cap businesses. The Start Up Loans Company, supported by the BBB, issued the 25,000th Government Start-Up Loan in January 2015 and has now offered more than £135 million to entrepreneurs wanting to set up their own business.

...in March 2015,
GIB launched
the world's first
dedicated offshore
wind fund

Another innovative business that has been established by ShEx is **the Green Investment Bank (GIB)**. In 2014-15, GIB committed a further £723 million to 18 green infrastructure projects and four new investment programmes, attracting an additional £1.7 billion of private investment alongside. This includes £150 million which GIB committed to two new investment programmes for small-scale hydro and onshore wind projects across the UK, after ShEx worked with GIB to secure European Commission approval to add those sectors to its overall remit. As well as investing its own capital, in March 2015, GIB launched the world's first dedicated offshore wind fund with £463 million of capital from investors, including UK-based pension funds and a major sovereign wealth fund. In March 2015, GIB published its Green Investment Handbook, which explains in detail how GIB assesses, monitors and reports on the green impact of its investment activities. GIB hopes that publishing this handbook will help to establish common high standards among the investment community in the way the green impact of investments is assessed and measured.

The next key strategic development has been progress with our plans to privatise GIB. Having received positive advice about the prospects for a sale, the Secretary of State announced in June 2015 a firm intention to move GIB into private ownership as soon as possible, enabling the company to build on its success and continue to play an important role in the UK's transition to a green economy.

The Royal Mint supplies the coins that are crucial to everyday transactions. Its innovative designs are key to its success. Last year, the Royal Mint became the first Mint in

For the second year in succession, the Royal Mint exceeded all four of its ministerial targets

the world to launch a 24/7 online trading platform enabling customers to buy, store and sell gold and silver bullion coins directly from the Royal Mint quickly, effortlessly and securely. This year, the Chancellor approved the design for the new £1 coin which will be launched in March 2017 and incorporates a world-leading, patented, high-security feature to combat counterfeiting. The birth of Princess Charlotte was marked with a range of commemorative coins, and the first ever £100 face value coin sold out its mintage of 50,000 within days. For the second year in succession, the Royal Mint exceeded all four of its ministerial targets.

Data is an important public asset that plays a key role in a strong economy. In recognition of this, in 2012, ShEx formed a Public Data Group (PDG) with those ShEx businesses that hold and process huge volumes of data that are of public interest. The members of the PDG were **Companies House, the Land Registry, Ordnance Survey and the Met Office**. During 2015, the PDG organisations worked with ShEx to undertake a survey of how their data was being used by organisations across the UK, and asking how they could make their data more accessible and useful. Over 140 responses were received. The full breakdown of the results and the actions that PDG organisations will take forward as a result can be found in the PDG Spring Statement.

Forecasts from the supercomputer are anticipated to deliver £2 billion of socio-economic benefits to the UK over five years

Data lies at the core of meteorology. Last year, Government announced its investment of £97 million in a new supercomputer for **the Met Office**. This world-class technology will enable the Met Office to continue developing ever more accurate weather forecasts and greater understanding to improve the UK's resilience to high impact weather and other environmental events. The supercomputer's sophisticated forecasts are anticipated to deliver £2 billion of socio-economic benefits to the UK over five years by enabling businesses such as the airline industry be more efficient; and through better advance preparation and contingency plans, to protect homes, businesses and UK infrastructure. The first phase of installation of the new computer was completed on 25 August, five weeks ahead of the published schedule.

...the Met Office's
Weather Desk 24/7
customer service
and contact centre
won several
customer awards

Met Office Datapoint provides access to Met Office data feeds in a format that is suitable for application developers. It is aimed at anyone who wants to re-use Met Office data for their own innovative applications, such as professionals, the scientific community, student, and amateur developers. Met Office 'hackathons' have yielded innovative new uses for data. Met Office is working with online news providers such as the Daily Express who are providing forecasts online with data drawn from Met Office Datapoint. This year, the Met Office's Weather Desk 24/7 customer service and contact centre won several customer awards, including for its email service and its social media. The Met Office also received a 2015 Project Excellence Award from the Chartered Institute for IT in the 'big data/analytics' category for the IT system supporting its space weather programme.

At the end of 2014, ShEx commissioned a general review of the Met Office, its role and functions, including an independent assessment of the economic value of the Met Office to the UK. This review was conducted in partnership with the Met Office.

In February 2015 **Ordnance Survey** announced new measures to support the digital economy. They created a new GeoSpatial Innovation Hub to support developers and launched a range of new products including the world-leading OpenMap designed for the latest web and mobile platforms. The new open data products were downloaded 10,000 times in the first 24 hours.

Another major transformational step, led by ShEx, was the move by **Ordnance Survey** from a trading fund to a GovCo. This will put the business in a better position to act quickly in rapidly changing markets and remain at the heart of the global geospatial industry. This will not change the ownership of Ordnance Survey – it will remain in public ownership – but customers, partners and stakeholders will benefit from a more efficient and innovative business aligned to their needs

The groundwork has been laid to introduce the substantial changes to company law

Another example of innovation is a joint project by **the Land Registry and Ordnance Survey** which involved a challenge competition for start-up companies to develop products and services related to housing, using Land Registry and Ordnance Survey data. There were a series of events where people developed ideas, talked to housing experts and received technical support, culminating in a number of bids, with the three winners receiving a share of £100,000 funding. The Land Registry received the Civil Service Innovation Award for their Property Alert service.

During 2015 **Companies House** has made all digital information freely available to customers. The data on the register is a fundamental part of the core national information infrastructure that underpins daily economic activity. Making the information freely available will encourage new users and innovation.

Also during 2015, **Companies House** has laid the groundwork to introduce the substantial changes to company law that were introduced by the Small Business, Enterprise and Employment Act 2015. These include changes to the annual return process to simplify it and make it easier for businesses. This is important as it is the main way in which the 3.2 million UK companies interact with Companies House. The Act also introduces the register of people with significant control, which will increase the transparency over who owns and controls UK companies, requiring them to identify and list the ultimate owners and controllers of their company. Whilst these major changes will not come into force until June 2016, Companies House has done a significant amount of work this year to develop its IT systems and prepare companies for the introduction of these changes.

The Government is providing **the Post Office Limited** with the funding needed for its network transformation programme which will maintain, modernise and protect the post offices network, ensuring its long-term sustainability. In total, there were 11,634 post offices at the end of March 2015, with the network at its most stable for over two decades. ShEx continues to hold the Post Office to account for delivery of this important transformation programme. 2,039 post offices were modernised under the Post Office's

...a dedicated
£20 million
investment to
upgrade more than
3,000 post offices
in the most remote
areas of the UK

transformation programme in 2014-15, bringing the total to more than 4,000, with a further 1,000 having signed contracts to upgrade. Government investment includes a dedicated £20 million investment to upgrade more than 3,000 post offices in the most remote areas of the UK. During the year the Post Office has won a number of awards for its financial products and services. It was also named by the Times as one of the Top 50 Employers for Women and was also winner of the Employer Network for Equality and Inclusion's 'Representative Workforce' award, recognising the company's commitment to embracing diversity and equality.

In December 2014, DWP announced an extension of the Post Office card account contract until at least 2022. This is one of Post Office's largest contracts. This extension recognises the important role subpostmasters play in their communities, supporting the users of these cards, a significant proportion of whom are elderly, while also protecting the revenue and footfall which these customers bring to their local post offices.

Transactions

The acquisition
exceeded
expectations for
the 40% stake

In March 2015, Government announced the sale of its entire interest in **Eurostar International Limited** for £757.1 million. A consortium comprising Caisse de dépôt et placement du Québec, a Canadian pension fund, and Hermes Infrastructure agreed to acquire Government's 40% stake in Eurostar for £585.1 million. This exceeded expectations for the 40% stake when Government announced it was inviting offers for its shareholding in October 2014. Eurostar, on closing of the sale of the Government stake, agreed to redeem the Government's preference share, providing a further £172 million for the Exchequer.

On 21 October 2015, the UK Government announced that EDF and its Chinese partner China General Nuclear Corporation have committed to the **Hinkley Point C** new nuclear project in the UK. It was also announced that the Government and EDF have finalised the contract for difference for the project (which provides increased price

certainty for the output of the plant). New nuclear power stations like Hinkley will be vital in the next decade for Britain's energy security, as most of the country's existing nuclear stations are due to close during the 2020s. New nuclear power stations will also be key to cutting the carbon emissions from Britain's electricity industry as part of the UK's future low carbon energy mix. ShEx has worked extensively with DECC to develop and negotiate the Government contractual arrangements supporting the project.

In January 2015, Government announced the successful sale of **Constructionline** to Capita. Through its database of more than 23,000 companies, Constructionline cuts red tape for the construction industry. It provides a verified list of suppliers who have already passed industry checks, saving time and money. This helps speed up building work across the UK. Capita purchased the business from Government for £35 million following an open competitive sales process, which was led by ShEx and launched in summer 2014. Capita's bid met BIS's objective of ensuring a safe and efficient continuation of service to existing Constructionline customers, whilst achieving the highest price for the business.

In February 2015, we announced the sale of the Government's entire 50 million ordinary share holding in **Greencoat UK Wind**. This completes our successful cornerstone investment in this fund, which has mobilised £1.8 billion of private capital. It was the first listed fund dedicated to investment in UK wind farms. The establishment of this fund has been key to creating a properly functioning secondary market for operational wind assets. We have since seen a number of similar renewable energy sector funds successfully launched. The Government received an annualised return of 6.3% on its investment.

...cornerstone investment in this fund has mobilised £1.8 billion of private capital

During the year, ShEx continued to manage the Government's 30 per cent residual stake in **Royal Mail**. In June, the Chancellor announced the Government's intention to dispose of its remaining 30 per cent shareholding in Royal Mail, and the Secretary of State laid a report in Parliament setting out the details of future sales. On 11 June 2015, ShEx successfully completed the sale of half of the remaining stake, raising £750 million which will be paid to Exchequer funds. As a reward for their hard work in transforming the

1% of Royal Mail shares will be gifted to Royal Mail's UK employees in recognition of their hard work

company, the Government also decided to gift 1% of its shareholding (ten million shares with a value at the June sale price of £50 million) to Royal Mail's UK employees. These shares were awarded to eligible staff on 5 October and will be held in an HMRC-approved Share Incentive Plan to give employees the opportunity to benefit from tax and national insurance advantages. In the Budget, the Chancellor announced that the Government would seek to dispose of all of its remaining shares in Royal Mail by end March 2016, subject to achieving value for money. In October this target was achieved with the successful sale of a further 13% of Royal Mail shares, raising a further £591 million for Exchequer funds. The residual 1% will be gifted to Royal Mail's UK employees in further recognition of their hard work. This will complete the Government's privatisation of Royal Mail, which has realised over £3.3 billion in proceeds, whilst leaving employees with a 12% stake in the company.

Good progress continues to be made in the realisation of pension assets transferred to BIS in April 2012 as a consequence of the Government's intervention in relation to the Royal Mail pension scheme. The assets are held by two companies established and operated by ShEx on behalf of the Secretary of State for BIS. As at 31 March 2014, around £2.1 billion of less liquid assets were held by the companies. Over the reporting period this reduced to around £1.0 billion, whilst around £1.5 billion was remitted to HM Treasury.

Corporate Finance – working across Whitehall and beyond

ShEx's wider role is as a corporate finance resource within government

As the examples above illustrate, working with other central government departments, particularly HMT and Cabinet Office, ShEx is involved in significant negotiations between Government and the private sector. This includes situations when Government puts money into corporate structures, such as in support of companies in distress. This reflects ShEx's wider role as a corporate finance resource within Government. Our work covers a range of activities, including advising on launch aid, setting up new businesses or authorities, and the provision of regional and industrial assistance.

The importance
of the corporate
finance profession
is strengthening

A good example of the value ShEx can bring is the work of its Special Situations Team, which drew on its corporate restructuring skills to lead on the Government's financial interventions into both UK Coal and Hatfield. The team engaged with external stakeholders and advised both DECC and BIS colleagues and Ministers as to the most appropriate value-for-money intervention. ShEx also led on the execution of these interventions.

As ShEx joins with UKFI to provide the UK Government's centre of excellence in corporate finance and corporate governance, this will strengthen the importance of the corporate finance profession. The objectives of UKGI will be to:

- **Prepare and execute all significant corporate asset sales by the UK Government;**
- **Advise on all major UK Government financial interventions into corporate structures;**
- **Act as shareholder for those arm's-length bodies of the UK Government that are structured to allow a meaningful shareholder function; and for other UK Government assets facing complex transformations (especially if governance is at the heart of a model change); and**
- **Advise on major UK Government negotiations with corporates.**

Last, but not least, from time to time, ShEx also represents Government at European and OECD discussions on corporate governance of state-owned enterprises, presenting on this topic to the European Commission and officials in other European countries.

1.3 Changes in the portfolio

Following a review of the Met Office completed in 2015, Ministers agreed that the Met Office's core functions lie more with its scientific and public delivery activities, although its data and its commercial function continue to play an important role in stimulating innovation. Ministers therefore decided that sponsorship of the Met Office should move within BIS from ShEx to the Business and Science Group. This meant that Ministerial responsibility moved from **Anna Soubry** who has responsibility for the ShEx portfolio businesses, to **Jo Johnson**, Minister for Universities and Science, with formal handover of all sponsorship activities completed by 1 October 2015.

In a move to embed the expertise and data of Companies House, Land Registry, Met Office and Ordnance Survey within wider BIS data policy, the Public Data Group (PDG) Board has been integrated into a new Digital Culture, Services Platforms and Data Board in BIS. This Board will bring together senior officials from across the department and its wider family of organisations. The existing functions of the PDG Board will be incorporated into the new BIS board and the CEOs of Companies House and Ordnance Survey will join as permanent Board members. The current PDG Chair, Claudia Arney, will attend as a non-executive director on a temporary basis.

1.4 Organisational structure, people and teams

One of our PAs, Sandra Desir, was awarded an MBE for services to Public Administration

ShEx benefits from a highly talented and dedicated workforce of senior staff, drawn from a wide range of public and private sector backgrounds. However none of the achievements described here could be delivered without ShEx's team of highly skilled personal assistants, who work tirelessly behind the scenes to ensure the smooth running of the Group. It was therefore a highlight for the year when one of our PAs, Sandra Desir, was awarded an MBE for services to Public Administration.

As part of Government's wider aim to encourage better representation of women on company boards, ShEx is piloting a project – **Women Onboard** – to offer talented senior women from the business world an opportunity to participate on one of the boards of ShEx's portfolio of businesses as part of their career development. These are not appointments – participants are unpaid – but the opportunities are intended to give women the practical experience that will help them in applications for board positions in the future. Several ShEx boards – the Green Investment Bank, NDA, NNL, Ordnance Survey and the Royal Mint – have hosted women onboard participants this year and both participants and boards have given positive feedback. The pilot was shortlisted for the Civil Service Diversity Awards.

ShEx Governance

During the year, we welcomed **Susan Acland-Hood** as the new Non Executive Director from HM Treasury. Taking over from Jeremy Pocklington, Susan brings the level of representation of women attending the ShEx Board to over 40%. Members of the ShEx Board and the senior management team are listed at **Annex A**.

1.5 Outlook

Work is well underway to prepare for the transformation of ShEx into a division in UKGI

The year ahead promises to be as busy and challenging as previous years. Work is well underway to prepare for the transformation of ShEx into a division in UKGI, a process to be completed by the end of the financial year. However ShEx will retain its current operating model, acting directly for departmental secretaries of state and permanent secretaries in its governance and corporate finance activities. Furthermore, its day-to-day work acting as shareholder for the businesses in its portfolio will continue as before. For example, the Post Office's network transformation programme continues and is due to be completed by March 2018. ShEx will have a key role to play in supporting successful delivery of this programme in 2015-16, which is vital in ensuring the future success of the network.

ShEx will also continue to work towards the sale of certain other Government assets, or Government's share in certain assets, where market conditions are right and a sale represents the best way forward for the taxpayer. This includes work towards the sale of Urenco.

Corporate Finance

Strengthening corporate finance professional skills in government remains one of my priorities as Head of the Government Corporate Finance Profession. As part of delivering a robust and highly skilled professional capability, we have now rolled out a competency framework for corporate financiers in Government. The framework will contribute to the recruitment and development of those in the profession. Further development opportunities for government corporate financiers, through accredited qualification routes, are available to those in the profession who are focused on developing their skills and knowledge base. These solid foundations will support corporate financiers in their work and in the development of their careers, so that the profession continues to offer government a highly skilled capability.

It is clear there will be no lack of high-profile and exciting work

ShEx successfully draws in talented staff from across the private and public sector, attracted by the opportunity to work on challenging and exciting projects and by our strong emphasis on professional development. As we prepare for our own transformation, it is clear that there will be no lack of high-profile and exciting work. My core objective will be to maintain this unique mix of specialist financial experts and civil servants and our strong emphasis on professional development to ensure that we are equipped to tackle successfully the many exciting and challenging projects ahead.

I would like to thank all ShEx staff for their hard work this year and I look forward to working with them in the year ahead.



Mark Russell
December 2015

2. Portfolio performance in financial year 2014-15

2.1 Portfolio Composition

ShEx is responsible for a portfolio of government-owned and part-owned businesses. The businesses include those where we have a clear shareholding mandate or a seat on the board. Our involvement in each business varies depending on our agreed role and ability to have the greatest impact:

- **executive role** – where we are accountable to ministers directly;
- **joint team role** – where we work alongside shareholder teams within departments;
- **advisory role** – where we advise shareholder teams within departments.

The analysis detailed on the following pages sets out a summary of the results of the businesses that made up the ShEx portfolio in the financial year 2014-15. As the portfolio changes from year to year, comparisons with results from previous years should be made with caution. For the financial year 2014-15, the portfolio comprised the list below and a short description of each is contained in the next section.

1. The British Business Bank (BBB)
2. CDC
3. Channel 4
4. Companies House
5. Electricity Settlements Company (ESC)
6. Eurostar (until May 2015)
7. Highways (England)
8. Insolvency Service
9. Land Registry
10. London and Continental Railways (LCR)
11. Low Carbon Contracts Company (LCCC)
12. The Met Office (until October 2015)
13. NATS (49 per cent HM Government ownership)
14. National Nuclear Laboratory (NNL)
15. Network Rail
16. Nuclear Decommissioning Authority (NDA)
17. Nuclear Liabilities Fund (NLF)
18. Ordnance Survey
19. Post Office Limited
20. Royal Mail (share disposals in June and October 2015)
21. Royal Mint
22. UK Export Finance (UKEF)
23. UK Green Investment Bank (GIB)
24. Urenco (33 per cent HM Government ownership)
25. Working Links (33 per cent HM Government ownership)

2.2 Brief descriptions of the Portfolio Companies

The British Business Bank (BBB) was established to make finance markets work better for the country's smaller businesses. Its overriding objective is to increase the supply of finance in areas where finance markets do not work effectively and there is a market gap. It aims to help create greater choice for smaller businesses in terms of options and providers, and to provide better information in the market, building confidence among smaller businesses in their understanding of the finance options available. It delivers its objectives by working through the market, providing finance and offering guarantees in partnership with over 80 commercial lenders and investors.

CDC's mission is to support the building of businesses in Africa and South Asia to create jobs and make a lasting difference to people's lives in some of the world's poorest places.

Channel 4 is the second largest commercial public service broadcaster in the UK, and the only one that operates a publisher-broadcaster model that means it commissions and acquires all of its content. It owns a portfolio of television channels including Channel 4, 4seven, E4, More4 and Film4, in addition to offering a range of time-shifted, on-demand, digital and interactive services.

Companies House: all limited companies in England, Wales, Northern Ireland and Scotland are registered at Companies House, a BIS Executive Agency. The main functions of Companies House are to: incorporate and dissolve limited companies; examine and store company information delivered under the Companies Act and related legislation; and make this information available to the public.

The Electricity Settlements Company (ESC) and the Low Carbon Contracts Company (LCCC) are both private limited companies owned by the Secretary of State for Energy and Climate Change and established to play key roles in the delivery of electricity market reform, the biggest change to the electricity market since privatisation.

ESC's role is to oversee the settlement of the capacity market to ensure that regular payments are made to capacity providers who have agreed to provide capacity at times of system stress. These capacity arrangements help to keep the lights on across Great Britain.

The Low Carbon Contracts Company (LCCC)

was established to manage contracts for difference for low-carbon electricity generators. Electricity suppliers pay a levy (the Supplier Obligation) to the LCCC which supports low-carbon electricity generation. This is a new incentive designed by Government to bring forward the investment needed to sustainably deliver the UK's goals for renewable and other low-carbon electricity.

Eurostar is the high-speed train service linking St Pancras International, Ebbsfleet International, Ashford International, Paris, Brussels, Lille, Calais, Disneyland Resort Paris, Avignon and the French Alps. Eurostar was established in 1994 as a partnership between three railway companies: SNCF, SNCB and British Rail – subsequently London and Continental Railways (LCR). On 1 September 2010, Eurostar became a single, unified corporate entity owned by three shareholders: SNCF, SNCB and LCR. In June 2014, the UK Government holding transferred from LCR to HM Treasury.

Highways England, the Highways Agency until March 2015, is responsible for managing, modernising and maintaining England's motorways and major A roads. It is monitored by the Office of Rail and Road and is owned by the Department for Transport.

The Insolvency Service is an executive agency, sponsored by BIS, which administers compulsory company liquidations and personal bankruptcies; deals with misconduct through investigation of companies and enforcement; and makes redundancy payments.

The Land Registry registers the ownership of land and property in England and Wales. It is a non-ministerial department. It provides a reliable record of information about ownership of, and interests affecting land; provides owners with a land title that is underpinned by the state; and simplifies the transfer of interests in land.

London and Continental Railways (LCR) specialises in the management, development and disposal of property assets with a railway interface and property assets associated with major infrastructure projects. It is a limited liability company wholly owned by the Department for Transport.

The Met Office is the UK's National Meteorological Service and is a world leader in providing weather and climate services. It is an executive agency and trading fund in BIS. As of 1 October 2015, responsibility for sponsorship of the Met Office moved within BIS from ShEx to the Business and Science Group.

NATS is the air traffic control services provider for aircraft flying 'en route' in UK airspace and the eastern part of the North Atlantic. It also provides consultancy and engineering services, as well as air traffic control services at airports across the UK and through a joint venture in Spain. NATS is a public private partnership, with the Department for Transport holding 49% of its shares. Its core 'en route' services are regulated by the Civil Aviation Authority.

The National Nuclear Laboratory (NNL) is the UK's principal research and development organisation. It provides the technical knowledge and capability needed to ensure the country's civil nuclear energy programmes can be delivered in a safe and cost-effective manner. NNL acts as the custodian of a unique set of world-leading nuclear skills, facilities and equipment that are vital to the UK, and acts independently and authoritatively when advising the Government and other stakeholders in the UK and worldwide. All its work for customers is delivered with a strong commercial focus, enabling NNL to generate surpluses that are subsequently re-invested in research and facilities, thereby furthering the UK's strategic capabilities.

Network Rail owns and operates Britain's railway infrastructure, including tracks, signals, tunnels, bridges, viaducts, level crossings and stations. It also manages rail timetabling and 18 of the largest stations in England, Scotland and Wales. It is regulated by the Office of Rail and Road. It was reclassified as a public sector arm's length body in 2014 and is accountable to the Department for Transport and Transport Scotland.

The Nuclear Decommissioning Authority (NDA)

is the strategic authority with responsibility for the civil public sector nuclear estate, previously under the control of British Nuclear Fuels plc and the United Kingdom Atomic Energy Authority. The NDA owns 17 UK nuclear sites, their liabilities and assets.

The Nuclear Liabilities Fund (NLF)

is an investment holding company with a market value of £9.0 billion as at 31 March 2015. It manages assets for the purpose of providing funding to meet certain waste management costs and the decommissioning liabilities of eight nuclear power stations owned by EDF Energy, formerly known as British Energy Group plc.

Ordnance Survey

is Great Britain's national mapping agency, providing high quality and accurate geographic information to government, businesses and individuals. It maintains the MasterMap of Great Britain in the largest database of its kind, and supports innovation through open data releases and support programmes. It is currently an independent non-ministerial government department with executive agency status operating as a trading fund and accountable to BIS. It is in the process of changing to become a government-owned company accountable to BIS.

The Post Office Limited

has an unrivalled network of over 11,600 branches across the UK, more than all the high street banks combined, and sits at the heart of communities across the country. More than 17 million customers and a third of small or medium-sized businesses visit its branches each week. It provides around 170 different services and products spanning mail services, financial services, Government services, and telephony.

Royal Mail plc

is the UK's designated universal postal service provider – the six-days-a-week, one-price-goes-anywhere letters and parcels service which supports social users, businesses and communities across the country. The company is the largest parcels carrier in the UK and its European parcels business, General Logistics Systems, operates one of the largest parcel delivery networks in Europe. In October 2013, Royal Mail successfully floated

on the London Stock Exchange and was subsequently admitted into the FTSE 100. Government announced its exit from its remaining shareholding in October 2015.

The Royal Mint is the oldest manufacturing organisation in the UK, with 1,100 years of history. It is the largest exporting mint in the world, making coins and medals for an average of 40 countries every year. However, its first responsibility is to make and distribute United Kingdom coins as well as to supply blanks and official medals. It also has a strong business in commemorative coins for important national events and anniversaries and in selling gold and silver bullion. The Royal Mint is a government-owned company and is committed to providing a financial return to the UK Government in line with agreed targets.

UK Export Finance (UKEF) is the UK's export credit agency. It helps UK exporters by providing insurance to exporters and guarantees to banks to share the risks of providing export finance. In addition, it can make loans to overseas buyers of goods and services from the UK. UKEF is the operating name of the Export Credits Guarantee Department. UKEF is a ministerial department.

The UK Green Investment Bank (GIB) is the first bank of its type in the world. It was created by the UK Government, its sole shareholder, and given access to an initial £3.8 billion of public funds. It uses this finance to back green projects on commercial terms and mobilise other private sector capital into the UK's green economy.

URENCO's principal activity is the provision of a service to enrich uranium to provide fuel for nuclear power utilities. Its enrichment service is mostly provided on a toll basis using customers' uranium. It operates plants in Germany, the Netherlands, the UK and the US, using URENCO's world-leading centrifuge technology to enrich uranium for the use as a nuclear fuel for civil power generation.

Working Links is Britain's only prime contractor delivering the Government's Work Programme in England, Scotland and Wales. It is dedicated to improving people's lives through employment, training and skills development. Its ownership is split between public, private and voluntary sector shareholders. Its publicly-owned share is managed by ShEx.

2.3 Portfolio Financial Analysis

The basic methodology adopted in the Portfolio Analysis 2014-15 is the same as the Portfolio Analysis 2013-14.

Businesses where Government has a controlling interest are fully consolidated, and businesses where Government holds a non-controlling interest are proportionally consolidated (e.g. Royal Mail, NATS and Urenco).

The majority of the businesses in the portfolio report in pounds sterling and to a March year end.

Where companies report to a December year end, no adjustment has been made and 2014 results have been reported under '2014-15'.

Where companies report in a different currency (Urenco), average exchange rates have been applied to the income statement and year-end exchange rates have been applied to the balance sheet.

As with previous years, some portfolio businesses are not 'operating businesses' where measures of revenue and profitability less meaningfully reflect performance. This applies to CDC, the Insolvency Service, LCR, NDA, NLF, Post Office and UKEF:

- **CDC Group** is a wholly government-owned investment entity, investing in Africa and South Asia to support development and job creation in poor countries by helping businesses to prosper.
- **The Insolvency Service** is an executive agency, sponsored by ShEx, which administers compulsory company liquidations and personal bankruptcies; deals with misconduct through investigation of companies and enforcement; and makes redundancy payments.
- **LCR** is primarily a property development company for railway infrastructure owned by the DfT.

- **NDA** takes responsibility, on behalf of the Government and taxpayers, for overseeing the clean-up and decommissioning of 17 of the UK's civil public sector nuclear sites, which date back as far as the 1940s.
- **NLF** is an investment holding company which manages assets to provide funding to meet certain waste management costs and in due course the decommissioning liabilities of eight former nuclear power stations of EDF.
- **Post Office Limited's** profitability depends on Government subsidy and the company is engaged in a Government-funded modernisation programme. It will be therefore more appropriate to measure performance in terms of reduction in Government subsidy over the coming years as the financial benefits of modernisation become apparent.
- **UKEF** is the UK's export credit agency helping UK exporters by providing insurance and guarantees to banks to share the risks of providing export finance. In addition UKEF makes loans to overseas buyers of goods and services from the UK.

2.4 Turnover and operating profit

Portfolio company	Turnover (£m)		Operating Profit (£m)	
	2013 / 14	2014 / 15	2013 / 14	2014 / 15
Royal Mail	2,807	2,798	201	183
Channel 4	908	938	(15)	4
NATS	450	452	82	111
Urenco	429	433	162	175
Land Registry	381	297	136	36
Royal Mint	315	260	7	12
Met Office	208	221	11	12
Ordnance Survey	144	147	28	27
NNL	85	100	8	8
Companies House	64	67	7	7
Working Links	27	29	(2)	1
UK Green Investment Bank	15	28	(6)	0
British Business Bank	n.a.	18	(0)	8

Note: Table excludes CDC, Insolvency Service, LCR, NDA, NLF, Post Office and UKEF. Royal Mail numbers reflect the 30% ownership at year end. The Table also excludes Network Rail, Highways England, ESC and LCCC. The Shareholder Executive's involvement in these only commenced during 2014-15.

2.5 Net operating assets and return on net assets

Portfolio company	Net Operating Assets (£m)		RONA (%)	
	2013 / 14	2014 / 15	2013 / 14	2014 / 15
Urenco	1,622	1,677	10.0%	10.5%
NATS	655	673	12.5%	16.5%
British Business Bank	na	634	na	1.2%
UK Green Investment Bank	127	517	-4.5%	0.0%
Royal Mail	461	480	43.6%	38.2%
Channel 4	241	273	-6.2%	1.5%
Met Office	178	195	6.3%	6.2%
Ordnance Survey	105	102	27.0%	26.0%
NNL	57	67	13.7%	12.3%
Royal Mint	64	54	10.3%	21.7%
Land Registry	55	41	246.7%	86.6%
Companies House	37	36	18.7%	18.7%
Working Links	(1)	1	297.6%	68.3%

Note: Table excludes CDC, Insolvency Service, LCR, NDA, NLF, Post Office and UKEF. Royal Mail numbers reflect the 30% ownership at year end. The Table also excludes Network Rail, Highways England, ESC and LCCC. The Shareholder Executive's involvement in these only commenced during 2014-15.

2.6 Dividends declared

Dividends declared (£m)		
Portfolio Company	2013 / 14	2014 / 15
Land Registry	126.7	119.1
Urenco	76.4	91.3
NATS	30.4	37.7
Ordnance Survey	19.4	21.0
Met Office	9.5	8.5
Companies House	4.4	4.4
Royal Mint	4.0	4.0
Royal Mail	0.0	1.0

Eight businesses in ShEx's portfolio declared dividends in the year 2014-15, with Government's share amounting to £287 million, a 6% increase on last year.

Detailed information and financial results on all organisations mentioned are available on our website at:

<https://www.gov.uk/government/organisations/the-shareholder-executive>

Annex A

The Advisory Board of the Shareholder Executive

Non-Executive Chair



Robert Swannell (appointed Chairman in September 2014)

Robert Swannell was appointed a Non-Executive Director of the Shareholder Executive Board in November 2013 and became Chairman on 1 September 2014.

Robert was appointed a Non-Executive Director (NED) of Marks & Spencer in October 2010 and became Chairman in January 2011. Until 2010, Robert spent over 30 years in investment banking with Schroders/Citigroup. He was formerly Vice-Chairman of Citi Europe and Chairman of Citi's European Investment Bank. Robert was Senior Independent Director of both the British Land Company plc (NED 1999-2010) and of 3i Group plc (NED, 2006-2010). Robert was Chairman of HMV Group plc from February 2009 until March 2011.

Robert's regulatory and government department experience includes the Regulatory Decisions Committee of the FSA, the Takeover Panel Appeal Board and the BIS Industrial Advisory Board. Robert was Chairman and a member of the Governing Body of Rugby School from 2004-2014. He is an Advisory Board Member of the Sutton Trust, a founder and Trustee of the SpringBoard Boarding Bursary Foundation, a Trustee of the Kew Foundation, a Board Member of the Investor Forum and a Trustee of Teach First. Robert is a Chartered Accountant and Barrister.

Non-Executive Members



Susan Acland-Hood (appointed March 2015)

Susan became Director of Enterprise and Growth in HMT, on 16 March 2015, responsible for policies on growth, business and infrastructure. As part of her role, she is also the Accounting Officer for the Royal Mint Trading Fund. Previously, Susan spent two years as Director of Education Funding at the Department for Education, where she was responsible for all revenue funding for schools, and all capital funding across the Department. Before that, she worked at No.10, where she was the Prime Minister's policy adviser on education, skills and families – leading on reforms including the high-profile package of 'tax free childcare' support, announced at the Budget in 2013. Susan has also worked extensively on Home Affairs policy, both at No.10 and in the Home Office, where she was Head of Strategy. She has also had senior roles in Children's Services in the London Borough of Tower Hamlets; and in the Social Exclusion Unit.



Claudia Arney (appointed in September 2009)

Claudia is the Senior Independent Director of Telecity Group PLC, and is a NED and Chair of the Remuneration Committee at Halfords plc. She is also the independent Chair of the Public Data Group of companies in the ShEx portfolio.

Previously, Claudia was the Group Managing Director at EMAP until autumn 2010, where she led the development and execution of its online publishing strategy, as well as managing the public sector and media businesses. Prior to this, she was Director of the Enterprise and Growth Unit at HM Treasury, and previously she was an Executive Director at Goldman Sachs. She has also worked as the Head of Product Development at FT.com, and as Managing Director of TheStreet.co.uk, and for McKinsey & Company.



Sir Gerry Grimstone (appointed in September 2009)

Sir Gerry Grimstone is Chairman of Standard Life, one of the UK's largest savings and investments businesses. He also chairs Standard Life's business in China and sits on the Board of HDFC Life in India. He is an Independent Non-Executive Board Member of Deloitte LLP. In the UK public sector, he is the lead NED on the MOD Board and

is a member of HM Treasury's Financial Services Trade and Investment Board and the Board of UKGI. From 2012-2015, Gerry served as the Chairman of TheCityUK, the representative body for the financial and professional services industry in the UK. He was previously a senior investment banker at Schroders and ran businesses in London, New York and Asia Pacific. He specialised in M&A and capital-raising for major companies worldwide. Prior to that, he was an HMT official where he was responsible for privatisation and policy towards state-owned enterprises. Gerry has held a number of Board appointments in the public and private sectors and has served as one of the UK's Business Ambassadors. He helped oversee HMT's Operational Efficiency Programme, and was UKTI's Special Representative to India for Financial Services.



Robin Lawther (appointed in January 2014)

Robin Lawther is a Non-Executive Board member of Nordea, the largest Nordic bank. She is also a member of the Risk Committee on the Nordea Board. In addition, Robin works with student housing developments and is an angel investor in venture and private equity investments.

Robin previously worked at JP Morgan in London, Scandinavia, Turkey, and New York for 28 years in a number of senior positions in investment banking, including as the Head of European Financial Institution Merger and Acquisitions Execution Team and as the Head of the Nordic Team across all businesses. She specialised in mergers and acquisitions and capital raising. Robin is also a supporter of several London theatres and is actively involved in women's mentoring programmes in the UK, US, and Scandinavia.



Caroline Thomson (appointed in October 2014)

Caroline started life at the BBC, where in her early career she edited Panorama. She then spent ten years at Channel 4 and then returned to the BBC, becoming Chief Operating Officer in 2006. Since leaving the BBC in 2012, Caroline has been running English Ballet as well as chairing Digital UK and acting as deputy chair of the National Gallery.

Executive Members



Mark Russell, Chief Executive

Mark joined ShEx as head of its corporate finance practice in November 2004 and was appointed Deputy Chief Executive on 18 April 2008. He was appointed Chief Executive on 8 April 2013. Previously Mark was a partner in the corporate finance departments of KPMG London and KPMG Frankfurt. Prior to this, Mark worked at PwC Corporate Finance, Robert Fleming & Co, Lazard Brothers & Co and AT Kearney. Mark is a NED of London & Continental Railways Limited, Eurostar International Limited and DP World Group.



Anthony Odgers, Director, Corporate Finance Practice

Anthony joined ShEx in October 2010. He has over 20 years banking experience, having joined Morgan Grenfell in 1989, and then subsequently at Lehman Brothers (1999-2007) and Deutsche Bank (2007-2010). His experience includes project finance, corporate finance, restructuring advisory and general management.



Roger Lowe, Director, Portfolio

Roger joined ShEx in May 2010. Before joining ShEx, Roger was a director of a corporate finance advisory business, focussed on advising clients on acquisitions and disposals, joint ventures and corporate restructurings across Europe. Prior to this, he worked in industry as Group Director of Corporate Finance at TI Group plc, a leading international engineering group. Roger started his career in Investment Banking at Lazard where he spent eleven years in corporate finance, including two years on secondment to Lazard Frères in New York.



Justin Manson, Director

Justin joined ShEx as a Director in June 2015. Previously he was an investment banker at Morgan Stanley for twenty years and before that at CSFB and First Boston for eight years. He has corporate finance, M&A and capital markets experience across numerous industries and was based in London, New York, Tokyo and Mexico City. He has been an adviser to governments and state-owned companies. He is a Trustee of the Chelsea Academy Foundation and has been a Trustee of the Royal National Theatre Foundation



Ceri Smith, Director, Business Bank and Public Data Group (PDG)

Ceri joined ShEx in June 2013 to head the Business Bank and the PDG Unit, and to be Digital Leader for BIS. Immediately prior to this Ceri was Labour Market Director, responsible for the UK's employment law framework. Before joining BIS in December 2007, Ceri spent over eleven years at HM Treasury where his responsibilities included developing the policy response to the collapse of Northern Rock; founding and leading the Treasury's SME taxation team; developing the Government's Enterprise Capital Fund Programme; and leading on issues around the financing of terrorism and serious crime in September 2001.



Rachel James, Chief Operating Officer

Rachel joined ShEx in April 2011. Prior to this she spent four years as a corporate lawyer at Herbert Smith, and four years as In-House Counsel and then Chief Operating Officer (COO) at a private equity fund. Rachel has worked on a number of transactions, including acquisitions, joint ventures and corporate restructurings. Since joining ShEx, she has worked on the corporate restructuring of the Post Office and Royal Mail businesses and the Royal Mail IPO, with a particular focus on the legal aspects. She became COO of ShEx in October 2014 and is leading the work on the transition to UKGI.

Shareholder Executive: Executive Directors



Emily Ashwell joined the Shareholder Executive in June 2015. Prior to joining the Shareholder Executive, from August 2013 Emily launched and led UKTI Education, a unit jointly established by BIS and UKTI to help the UK education sector win business overseas, particularly in relation to high value projects. In its first 18 months, the unit helped UK education and training organisations secure £1.5 billion of new business. Emily previously spent thirteen years in corporate finance, most recently as a Director with Hawkpoint Partners (now Canaccord Genuity). During this time, she gained a broad range of transaction and corporate advisory experience working for a range of UK and international private, public and charitable companies and developing significant expertise in the media and education sectors.



Richard Callard joined ShEx in 2007, and was appointed Executive Director in March 2013. Previously Richard worked in Deloitte's Corporate Finance Government and Infrastructure Team, where he specialised in public/private partnerships, advising both the public and private sectors on PFI and other transactions. Richard qualified as a Chartered Accountant with PKF. Whilst at ShEx, Richard has primarily worked on Royal Mail, specialising in the state aid and employee shares aspects of the privatisation process. Richard now leads the Green Investment Bank and the Post Office shareholder teams.



Elisabeth Cuthbertson joined ShEx in August 2009. She is co-leading the team establishing the new UKGI GovCo. Prior to that she headed the team which provides management of the governance relationship with the Nuclear Decommissioning Authority. Elisabeth joined ShEx after a career as an economist in the private sector (NatWest Group and RICS) and Government. She has worked in HM Treasury where she led the team responsible for the Middle East, transition economies and global oil markets; DTI where she directed the economic analysis for the Energy Review and Energy White Paper 2007; and DECC where she was appointed Director of a new multi-disciplinary Energy and Climate Change Strategy Team.



Leo Geddes joined ShEx in July 2014 to head up the Land Registry Team and the Public Data Group (PDG) Secretariat. The PDG Secretariat manages the operation and activities of the PDG Board to support and drive forward data policy. Following the integration of the PDG Board into the BIS Digital Culture, Services Platforms and Data Board, Leo continues to support BIS in this area. Before joining BIS, Leo worked in the Foreign and Commonwealth Office where he had postings in the British High Commission, Canberra and the British Embassy, Beijing.



Michael Harrison joined ShEx in March 2009 and leads on Working Links. He has significant corporate finance, governance and transaction experience in a Government context. Prior to this, Michael had a broad international corporate advisory background. Michael spent the last eight years as an executive director in Australia leading independent corporate advisor Greenhill/Caliburn. Prior to that, Michael spent twelve years in investment banking with CSFB and BZW in both London and Europe. Michael was originally a chartered accountant.



Craig Lester joined ShEx in July 2010 and leads on the Ordnance Survey, National Nuclear Laboratory and Nuclear Liabilities Fund (sitting on the Board of the first two). Previously, he led ShEx's Nuclear Decommissioning Authority team. Prior to joining, he had a varied career in policy development, operational delivery and senior leadership roles across a range of Government departments and agencies. In particular, he spent three years as Director of Client Development at the Valuation Office Agency, leading their fee-earning property work across the public sector, and led the Treasury Bill team on the legislation which merged Inland Revenue and Customs and Excise into a single department (HMRC).



Henry Lloyd joined the Shareholder Executive in June 2015. Henry has spent over twenty-five years in European corporate finance and mergers and acquisitions. He has worked in the UK investment banking teams at JPMorgan, CSFB and BZW where he started as a graduate trainee. More recently he has worked as the European head of a small international corporate finance advisory firm based in New York. He has managed a large number of transactions in a variety of sectors and regions, advising both public and private companies on mergers-of-equals, minority and joint venture buy-outs, friendly and hostile acquisitions, disposals, management buy-outs and debt restructuring.



David Long joined ShEx in September 2013 as an Executive Director and leads on DECC projects. David's professional experience covers a range of corporate and financial roles, most recently nine years at UBS Global Asset Management, where he was responsible for investing client funds in European utility, infrastructure and chemical companies. Prior to this, he worked for five years as a project director at AES Corporation developing greenfield power projects in Europe, where his responsibilities included contract negotiation and project finance. David started his career in finance at NM Rothschild, working in their corporate finance team on a range of projects in the natural resources and utilities sectors in the UK and internationally.



Niamh McBreen joined the Shareholder Executive in June 2015. Prior to joining the Shareholder Executive, Niamh spent fourteen years at rolling stock lessor Angel Trains and subsequently its European affiliate, Alpha Trains. There she held a variety of roles across business development, bid management, procurement and corporate finance, and most recently held the role of Group Commercial Director. Niamh started her career in Germany at Swiss-Swedish industrial conglomerate ABB with the business development and sales team for steam turbines for industrial applications.



Fiona-Jane MacGregor has been a member of ShEx for two years. She was Chief Operating Officer for 18 months and has now taken on the role of Head of Special Situations. She is a Chartered Accountant by training, joining RBS in 1993 in its Specialised Lending Services team in Edinburgh. She spent the last six years leading some major European corporate restructurings and headed up the Bank's Strategic Investment Group (SIG). SIG is the team that has responsibility for negotiating, managing and realising the Bank's minority equity investments that have been acquired on re-pricing of debt or through a debt for equity swap.



Tim Martin joined ShEx in 2005 following a long career in investment banking and five years at the Office of Rail Regulation as director of Economics and Finance. Tim began his career as a corporate lawyer with Allen&Overy where he worked on a variety of corporate transactions, including some involving public sector investment and financing. As an investment banker, Tim advised either Government or industry on most of the main utility privatisations, as well as a number of M&A transactions. In ShEx, Tim initially advised on setting up the governance arrangements for the publicly-owned water companies in Scotland and Northern Ireland and a number of commercial transactions, including major land sales for the Nuclear Decommissioning Authority. He is currently responsible for ShEx's governance role on behalf of HMT of the Royal Mint and sits on the Board as a NED. He is also part of the team working with DECC and DfT on a range of financial and governance issues.



Paul Norris joined ShEx in September 2013. He spent 27 years in a variety of investment banking roles, most recently as global head of equity and fixed income research at Nomura (previously Lehman Brothers). His career started in equity research, a specialist in Technology, Media and Telecom. At ShEx, he works in the Portfolio Group and manages the Public Sector Spectrum Release Programme. Paul is active in the venture capital / angel community and is a NED of emerging technology companies Flypay and Code Kingdoms.



Kelly Page joined ShEx in May 2015 on secondment from the Royal Bank of Scotland (RBS). Kelly has over 18 years financial services experience, starting her career in Ernst & Young (E&Y)'s Entrepreneurial Services Department where she qualified as a Chartered Accountant. Kelly then went on to work in E&Y's transaction advisory group, based first in London then in Boston, US, providing financial due diligence across a broad range of companies. In 2005 Kelly joined RBS in London, commencing in the leveraged finance portfolio team before moving across to restructuring in 2008. The last seven years have been spent leading restructures on behalf of RBS and more latterly leading on internal strategic projects for the restructuring group and/or RBS Board.



Nathan Phillips joined ShEx in 2009 and currently heads our team overseeing the Nuclear Decommissioning Authority. Prior to this, he worked across a number of major transactions including the Royal Mail IPO, Channel 4 Joint Venture negotiations, nuclear land and business sales, and most recently, our support to DCLG in setting up a major property investment unit. Nathan joined ShEx after ten years as an advisor (at PwC and at KPMG Transaction Services), having specialised in commercialisation, market restructuring and privatisation strategy.



Elizabeth Perelman joined ShEx in October 2012 and leads on corporate finance projects. Since joining, Elizabeth has worked across a variety of areas including the sale of the Royal Mail and sponsorship of the Land Registry. Prior to joining ShEx, Elizabeth worked in both private equity and corporate finance advisory roles at Morgan Stanley. Her experience includes advising on merger and acquisitions, capital raising and IPOs and corporate development across a range of industry sectors, but, in particular, the technology sector. She also spent a year working at the New South Wales Australian Treasury, working on their spending review.



Alex Reeves joined ShEx in January 2010 and leads on Royal Mail pension assets and Urenco. Prior to that, Alex spent over ten years in corporate advisory and investment banking roles focused on the financial services sector, most recently in the FIG Merger and Acquisitions (M&A) Team at Jefferies in London. During this time, he advised on and managed a large number of UK and cross-border M&A transactions for UK, European and US clients, with a particular focus on the asset management sector.



Anne Spinali joined ShEx in October 2013 and leads on Companies House and on student loan monetisation. Previously she was head of SME Debt Finance Strategy in BIS, where she led work on establishing a Business Bank, delivering the £100 million Business Finance Partnership Investment Programme and policy, and implementing the Enterprise Finance Guarantee. Before this, she was responsible for policy on improving access to bank finance for small businesses, including the delivery of bank lending commitments. Prior to this, Anne worked on a range of policy projects in the Better Regulation Executive. Before joining BIS, she worked at the CBI and in the charity sector on a range of public policy issues, as well as in the European Parliament where she was Private Secretary to one of the Vice Presidents.



Jonathan Walker joined ShEx in July 2013 as an Executive Director and leads on Student Loans. Prior to joining ShEx, Jonathan spent sixteen years in Corporate Finance and Corporate Broking at JPMorgan Cazenove, Merrill Lynch and Oriel Securities, based in London. During his career Jonathan has advised on a broad range of UK and cross-border Corporate Broking, Capital Markets and M&A assignments, with a particular focus on the Support Services, Natural Resources and Industrial sectors.



Ed Westhead joined ShEx in June 2015 as an Executive Director and leads on student loans. Prior to joining the ShEx, Ed spent thirteen years in corporate finance with Macquarie in Sydney and London, advising on M&A, capital raising and private equity investment, primarily in the financial institutions sector. Before Macquarie, Ed worked for BAE Systems, initially as an engineer with BAE Airbus and then in corporate development / M&A roles at the corporate head office and for BAE's Australian operations.

Annex B

List of abbreviations used

BBB	The British Business Bank
BIS (formerly DTI)	the Department for Business, Innovation and Skills, formerly the Department for Trade and Industry
CEO	Chief Executive Officer
COO	Chief Operating Officer
DCLG	the Department for Communities and Local Government
DCMS	the Department for Culture, Media and Sport
DECC	the Department of Energy and Climate Change
DfID	the Department for International Development
DfT	the Department for Transport
DH	the Department of Health
DWP	the Department for Work and Pensions
ESC	The Electricity Settlements Company
GIB	the UK Green Investment Bank
GovCo	Government-owned Company
HMG	Her Majesty's Government (HM Government)
HMT	Her Majesty's Treasury (HM Treasury)
IPO	Initial Public Offering
LCCC	The Low Carbon Contracts Company
LCR	London Continental Railways
Ltd	Limited
MOD	The Ministry of Defence
M&A	Mergers and Acquisitions
Mid-cap	Middle capitalisation ie a company with a market capitalisation in the middle range
NDA	the Nuclear Decommissioning Authority
NED	Non-Executive Director
NLF	the Nuclear Liabilities Fund
NMO	the National Measurement Office

NNL	the National Nuclear Laboratory
OGA	the Oil and Gas Authority
PA	Personal Assistant
PDG	the Public Data Group
PFI	Private finance initiative
PLC	public limited company
RONA	return on net assets
ShEx	the Shareholder Executive
SME	Small and medium enterprises
UKEF	UK Export Finance
UKFI	UK Financial Investments
UKGI	UK Government Investments
UKTI	UK Trade and Investment

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