



Shareholder  
Executive

HM Government

# Annual Review 2013-14

October 2014



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# Opening Words by Matthew Hancock MP



## **The Shareholder Executive – ShEx – plays a crucial role in ensuring that the taxpayer gets best value from the assets it owns.**

Sometimes this means realising value through the injection of private capital as in the case of the Royal Mail. But it also means acting as custodian of vital assets that need to continue in Government ownership, in some cases being highly active as a shareholder to improve capability, efficiency and effectiveness of Government-owned bodies. ShEx also plays an important role in providing high-quality corporate finance advice across Government.

ShEx is delivering growth and boosting the economy in new and innovative ways, for example, as the incubator for new Government-owned financial bodies such as the Green Investment Bank, tasked with investing in green projects, and in establishing the British Business Bank, which is helping to make finance markets work better for smaller businesses.

In bringing together a wide range of private sector commercial expertise and civil service skills and working flexibly and collaboratively across government, ShEx is an exemplar for the modern civil service. With its unique combination of skills, ShEx offers expert advice and works with departments to create value for the taxpayer and improve delivery across Government. This Review sets out the range and depth of their work as well as its many achievements over the last year.

**The Rt. Hon Matthew Hancock MP**  
**Minister of State for Business and Enterprise and Energy**  
**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.

# Our Activities

Area of work	Governance
For BIS	<ul style="list-style-type: none"> <li>• Board appointments</li> <li>• Business/Financial Plan Approvals</li> <li>• Performance monitoring</li> </ul> <ul style="list-style-type: none"> <li>• Companies House</li> <li>• Royal Mail</li> <li>• Post Office Ltd</li> <li>• Green Investment Bank</li> <li>• Insolvency Service</li> <li>• Land Registry</li> <li>• Met Office</li> <li>• Ordnance Survey</li> <li>• UK Export Finance</li> <li>• Urenco</li> </ul>
Across Whitehall	<p><b>DECC</b></p> <ul style="list-style-type: none"> <li>• NDA</li> <li>• Nuclear Liabilities Fund</li> <li>• National Nuclear Laboratory</li> <li>• ESC</li> <li>• LCCC</li> </ul> <p><b>HMT</b></p> <ul style="list-style-type: none"> <li>• Royal Mint</li> <li>• Eurostar</li> </ul> <p><b>DfT</b></p> <ul style="list-style-type: none"> <li>• NATS</li> <li>• LCR</li> </ul> <p><b>DCMS</b></p> <ul style="list-style-type: none"> <li>• Channel 4</li> </ul> <p><b>DfiD</b></p> <ul style="list-style-type: none"> <li>• CDC</li> </ul> <p><b>DWP</b></p> <ul style="list-style-type: none"> <li>• Working Links</li> </ul>

## Transactions

- Investments
- Realisations

- Sale of Westinghouse – 2006
- Sale of British Energy – 2008
- Launch investment e.g. Airbus A350 – 2008
- Sale of Royal Mail Pension Assets – 2012
- Royal Mail IPO – 2013
- Sale of Mortgage-Style Student Loans – 2013

### **MOD**

- Sale of QinetiQ – 2006

### **DECC**

- Sale of NDA land – 2011

### **DCMS**

- Sale of Tote – 2011

### **DH**

- Sale of Blood Plasma UK – 2013

## Corporate Finance

- Commercial negotiations
- Restructuring/distressed companies
- Business incubation

- MG Rover – 2005
- Jaguar Land Rover – 2010
- GM Opel – 2009
- Green Investment Bank launch – 2012
- UK Coal – 2014
- British Business Bank launch – 2014

### **DH**

- Southern Cross – 2011

### **MOD**

- BAE/EADS – 2012

### **DECC**

- Green Deal Finance Co launch – 2012
- Agreement with EDF on Hinkley C Build – 2013
- LCCC and ESC launch – 2014

# Foreword to the Annual Review by Robert Swannell



**I feel privileged to have been asked to chair the Advisory Board of the Shareholder Executive. In my first weeks as Chairman I have been impressed by the sense of purpose and commitment of the ShEx people I have met.**

It is clear that trust is at the heart of our mission at ShEx, in our relationships with the Government departments with which we work and in the way we work as a team. Trust is earned by doing first-class business in a first-class way. ShEx is fortunate to work for a first-class client, the UK Government, on some of its most interesting and complex tasks. ShEx needs outstanding people with a passion for excellence and a sense of public purpose to execute this work. This requires us to attract great talent from both the public and private sectors and offer unique work experience, together with a team spirit that motivates the best to do their best.

With this in mind I believe the emphasis of the ShEx Advisory Board's work should be twofold. First, helping the executive team at ShEx in its task of identifying, recruiting, motivating, training and retaining the best talent so that it maintains its reputation as an outstanding organisation; and second to provide objective and timely advice to the Executive Directors on the key projects being undertaken, to help them mitigate the risks in their work and to help guide how best to prioritise the work to be undertaken.

Of course the notable achievement of the past year was the successful privatisation of the Royal Mail. ShEx led a process that delivered a key policy objective and should



take credit for the successful outcome. This was the first major set-piece privatisation by way of an IPO for many years and one of unusual complexity.

I would also like to offer my thanks to my predecessor, Patrick O'Sullivan, both for the work that he did during his term, particularly in building relationships with the entities with which the Shareholder Executive works and also for the generous way in which he helped me on the transition. I am now looking forward very much to working with Mark Russell, the ShEx Board and the wider team.

**Robert Swannell**  
**Chairman**  
**Shareholder Executive Advisory Board**

# 1. Chief Executive's Report



## 1.1 Introduction

### **This has been another busy year for the Shareholder Executive.**

We welcomed our new Chair of the Advisory Board to the Shareholder Executive, Robert Swannell, who joined the Board as a Non-Executive Director last year and was appointed Chair on 1 September 2014. He brings an extensive range of skills and expertise, spanning corporate finance, corporate recovery and capital markets. Both his considerable experience working in government and his corporate finance background will be vital in helping us meet the challenges and opportunities ahead. I would also like to thank Robert's predecessor, Patrick O'Sullivan, for his able leadership as Chair of the Board from March 2012.

ShEx has continued to deliver value for money for the taxpayer by managing some of the vital assets that Government owns. As well as the work on privatisation of the Royal Mail, which has been a key project over the past two years, some further particular highlights are set out in this report. In addition to managing existing assets, major progress has been made in setting up the British Business Bank, which is now in its new premises in the City, and the Green Investment Bank, which is now fully in operation. ShEx has also remained active across a range of situations involving companies experiencing financial distress, including the recent successful intervention on UK Coal. More widely, ShEx continues to work across Whitehall, to support other departments in managing Government assets, to manage Government's interventions in the private sector and to develop the Corporate Finance profession.

Information is another public asset that plays a key role in a strong economy. We have made great strides in driving forward Government's ambition to give the public more access to data. In particular, Companies House announced that it would be making its digital register available for free, a huge step forward for the open data agenda – the UK is now the first country to establish a fully open register of business information. We are delighted that Companies House has won an international innovation award, confirming their position as a genuine world leader in improving corporate transparency.

## 1.2 Major achievements, 2013-14

Since last year's annual report in October 2013, there have been a number of achievements across ShEx's portfolio companies and in its advisory work.

### **Establishing the British Business Bank**

In October 2014, the European Commission approved plans for establishing the British Business Bank as an operationally independent, Government-owned company. We have made significant progress in establishing the Bank so that it can help make finance markets for smaller businesses work more effectively. The Bank will do this by increasing the supply of finance available to smaller companies, by creating a more diverse and vibrant finance market with a greater choice of options and providers, and by increasing smaller businesses' awareness and understanding of financing options.

The British Business Bank is creating a more diverse and vibrant finance market

The British Business Bank team now comprises more than 90 staff, bringing together experts from the private sector and a small number of civil servants. A full Board has been appointed, including Ron Emerson as Chair and Keith Morgan as CEO, and teams are equally split between the Sheffield headquarters and the new London office.

All of the Bank's programme areas are now live and are already making a real difference in the markets. In the last

twelve months, more than £2.3 billion of new lending and investment was generated by British Business Bank programmes, supporting more than 35,000 businesses. The Bank team recently published its Strategic Plan, setting out its objectives and how it plans to achieve these.

## Supporting Government's transparency and open data agenda

ShEx has responsibility for policy in relation to the Public Data Group. This Group brings together four organisations – Companies House, Land Registry, Met Office and Ordnance Survey – that excel in the collection, management and distribution of vital data sets. In the past year, the Group has continued to support the aims of Government's Open Data initiative to improve services to the public and foster innovation and growth. In July 2014, the Group published a statement on its work to date, setting out the Group's commitments, the case for open data and why charges are necessary for some data. It highlighted the Group's achievements across three themes:

### (i) Making more open data available

- **Companies House** has produced a free Accounts Data Product that allows free access to all statutory accounts filed digitally – more than 1.5 million registered companies. This has made Companies House a world leader in providing this type of data free of charge.
- **Land Registry** has made available more than 18 million definitive records of monthly residential property price data, dating back to 1995.

### (ii) Improving the data made available:

**the Met Office** has enhanced the portal by which their data is accessed, DataPoint, which provides open data in a way that allows developers to create innovative applications using real-time weather information. In the last six months there have been 40 million data requests.

**(iii) Acting as a catalyst for innovation** and offering support to increase the usage of the data through hack events, educational events and challenges.

For example, **Ordnance Survey** has continued to run their GeoVation challenge series, most recently around ‘*How can we encourage active lifestyles in Britain?*’ and has also run a ‘*Develop Challenge*’ specifically targeted at solving problems faced by business.

## Companies House opens up its data

In July 2014, Companies House announced its intention to make all of its digital data available free of charge. This will make the UK the first country to establish a fully open register of business information. As a result, it will be easier for businesses and members of the public to research and scrutinise the activities and ownership of companies and connected individuals. This is a considerable step forward in improving corporate transparency, a key strand of the G8 declaration at the Lough Erne summit in 2013. It will also open up opportunities for entrepreneurs to come up with innovative ways of using the information. The change will come into effect from the second quarter of 2015 (April – June).

## Transformation of the Land Registry

In the first half of 2014, BIS ran a public consultation on the creation of a Land Registry Service Delivery Company. In July, after considering the outcome of the consultation, the Government decided that the timing was not right to change the Land Registry’s commercial model. Instead, the Land Registry, with the support of ShEx and the Government Digital Service, is focussing on its transformation and digitisation programme. Early digitisation successes have included the *MapSearch* and *PropertyAlert* products launched this year. The latter won the Innovation in Business Award at the Real IT Awards. Almost 80 per cent of applications to change a registered title are now being delivered electronically, and 97 per cent of information requests are processed through digital channels. Next year the Virtual Post Room will be fully operational, streamlining the way the Land Registry manages its post and creating a ‘paperless’ working environment. The programme to increase digitisation of the conveyancing process should also move forward significantly.

This year, the Land Registry ran a public consultation on taking on wider powers, including responsibility for Local Land Charges. Provisions were introduced in the Infrastructure Bill, and successfully passed Committee Stage in the House of Lords in July. Subject to Royal Assent, the Land Registry will then work on the implementation of these changes.

## **The Royal Mail privatisation**

As reported last year, the Royal Mail Initial Public Offering (IPO) on 15 October 2013 was a major achievement for ShEx. The sale raised £2 billion for the taxpayer; enabled 700,000 members of the public to buy shares; and made almost 150,000 Royal Mail employees shareholders – the largest employee share scheme of any major privatisation for almost 30 years.

ShEx continues to manage the Government's 30 per cent residual stake in Royal Mail

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ShEx continues to manage the Government's 30 per cent residual stake in Royal Mail, which is valued at more than £1 billion. In July, the Government received a dividend payment of nearly £40 million – this was the first time that Government had received a dividend from the company. One of the key objectives in privatising Royal Mail was to enable the company to raise funds from the capital market to invest and grow the business and, in July, Royal Mail raised €500 million through the issue of guaranteed bonds.

## **Royal Mail pension assets**

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 Business. As at 31 March 2013 around £2.8 billion of less liquid assets were held by the companies. Over the reporting period this reduced to around £2.1 billion, whilst around £1.3 billion was remitted to HM Treasury.

## **Nuclear Decommissioning Authority (NDA) transactions**

In June 2014 the NDA concluded a deal with Toshiba and its partner GDF Suez for a land option agreement at Moorside – a site owned by the NDA next to Sellafield in West Cumbria. The agreement represents an excellent deal for the NDA, potentially worth up to £200 million, an important step in meeting Government’s policy aspirations for Nuclear New Build. It also offers significant opportunities for the local community who stand to benefit from substantial investment and jobs. The agreement opens the way for Toshiba to start planning for construction of three AP1000 reactors on the site, capable of powering around six million homes.

ShEx supported the NDA in completing successfully its competition for a new parent body organisation for Magnox Ltd., and Research Sites Restoration Ltd. The award of the contract on 1 September 2014 to the Cavendish Fluor Partnership stands to deliver around £1.5 billion in savings. This competition, the last in the current schedule, completes the process of introducing private-sector management capability to the NDA’s seventeen sites.

## **Developing the National Nuclear Laboratory (NNL)**

The NNL’s role as national laboratory continues to develop. Commissioning work continues on Phases 2 and 3 of the NNL Central Laboratory in West Cumbria, and NNL has worked closely with partner organisations such as the University of Manchester to further develop nuclear research capabilities at other sites, including creating a new Nuclear Fuel Centre of Excellence.

The Board has been strengthened and refreshed by the recruitment of three Non-Executives with backgrounds in nuclear regulation, nuclear engineering and finance.

The NNL-hosted Nuclear Innovation Research Office has been established and has begun to develop and support the work of the Nuclear Innovation Research Advisory Board in helping to define a national programme of nuclear energy research and development for the UK.

...helping to  
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development

## Transformation of the Post Office Network

In November 2013, the Government announced a new three-year £640 million funding agreement for the Post Office, subject to State Aid approval. This was a landmark announcement, extending funding for Post Office beyond the current Spending Review period, and it represents an important step in securing the future of the Post Office network. This will enable the Post Office to complete the largest investment and modernisation programme it has ever undertaken across the Post Office network, bringing considerable benefits to customers across the UK.

By the end of September 2014, more than 3,000 Post Office branches had been modernised and a further 3,400 community branches protected as a result of this programme. By 2018, more than 8,000 branches will have been modernised, resulting in improved customer service and longer opening hours. This transformation will also support the Post Office in making progress towards a potential future mutualisation.

By 2018, more than  
8,000 branches  
will have been  
modernised

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## Establishment of the Green Investment Bank

The UK Green Investment Bank (GIB) is now fully operational with around 90 full time staff. In 2013-14 it committed a total of £668 million to 18 green projects, including a number of offshore wind farms, waste management facilities and energy efficiency projects. It continues to mobilise nearly £3 of additional capital for every £1 it invests and is helping to attract new investors to relevant markets by demonstrating that financing green projects can be profitable.

GIB has introduced  
innovative financing  
products to help  
stimulate investment

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GIB has supported a number of innovative projects, for example taking an equity stake in the first offshore wind farm in the world to deploy a new, larger and more efficient six megawatt turbine; and financing a project that brings new bio-waste gasification technology to the UK. It has also introduced innovative financing products to help stimulate investment and has published market reports setting out the scope for investment in energy efficiency in street lighting and at NHS properties, as well in anaerobic



digestion waste management facilities. Full details of GIB's investment activities and of the green impact of the projects it supports are set out in the company's second annual report which was published in June 2014.

## **Sale of Student Loans**

In November 2013, ShEx completed the sale of the remaining publicly-owned 'Mortgage Style' student loans to Erudio Student Loans Limited for £160 million. The sale represented good value for money for the taxpayer and was achieved through an open and competitive process in which 40 interested parties initially took part. The sale has enabled the Student Loans Company to concentrate its resources on administering the payment and collection of 'Income Contingent Repayment' student loans.

## **Releasing Public Spectrum**

The Government is seeking, by 2025, to double the economic contribution of radio spectrum to the UK economy, already worth more than £50 billion a year. It aims to do this through offering business the access it needs to innovate and grow, and giving everyone in the UK the services they need. ShEx continues to play a central role in meeting this goal, driving the Government's Public Sector Spectrum Release Programme with a target of releasing 500 megahertz (MHz) of public spectrum to the private sector by 2020. ShEx published a programme update in March 2014, including confirmation of the shortlist of bands to make up the 500 MHz and announcing that around 60 MHz of spectrum has already been released, with significant further releases expected in 2015.

## **A new strategic partnership for the National Physical Laboratory (NPL)**

ShEx has been working with colleagues in BIS and the National Measurement Office (NMO) to establish a new strategic partnership for the NPL, which will transition to full Government ownership after two decades of operation by a third party contractor (under a Government Owned Contractor Operated arrangement).

Following a competitive process, on 10th July 2014, the Government announced that the Universities of Strathclyde and Surrey had been selected to develop this strategic partnership with Government to lead NPL for the future. The partnership is intended to strengthen research and engagement with business by applying measurement science to support innovation and growth. ShEx is working with BIS and NMO colleagues to negotiate the terms of the new strategic partnership, negotiate the exit of the current operator of NPL and prepare for the transition of NPL to the new arrangements.

The Royal Mint  
has met all its  
Ministerial targets

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## **The Royal Mint – new £1 coin**

The Royal Mint has made good progress on its strategic priorities. In particular its development of world-leading anti-counterfeiting technology was recognised in the announcement of a new £1 coin on 19 March 2014 by the Chancellor of the Exchequer. The announcement provides a very strong endorsement for international sales of Royal Mint products using this innovative technology. The Royal Mint has also met all its Ministerial targets, and exceeding its target of a 10 per cent return on average capital employed: in 2013-14 it was 10.2 per cent, compared with 0.5 per cent in 2012-13.

ShEx played a key  
role in what was  
a highly complex  
transaction

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## **Working across Whitehall**

Working with other central government departments, particularly HM Treasury and Cabinet Office, ShEx plays a wider role as a corporate finance resource within government. This includes advising on launch aid, regional and industrial assistance, and on companies in distress. A good example of the value ShEx can bring is the recent intervention on UK Coal, where government has provided a commercial loan to the company with a view to averting an early and costly closure of the business. ShEx played a key role in what was a highly complex transaction, supporting and advising Ministers and officials across Whitehall, including BIS, the Department of Energy and Climate Change (DECC), HM Treasury, the Cabinet Office and No. 10, whilst leading all of the commercial negotiations with the Company.

ShEx is increasingly asked to assist Departments across Whitehall to manage their assets better

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ShEx is increasingly asked to assist Departments across Whitehall to manage their assets better. For example, we have worked closely with the Department for Transport (DfT) on a number of their major projects including:

- corporatisation of the Highways Agency, following the recommendations of the Cook Review;
- issues arising from the reclassification of Network Rail to the public sector; and
- the sale by the Airline Group (a 42 per cent shareholder in NATS) of 49.9 per cent of their shareholding to the Universities Superannuation Scheme, a UK pension scheme.

Another important area of joint working for ShEx has been the Government's Electricity Market Reforms to stimulate investment in low-carbon energy and maintain security of supply. ShEx worked with DECC on various aspects of the reforms including:

- the development of Contracts for Difference (CfDs) for low-carbon electricity generators;
- arrangements for energy suppliers to pay a levy (the "Supplier Obligation") to the Low Carbon Contracts Company (LCCC) which supports low-carbon electricity generation;
- the capacity market to ensure security of electricity supply; and
- the governance arrangements for the LCCC and the Electricity Settlements Company (ESC) – the new companies required to deliver the reforms.

We will continue to support DECC on a variety of important projects, including finalisation of the CfD for the planned Hinkley Point C nuclear power station and the provision of a shareholder function in relation to DECC's holding in the new Electricity Market Reform companies.

ShEx also advised the Department for Communities and Local Government (DCLG), with the support of a leading commercial bank and other sector experts, on setting up

a new housing investments function in the Homes and Communities Agency. This entity will oversee and execute £24 billion of investment and support to the housing sector, delivering thousands of new homes and securing value for money for the taxpayer. The new unit is now up and running under the leadership of a number of high-profile bankers from leading UK lenders. ShEx played a key role in locating and brokering these critical secondments.

## 1.3 Changes in the portfolio

ShEx's portfolio has increased over the past year with the addition of two new assets owned and managed by DECC – the LCCC and the ESC.

## 1.4 Organisational structure, people and teams

ShEx continues to have a close interest in digital transformation

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We said farewell this year to colleagues in the Digital Transformation Team which has moved to another part of BIS, reporting directly to the Chief Digital Officer, Tim Knighton. ShEx, however, continues to have a close interest in digital transformation. Companies House and the Met Office are digital leaders, whose expertise is helping to build digital capability across the department, and the Land Registry and the Insolvency Service are two of the digital exemplars that are rebuilding their transactional services to become Digital by Default.

The British Business Bank team has increased significantly, having been joined by the team from Capital for Enterprise Ltd which is now part of the Bank. With the formalisation of the Bank as a separate entity, it has moved to its own accommodation in the City. ShEx continues to play a key role as shareholder.

With the growth of the British Business Bank our headcount stood at around 180 staff but of these, around 90 posts are part of the Bank and will transfer formally from ShEx to the

...we place a strong emphasis on good stewardship of our own resources in the way we work

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Bank when it becomes fully independent and operational in November. Of the staff that will remain in ShEx, the mix of civil servants to corporate financial specialists is roughly 50/50, with corporate finance specialists largely made up of staff on fixed term contracts of three years and shorter-term secondees from city finance and law firms.

As well as our stewardship of Government resources, we place a strong emphasis on good stewardship of our own resources in the way we work. We leverage our capabilities by bringing in a range of expertise through secondments and through pro bono work. We promote shared learning, interchange between teams and flexible project working. And in keeping with the ShEx team spirit, in June, a number of ShEx staff took part in the London to Brighton Bike Ride, raising over £10,000 for charity.

The senior management team remained largely unchanged throughout the year and are listed at **Annex A**.

## Governance

This year has seen several changes in the ShEx Board. As well as welcoming the new Chair of the ShEx Board, Robert Swannell, we have bid farewell both to Robert's predecessor, Patrick O'Sullivan and to two other valued Non-Executive Director (NED) Board members, Lord Carter of Coles and Anthony Watson CBE and we have welcomed Robin Lawther as a new NED. We said farewell also to Ken McCallum who has left ShEx to return to his home department and, in October, welcomed Rachel James, who takes over from Fiona-Jane MacGregor as Chief Operating Officer, and attends the Board in this capacity. We are recruiting another NED to bring the Board up to its full complement. These changes bring our representation of women attending the Board up to three, or 30% of the Board. Members of the ShEx Board are listed at **Annex A**.

ShEx is seen as an exemplar within BIS in handling risk

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We reported last year on the establishment of a Risk and Assurance Committee, chaired by ShEx's Chief Operating Officer. This Committee continues to be a key part of our governance. ShEx is now seen as exemplar within BIS in handling risk, an important part of the challenging role we play.

## 1.5 Outlook

The year ahead promises to be as busy and challenging as previous years.

### Asset sales

In December 2013 as part of his Autumn Statement, the Chancellor confirmed the Government's intention to take forward sales of the pre-2012 'Income Contingent' student loan book in a number of tranches, with the intention of raising around £12 billion in revenue over a five-year period. Whilst there are no plans to conduct a sale during the remainder of this Parliament, ShEx continues to lead work to prepare for a potential first sale, by March 2016. We also continue to work towards the sale of certain other Government assets, or HMG'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 and of HMG's share in Eurostar.

### Working with the European Commission

In the coming months we will be working with the European Commission to seek its formal approval for the £640 million Post Office funding announced by Ministers in November 2013.

In May, the Government secured European Commission approval to allocate a further £800 million of funds to the Green Investment Bank (GIB) for the year 2015-16 as well as to broaden GIB's scope to include small scale (community) renewable energy sectors to GIB's remit and allow GIB to adopt a pro-active, approach to investment in the offshore wind sector. As a result, GIB is appointing fund managers to make investments on its behalf in the small-scale renewables sector. The first investments are likely to be announced later in 2014. GIB has also announced plans to raise a £1 billion fund to invest in offshore wind projects that will be managed by a regulated subsidiary of GIB.

Our unique mix of financial experts and civil servants... brings together a wide range of skills

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## Corporate Finance

In my capacity as Chief Executive of ShEx, I also act as Head of the Government Corporate Finance Profession. ShEx will continue to develop Corporate Finance as a government-wide profession, recruiting and developing Corporate Finance professionals and providing a platform to deploy their skills efficiently and effectively across government. To do this, we have refined the competencies and skills required by the profession, and assessed Corporate Finance requirements across government. We are planning to introduce suitable qualifications and an accreditation framework and to identify profession-specific learning and development opportunities. Building on this, we will develop career pathways and a talent strategy. These activities will help to ensure that we deploy Corporate Finance professionals effectively across government.

ShEx's strengths lie not only in the excellent leadership provided by the Board and ShEx's senior staff but also in the talents and dedication of all its staff. Our unique mix of financial experts and civil servants helps to bring together a wide range of skills to tackle successfully the many different challenges we face. 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**  
**October 2014**

## 2. Portfolio performance in financial year 2013-14

### 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 2013-14. As the portfolio changes from year to year, comparisons with results from previous years should be made with caution. For the financial year 2013-14, the portfolio comprised the list below and a short description of each is contained in the next section. The recently-established Low Carbon Contracts Company and the Electricity Settlements Company will be added to the portfolio figures in next year's Annual Review.



1. CDC
2. Channel 4
3. Companies House
4. Eurostar (40 per cent HM Government ownership)
5. Insolvency Service
6. Land Registry
7. London and Continental Railways (LCR)
8. Met Office
9. NATS (49 per cent HM Government ownership)
10. National Nuclear Laboratory (NNL)
11. Nuclear Decommissioning Authority (NDA)
12. Nuclear Liabilities Fund (NLF)
13. Ordnance Survey
14. Post Office Limited
15. Royal Mail (30 per cent HM Government ownership)
16. Royal Mint
17. UK Export Finance (UKEF)
18. UK Green Investment Bank (GIB)
19. Urenco (33 per cent HM Government ownership)
20. Working Links (33 per cent HM Government ownership)

## 2.2 Brief descriptions of the Portfolio Companies

**CDC**'s mission is to support the building of businesses throughout 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. One of the main functions of Companies House is to incorporate and dissolve limited companies. It also examines and stores company information delivered under the Companies Act and related legislation, and makes this information available to the public.

**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 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. HMG's 40 per cent stake in Eurostar is therefore now held by HM Treasury. The ShEx CEO, Mark Russell, sits on the boards of both LCR (see below) and Eurostar.

**London and Continental Railways (LCR)** is a UK Government-owned company that specialises in the management, development and disposal of property assets

within a railway context and, in particular, property assets associated with major infrastructure projects. LCR is a limited liability company that is wholly owned by the Department for Transport (DfT).

**The 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 capitalised with 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.

**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. As well as providing a reliable record of information about ownership of and interests affecting land, it provides owners with a land title that is underpinned by the state, and simplifies the transfer of interests in land.

**The Met Office** is the UK's National Weather Service and is a world leader in providing weather and climate services. It is a Trading Fund in BIS, operating on a commercial basis under set targets.

**NATS** is the UK's leading provider of air traffic control services. Each year it handles 2.2 million flights and 220 million passengers in UK airspace. In addition to providing services to 15 UK airports, it also works in more than 30 countries around the world spanning Europe, the Middle East, Asia and America.

**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 (BNFL) and the United Kingdom Atomic Energy Authority (UKAEA). NDA owns 17 UK nuclear sites, their liabilities and assets.

**The National Nuclear Laboratory (NNL)** is the UK's principal research and development organisation that provides technical knowledge and capability needed to ensure the country's civil nuclear energy programmes can be delivered in a safe and cost-effective manner. It 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 the Laboratory to generate surpluses that are subsequently re-invested in research and facilities, thereby furthering the UK's strategic capabilities.

**The Nuclear Liabilities Fund (NLF)** is an investment holding company with a market value of £8.85 billion as at 31 March 2014. It manages assets for the purpose of providing funding to meet certain waste management costs and, in due course, the decommissioning liabilities of eight former nuclear power stations of EDF, 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, accountable to BIS.

**The Post Office Limited** is the leading provider of retail mails services in the UK, with a history dating back more than 350 years. It was separated from Royal Mail in 2012 and is now wholly independent. It operates a network of more than 11,500 post office branches, receives 20 million customer visits each week and offers in excess of 170 services across its core markets of Mails, 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.

**The Royal Mint** is the world's leading export mint, making coins and medals for an average of 60 countries every year. However, its first responsibility is to make and distribute United Kingdom coins as well as to supply blanks and official medals. 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 (ECGD). UKEF is a ministerial department, supported by an advisory non-departmental public body.

**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. It is a public, private and voluntary company. Its public sector share is managed by ShEx.

## 2.3 Portfolio Financial Analysis

The basic methodology adopted in the Portfolio Analysis 2013-14 is the same as the Portfolio Analysis 2012-13.

Businesses where Government has a controlling interest are fully consolidated, and businesses where Government holds a non-controlling interest are proportionally consolidated (e.g. NATS, Eurostar 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 2013 results have been reported under '2013-14'.

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, GIB, 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.
- **GIB** uses finance provided by HMG to back green projects on commercial terms and mobilise other private sector capital into the UK's green economy.
- **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.
- **The Post Office'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

Turnover (£m)			Operating profit (£m)	
Portfolio company	2013 / 14	2012 / 13	2013 / 14	2012 / 13
Royal Mail	2,837	2,744	201	179
Channel 4	908	925	(15)	(29)
NATS	450	441	82	105
Urenco	429	453	162	191
Land Registry	381	347	136	105
Eurostar	353	332	22	21
Royal Mint	315	254	7	(1)
Met Office	208	205	11	12
Ordnance Survey	144	142	28	29
NNL	85	87	8	9
Companies House	64	64	7	10
Working Links	27	25	(2)	1

Note: Table excludes CDC, GIB, Insolvency Service, LCR, NDA, NLF, Post Office and UKEF. 2012/13 and 2013/14 numbers have been adjusted to assume a 30% stake in Royal Mail.

## 2.5 Net operating assets and return on net assets

Net operating assets (£m)			RONA (%)	
Portfolio company	2013 / 14	2012 / 13	2013 / 14	2012 / 13
Urenco	1,622	1,446	10.0%	13.2%
NATS	655	672	12.5%	15.7%
Royal Mail	455	498	44.2%	36.0%
Channel 4	241	220	(6.2)%	(13.2)%
Eurostar	321	312	6.7%	6.7%
Met Office	167	183	6.7%	6.7%
Ordnance Survey	105	103	27.0%	28.2%
Royal Mint	64	75	10.3%	(1.4)%
NNL	59	20	13.2%	42.3%
Land Registry	55	45	246.7%	232.5%
Companies House	37	39	18.7%	26.2%
Working Links	(1)	(1)	nm	nm

Note: Table excludes CDC, GIB, Insolvency Service, LCR, NDA, NLF, Post Office and UKEF. 2012/13 and 2013/14 numbers have been adjusted to assume a 30% stake in Royal Mail.



## 2.6 Dividends declared

Dividends declared (£m)		
Portfolio company	2013 / 14	2012 / 13
Land Registry	127	26
Urenco	76	54
NATS	30	20
Ordnance Survey	19	20
Met Office	10	8
Eurostar	7	2
Companies House	4	4
Royal Mint	4	8

Eight businesses in ShEx's portfolio declared dividends in the year 2013-14, with Government's share amounting to £277 million, a 95 per cent increase on last year. This increase is dominated by a special dividend of £100 million from Land Registry, which reflected the increased volumes during the year, the year-on-year cost reductions and a credit from the Indemnity Fund which reduced expenditure.

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 Chair, Sept 2014)

Robert became Chairman of the ShEx Board after serving a short spell as a Non-Executive Director (NED). Robert was appointed an NED of Marks & Spencer in October 2010 and became Chairman in January 2011. Until 2010, Robert spent over 30 years in investment banking with Schrodgers/Citigroup. He was formerly Vice-Chairman of Citi Europe and Chairman of Citi's European Investment Bank. He 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 Development Advisory Board. He was Chairman and member of the Governing Body of Rugby School from 2004-2014, and is a Member of The Sutton Trust Advisory Board, a founder and Trustee of the SpringBoard Boarding Bursary Foundation and a Trustee of the Kew Foundation. He is a Chartered Accountant and Barrister.

### Non-Executive Members



#### 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.



### **Sir Gerry Grimstone (appointed in September 2009)**

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. Gerry is also the Chairman of TheCityUK, the representative body for the financial and professional services industry in the UK, and is an Independent Non-Executive Board Member of Deloitte LLP.

He was previously a senior investment banker at Schroders and ran businesses in London, New York and Asia Pacific. He specialised in mergers and acquisitions and capital-raising for major companies worldwide. Prior to that, he was an official in HM Treasury 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. He is the lead Non-Executive on the Defence Board at the Ministry of Defence and has served as one of the UK's Business Ambassadors. He helped oversee HM Treasury'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.



### **Jeremy Pocklington (appointed on 12 May 2012)**

Jeremy is Director of the Enterprise and Growth Unit at HM Treasury. Previously he was Director at the Economic and Domestic Affairs Secretariat at the Cabinet Office, Director at the National Economic Council Secretariat at the Cabinet Office and Head of Corporate and Private Finance Team at HM Treasury.

## **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 11 years in corporate finance, including two years on secondment to Lazard Frères in New York.



### **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 also responsible for ShEx's governance role of the Insolvency Service, where she sits on the Board as a Non-Executive.



## Shareholder Executive: Executive Directors



**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 the 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.



**Michael Cramb** joined ShEx in September 2013 as an Executive Director and leads on Eurostar and NATS. This was after nearly seven years at FTSE 100 packaging group Rexam PLC, where he was Corporate Development Director, variously having responsibility for strategic planning, M&A and joint ventures, and business performance measurement and management. This followed previous corporate finance, strategy and commercial roles with Associated British Foods, Dixons, and Corus (formerly known as British Steel). Prior to this he worked in corporate finance at Robert Fleming, having originally qualified as a lawyer with Freshfields solicitors.



**David Curley** joined ShEx in June 2012 and leads on Urenco and Channel 4. Prior to this, and over a 20 year career, David worked in corporate finance advisory roles, primarily with UBS Investment Bank, and in management consulting. His experience includes advising on merger and acquisitions, capital raising and IPOs, and corporate development across a range of industry sectors and, in particular, in the media and telecoms sectors. Earlier in his career, he specialised in public sector finance advisory work, initially with Price Waterhouse, and has more recently held non-executive board positions in the public sector.



**Leo Geddes** joined ShEx in July 2014 to head up the Land Registry Team and the Public Data Group (PDG) Secretariat. Leo sits on the Land Registry Board as a NED and, through his sponsorship role, is responsible for

representing BIS' interests in the Land Registry and in turn supporting the Trading Fund in its dealings with Whitehall partners. The PDG Secretariat manages the operation and activities of the PDG Board and brings together the CEOs of Companies House, Land Registry, Ordnance Survey and the Met Office. The Board's primary roles are to support and drive forward data policy, ensuring the data is being used to support innovation and growth in the wider economy. 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 and the Met Office. 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).



**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.



**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 6 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.



**Patrick Magee** joined ShEx in June 2012. He leads on Royal Mail and on the British Business Bank. Before this, Patrick was a Managing Director of corporate finance at JP Morgan Cazenove, having worked at the predecessor firms for almost 18 years. During his career Patrick has advised on a broad range of M&A, Capital Markets and Corporate Broking assignments for a range of clients largely in the General Industrial, Energy/Utility and Support Services areas. Patrick also spent two years on secondment to the Panel for Takeovers and Mergers. Patrick has an MBA from Georgetown University, Washington DC and an LLB from Queen's University Belfast.



**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.



**Guy Mason** joined ShEx in January 2014 on secondment from the banking sector and leads on UK Coal. During a 17 year career in banking he has held various roles across restructuring, credit investments and equity investments. Most recently, he spent five and a half years as an Investment Director focusing predominantly on restructurings involving highly leveraged, private equity owned businesses.



**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.



**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 RM pension assets and Urenco. Prior to that, Alex spent over 10 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.

# Annex B

## List of abbreviations used

<b>BIS</b>	the Department for Business, Innovation and Skills
<b>CEO</b>	Chief Executive Officer
<b>CfD</b>	Contracts for Difference
<b>COO</b>	Chief Operating Officer
<b>DCLG</b>	the Department for Communities and Local Government
<b>DCMS</b>	the Department for Culture, Media and Sport
<b>DECC</b>	the Department of Energy and Climate Change
<b>DfID</b>	the Department for International Development
<b>DfT</b>	the Department for Transport
<b>DH</b>	the Department of Health
<b>DWP</b>	the Department for Work and Pensions
<b>ESC</b>	The Electricity Settlements Company
<b>GIB</b>	the UK Green Investment Bank
<b>HMG</b>	Her Majesty's Government (HM Government)
<b>HMT</b>	Her Majesty's Treasury (HM Treasury)
<b>IPO</b>	Initial Public Offering
<b>LCCC</b>	The Low Carbon Contracts Company
<b>LCR</b>	London Continental Railways
<b>Ltd</b>	Limited
<b>MOD</b>	The Ministry of Defence
<b>M&amp;A</b>	Mergers and Acquisitions
<b>MHz</b>	Megahertz
<b>NDA</b>	the Nuclear Decommissioning Authority
<b>NED</b>	Non-Executive Director
<b>NLF</b>	the Nuclear Liabilities Fund
<b>NMO</b>	the National Measurement Office
<b>NNL</b>	the National Nuclear Laboratory
<b>NPL</b>	the National Physical Laboratory
<b>PDG</b>	the Public Data Group
<b>PFI</b>	Private finance initiative
<b>PLC</b>	public limited company
<b>RONA</b>	return on net assets
<b>RM</b>	The Royal Mail
<b>ShEx</b>	the Shareholder Executive
<b>UKEF</b>	UK Export Finance
<b>UKTI</b>	UK Trade and Investment

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