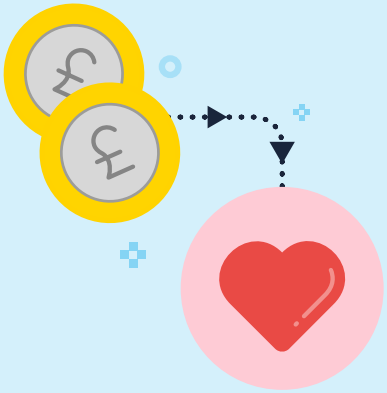


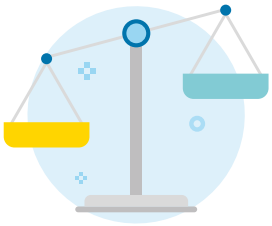
A Case Study

The Use of Unclaimed Assets for Charitable Purposes in the UK

Companies are increasingly focusing on the unclaimed shareholder assets within their registers, partly in response to the recent expansion of the Dormant Assets Scheme, and partly to prepare for the changes around dematerialisation.

While the Dormant Assets Scheme provides one route for putting unclaimed shareholder assets to good use, it may not be the most compelling option. Some companies may prefer a more flexible approach. When they are looking to have a social impact, companies can apply relevant funds directly to charity, creating a more immediate, visible and tailored charitable outcome. Here, companies may wish to consider working with ShareGift, a UK registered charity and charitable grant-maker.

For company secretaries, ShareGift's approach can be helpful in addressing important questions concerning constitutional authority, shareholder fairness, governance, reputational stewardship and the practical design of asset reunification exercises.



Scale and context

The assets within scope for asset reunification will naturally vary from register to register. For companies that have been listed for decades, particularly those with a large retail shareholder base, there may be a very significant tail of assets with material aggregated value. For relatively new companies with a smaller shareholder base, the assets within scope may be limited initially.

For company secretaries, the key point is that addressing dormant assets should not be viewed as an afterthought. Where supported by the company's constitutional framework and careful reunification efforts, it can form part of a deliberate governance strategy that converts an administrative problem into a meaningful outcome.



Practical considerations

When approaching forfeiture certain practical considerations must be taken into account.

- What are the likely values of the assets within scope and what are the constituent parts?
- What is permitted within the company's articles of association?
- Are changes required to the articles of association to ensure best practice and achieve the desired outcome?
- What will be the approach to honouring late claims for shareholders who subsequently come forward, and how will the company make provision for that?



It's not all or nothing

Unclaimed shareholder assets will vary widely within registers, from de minimis unclaimed dividend entitlements and residual shareholdings, through to individual shareholdings worth tens of thousands of pounds. There may be unallocated amounts received following acquisitions where the underlying holder is entirely unknown, assets where the holder can be traced with confidence but is currently unresponsive to communications, and everything in between.

The company does not have to apply all proceeds arising from forfeited funds in the same way. The company can choose to take back the funds, or they may choose to apply them to charitable causes or for wider social benefit. These outcomes are not mutually exclusive.

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A Case Study

DIAGEO

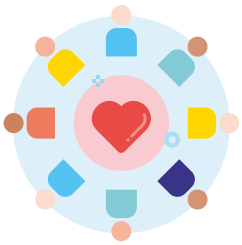
A useful example is the approach taken by Diageo, which chose to donate funds arising from certain unclaimed shareholder assets to ShareGift. This demonstrates a practical alternative for companies seeking a more direct charitable route.

Diageo's approach followed well-established precedents for UK PLCs.

- Efforts were made to trace the shareholders wherever possible, in this instance via AssetTrace+ by MUFG Corporate Markets ▸
- Share Forfeiture was permitted under Diageo's Articles of Association after 12 years of inactivity from the shareholder. Inactivity in this context meant that, within that period, there was no contact from the shareholder and dividends were unclaimed
- Shareholders were issued with a notice to their last known address that the shares and dividends would be forfeited by a certain date if they do not respond
- Resulting forfeited funds belong to the company for use at the Board's discretion although Diageo decided to honour late claims as a gesture of goodwill.

The decision was made to pass those assets on to the charity ShareGift. In Diageo's case, certain dormant assets were identified within historic share plan accounts linked to legacy Diageo entities. Although each account held only a nominal balance and should have been closed approximately 30 years ago, the aggregate value of these balances had grown to a meaningful amount over time. After a thorough assessment of the circumstances, Diageo concluded that donation to charity was the most appropriate outcome, ensuring the assets could be put to positive social use. The decision was made to pass those assets on to the charity ShareGift.







Why ShareGift?

ShareGift had worked directly with Diageo's shareholders for decades as the charitable solution for individuals with unwanted shareholdings – regardless of value. Furthermore, ShareGift's distribution model is responsive to donor suggestion, and as a result had specific insight into the wide and varied charitable interests of Diageo's shareholder base. ShareGift could use this data, and any charitable suggestions received directly from Diageo, as the basis for how they distributed any funds received. In this way, funds arising from Diageo shareholders could be disbursed charitably to causes of interest to the wider shareholder base and Diageo itself.

A holistic approach

Diageo followed best practice by engaging AssetTrace+ to reconnect shareholders with their holdings wherever possible. As part of that asset tracing exercise holders were given an option to donate their entitlements to ShareGift, and more than £13,000 was contributed in this way.

The unclaimed dividend entitlements identified by Diageo for charitable purposes ultimately amounted to more than £14,000, with the donated proceeds of share forfeiture amounting to £34,000. Across the entire exercise in excess of £61,000 was donated to ShareGift.

Charitable Outcomes

ShareGift received funds from the share and dividend forfeiture in September 2025. At that stage ShareGift reviewed the previous charitable suggestions they had received from Diageo shareholders and used this to guide their grant-making.

Ultimately, ShareGift chose to make grants to thirteen separate charities, ranging from large national charities, such as Trussell and Crisis, through to much smaller local charities. All the charities included had been suggested to ShareGift by Diageo's shareholders in the previous five years. A total of £62,500 was given to these charities and the distribution was completed in October 2025, the month following receipt of funds.



£62,500

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Practical steps for Company Secretaries

1. Review the company's articles and legal position to determine whether certain unclaimed shareholder assets can be applied for charitable purposes and whether liability provisions need updating.
2. Ensure that any asset reunification exercise is thorough, well documented and fair to shareholders before any charitable transfer is made.
3. Consider whether a direct charitable route would produce a clearer and more proportionate outcome than transfer into a larger pooled reserve mechanism such as the Dormant Assets Scheme
4. Work with the registrar and legal advisers to design a process that is operationally robust and supported by clear board approval.
5. Where possible, consider choosing a charitable distribution model that reflects known shareholder interests and strengthens the company's stewardship narrative.

The Diageo and ShareGift case study demonstrates that a well-governed charitable route can unlock meaningful value, reflect shareholder interests and produce a diversified charitable benefit.

Conclusion

This case study shows that company secretaries do not need to regard unclaimed shareholder assets purely as a compliance issue or assume that the Dormant Assets Scheme is always the best destination will necessarily be the most appropriate route for their company. Where the legal framework permits, direct application to charity can provide a more immediate, transparent and stakeholder-sensitive use of funds.

The Diageo and ShareGift case study demonstrates that a well-governed charitable route can unlock meaningful value, reflect shareholder interests and produce a diversified charitable benefit. Company secretaries are therefore in a strong position to champion similar approaches within their own organisations and act as influential advocates for charitable giving that creates meaningful and lasting impact.