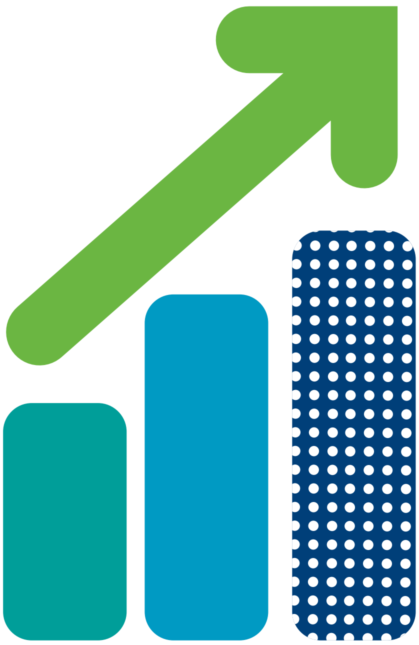
Corporate Governance Behaviour Review 2018/19

Our sixth annual review identifies how directors can improve their corporate reporting to better connect with shareholders.

Helping you prosper

AIM companies responding to new governance requirements

This year has seen the introduction of a new catalyst in improving the connection between companies and investors - the new **AIM Rule 26,** which now requires all companies on AIM to adopt a recognised **corporate governance code**.



From now on, companies are going to have to take positive action in communicating with their shareholders and other stakeholders.

Small-caps have always suffered from a dearth of investment research and, as a result of MiFID II, mid-caps are beginning to face a similar reality. Findings from our research emphasise that the onus is increasingly on boards to communicate more detail, more clearly, in order to differentiate their company from their thousands of peers on the capital markets.

A further catalyst to improving the connection between companies and investors is the change to AIM Rule 26, which now requires all companies on AIM to adopt a recognised corporate governance code. This rule change means that boards must consciously consider what they need to disclose; to make decisions about what is relevant to their company; and how to express these disclosures in a meaningful way.

We estimate that a significant majority of AIM companies have adopted the QCA Corporate Governance Code (the QCA Code). We see the QCA Code as an important conduit to communication between companies and their existing and potential shareholders, and evidence gathered for this review shows that investors agree. The recently updated QCA Code provides a structured framework around which companies can build their own story in a flexible and coherent manner. It enables investors to more easily identify the key areas of a company's business model and strategy, its board arrangements and how it addresses matters such as risk and culture; all designed to promote the creation of long-term value for shareholders.

Examining the impact of the new AIM Rule 26

This year's review – the sixth in the series - looks at companies' disclosures against the QCA Code after the instigation of the new AIM rule on 28 September. We have also looked at the state of disclosure before that time, for comparison. We have benchmarked the corporate governance disclosures made from a random selection of 50 AIM companies and compared these against the disclosures contained in the revised QCA Code (published in April 2018). A group of institutional investors then examined the results of our analysis in detail at a discussion roundtable. Their reflections have led to this year's top five recommendations for companies to improve their corporate governance disclosures.

This review is seen by many as a valuable resource for companies to judge their own disclosures against a market benchmark. It will help boards to see where certain areas of their governance have fallen behind the market and also where they can maintain and increase their competitive edge in attracting and retaining investors. As about two-thirds of all money raised on AIM is through secondary fund raisings rather than IPOs, it is ever important to create and maintain trust between the company and its investors.

This year we have seen a marked improvement in the level of disclosure, brought about by the AIM rule. Obviously, there are areas that are work-in-progress for some companies that, for example, have not conducted a formal board evaluation, or that will present a more detailed level of disclosure with the publication of their annual report following the rule change. However, the overall picture is positive.

Moving towards better communication between boards and all investors

The importance of retail investors is being increasingly recognised by growth companies. In stocks that are relatively illiquid (a feature of the small-cap market) it is the retail investor who contributes significantly to the price formation process. They do not have the same access to the management of companies as institutional investors. Following the QCA Code enables companies to better communicate their disclosures, in turn making it easier for retail investors to find the information they need directly from the companies in which they are seeking to invest.

Culture

One of the disclosures that needs to be clearer is how the company is promoting a sound corporate culture that is consistent with its strategy and business model. Investors want to see how culture is visible through every aspect of the business, present in all its disclosures and statements and how it is being used for the company's competitive advantage.

Compact disclosure

The world is changing in terms of disclosure. We would stress that the overriding thought to bear in mind from an investor's perspective is that companies should only do those things that enable them to create long-term value for shareholders. If there is some aspect of a corporate governance recommendation (in the QCA Code or elsewhere) that is not relevant for the company, then the company should not do it; and explain clearly why not. After all, boards should know what is best for the company and be able to explain how it goes about its business to its investors.

Business model and strategy

Finally, we see each year that many companies find it difficult to describe their business model and strategy. Investors tell us that they would like to see a description along the same lines as they hear each time a company comes in to visit them - the elevator pitch. The recommendation is to keep the description of business model and strategy on the website or in the annual report as simple and as clear as possible. Companies should tell their own stories with their own tone of voice.

> *It's critical that companies can explain how they engage with the stakeholder, including shareholders.*
>
> Rebeca Coriat
> Investec Asset Management

AIM rule change: instigating big change in companies' approach to governance

The data in the main tables of this review was collated after 28 September 2018, but we also examined companies' websites and reports before this date (in August 2018) in order to examine the impact of the rule change and to what extent companies had adapted to fit the new requirements.

We found that, in general, the number of company governance disclosures were significantly higher after the rule change, particularly those regarding the disclosure of detailed information on independent directors and board performance.

Some of the highest increases in the number of companies making a particular disclosure relate to corporate culture. We found that before September 2018, only 24% of the companies explained how the board ensures that the company has the means to determine that ethical values and behaviours are recognised and respected. After the 28 September rule change, this has risen to 80%.

In addition, pre-28 September, only 10% of the companies made reference in the Chair's corporate governance statement to how the culture is consistent with the company's objectives, strategy and business model in the strategic report. After September this was 62%.

There are also some areas where we see progress, but still have a long way to go. For instance, while 100% of the companies already disclosed the identity of directors, only 4% explained how each director keeps his/her skillset up-to-date – this rose to 32% post-September. Similarly, only 4% included a detailed description of the board evaluation process, and this rose modestly to 12%.

We also saw that – pre-September - none of the companies in our sample disclosed any information on plans for evolution of their governance framework in line with the company's plans for growth. After September, this rose to 9% of companies.

Five top tips for AIM company boards

Nail your elevator pitch

Connect your company's strategy, business model and governance in a simple and straightforward manner, as you would in an elevator pitch.

1

Ask for feedback

Engage with shareholders and stakeholders and act on the feedback obtained, communicating effectively how this took place and what results it brought to help achieve the company's long-term success.

2

Know your board's purpose

Focus on how your board is built and how that is communicated – detail its composition, performance evaluation, succession planning and matters reserved for the board.

3

Show how you differ

Communicate clearly where your company's governance arrangements diverge from common practices – explain to investors why your approach is right for your company.

4

Celebrate your company culture

Explain how the company is promoting a sound corporate culture and how that is consistent with its objectives, strategy and business model.

5

1

Nail your elevator pitch

The company should have a well-defined purpose giving a clear idea of the company's strategy, business model and governance, without being convoluted. By effectively promoting a company's purpose, the board establishes a rationale for the company's existence, making it easier to communicate with stakeholders and the wider public. Having a well-developed and defined purpose will allow the board to identify what events or developments are relevant to the company's long-term success, and the connection between the strategy and the business model will give the board a greater ability to address any issues or threats that arise.

From the research in this report, the majority (78%) do adequately explain the company's business model and strategy, but more than a fifth (22%) do not. Investors continue to insist that this is a key disclosure and that every company should be able to explain their business model clearly on their website and in their annual report in the same way that they do in investor meetings.

Prospective investors need to understand the company in which they are going to invest and be able to assess the people running it. Unclear communication around products or service lines is unlikely to give them the assurance they require. The board is responsible for ensuring that its strategy is communicated and actually implemented and is consistent with the company's values.

Strategy and business model

Conveying the overall connection between the company's strategy, model and governance to the market can give the company a competitive advantage; other companies in the industry with a less defined purpose may appear more risky to investors, meaning they are less likely to invest.

Strategic report

As always, communication is the key. The strategic report, within the company's annual report, is the obvious place to include much of this information. The Financial Reporting Council issued detailed guidance on the strategic report in July 2018. Investors see that some companies struggle to understand what the annual report should demonstrate: it should be informative without being unnecessarily long.

2

Ask for feedback

Investors tell us that it is a cause for concern if a company cannot explain how the views of material shareholders are taken into account when conducting business. However, just over half (56%) of companies reviewed explain how they engage shareholders and how successful this has been. More than just disclosing details on the number of meetings attended with shareholders, for example, the board's engagement with shareholders should be demonstrated by identifying which objectives for the company originated and were put forward due to that engagement.

In addition, investors emphasise that engagement with other key stakeholders is crucial to the long-term success of a company. We found the majority (86%) of companies explain how the business identifies the key resources and relationships on which it relies, but less (56%) explain how the company obtains feedback from stakeholders and the actions that have been generated as a result of this. The board has a responsibility to ensure that corporate trust is maintained between the company and wider society; this can be established by fostering relationships through a dialogue with different groups of stakeholders, not just the Annual General Meeting of shareholders.

Stakeholders are likely to have a good understanding of the impact of certain operating activities; open engagement with them and gaining their feedback will offer unique insights unavailable at board level. This could ensure that unforeseen risks or adverse impacts on future development will be brought to light. To generate and preserve value, it is important that the board clearly demonstrates that feedback is being acknowledged. This can be done by communicating how this was put into practice and the resulting benefits for the company.

By connecting with employees, customers, suppliers and other vital stakeholders, the company can develop a more effective business strategy. With effective communication throughout the organisation, the board can develop a greater understanding of the business from the bottom-up. Consulting with employees is likely to engage them with their work, resulting in increased commitment to the firm, enthusiasm for their role and enhanced productivity.

Employee engagement

Meaningful engagement with employees could include an employee actually being on the board, but in practice is more likely to involve a designated non-executive director or workforce advisory panel to assume the role of liaising with the work force.

3

Know your board's purpose

The effectiveness of the board and the decisions it makes are a direct reflection on the board's composition, in particular the role of the Chair in leading it. By detailing the individuals that constitute the board, a company can showcase the board's effectiveness, identify complementary talents and backgrounds inherent in its members, and provide clear definitions of responsibilities. By doing so, this will allow the company to assemble the most effective board members and optimise the decision making process.

Whilst 100% of companies reviewed identify their directors, only a quarter (26%) describe the skills, experience and capabilities that these individuals have and bring to the company. Whilst investors understand that it is sometimes challenging to present effectively how the board of directors is fit for purpose, they want to see a clear balance of skills, background, experience and knowledge so that each director makes a valuable and unique contribution to board processes. Within smaller listed companies, the closely held nature of ownership means that some board members may have difficulty maintaining objectivity in complex situations. A diverse balance of expertise and backgrounds cultivates more objectivity. Good governance allows independent challenge during discussions; this empowers board members to be more active and results in better decision-making.

To maximise their skills, the company should encourage board members to engage in continuing professional development, to reflect the skills required and the sectors in which the business operates. The board should be large enough to meet the opportunities and challenges that arise, but also agile enough to be able to operate efficiently. An appropriate mix of executive and independent non-executive directors is required.

The board as a whole provides leadership and sets the strategy, whilst at the same time implementing values and controls to ensure effective operations. Authority is allocated amongst the board members and also down to committees where appropriate. Less than half of companies (42%) describe which matters are reserved for the board and the respective committees. This should be clearly defined.

The board should also monitor its policies and procedures to ensure they evolve and develop in line with the growth of the business, as well as maintaining robust corporate governance practices.

Technology

Markets, technology and consumer attitudes are continually changing, and board composition needs to respond to those changes. New conventions may need to be adopted or specialist technology may require the involvement of an expert. In addition, careful forethought is necessary for effective succession planning, the details of which must be explored and supported by adequate performance evaluations to ensure that changes to board composition are appropriate. Only 20% of companies reviewed explain their succession planning. This is an important disclosure that investors will want to understand, particularly for smaller companies as the need for a clear succession plan is even greater in their case and should therefore be high on the board's agenda.

Board evaluation

Board evaluation has several dimensions to it. The collegiality of the board as a whole needs to be assessed to see how members operate as a decision-making collective, as well as individual members' contributions and commitment to the role. The collaboration between the board and key management should also be appraised as the decisions reached at board level only have impact if they are effectively communicated to the employees. We found that only 42% of AIM companies explain their board evaluation process, a figure that investors have found to be disappointing.

The manner in which the board evaluation is conducted is down to the Chair, who should consider their own ability to maintain objectivity throughout the course of the appraisal. The evaluation should be designed to elicit an honest reflection of performance and find out what is going right - and wrong - at board level. Such actions prove vital in reaching the decision to appoint new members or seek the resignation of others.

There are many ways to undertake a board evaluation, including self-evaluation, third-party facilitations and peer reviews. Board evaluation conducted by independent external consultants is likely to be more objective, and should be the favoured approach as the company grows.

Show how you differ

Adherence to good corporate governance practices demonstrates to investors an awareness of wider societal issues, and shows an understanding of the significance of those issues and the impact they can have on the long-term success of the company. Corporate governance also shows that adequate controls are in place to bridge the agency gap and provide some kind of protection to shareholders against the potential actions of management. Divergence from these controls could result in a lack of protection for investors.

Following the financial crisis in 2008 there is a greater cultural awareness with investors as to the importance of corporate governance. It is therefore crucial that, when electing to diverge from expected governance arrangements, the reasons for divergence are clearly explained. This will dispel any doubts investors may have about the company, and instil them with greater confidence in the ability of the organisation; it shows that the company has invested time to consider the governance options, and has chosen the most appropriate approach for the company to create long-term value for shareholders.

Communication

Appropriate communication and reporting structures should exist between the board and its shareholder base; this will help to ensure that shareholders have a clear understanding of the unique circumstances or constraints faced by the company, allowing the company to justify any different approach.

Communication of governance procedures, such as the scope of board committees and outcomes of shareholders' votes should be included on the company's website or in its annual report, but we found that companies did not always do this. Only 42% describe the work undertaken by any board committees and only 54% disclose the outcome of all votes in a clear and transparent manner.

4

Celebrate your company culture

Company culture is difficult to define and can vary from company to company, but generally refers to the company's values, attitudes and way of behaving. Certain attitudes that value long-term sustainability, honesty and proactivity will clearly impact the long-term success of the company, its productivity and profitability and will help to protect and reward shareholders and stakeholders.

Four in five companies (80%) explain how the board ensures that the company has the means to determine that ethical values and behaviours are recognised and respected. The board can develop and promote organisational culture in two ways; through leading by example - showcasing the desired attitudes and behaviours while conducting business – and through the selection and management of the Chief Executive. Culture is usually established by the words and actions of the Chief Executive and senior management. We found that 62% of companies include how the company's culture is consistent with the company's objectives, strategy and business model in the Chair's corporate governance statement. Investors want to read statements that articulate how culture is integrated and visible throughout the business.

Discussions within the boardroom should put an emphasis on organisational culture. However, discussing company culture and having policies in place is not sufficient to establish a culture that will permeate through every part of the organisation - the values need to be integrated into the actions taken by the board, and a consistent awareness of governance issues must be maintained at all times. Organisational culture cannot be established quickly, it requires commitment and constant attention. Some companies now use boardroom software (board portal) to stay on top of issues.

Integrating culture

There are several steps that can be taken to help integrate culture into an organisation – to begin with, attitudes should be integrated into the recruitment process by hiring those whose values align with the organisation. Performance reviews and incentives should reflect the company's purpose; performance that embraces the company's culture should be encouraged. Relevant departments that can influence corporate governance (Audit, HR & Compliance) should work collaboratively to assist the board in the assessment of culture, but above all directors and senior management need to be seen by other employees to be living the culture.

The Chair and the Chief Executive are seen as having significant influence over company culture; Chief Execs need to be visible, approachable and accessible by customers and employees. This regular communication helps to build trust with stakeholders and gauges the current culture within the organisation. Directors should also adopt similar behaviour; ask pertinent questions to managers, challenge and probe their assertions, and make sure action is taken when they are not satisfied that senior management are embedding the desired culture into their work sufficiently.

5

Our analysis

This section details our measure of corporate governance behaviour by showing the percentage of the sample that included the minimum disclosures of the QCA Code.

This data was taken post 28 September 2018. In total, there are 31 disclosures across 10 principles.

Explanations of your business model should be kept as simple as possible. Fancy diagrams really aren't necessary. Just explain what your company's purpose is; how it goes about meeting this purpose; and explain what you need to do to achieve it.

Charles Henderson
Invesco Asset
Management Limited

Deliver growth

Principle 1

Establish a strategy and business model which promote long-term value for shareholders

No		2018
1	Explain the company's business model and strategy, including key challenges in their execution (and how those will be addressed).	78%

Principle 2

Seek to understand and meet shareholder needs and expectations

No		2018
2	Explain the ways in which the company seeks to engage with shareholders and how successful this has been. This should include information on those responsible for shareholder liaison or specification of the point of contact for such matters.	56%

Principle 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success

No		2018
3	Explain how the business model identifies the key resources and relationships on which the business relies.	86%
4	Explain how the company obtains feedback from stakeholders and the actions that have been generated as a result of this feedback (e.g. changes to inputs or improvements in products).	56%

Principle 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation

No		2018
5	Describe how the board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.	92%

Number of companies sampled that have chosen to adopt the QCA Code:

98%

Maintain a dynamic management framework

Principle 5

Maintain the board as a well-functioning, balanced team led by the chair

No		2018
6	Identify those directors who are considered to be independent; where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained.	58%
7	Describe the time commitment required from directors (including non-executive directors as well as part-time executive directors).	80%
8	Include the number of meetings of the board (and any committees) during the year, together with the attendance record of each director.	58%

Principle 6

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

No		2018
9	Identify each director.	100%
10	Describe the relevant experience, skills and personal qualities and capabilities that each director brings to the board (a simple list of current and past roles is insufficient); the statement should demonstrate how the board as a whole contains (or will contain) the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the strategy of the company for the benefit of the shareholders over the medium to long-term.	26%
11	Explain how each director keeps his/her skillset up-to-date.	32%
12	Where the board or any committee has sought external advice on a significant matter, this must be described and explained.	8%
13	Where external advisers to the board or any of its committees have been engaged, explain their role.	14%
14	Describe any internal advisory responsibilities, such as the roles performed by the company secretary and the senior independent director, in advising and supporting the board.	28%

It is imperative that board members clearly state their experience, skills and personal qualities, so that investors can be confident that they can effectively hold the executive team to account.

Will Pomroy
Hermes Investment Management Limited

Principle 7

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

No		2018
15	Include a high-level explanation of the board performance effectiveness process.	42%
16	Where a board performance evaluation has taken place in the year, provide a brief overview of it, how it was conducted and its results and recommendations. Progress against previous recommendations should also be addressed.	8%
17	Include a more detailed description of the board performance evaluation process/ cycle adopted by the company. This should include a summary of: • The criteria against which board, committee, and individual effectiveness is considered; • How evaluation procedures have evolved from previous years, the results of the evaluation process and action taken or planned as a result; and • How often board evaluations take place.	12%
18	Explain how the company approaches succession planning and the processes by which it determines board and other senior management appointments, including any links to the board evaluation process.	20%

Establishing and promoting a company's culture must come from the top. The Chief Executive is a key individual in an organisation who can ensure that it is consistent with the company's objectives, business model and strategy.

Rebeca Coriat
Investec Asset Management

Principle 8

Promote a corporate culture that is based on ethical values and behaviours

No		2018
19	Include in the Chair's corporate governance statement how the culture is consistent with the company's objectives, strategy and business model in the strategic report and with the description of principal risks and uncertainties. The statement should explain what the board does to monitor and promote a healthy corporate culture and how the board assesses the state of the culture at present.	62%
20	Explain how the board ensures that the company has the means to determine that ethical values and behaviours are recognised and respected.	80%

Principle 9

Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

No		2018
21	Describe the roles and responsibilities of the Chair, Chief Executive and any other directors who have specific individual responsibilities or remits (e.g. for engagement with shareholders or other stakeholder groups).	70%
22	Describe the roles of any committees (e.g. audit, remuneration and nomination committees) setting out any terms of reference and matters reserved by the board for its consideration.	98%
23	Describe which matters are reserved for the board.	42%
24	Describe any plans for evolution of the governance framework in line with the company's plans for growth.	9%

Build trust

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

No		2018
25	Describe the work of any board committees undertaken during the year.	42%
26	Include an audit committee report (or equivalent report if such committee is not in place).	32%
27	Include a remuneration committee report (or equivalent report if such committee is not in place).	66%
28	If the company has not published one or more of the disclosures set out under Principles 1-9, the omitted disclosures must be identified and the reason for their omission explained.	12%
29	Disclose the outcomes of all votes in a clear and transparent manner.	54%
30	Where a significant proportion of votes (e.g. 20% of independent votes) have been cast against a resolution at any general meeting, the company should include, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result and, where appropriate, any different action it has taken, or will take, as a result of the vote.	2%
31	Include historical annual reports and other governance-related material, including notices of all general meetings over the last five years.	92%

Investors accept that sometimes a company may wish to organise its governance arrangements in a way that does not strictly follow a recognised corporate governance code. That's fine, but it is essential that companies explain exactly what they are doing and why, so that investors can easily follow their logic.

Will Pomroy
Hermes Investment Management Limited

Methodology

The initial analysis was conducted on annual reports and accounts and corporate websites of 50 small and mid-size companies with equity securities admitted to trading on the London AIM market and 10 in relation to NEX Exchange, across all sectors, subsequent to 28 September 2018. The overall reported statistics however are for AIM companies only; NEX companies were removed given that only very few adhere to the QCA Code.

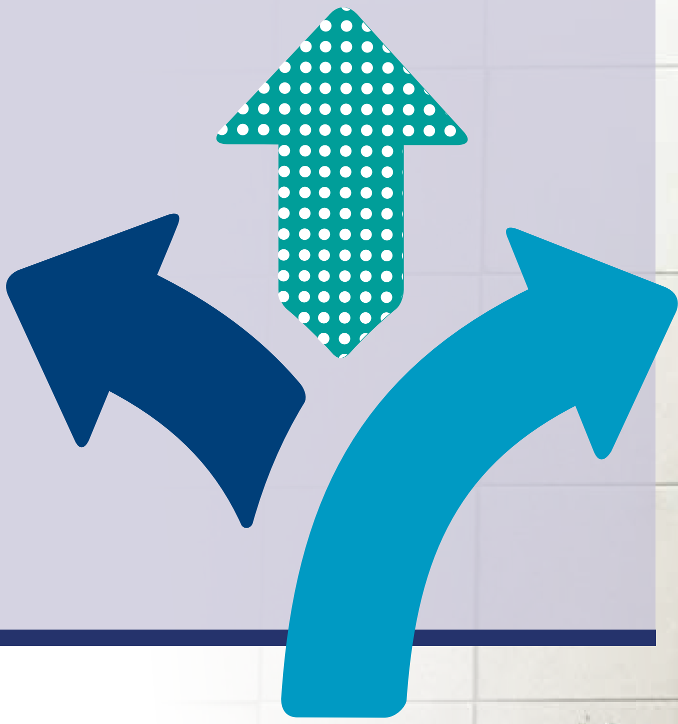
UHY Hacker Young assessed these annual reports and accounts and governance disclosures on their corporate websites against the minimum disclosures of the QCA Code. This review took place after the AIM corporate governance requirement came into force on 28 September 2018. The assessment was predominantly completed on a binary measure: did the company disclose the requirement or not. However, where there was evidence that the company had made a strong attempt to meet the disclosure, some judgement was made on the qualitative nature of the disclosure.

Market	No. companies in the sample	Average no. disclosures	Min no. disclosures	Max no. disclosures
AIM	50	15.9	7	27
NEX	10	5.9	2	16

NEX Exchange

In our previous five Corporate Governance Behaviour Reviews, NEX Exchange companies were included. Given that they are not currently required to apply a corporate governance code like AIM companies are, a selection of 10 NEX Exchange companies were separately reviewed pre and post 28 September. Only one company stated that they followed the QCA Code, the remaining companies demonstrated a bare minimum of disclosure compliance.

The lack of disclosures are perhaps to be expected given that NEX Exchange Growth Market – *Rules for Issuers* only states that "an issuer should have due regard for the principles laid down by the UK Corporate Governance Code published by the Financial Reporting Council, insofar as appropriate in relation to the nature and size of the issuer". Most companies reviewed simply stated that given the size of their company they have followed the UK Corporate Governance Code as far as appropriate.



What trends can be seen from six years of examining mid and small-cap governance?

Previous editions of the QCA/UHY Behaviour Review research had seen an interesting evolution in results, as we have monitored adherence to disclosures of the QCA Code since its first edition in 2013, and for five consecutive years until now.

We have observed that some disclosures have been consistently difficult for companies to comply with, such as describing how board performance evaluation takes place: only 22% of the companies in 2017 (14% in 2013) included a description of the performance evaluation procedures and a mere 9% (2% in 2013) included a summary of how these have evolved from previous years, results obtained and action taken or planned as a consequence.

We noticed the companies' consistent difficulty with linking strategy with the company's business plan and its corporate governance arrangements: only 9% of companies in 2017 (3% in 2013) demonstrated how applying a corporate governance code supports the company's long-term success and strategy for growth.

A couple of disclosures suffered a steady decline over the years. Only 18% of the companies in 2017 – 43% in 2013 – identified those directors considered to be independent, including the reasons for their independence and circumstances where it may be impaired. Likewise, 39% of the companies in 2017 included a description of the roles and responsibilities of the Chair, Chief Executive and senior independent director; this figure was down from 65% in 2013.

Nevertheless, we have seen important developments in the companies' reporting abilities: 95% of companies in 2017 were able to clearly articulate the strategy of the company, against 56% in 2013. 72% of the companies in 2017 (38% in 2013) were able to explain how risks align with the strategy of the company, as well as linking into key performance indicators, remuneration policies and corporate responsibility activities. We have also observed an increase in the number of companies that include a report by the Chair on how the QCA Code is applied: from 20% in 2013 to 50% in 2017.

About us

UHY Hacker Young

At UHY it is our mission to be exceptional accountants and business advisers delivering integrated client service. Through our international network of over 320 offices across over 95 countries, we harness global intelligence and combine this with local presence and knowledge to share technical and commercial insight.

Our people have a deep understanding of a number of diverse sectors ranging from education to natural resources, from automotive to healthcare. It is this depth and breadth that gives us tangible and proven insight into the commercial landscapes in which our clients operate. It also allows us to apply our expertise to our clients, particularly those listed on the UK markets, irrespective of their market and sector.

AIM services

As AIM specialists, we offer a range of AIM admission and support services, backed by our wide AIM market experience.

Whether your company is looking to raise funds ahead of an IPO, requires assistance selecting a NOMAD or broker, is seeking reporting accountants to conduct the due diligence necessary to meet the admission requirements for an AIM admission or seeking advice on tax related matters, our team of AIM accountants will spend the time getting to know your company and working with you to achieve your goals.

Our corporate governance services

Whatever kind of company you have, whether listed or unlisted, UHY's team can advise on all aspects of your governance, including:

- assessing compliance with your chosen corporate governance code
- providing insight into best practice, using our work as part of this report to benchmark your business against your competitors
- working with you to identify risks and potential process improvements, ensuring that the governance practices you have put in place meet the expectations of your stakeholders
- reviewing your procedures and the effectiveness of your board to improve the performance of your business.

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Quoted Companies Alliance

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. We campaign, we inform and we interact to help our members keep their businesses ahead. Through our activities, we ensure that our influence always creates impact for our members.

The QCA Corporate Governance Code

The QCA Code is a practical, outcome-oriented approach to corporate governance that is tailored for small and mid-size quoted companies in the UK. Since its initial release in 2013, it has become a valuable reference for growing companies wishing to follow good governance examples.

A new and updated version of the QCA Corporate Governance Code was published in 2018 and includes 10 corporate governance principles that companies should follow, and step-by-step guidance on how to effectively apply these principles.

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