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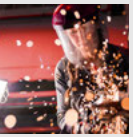

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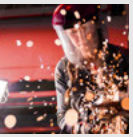

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Just over £1.1 billion was raised on AIM in Q2 2019 compared to nearly £1.7 billion for Q2 2018. While the Conservative Party began the process of selecting a new leader, ongoing macro factors such as US-China trade tensions, Brexit uncertainties and a contraction in the economy appear to have stemmed the flow of the IPO pipeline, at least for the time being. In Q2 2018, there were nineteen IPOs compared to four in Q2 2019. Money raised by new issues has been limited in the year-to-date, and the market appears likely to record one of its lowest results in two decades.

That said, post-IPO stock performance has been strong, which is likely to boost confidence somewhat. There is a pipeline of companies that are linked to a possible AIM IPOs and this could result in an improvement for IPO numbers, but it also is possible that the Brexit delay could give pause to these companies.

There is a record amount of uninvested capital amassed globally by private equity houses, according to Preqin (c. $1.54 trillion). In addition, there is another c. $1 trillion (globally) sitting unspent when including real estate, infrastructure and other alternative investments. It appears that PE deal volumes have remained fairly steady so far this year, however exits did slow in the first half of the year. This could suggest that there is some reservation on the part of PE houses regarding whether it is the right time to obtain maximum value from an IPO.

Argentex pursued a public flotation that valued the company around £120 million. The new share price was 106p rising 42% to 150p in July. The London-based foreign exchange broker has seen consistent growth over the past two years, and profitable in each year since 2012. Prior to the listing, Argentex raised approximately £14 million in new shares and the owners added a further sale of £32.5 million worth of shares.

As expected, we saw a decline in some key sectors this quarter including retail and manufacturing – both are suffering from low confidence and struggling with either changing demand or consumption. The good news is that tech stocks are back leading the way, and the technology and media sector looks resilient amidst all of the uncertainty. The boost for transport and logistics is also a welcome sign given the exposure that sector has to any final Brexit scenario.

I hope you find this an interesting read.

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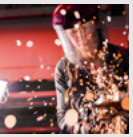

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Estimates have placed Q2 economic growth for the UK verging on 0.0%, with some suggesting a possible contraction, as manufacturing and services have felt the brunt of the impact from the continuation of Brexit uncertainty. For example, the ONS reported that a sharp fall in car production caused the economy to shrink by 0.4% in April alone. Clarity on future trading conditions, which appeared to be close at hand to begin the year, became more remote after the extension of Article 50 and the start of the Tory Leadership contest. In response, business and consumer confidence remain subdued as both sides grapple with the effect of the current impasse on financial decisions.

The AIM market suffered a collective fall in June leading to a negative outcome for the quarter. June's collapse put the FTSE AIM 100 index well behind the FTSE 350, which managed slight growth over Q2. While the Technology and Media sector remains a vibrant source of innovation and growth other important sectors including Retail, Manufacturing and Natural Resources have struggled of late, leaving an outstanding impression on the market as a whole.

The first quarter witnessed a decline in the number of IPOs recorded, and Q2 saw this slowdown continue with a significantly lower number of new listings against the same period last year. Only four IPOs were recorded on AIM in Q2 this year, a 79% drop versus Q2 last year. The difficult economic situation appears to have temporarily stemmed the flow of the IPO pipeline. Investors remain cautious. Just focusing on private equity as an asset class that traditionally helps to drive IPOs, exits of UK companies saw an overall slowdown in the second quarter of this year. In Q2 2019 exits via both M&A and IPOs recorded a 35% decline as compared to Q2 2018. However one private equity exit via IPO in Q2 2019 did see Lion Capital LLP sell a 28.7% stake in Loungers PLC. The latter, which operates 146 cafés and bars across the UK, raised approximately £83.3 million with the listing, almost £22 million of which will go to selling shareholders.


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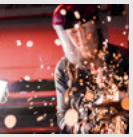
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In another Q2 IPO, Argentex pursued a public flotation that valued the company around £120 million. The London-based foreign exchange broker, focusing on high net worth individuals and institutional investors, has already had tremendous success despite its relative youth. Having only started in 2012, Argentex has seen consistent growth with a compound rate of 43% over the past two years, and, impressively, has been profitable in each year since 2012. Prior to the listing, Argentex raised approximately £14 million in new shares and the owners added a further sale of £32.5 million worth of shares.

Healthcare and the emergent Life Sciences industries are at the centre of innovation and locked into the disruptive processes of technological transformation. Induction Healthcare Group is a company that is leading the way in finding ways to aid healthcare professionals deliver results by integrating new technological solutions into their daily practice. The company, which raised gross proceeds of £16.6 million through its IPO and pre-IPO fundraising, provides a healthcare app that gives medical professionals immediate access to medical records. The app already boasts more than 71,000 registered users including c. 40% of all NHS doctors.

According to the IHS Markit UK Business Outlook survey, business confidence did see minor improvement in June. However, the global backdrop was gloomier as worldwide business confidence dropped to its weakest level since 2009. Moreover, despite business confidence regaining some ground in the UK, the survey also highlighted the fact that capital spending plans have been put on hold by businesses, a fact that does not augur well for longer-term growth. The services sector too was close to stagnation in June, and along with the deleterious results for construction and manufacturing many predict poor economic growth ahead. Export-oriented businesses will be hoping for improved global demand, which has been hurt by higher tariffs and a subsequent decline in confidence within key markets. Domestically, consumers and businesses will be hoping that the new Prime Minister can provide some pragmatic solutions to alleviate economic concerns, but patience is wearing thin.


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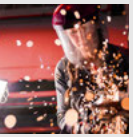
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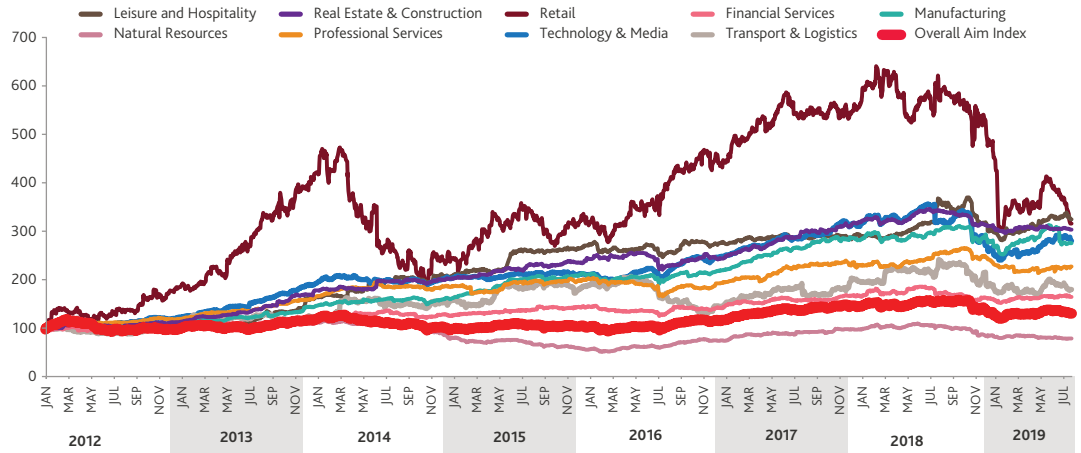
SECTOR SHARE INDEX

AIM INDEX BY SECTOR: JANUARY 2012 TO JULY 2019 (REBASED TO 100)



BEST PERFORMING SECTOR INDICES ON AIM QUARTER 2 2019

8.03% TECHNOLOGY AND MEDIA

5.85% TRANSPORT AND LOGISTICS

5.37% LEISURE AND HOSPITALITY

WORST PERFORMING SECTOR INDICES ON AIM QUARTER 2 2019

-11.32% RETAIL

-3.74% MANUFACTURING

-3.55% NATURAL RESOURCES

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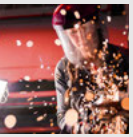

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TECHNOLOGY AND MEDIA CUTTING GROOVES IN THE LANDSCAPE

Technology and Media led the way in Q2 increasing by +8.03%. It may not have been a storming performance, but the sector outpaced the rest of the market demonstrating its resilience in the face of numerous challenges. The sector recorded one IPO during the quarter as UK software-as-a-service (SaaS) company Essensys raised gross proceeds of £28 million. As the workplace becomes more flexible, Essensys offers two software platforms for management teams tasked with running multiple workspaces and dealing with operational challenges.

Tech stocks suffered a difficult end to 2018 coinciding with a general decline in equity markets, however this year buoyancy has returned. The AIM market contains a number of transformative businesses exploring the cutting edge of artificial intelligence, blockchain, and the Internet of Things (IoT) which are set to undergird fundamental changes in the long-term. Disruptive technologies have threatened the status quo across a vast array of sectors and that widespread impact has been good for the valuations of innovative businesses. As Q1 began, TERN PLC, an investment company that specialises in software businesses, the cloud and the IoT, announced that one of its portfolio companies, InVMA Limited, had secured a major Aerospace and Defence deal with an unnamed organisation. InVMA works with businesses to identify and leverage disruption from the development of the IoT. TERN also announced that it had committed, along with co-investors, a further convertible loan to another portfolio company, Device Authority Limited. Device Authority is another company at the forefront of the IoT and specialises in security automation.

Boku, the mobile payment service provider, was one company that saw its stock diminished at the close of 2018, however made a strong comeback to start the year. The company announced the acquisition of mobile identity and authentication solutions business Danal, with the expectation that it would be dilutive of earnings and in need of further investment. But Boku recorded a strong Q2, making a number of significant announcements including: the expansion of Boku Identity following the addition of Danal, integration with South-Asia's leading e-Wallet company GrabPay, and a partnership with thriving global sports streaming service DAZN. In June, Boku reported an impressive 48% growth in monthly active users compared to June 2018, bringing the total to 15.3 million. The company has gotten off to a good start this year having reported 33% revenue growth for H1 2019 as compared to H1 2018, with the expectation that Mobile Identity will contribute somewhere in the region of 15% of group revenue. As 2019 saw global mobile subscribers increase to well over 5 billion, according to GSMA, the number of digital products aimed at these consumers on-the-go has also proliferated. Ofcom announced in July 2018 that UK subscriptions for streaming services overtook pay-TV for the first time as 16 to 34 year olds substantially moved to online consumption. This is good news for companies like Boku. As streaming, subscription services and digital goods increase in variety and daily use so does the average spend; and payments for these items make up the majority of Boku's revenue.

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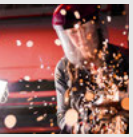

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TRANSPORT AND LOGISTICS MAPPING THE ROAD AHEAD

Transport & Logistics improved by +5.85% in Q2 2019, after suffering a fall of -3.50% in Q1. The Consumer Price Index (CPI) held at 1.9% in June, though there was a slight fall in fuel prices from May to June this year. Like many sectors, transport and logistics is facing an altered landscape of changing consumer expectations, new technologies and the need to adjust business models to suit.

Businesses in the market are also facing increased levels of competition as traditional consumers of transportation and logistics services from sectors such as manufacturing and retail are entering the fray with their own offerings. Moreover, cost pressures are already high in the sector, but both businesses and consumers increasingly expect more for their money in the guise of faster delivery at lowers costs. One way to deliver a more efficient and cost effective service, is for providers to develop better digital skills and take advantage of the opportunities provided by automation and analytics.

Investors will also be cautious about the potential effect that Brexit will have on the UK transportation sector. This will be especially true for companies that rely on a strong European presence. As a result, companies will be looking to position themselves as fit to navigate the new environment. Freight management firm Xpediator believes that it can alleviate fears of increased red tape and potential customs issues having already secured Authorised Economic Operator certification. The status eases cross-border transportation by providing faster clearance, less intervention and lower risk scores for companies in EU and participating countries. In April, Xpediator announced that profit for 2018 rose to £5.6 million, up from £2.4 million the previous year. It also declared that it was no longer in pursuit of Slovenian logistics company Intereuropa, but maintained a pipeline of potential acquisitions. The company expects to perform in-line with expectations this year and may pursue inorganic growth through M&A.

Delivery and logistics solutions provider DX Group persisted through a difficult 2018 trading year as it worked to implement a turnaround strategy for its struggling freight division. The company made quick progress with improved results later in the year, and in H1 2019 DX returned to profitability after an 8% increase in sales revenue. In Q2, the company saw its stock reflect this improved performance. However, DX did suffer a dip following news that it lost a competitive bid to renew its contract with Her Majesty's Passport Office (HMPO) in May, a contract that was held for fourteen years. The current contract is scheduled to expire in January 2020, but DX Chair Ronald Series believes that the company is still well-placed to deliver on its turnaround which should not be affected by the loss. While the turnaround strategy appears to be creating dividends, the increased level of competition and fundamental change hitting the sector means that DX still faces a tough road ahead.

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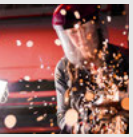

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RETAILERS SEARCH FOR CERTAINTY

After a decent bounce in Q1, Retail suffered a steep fall of -11.32% in Q2 2019. The sector performed well to begin the year after a very poor finish to 2018. However, it has been highly vulnerable to stalling confidence as British consumers await some conclusion to the ongoing Brexit saga.

According to BDO's High Street Sales Tracker, for April, May and June this year total in-store like-for-like sales averaged -1.5% after recording negative results in each month. For the same period, however, online sales averaged +18.2%, which is an improvement on last year's average monthly result. The tide is firmly shifting towards online shopping, but with the majority of revenue still coming from bricks-and-mortar shops it is not yet clear where the balance will rest. The critical issue for retailers is coming down to their ability to maximize their online presence and provide a personalised experience for shoppers. But the pressure on margins is severe as competition from pure-play online retailers means that discounting has become ever present on high streets. Yet there is still a delicate balance to be struck by the online crowd. Operating in a relatively low margin environment where value for money has a significant effect on sales means that there is a constant need to shift high volumes with brand loyalty is essential.

The fashion and lifestyle retailer, Joules, has extolled the virtues of the 'total retail' model helping to ensure steady performance through Q2. The brand reported strong results for the year ending on the 26th May 2019 with group revenue up by over 17% and before tax profit growing by almost 20%. While it saw margins decline slightly, the company has advanced a forward looking approach to coping with changing consumption. Joules' 'total retail' model is designed to create a seamless brand experience for customers regardless of the sales channel. It has also shifted almost 50% of sales to its ecommerce platform, boosting international sales, while maintaining a strong presence on the high street with around 124 shops. Other retailers will likely be keen to replicate the success of Joules, which has managed to consistently outperform a struggling retail sector.

Majestic, the UK wine specialist and retailer, is making a more existential pivot towards ecommerce. The retailer's stock has seen a fair bit of fluctuation amidst substantial changes to the business' underlying model. Immediately prior to Q2, Majestic announced a group transformation plan designed to refocus the business on its Naked Wines operation. The online wine retailer, Naked, was initially acquired by Majestic in 2015 and has since seen its sales double while building a strong portfolio of wine makers and customer base. The plan will see the company rebrand as Naked Wines PLC and is likely to result in a raft of store closures as one means to release capital and accelerate customer acquisition while the company seeks out a buyer for Majestic. The latest reports link SoftBank's Fortress Investment Group to the potential acquisition of 200 shops in a deal that could be worth £100 million. The shift may be timely for the retailer as Majestic Retail saw only 1.5% growth in the year ending April 1st 2019. On the other hand, Naked saw its revenue grow by 14.5% over the same period. Perhaps more significantly for an online service, the company saw its margins improve and saw repeat sales remain steady at over 80%. It is a bold move by a company that has been synonymous with wine for many consumers. Success will rely on building a widespread customer base and affiliation with the brand, and Naked is viewing the US market as an opportunity for wider expansion.

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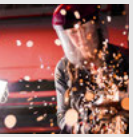

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Manufacturing also declined after a decent start to the year, when manufacturing received a bump from stockpiling activities. In Q2, Manufacturing fell by -3.74%. The sector is another that has been directly affected by the continuing uncertainty related to Brexit as confidence in the industry suffered a notable downturn in the aftermath of the extension to Article 50. In the latest Manufacturing Outlook report, a joint survey between Make UK and BDO, Make UK CEO Stephen Phipson pointed to the damage that has been caused by uncertainty. Phipson called on the government to act in order to protect the jobs of nearly three million workers in the manufacturing industry and create a stable environment for investment.

The manufacturing sector has struggled through withered confidence and performance according to the latest CBI/IHS Market Purchasing Managers Index. Weakened demand across the board led to a 76-month low for the UK manufacturing PMI (PMI). The unwinding of stockpiles, that helped enhance Q1 results, led to a subsequent reduction in domestic orders in Q2. Whereas, slower global economic growth and difficult trading conditions meant that export-oriented businesses also saw sluggish orders during the quarter.

Gooch & Housego (G&H), a manufacturer of optical components, has seen its stock price fluctuate in Q2. The company reported a 7.4% growth in revenue for the six months to March 31st 2019, as compared to the previous year, but an almost 23% drop in profits over the same period. The life sciences business is a burgeoning area of growth having more than doubled in size. However, the reduction of Chinese demand for industrial lasers, a by-product of the US-China trade dispute, has had a notable impact on G&H's bottom-line. The company's stock plummeted after interim results revealed the effect that tariffs have had on the Chinese market. In response, G&H reduced its adjusted full year pre-tax profits by as much as £4 million. While the political situation will continue to be a source of consternation, the company is well-placed to be a key provider of non-industrial laser products with the rollout of 5G networks and associated products. It will also be looking to expand its life sciences business in a blossoming sector.

Scapa Group, manufacturer of bonding solutions and adhesive products, also faced difficult circumstances in Q2 with its stock falling after the announcement that group Chief Executive Heejae Chae was planning to step down.

The news about Chae was released the same day as interim results, which reported record revenue and trading profit. Yet, the performance was not even across the company's divisions. Its healthcare business led the way with a 20% increase in trading profit after benefitting from two acquisitions in H2 2018 that contributed technology and manufacturing assets. But the industrial side of the business saw less impressive results because of difficult global trading. Scapa's stock was hit again by the announcement in Q2 that it was planning legal action against US-based medical technology group ConvaTec after the latter decided to pull out of a five-year material supply contract with Scapa's US healthcare business. ConvaTec is arguing that Scapa's 2018 acquisition of Systagenix, a competitor to ConvaTec, represents a breach of agreement. Following the acquisition, Scapa entered into a five-year agreement to supply Systagenix wound care products to wound care specialist Acelity. The multitude of factors surrounding Scapa's current performance suggest that it is in for a tough year ahead as the company transitions to a new management team and concludes its dispute. With industrials under pressure from reduced demand, the company will be hoping to see continued growth from healthcare.

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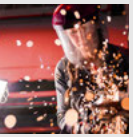

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Back in the first quarter of 2018, the AIM rules were amended to require all AIM companies to disclose on their website which recognised Corporate Governance Code ('Code') they had chosen to apply. Companies were given six months lead time to the requirement becoming effective, on 28 September 2018. Under the requirements of the AIM rules, the rule change required companies to adopt a 'comply or explain' stance on the extent of the adoption of the Code they chose to apply.

The AIM rules did not prescribe a list of recognised Codes which companies may have chosen to adopt. This flexibility allowed AIM companies to adopt a Code which was appropriate to their stage of development, sector and size. However, the Exchange did make reference to both the QCA Corporate Governance Code and the UK Corporate Governance Code as benchmarks but it was not prescriptive on which, if either, should be adopted.

As many companies are now reaching the end of their first reporting season, it seems helpful to take a snapshot of which Codes companies have adopted in practice, as well as further consider whether the requirement to publish the Code applied and the extent to which a company has 'complied or explained' has been of use to users of financial statements.

Our Natural Resources clients have mostly adopted the QCA Corporate Governance Code. This is not unexpected. Some of the larger AIM companies have adopted the UK Corporate Governance Code but there is a clear preference for the QCA Corporate Governance Code.

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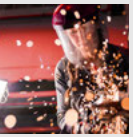

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Whilst the AIM rule change in itself did not require disclosures regarding the adopted Code in the annual report, the two most commonly adopted Codes (the QCA and the UK Corporate Governance Codes) do require some annual report disclosure. In the first quarter of the 2019 reporting season for companies we have seen:

- Many AIM Natural Resources companies took the opportunity of the rule change to review whether any previously adopted or partially adopted Codes were appropriate to their current business structure, shape and size. Where they were viewed as not, companies have taken the opportunity to change the Code adopted. The relative simplicity of the QCA code is seemingly more attractive in a comply-or-explain regime than the perception of less flexibility attached to the UK Corporate Governance Code. The QCA note themselves that, where companies have actively considered and concluded on a change in Code, this should be seen by shareholders and users of the financial statements as a positive step in the evolution of corporate governance for the AIM market.
- As many of our Natural Resources AIM clients have adopted the QCA Corporate Governance Code, they have included, for the first time, disclosures around their compliance with the QCA Code or have taken steps to significantly improve previous disclosures in their Annual Reports, following the application of the new rule. Again, this is a positive step towards increasing the insight shareholders and users of the financial statements have into the interactions of the Execs and Non-Execs, the workings of Remuneration, Nomination and Audit Committees and the governance tone set within the business.

Overall, in our view, the change to the AIM rules requiring AIM companies to adopt and report on a recognised Corporate Governance regime is providing an incentive to AIM companies to revisit their overall approach to Corporate Governance. This is being welcomed by both directors and investors alike. The challenge now is for companies to keep up the momentum for continual improvement of their governance regime.


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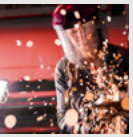
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High quality financial reporting has been a mission of the Financial Reporting Council (FRC) for a number of years. Its aim is to promote transparency and integrity within business and to ensure that the needs of investors and other stakeholders are met.

However, with an increasing volume of reporting regulations, and new and complex accounting standards, it is acknowledged that it can be particularly challenging for smaller listed and AIM quoted companies to produce the level of financial reporting that is being demanded.

In order to address issues raised by the FRC about the quality of financial reporting by smaller listed and AIM quoted companies, the FRC and the ICAEW have published a Practical Guide which offers cost-effective suggestions, practical tips and questions for audit committees to consider.

WHAT CHALLENGES DO SMALLER COMPANIES FACE?

Over the last four years, the FRC has released two key publications focussing on financial reporting by smaller listed and AIM quoted companies:

- A 2015 discussion paper 'Improving the Quality of Reporting by Smaller Listed and Aim Quoted Companies'
- A 2018 thematic review 'Reporting by Smaller Listed and Aim Quoted Companies'.

Both publications highlighted the fact that financial reporting could be improved but that it is not always seen as a priority for smaller companies, which often have limited time and resource dedicated to this area. A number of financial reporting developments within the last 12 months have only increased the challenge:

- The 'Big 3' new accounting standards on financial instruments (IFRS 9), revenue (IFRS 15) and leases (IFRS 16) are now all effective. These complex standards have resulted in significant challenges for many companies with increased disclosure requirements and changes to recognition and measurement requiring amendments to internal systems
- For accounting periods beginning on or after 1 January 2019, companies are required to prepare a Section 172 Statement. This new statement should describe how the directors have performed their duty to promote the success of the company, whilst having regard to a number of matters such as the interests of the employees, customers and suppliers, the impact of the company's operations on communities and the environment, and the likely consequences of any decisions in the longer term. The Section 172 Statement should refer to strategy and key decisions relating to the year under review in addition to describing the applicable policies
- From 28 September 2018, AIM quoted companies have been required to provide details on their website of which 'recognised corporate governance code' they have decided to apply. Many AIM quoted companies have applied the QCA Corporate Governance Code that, like the FRC's UK Corporate Governance Code, requires certain disclosures within the financial statements.

Investors are placing increasing reliance on the annual report of smaller listed and AIM quoted companies as analyst coverage is thinner at this end of the market. These reports act as a key source of information on both historical financial performance, financial position and future development and risks. The direction of travel is clear – the investors and other stakeholders are determined to improve the quality of UK reporting.

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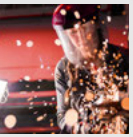

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HOW CAN THE AUDIT COMMITTEE HELP TO IMPROVE QUALITY?

The Practical Guide focuses on the role of the audit committee. As the committee provides independent governance over the annual reporting process and manages the relationship with the external auditor, it has an important role in driving the quality of financial reporting and its work is likely to come under increased scrutiny in this respect.

The Practical Guide splits the annual reporting process into its separate distinct stages and provides examples of questions the audit committee could ask as well as practical tips, such as where to finds relevant guidance. The key theme is around the four areas in which actions could help to improve the quality of reporting:

- Adequate time and resource available
- Early engagement with those charged with governance
- Deeper understanding of relevant reporting standards
- Appropriate rigour by the auditor.

By asking the right questions at the right times, there could be significant improvements throughout the process, ensuring engagement with those responsible for reporting and providing opportunities to learn and improve in subsequent years. Examples of such questions are:

- Planning: Have there been any financial reporting standard changes during the year?
- Production of interim and annual reports: Are there any unidentified risks we should be articulating in the annual report?
- Review performance: Does management generally address issues raised during the audit?
- Formulate action plan for next year: What information are current and future investors likely to be interested in?

FINAL OBSERVATIONS

Use of the Practical Guide is not mandatory, nor is it a complete list of the responsibilities of the audit committee. It is, however, a thought-provoking source of practical suggestions and questions that the audit committee can ask of themselves, the board and the auditor. The combined result should be a more effective financial reporting process in which those charged with governance have greater time to plan and direct limited resources and, ultimately, provide higher quality financial reporting.

Read the guide:
Smaller Listed and AIM Quoted Companies – A Practical Guide for Audit Committees on Improving Financial Reporting

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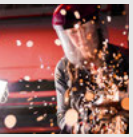

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The Companies Directors' Remuneration Policy and Directors' Remuneration Report Regulations 2019 came into force on 10 June 2019 and apply to remuneration reports for financial years starting on or after 10 June 2019 and remuneration policies approved after that date.

REPORTS

The UK already has considerable legislation on directors' remuneration reports, so some of the EU requirements are already in place. For example, the report must be published on the company's website and the EU requirements extend the period for which it must appear to 10 years, remuneration policies must be available on the website while they are in force. The Chair of the remuneration committee must describe any significant changes to directors' remuneration during the year in his/her report statement.

Read the report.

The report explaining how the company's remuneration policy has been implemented will change under the new rules. It will still be necessary to report on the annual change in CEO remuneration, ie total pay, bonuses and benefits but the comparison with employees must now be with the change in average employee pay (calculated excluding directors): and the reports must show the comparable averages over five years – but only starting from 10 June 2019 onwards. When showing director's pay, the report must show fixed pay (salary/benefits/pensions) separately from variable pay such as long term share incentives and bonuses.

REMUNERATION POLICY CHANGES

Implementing the EU rules will extend the current UK requirements for listed companies under the Corporate Governance Code.

Director's remuneration policies must be voted on and approved at the company's AGM. Where a new policy is voted down, the existing approved policy can carry on for three years.

However, in this situation, the new EU rules will require the company to propose a new policy to be voted on at the next AGM. Where a revised policy is proposed, all significant changes must be fully described and explained.

In addition to the current Code requirements, the EU rules state that a remuneration policy must include information on shares and bonuses vesting for directors as well as any deferral and holding periods. They will also need to include specific detail of the length of each director's contract.

CHECK OUT OUR AIM DIRECTORS' REMUNERATION REPORT 2018

BDO's latest research into remuneration of directors of AIM listed companies will assist remuneration committees in benchmarking their board remuneration compared to their peers.

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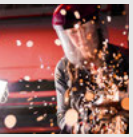

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Digital transformation can feel unstoppable. Digital and smart technologies are changing the way we behave as consumers and changing the way businesses and entire industries operate. Digital transformation is creating new winners and losers as it disrupts each and every sector of the UK economy, including manufacturing.

This Digital Transformation report comprehensively examines and explains how UK manufacturing is responding to digital disruption and how businesses are embracing and successfully implementing digitalisation.

We delve into the key drivers and barriers in developing and implementing successful digital strategies. We also explore the extent of which technologies from AI and blockchain, to 3D printing, 5G technology and IoT are being embedded by manufacturing firms. Finally, the report looks into government support and the skills challenge of delivering a digital workforce.

DOWNLOAD THE REPORT

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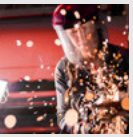

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