

Chairman's Introduction to Governance



Stephen Karle
Chairman

Committed to a high standard of corporate governance, from the date of the IPO, the Directors have adopted the provisions of the September 2014 edition of the UK Corporate Governance Code (although being AIM listed, the Group is not obliged to comply with this). The only exception is the Directors' Remuneration Report which has been prepared in accordance with AIM Rule 19. The Directors believe that this approach is a firm foundation for good governance and clarifies not only the appropriate allocation of duties, authority and responsibilities, but also the way the Group meets its legal and regulatory obligations.

●● The Board comprises five Non-Executive Directors and two Executive Directors. ●●

Board of Directors

As part of the process leading to the Company's Initial Public Offering (IPO) and in order to strengthen our governance arrangements, three new Non-Executive Directors were appointed to the Board on 14 April 2016 prior to the Group's admission to AIM on 5 May 2016.

The Board currently comprises five Non-Executive Directors and two Executive Directors, whose biographies are presented on pages 30 and 31.

The Board considers four of the Non-Executive Directors (myself, Joanne Lake, Patrick Storey and Sir Nigel Knowles) to be independent in character and judgement because while we each own shares in the Company, we all have significant other business interests and activities.

The Board as a whole considers the Non-Executive Directors' minor shareholdings in the Company to be advantageous to shareholders, as in addition to our fiduciary duties our interests are aligned with shareholders in general. Non-Executive Directors are not entitled to share options and there are no cross-directorships between Executive and Non-Executive Directors.

Peter Ward has been appointed by Perpignon Limited and so is not considered to be independent. Sir Nigel Knowles has been appointed as the Senior Independent Director.

Much work was done during 2016 to build a Board equipped with the experience and expertise to drive the Group's future direction, strategy and culture. All five Non-Executive Board members were appointed for an initial one-year term of office. Following a review of their effectiveness and commitment, both individually and collectively, by the Nominations Committee (which I chair), all have been recommended to the Board for an extension of their appointments for the remaining two years, subject to annual review and to election by the shareholders at the Annual General Meeting on 20 June 2017.

All Directors have access to the Company Secretary, Dave Belmont, who is responsible for ensuring that Board procedures are observed. Any Director wishing to do so may take independent advice at the Group's expense.

Board Meetings

The Board is responsible to the shareholders for the Group's proper management. A Directors' Responsibilities Statement in respect of the financial statements appears on page 42 of this Annual Report.

The Board is scheduled to meet 10 times during the year. All Directors receive the timely and appropriate information and briefing papers they need to enable the Board to discharge its duties.

There is a formal schedule of matters reserved for the Board. Certain items are delegated to specific committees, as set out on pages 34 to 36. The formal schedule of matters reserved for the Board includes the determination of strategy, approval of the budget and major capital expenditure.

The Board meeting agenda normally comprises a review of monthly management accounts, a CEO review of activity, a review of potential acquisitions and other growth opportunities, together with an update on the progress of the Group's other strategic objectives.

The April Board meeting covers the approval of the preliminary results and the year-end financial statements, whilst the October meeting approves the interim results. The November meeting is dedicated to annual strategy and is held in partnership with the executive management team.

Board Evaluation

As Independent Chairman, I carried out an informal and internal Board evaluation process between November 2016 and January 2017. My performance as Chairman was evaluated by the Non-Executive Directors and led by the Senior Independent Director, Sir Nigel Knowles, with input from the executive team. The requirement for more formalised succession planning was actioned during the year. The quality of management information produced to the Board on a monthly basis was also further enhanced during the year as a result of ongoing feedback.

Stephen Karle
Chairman