

Corporate Governance

The directors are aware of the Combined Code applicable to listed companies. As a company which is quoted on AIM, the Company is not required to comply with the Combined Code, but the directors intend to comply with its main provisions as far as is practicable having regard to the size of the Group.

Board structure and its committees

The board comprises two executive directors, being the Chief Executive and Technical Director, and three non-executive directors. The board meets regularly throughout the year and as issues arise which require board attention.

The Chairman conducts board and shareholder meetings and ensures that all directors are properly briefed. The directors are responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and senior personnel appointments. The directors have access to independent professional advice at the Company's expense and to the Company Secretary.

At each annual general meeting one third of the directors must retire by rotation, whereupon they can offer themselves for re-election if eligible. The Company has established an Audit Committee and a Remuneration Committee. In view of the Company's size, the directors do not consider the Combined Code recommendation for a Nominations Committee to be appropriate.

Audit committee

The Audit Committee currently comprises George Eccles (its Chairman) and Christopher Thomas. It meets at least twice a year and is responsible for considering the appointment and fees of external auditors, their cost effectiveness, independence and objectivity and for ensuring that the financial performance of the Group is properly reported and monitored. It liaises with the auditors and reviews the reports from the auditors relating to the financial statements and internal controls.

Remuneration committee

The Remuneration Committee comprises Christopher Thomas (its Chairman) and George Eccles. The Committee, which meets at least once per year, is responsible for determining the contract terms, remuneration and other benefits of the executive directors. The remuneration of non-executive directors is determined by the board within the limits set out in the Articles of Association.

None of the Committee members has any personal financial interest in the matters to be decided (other than as shareholders), potential conflicts of interest arising from cross-directorships, or any day-to-day involvement in running the business. The Committee consults the Chief Executive about its proposals and has access to professional advice from inside and outside the Company at the Company's expense.