How well or badly are AIM company directors reporting to their investors?

by Mark Gahagan

To answer this question is the purpose of an innovative project begun by UKSA last year and now proceeding well. So far, UKSA member Hubert Beaumont has done most of the research, but he is being strongly assisted by UKSA member Sandy Forbes; they both deserve our thanks. The objective is to analyse, one by one, the annual reports produced by the top 100 companies in the Alternative Investment Market (AIM) as listed by Investors Chronicle each April.

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As reported in January, examination of the latest reports from Asos and Ithaca Energy was completed and our assessments published, with another two, GW Pharmaceuticals and Tissue Regenix Group, published at the end of February. We are currently working on Abcam and Hargreaves Services. Following on are Purecircle and PaySafe (both now main-listed), Sprue Aegis and Utilitywise. Keep watching for these.

There is now an AIM_100 tab on the UKSA website, so do have a look. As the introduction to it states, we are doing this to enable us to comment on how well or badly directors are reporting to their shareholders and potential investors. We are emphatically not commenting on the suitability of any company as an investment and nothing we publish should be construed as a comment on any company's viability.

We seem to have a regular struggle obtaining printed copies of the reports we wish to examine, which surely should not be the case and we say so. We are developing a standard approach to our assessments, but this will be kept subject to review. Each initial assessment is subject to iterative review and receives UKSA director approval before being placed on the website.

We are giving thought to making more use of the assessments, by drawing attention to them on bulletin boards, to the media and to the companies themselves. We'll also be bringing them to the notice of the Financial Reporting Council, which is not moving fast enough to tackle some of the issues we are uncovering.

Mark Gahagan,
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