

ROLE OF THE REPORTING ACCOUNTANT

The reporting accountant is required to prepare the following reports in connection with an Initial Public Offering (IPO) listing.

Short form report

The short form report is three years consolidated financial information reported usually under IFRS and presented to audit standard which is included within the Admission Document. A true and fair opinion is issued by the reporting accountant on the company's three year historical financial information which is included within the admission document.

If the last audited year-end is not sufficiently recent then interim financial information may need to be prepared.

Opinion on pro forma information

For certain transactions, a pro forma statement of net assets is included within the Admission Document. The pro forma statement demonstrates the impact the transaction would have had on the company's last balance sheet as if the transaction had occurred on that date or at the start of the last period reported on.

Long form report

The long form report is a detailed due diligence report on all relevant financial aspects of the company. This is a private report between the reporting accountant, the company and the NOMAD.

The scope of this report is generally set by the NOMAD but typically you would expect it to cover:

- Comprehensive financial due diligence on the history and trading results of the company
- Management and employees
- Products and marketing

- Market space the company is operating in
- Competitors
- Financial information including current year trading and trading results for previous three years
- Other matters such as insurance cover, licenses, litigation etc
- Taxation

Working capital report

The working capital report is a private report between the reporting accountant, the company and the NOMAD.

The working capital report would cover, but is not limited to, the following areas:

- Description of basis of preparation of financial projections
- Review of key trading and cash flow assumptions and an assessment of the inherent risks in them
- Accuracy of balances included within projections
- Assessment of historical budgeting accuracy
- Bank facilities
- Historical and projected capital expenditure requirements
- Movements in working capital balances
- Volatility of cash flows
- Sensitivity analysis

A sentence is included within the admission document made by the directors regarding the working capital of the company for 12 months post the transaction.

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Financial Position and Prospects (FPP) Procedures

This is a report prepared by the reporting accountant to confirm that the company maintains a robust system of internal processes and controls and corporate governance practices so that the Board is able to inform the market of any material issues on a timely basis.

The report tends to cover high level financial controls, financial accounting procedures, IT environment and management reporting framework.

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Finalist: Tax Team
of the Year



Winner: Audit Team
of the Year



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