

Chapter 6

Additional requirements for
premium listing (commercial
company)

6.2 Historical financial information requirements

Content of historical financial information

6.2.1

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An *applicant* must have published or filed historical financial information that:

- (1) covers at least three years;
[Note: article 44 of the CARD]
- (2) represents at least 75% of the *applicant's* business for the period in (1);
- (3) unless ■ LR 5.6.21R applies, has a latest balance sheet date that is not more than:
 - (a) six months before the date of the *prospectus* or *listing particulars* for the relevant *shares*; and
 - (b) nine months before the date the *shares* are *admitted to listing*; and
- (4) includes the consolidated accounts for the *applicant* and all its *subsidiary undertakings*.

6.2.2

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- (1) In determining what amounts to 75% of the *applicant's* business for the purpose of ■ LR 6.2.1R(2), the FCA will consider the size, in aggregate, of all of the acquisitions that the *applicant* has entered into during the period required by ■ LR 6.2.1R(1) and up to the date of the *prospectus* or *listing particulars*, relative to the size of the *applicant* as enlarged by the acquisitions.
- (2) In ascertaining the size of the acquisitions relative to the *applicant* for the purposes of ■ LR 6.2.1R(2), the FCA will take into account factors such as the assets, profitability and market capitalisation of the businesses.
- (3) The figures used should be the latest available for the acquired entity and the *applicant* as enlarged by the acquisition or acquisitions.

6.2.3

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Where an *applicant* has made an acquisition or series of acquisitions such that its own consolidated financial information is insufficient to meet the 75% requirement in ■ LR 6.2.1R(2), there must be historical financial information relating to the acquired entity or entities which has been published or filed and that:

- (1) covers the period from at least three years prior to the date under ■ LR 6.2.1R(3) up to the earlier of:
 - (a) the date in ■ LR 6.2.1R(3); or
 - (b) the date of acquisition by the *applicant*;
- (2) is prepared and presented in a form that is consistent with the accounting policies adopted in the financial information required by ■ LR 6.2.1R; and
- (3) in aggregate with its own historical financial information represents at least 75% of the enlarged applicant's business for the period in ■ LR 6.2.1R(1).

Audit requirements for historical financial information

6.2.4 **R** The historical financial information in ■ LR 6.2.1R and ■ LR 6.2.3R must:

- (1) have been audited or reported on in accordance with the standards acceptable under Section 18 of Annex 1 of the *PR Regulation*; and
- (2) not be subject to a *modified report*, unless the circumstances set out in ■ LR 6.2.5G apply.

6.2.5 **G** The *FCA* may accept that ■ LR 6.2.4R(2) has been satisfied where a *modified report* is present only as a result of:

- (1) the presence of an emphasis-of-matter paragraph which arises in any of the earlier periods required by ■ LR 6.2.1R and the opinion on the final period is unmodified; or
- (2) the opinion on the historical financial information for the final period under ■ LR 6.2.1R includes an emphasis-of-matter paragraph with regard to going concern and ■ LR 6.7.1R (*Working capital*) is complied with.

6.2.6 **R** An *applicant* must:

- (1) take all reasonable steps to ensure that the *person* providing the opinion in ■ LR 6.2.4R(1) is independent of it; and
- (2) obtain written confirmation from the *person* providing the opinion in ■ LR 6.2.4R(1) that it complies with guidelines on independence issued or approved by its national accountancy or auditing bodies.