Definitions[[1]](#footnote-1)

Throughout these Listings Requirements, unless otherwise stated or the context requires otherwise, an expression which denotes any gender includes other genders and the following terms will have the meanings set out below:

|  |  |  |
| --- | --- | --- |
| Term |  | Meaning |
| modified auditor’s report[[2]](#footnote-2) |  | an auditor’s report that contains a modified opinion (as defined by IAS), an emphasis of matter paragraph or a paragraph regarding a reportable irregularity as defined in the Auditing Profession Act |

Provisional reports

3.16[[3]](#footnote-3)  (a) If an issuer has not distributed annual financial statements to all shareholders within three months of its financial year-end, it must publish and distribute to all holders of securities provisional annual financial statements (“provisional reports”) within the three months as specified, even if the financial information is unaudited at that time, in which case paragraph 3.18(c) will apply. The provisional reports are to be prepared in accordance with paragraphs 3.15, 3.18(c) and 8.57 to 8.61. The auditor’s report does not need to be included in its entirety in the provisional report, but ~~must~~ may instead ~~rather~~ be dealt with in terms of paragraph 3.18(f) and (g).

(b) If an issuer has published a provisional report, then, at the date of issue of its annual financial statements, such issuer must either comply with paragraph 3.21 (b) and (c) or publish an announcement stating that it has issued its annual financial statements and that it is not publishing an abridged report as the information previously published in the provisional report (including the nature of the auditor’s report) is unchanged.

Requirement for review by auditors and reports issued by auditors

3.18 The following provisions apply in respect of unaudited interim reports, unaudited quarterly reports and unaudited provisional reports:

(a) subject to 3.18(b), unaudited interim reports are not required to be reviewed by an issuer’s auditor;

(b) unaudited interim reports shall be reviewed by an issuer’s auditor if the issuer’s auditor disclaimed, qualified or gave an adverse opinion in the issuer’s last annual financial statements, unless the JSE otherwise decides[[4]](#footnote-4) ;

(c) unaudited provisional reports shall be reviewed by an issuer’s auditor unless an audit report has already been issued on the underlying annual financial statements themselves. In this instance there is no obligation to obtain a separate auditor’s report on the provisional report. Where the provisional report itself is not audited:

(i)the following statement must be included in the provisional report: “This summarised report is extracted from audited information, but is not itself audited.”;

(ii) the audited annual financial statements and the audit report must be available for inspection at the issuer’s registered office and a statement to this effect must be included in the provisional report; and

(iii) a statement must be included in the provisional report that the directors take full responsibility for the preparation of the provisional report and that the financial information has been correctly extracted from the underlying annual financial statements.

(d) unaudited quarterly reports are not required to be reviewed by an issuer’s auditor, unless otherwise requested by the JSE;

(e) when conducting a review of an unaudited interim or provisional report, the auditor shall follow the guidance provided in the International Standard on Review Engagements, (ISRE) 2410, Review Financial Statements of Interim Financial Information Performed by the Independent Auditor of the Entity[[5]](#footnote-5) ;

(f) when an interim or provisional report has been reviewed or audited by the auditor, this fact and the name of the auditor must be stated in the published interim or provisional report. If the report of the auditor is not included in the published interim or provisional report, the published interim or provisional report shall state that the report of the auditor is available for inspection at the issuer’s registered office;[[6]](#footnote-6)

*(old g deleted, it read as follows:*

(~~g) if during the course of a review of a provisional report, the auditor becomes aware of any unresolved matter that could result in an emphasis of matter or a qualified, adverse or disclaimer of opinion in the annual financial statements for the period under review, that fact and the nature thereof shall be stated~~

*(new (g) is the middle part of old 3.18(f) now split into two parts*

(g) the published interim or provisional report must state the type of review/audit conclusion that was reached on the interim or provisional report or, in the circumstances where the provisional report itself is not reviewed/ audited, the conclusion that was reached on the underlying annual financial statements, i.e. unqualified, qualified, disclaimer or adverse, and ~~should~~ must contain an extract of the exact modification paragraph from the auditor’s report. The published interim or provisional report must also mention and contain details of any

(i) emphasis of matter paragraph ;

(ii) ~~or~~ paragraph~~s~~ regarding a reportable irregularit~~iesy~~, as defined in the Auditing Profession Act; and

(iii) paragraph indicating a material inconsistency in information included in a document that contains the audited financial statements;

contained in the auditor’s report ;

(h) where the financial period covers more than 12 months and interim reports are distributed in accordance with paragraph 3.15, a review opinion must be obtained for the second interim period ~~which is a twelve-month period~~;

(i) if the auditor issues a modified auditor’s report, a signed copy of the modified auditor’s report must be submitted to the JSE within 24 hours of the publication of the results; and

(j) where unaudited/unreviewed financial information is contained in an announcement (other than a short form announcement published in accordance with paragraph 3.46A) and/or other publication, including preliminary reports, and the demarcation between the audited/reviewed information and any unaudited/unreviewed information is not clear, the following statement must be included in such announcement and/or other publication:

“The audit report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s engagement they should obtain a copy of the auditor’s report together with the accompanying financial information from the issuer’s registered office.”

Annual financial statements

3.19[[7]](#footnote-7)  Every issuer shall, within six months after the end of each financial year and at least fifteen business days before the date of the annual general meeting, distribute to all holders of securities and submit to the JSE in accordance with paragraph 16.21:

(a) a notice of the annual general meeting; and

(b) the annual financial statements for the relevant financial year, which financial statements will have been reported on by the issuer’s auditor.

3.20 Where annual financial statements have not been distributed to holders of securities within three months of its financial year-end, the issuer must distribute and publish a provisional report as detailed in paragraph 3.16.

3.21[[8]](#footnote-8)  (a) An issuer’s annual financial statements must be distributed to the issuer’s holders of securities and a copy thereof must be submitted electronically and directly to the information database maintained by Issuer Regulation Division for publication on the JSE website.

(b)At the same time, an abridged version of such annual financial statements (“abridged report”), complying with paragraphs 8.57 to 8.61, must be published on SENS.

(c) Although the audit report of the auditor on the annual financial statements need not be included in the abridged report (or in any summary of the audited annual financial statements that the issuer chooses to produce), the name of the auditor must be included and, if such report is a modified auditor’s report, details of the nature of such modification shall also be stated therein. If the audit report is not modified then a statement to this effect must be included in the report. There is no obligation to obtain a separate audit report on the abridged report itself (or any other summary of audited annual financial statements). Where the abridged report itself is not audited the following statement must be included in the abridged report (or any other summary of audited annual financial statements): “This abridged report is extracted from audited information, but is not itself audited.” In addition a statement must be included in the abridged report (or any other summary of audited annual financial statements) that the directors take full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying annual financial statements.

*(note new format for 3.21, section broken into 3 separate points)*

3.22[[9]](#footnote-9)  Any annual financial information published voluntarily by an issuer in advance of being required to do so in terms of paragraphs 3.20 or 3.21 must:

(a) comply with paragraphs 8.57 to 8.61 in respect of disclosure; and

(b) at a minimum, be reviewed by the issuer’s auditor, unless an audit report has been issued on the underlying annual financial statements themselves. Therefore if:

(i) an audit report has been issued on the underlying annual financial statements, there is no obligation to obtain a separate auditor’s report on the provisional report itself, and instead the issuer must comply with the provisions of paragraph 3.18(c)(i), (ii), (iii), (g), (i) and (j), where the word ‘provisional’ should be replaced with the word ‘preliminary’ when reading those paragraphs; or

(ii) no audit report has been issued on the annual financial statements, the provisions of paragraph 3.18(e),(f), (g), (h), (i) and (j) will apply equally (where the word ‘provisional’ should be replaced with the word ‘preliminary’).

At the date of issue of its annual financial statements such issuer must comply with the provisions of paragraph 3.16(b) (where the word ’provisional’ should be replaced with the word ‘preliminary’).

Audited/reviewed interim, provisional and abridged annual reports

8.60 If an interim, preliminary, provisional or abridged report has been audited or reviewed by an auditor, this fact and the name of the auditor shall be stated in such published report. Although the report of the auditor need not be included in the published report, if there is a modified auditor’s ~~such~~ report, details of the nature of such modification shall be stated therein. If the report of the auditor is not included in the published report, ~~it~~ The published report shall state that the report of the auditor is available for inspection at the company’s registered office. If such report has not been audited or reviewed by an auditor, an appropriate ~~negative~~ statement to this effect must appear in such published report.

Roles and responsibilities

...

22.6[[10]](#footnote-10)  Further responsibilities of the audit firm and individual auditor include:

(a) monitoring compliance with the disclosure requirements of the JSE as they relate to interim, preliminary, provisional, abridged and annual reports, as set out in Sections 3, 8, 13, 15 and 21 of the Listings Requirements (where applicable) in instances where ~~he has issued~~ an audit report has been issued on such financial reports and, in addition to any obligations in terms of paragraph 8.64, reporting matters of non-compliance directly to the JSE; and

(b) ~~to~~ advis~~e~~ing the JSE of any instance where the applicant issuer misrepresents the content of the auditor’s report as it relates to that applicant issuer (for example by indicating that the auditor’s opinion is unqualified when there ~~was~~ is a modification of the auditor’s opinion or by indicating that there are no issues when in fact there is a modified auditor’s report).

Practice note: 1/2003[[11]](#footnote-11)

Introduction

During the various presentations on the 2003 Listings Requirements which became effective 1 September 2003, certain issues were raised which have prompted the JSE Limited (“JSE”) to provide clarity and guidance on those Requirements in the form of this Practice Note.

Year-end results

The following guidance is provided by the JSE regarding the announcement of year-end results and publication of annual financial statements in order to remove any confusion that may have arisen as a result of incorrect interpretation of the new listings requirements (“LR”) dealing with these issues.

Terms used herein:

|  |  |
| --- | --- |
| “financials” | the annual report of the company which contains the audited annual financial statements as well as supplementary information which is sent to each securities holder (excluding those securities holders in the dematerialised environment who have elected not to receive same); |
| “abridged reports”[[12]](#footnote-12) | summary ~~abridged or condensed~~ version of the financials (audited results) detailed in LR 3.21, not sent to shareholders, announced only on SENS (refer to the Appendix to Section 11), containing the information required by IFRS on Interim Financial Reporting and AGM details (see below); |
| “preliminary reports”[[13]](#footnote-13) | voluntary ~~abridged~~  summary or condensed version of the financials (at a minimum these results must be reviewed) detailed in LR 3.22, not sent to shareholders, announced only on SENS (refer to the Appendix to Section 11), containing the information required by IFRS on Interim Financial Reporting; |
| “provisional reports”[[14]](#footnote-14) | compulsory ~~abridged~~ summary or condensed version of the financials (at a minimum these results must be reviewed) detailed in LR 3.16, distributed to each securities holder, published in the press and on SENS (refer to the Appendix to Section 11), containing the information required by IFRS on Interim Financial Reporting; |
| “no change report” | an announcement, not sent to shareholders, published only on SENS, stating that there have been no changes to any financial information previously published in a preliminary or provisional report; |
| “AGM details” | brief details regarding the annual general meeting such as date, time and venue; |
| “no change + AGM details report” | an announcement, not sent to shareholders, published only on SENS, stating that there have been no changes to any financial information previously published in a preliminary or provisional report and containing brief details regarding the annual general meeting such as date, time and venue; |

...

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. [↑](#footnote-ref-6)
7. [↑](#footnote-ref-7)
8. [↑](#footnote-ref-8)
9. [↑](#footnote-ref-9)
10. 22.6 amended with effect from 1 April 2010. [↑](#footnote-ref-10)
11. [↑](#footnote-ref-11)
12. [↑](#footnote-ref-12)
13. [↑](#footnote-ref-13)
14. [↑](#footnote-ref-14)