



Survey of Euronext Dublin's MSM listed entities' published half yearly reports

July 2018

Survey of selected matters in half yearly financial information published by entities listed on the Euronext Dublin's Main Securities Market.

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Introduction

Given the time of year, once again how best to prepare and finalise half yearly financial information is high on the agenda of many companies with a listing on Euronext Dublin's Main Securities Market. We thought it would be useful to survey the half yearly financial information that published in the year to 26 June 2018 and we present our findings on selected matters below.

There were 30 entities listed on the MSM at 26 June 2018. This includes the recently listed Glenveagh Properties plc, which prior to listing was not required to published half yearly financial information and also the WisdomTree ISEQ 20[®] UCITS ETF. Accordingly, for the purposes of this survey half yearly financial information for 25 companies and 3 REITs was examined.

	2018	2017
MSM listed entities at 26 June	30	27
Listed entities not included in Survey	2	2
Listed entities included in Survey	28	25

Review Reports

There is no compulsion on companies to have their half yearly financial information either audited or reviewed by their statutory auditors. We found that no MSM listed company had their half yearly financial information audited this year and of the 28 listed entities in our survey, 18 were reviewed by auditors (prior year's survey ("PY") - 15) and 10 were not reviewed (PY -10).

Published in the year to 26 June	2018	2017
Reviewed	18 (64%)	15 (60%)
Not reviewed	10 (36%)	10 (40%)
	28	25



Number of days to publish results

We found that, on average, MSM entities issue their half yearly financial information 46 days after the period end:

Halfyearly information published in the year to 26 June		
	2018	2017
Greatest elapse of time	90 days	77 days
Lowest elapse of time	25 days	25 days
Average	46 days	46 days

Number of pages in half yearly report

We also examined the available half yearly financial information length and found:

Halfyearly information published in the year to 26 June		
	2018	2017
Longest	146 pages	158 pages
Shortest	22 pages	21 pages
Average	47 pages	44 pages
Median	38 pages	36 pages
Average excluding banks	39 pages	37 pages
Median excluding banks	35 pages	33 pages

We also looked at the components of the half yearly information between the front half and narrative reporting (i.e. all information in the document up to point at which the half yearly financial statements begin) and the back half (that is the IAS 34 condensed financial statements and notes).

Halfyearly information published in the year to 26 June				
	2018		2017	
	Front Half No. of pages	Back Half No. of pages	Front Half No. of pages	Back Half No. of pages
Longest	86 pages	75 pages	74 pages	84 pages
Shortest	5 pages	13 pages	3 pages	13 pages
Average	18 pages	29 pages	17 pages	27 pages
Average excluding banks	13 pages	25 pages	13 pages	23 pages
Highest excluding banks	27 pages	48 pages	35 pages	44 pages

Risks and uncertainties

MSM listed entities are required to report the risks for the second half of their financial year in their half yearly financial information. We found that 20 entities or 71% included text describing their risks and uncertainties in their half yearly financial information. 8 or 29% either referred the reader to their latest published annual report or their website.

Of the 20 companies including risks and uncertainties in the text of their half yearly financial information 60% or 9 gave a detailed description with 6 or 40% giving basic information with some doing so in bullet point format.

Half yearly information published in the year to 26 June		
	2018	2017
Detailed Description Provided	9	9
Limited Description	3	1
No Description i.e. list of risks	8	5
	20	15

Number of risks reported

In terms of number of risks reported we found:

Number of risks reported in half yearly information published in the year to 26 June:		
	2018	2017
Highest	19	21
Lowest	3	5
Average	11	13
Average excluding banks	11	12

Some of the common risks noted in half yearly information published in the year to 26 June 2018:

1. Brexit Risk
2. Interest Rate Risk
3. Economy
4. Currency and Exchange Rates
5. Political Risk
6. Cyber and IT Risk
7. Talent / Employee Risk
8. Geopolitical Risk
9. Laws and Regulations

Going concern disclosure

While MSM entities are required to report on their long term viability as well as their going concern status in their full year annual report, the half yearly requirement is confined to reporting on going concern. We found some disclosure on going concern in all but 3 of the 28 half yearly financial information reports we examined.

Of the 25 reports, going concern information was found in the notes in 16 cases (PY – 14), in the narrative front half in 4 cases (PY – 5) and in both in 5 cases (PY – 4). Of the 25 reports, 19 reporters highlighted the going concern information in a separate paragraph (PY – 17).

Half yearly information published in the year to 26 June		
	2018	2017
Notes: Basis of Preparation/ Accounting Policies	15	14
Notes: General	1	
Front Half: Management Report	3	3
Front Half: Directors Responsibility Statement	1	2
Both: Front & Notes	5	4
	25	23

Statutory information

Section 340(4) of the Companies Act 2014 requires that where a company publishes abbreviated financial statements certain statutory information is included with the abbreviated financial statements. For the purposes of Irish law, the comparatives included in the half yearly financial information meet the definition of abbreviated financial statements and accordingly the statutory disclosures set out in S340(4) are required. These are detailed as follows:

- the reason for the preparation of the non-statutory financial statements,
- that the non-statutory financial statements are not the statutory financial statements of the company,
- whether statutory financial statements dealing with any financial year with which the non-statutory financial statements purport to deal have been annexed to the annual return and delivered to the Registrar and, if not, an indication of when they are likely to be so delivered,
- whether the statutory auditors of the company have made a report under section 391 in the form required by section 336 in respect of the statutory financial statements of the company which relate to any financial year with which the non-statutory financial statements purport to deal,
- whether any matters referred to in the statutory auditors' report were qualified or unqualified, or whether the statutory auditors' report included a reference to any matters to which the statutory auditors drew attention by way of emphasis without qualifying the report.

All the companies surveyed made the required disclosure regarding the auditors' opinion on statutory financial statements. However, this was not the case for all the details that the law mandates disclosure. Specifically, only 24 out of 28 (PY - 22 out of 25) of the half yearly financial information reports examined made an explicit statement that the financial information did not comprise statutory financial statements.

Half yearly information published in the year to 26 June		
	2018	2017
Explicit statement that the half year information does not constitute statutory financial statements	24 out of 28	22 out of 25
Explicit statement that the statutory financial statements were delivered to the Registrar	17 out of 28	22 out of 25
Statement of auditor issuing a qualified or unqualified opinion on the statutory financial statements	28 out of 28	25 out of 25
Statement that half yearly financial information was prepared in accordance with IAS 34	28 out of 28	25 out of 25

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