



1 September 2017

TW

Sponsors, Designated Advisors and  
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## NEW LISTING: KEY AUDIT MATTERS IN AUDITOR'S REPORTS

International Auditing Standard ISA 701 deals with situations when the auditor is required to address Key Audit Matters (“**KAMs**”) in their auditor’s report.

IAS 701 is effective for audits of financial statements for periods ending on or after 15 December 2016 and states that it applies to:

- audits of complete sets of general purpose financial statements of listed entities;
- when the auditor otherwise decides to communicate KAMs in the auditor’s report; and
- when the auditor is required by law or regulation to communicate KAMs in the auditor’s report.

A listed entity is defined as an entity whose:

- shares, stock or debt are -
  - quoted or listed on a recognised stock exchange; or
  - marketed under the regulations of a recognised stock exchange or other equivalent body.

The JSE wishes to remind sponsors, designated advisors and reporting accountant specialists to ensure that KAMs are included in the audit report that accompanies the audited historical information of an applicant issuer in the pre-listing statement.

It should further be noted that in some instances, the operating entity (“**OpCo**”) is not listed itself but a holding company is created for purposes of listing. Although OpCo is not seeking a listing, the JSE will view the substance of the listing as the listing of OpCo. In these circumstances, the JSE will expect to see KAMs included in the auditor’s report of OpCo.

**Executive Directors:** NF Newton-King (CEO), A Takoordeen (CFO)

**Non-Executive Directors:** N Nyembezi-Heita (Chairman), AD Botha, Dr M Jordaan, Dr SP Kana, DM Lawrence, Dr MA Matooane, AM Mazwai, NP Mnxasana, NG Payne

**Alternate Directors:** JH Burke, LV Parsons

**Group Company Secretary:** GA Brookes

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In the event of a reverse listing, please engage with the JSE at an early stage to determine the application of KAMs.

Please contact the JSE should you -

- have any queries as to the application of this letter, or
- if the first submission of a pre-listing statement is imminent from the date of this letter and there are concerns from a timing perspective.

Yours faithfully



**A F VISSER: GENERAL MANAGER  
ISSUER REGULATION**