



R.G. Manabat & Co.

Road to Initial Public Offering

Audit and Financial Preparation





Agenda

- 1 Financial Information Requirements by Revised SRC 68
- 2 Roles and Responsibility of Auditors
- 3 Requirements
- 4 Timeline
- 5 Other Scope of work

Financial Information Requirements per Revised SRC 68

A

If filed within 180 days after the end of the most recently ended fiscal year

- Statements of Financial Position: as at the end of each of the 2 most recently ended fiscal years (e.g. December 31, 2020 and 2019)
- Statements of Comprehensive Income, Changes in Equity and Cash Flows: 3 most recently ended fiscal years (e.g. December 31, 2020, 2019 and 2018)

B

If filed beyond 180 days after the end of the most recently ended fiscal year

- Same
- Interim Financial Statements (either March 31 or June 30 or September 30, depending on the date of submission of SEC form 12-1) (e.g. June 30, 2021 for statement of financial position and June 30, 2021 and 2020 for statements of comprehensive income, changes in equity and cash flows)

C

If no historical financial for the entity being listed

- Pro-forma Financial Statements
- Combined Financial Statements
- Carved-out Financial Information



These financial information shall be audited by an independent auditor accredited by the Commission under Group A



Roles and Responsibilities of the Auditors

Express an opinion on whether the Financial statements are fairly presented

Scope of Work and Deliverables

- Auditors' report on the financial statements
- Signed written statement to accompany financial statements for filing with BIR in compliance with BIR Revenue Regulations V-20
- Signed auditors' report on supplementary schedules
- If applicable, management letter comments

Responsibilities

- Form and express an opinion on the fairness of the financial statements
- Design an audit to provide reasonable assurance, not absolute, that the financial statements are not materially misstated
- Design procedures that are responsive to the risk of material misstatements of the financial statements

AUDITORS' REQUIREMENTS

BEFORE acceptance

- General Information Sheet
- Articles of Incorporation
- Latest available financial information
- If audited by other auditors, communication with predecessor auditors

DURING the course of audit

- Trial balance/Financial Statements
- Schedules or supporting documents
- Contracts and agreements
- Minutes of meeting
- Legal confirmations

YOUR REQUIREMENTS

(as mandated by Revised SRC 68 Part I, Sec 3D)

- Professional License from PRC
- Certificate of Accreditation issued by Board of Accountancy
- SEC's Certificate of Accreditation

REQUIREMENTS FOR BOTH (auditors and companies)

Conduct of Preliminary Meeting/s

Engagement Letter

- Scope of Work
- Responsibilities
- Timeline
- Engagement Team
- Other Terms and Conditions

Indicative Timeline*



* Will depend on the size of the entity and availability of the documents and schedules

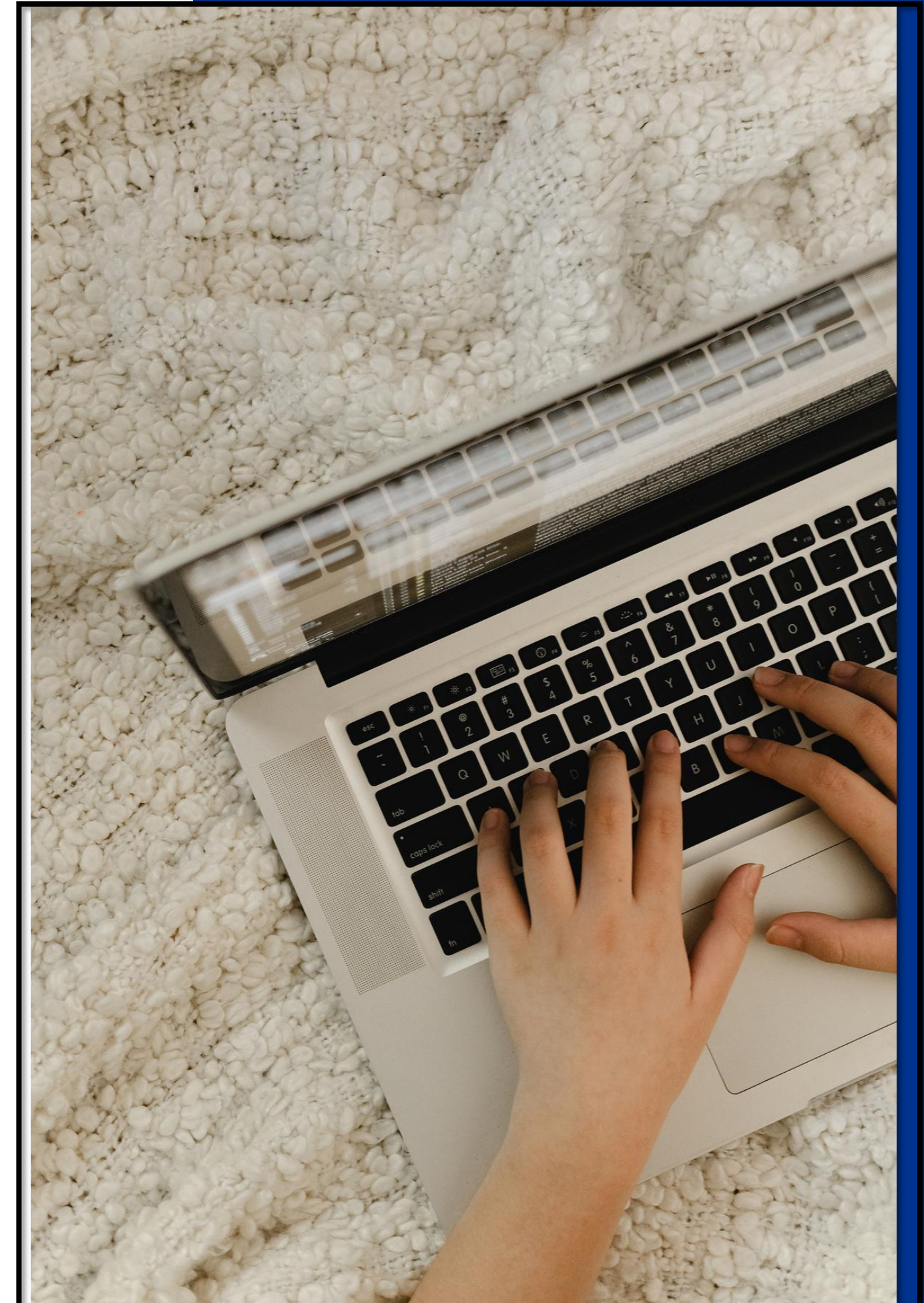
OTHER SCOPE OF WORK

As part of the preparation for IPO, we also performed procedures on the offering circular/prospectus, as agreed with Underwriters and Company (Agreed-upon procedures engagement).

This includes, but not limited to:

- Circle up of selected financial information in the offering circular/prospectus
- Limited review of selected account balances
- Review of minutes of meeting

DELIVERABLE : Comfort Letters



Questions And Feedbacks

Resources:

https://www.sec.gov.ph/wp-content/uploads/2020/07/2019AccountantsInfo_RevisedRegulationCodeRule68.pdf

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Thank you!



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