



Cooley

# 25 Considerations in Preparing for an IPO in the UK

## 1. Selecting a stock exchange or market

Understand the benefits of the alternative listing options, such as the premium or standard segments of the Main Market or the AIM market of the London Stock Exchange, which are the main options for a company considering an IPO in the UK. Analyse the listing and eligibility standards of your preferred market to ensure that you qualify to list there. In the Appendix, we have included a summary of the key eligibility requirements and continuing obligations for a premium or standard listing on the Main Market and for admission to AIM.

## 2. Experienced advisers

Choose experienced advisers, including lawyers and accountants, and get them involved early. Advisers who work routinely in the equity capital markets space will help proactively identify key issues, expedite the transaction and avoid the pitfalls that can delay offerings, create disclosure issues and cloud the process. Efficiency and execution are critical. If your IPO will be extended to investors in the US, you will need lawyers who can advise on US as well as English law. Other advisers who will be involved in the IPO process include public relations consultants, industry data providers, financial printers and registrars, as well as the lawyers to the banks.

Consider whether to appoint an independent financial advisor – or “IPO adviser” – who will provide advice to the company and its founders and other shareholders, including assisting with the selection of the syndicate of investment banks and fixing the terms of their engagement.

## 3. Investment banks

Identify prospective investment bankers and leading analysts in your market space. Consider the appropriate number and mix of lead banks for your IPO who will work well with and complement each other, and which ones can “get the deal sold”, especially if market considerations are less favourable. Note that analysts producing independent research will be offside and unable to meet with companies, their major investors and/or their advisers during the pitch phase for an IPO. For a premium listing, one or more of your lead banks will need to act as sponsor - the sponsor will liaise with the Financial Conduct Authority (FCA) on your behalf and also takes on specific regulatory responsibilities to the FCA. For an IPO on AIM, the nominated adviser (or Nomad) is a crucial role - the Nomad is the company’s key adviser during the admission process and throughout the company’s life on AIM and, amongst other things, is responsible for undertaking due diligence on your company, confirming to the London Stock Exchange that your company is suitable for AIM, confirming that your directors are appropriate and, after the IPO, acting as your primary regulator by keeping on top of developments in your business and ensuring that you continue to understand and meet your ongoing reporting and other obligations.

## 4. Financial statements

You will need to include consolidated financial statements for three years in the disclosure document for your IPO (i.e., the registration document and prospectus for a main market IPO, or admission

document for an AIM IPO). For a premium listing, the latest audited financials must not be more than six months old, so depending on your financial year-end and the IPO window you are targeting, audited interim financial statements may also be required. If your business has been operating for less than three years, you are unlikely to meet the eligibility requirements for a premium listing - for a standard listing or admission to AIM, the requirement is to include financial statements for the last three years or such shorter period as the company has been in operation. The financial statements included in the disclosure document (known as the historical financial information, or HFI) will need to be prepared in accordance with IFRS (unless the listing entity is incorporated outside the UK and the EEA when certain other accounting standards can be used, including US GAAP) and the accounting policies to be adopted by the company going forwards and be consistent throughout the track record period. For a premium listing, the HFI must show a revenue earning track record and put prospective investors in a position to make an informed assessment of the business. The rules relating to financial statements are modified for certain specialist companies, including scientific research-based companies (such as many life sciences companies), in the case of a premium listing.

## 5. Reporting accountants

The issuer's reporting accountants must report on the HFI included in the disclosure document. While this can be achieved by audit opinions provided for each set of financial statements included, market practice is for an accountants' report (known as a short form report) to be issued on the HFI. This does not need to be issued by the same accounting firm that issued the previous audit opinions. The firm that provides this report is referred to as the "reporting accountants". Consider whether you will appoint your existing firm of auditors or a different firm as reporting accountants. If the latter, focus on how they will work with your existing auditors to ensure timelines for the various reporting accountant workstreams can be met.

## 6. Acquisitions or disposals

Completing a significant acquisition or disposal before, or during, an IPO process can have a significant impact on your timing. Consider building a "drop dead" date in your IPO timeline following which your corporate development team no longer seeks opportunistic transactions that might affect timing and disclosure until the IPO is complete. For a premium listing, the HFI must represent at least 75% of the company's business for the full financial track record period. Where acquisitions have been undertaken meaning that this test is not met, separate audited financial information for the acquired entities prepared on the same basis as the rest of the HFI will be required, which can require significant work. Separate acquired company financials may also be required to be included in an AIM admission document in the case of a significant acquisition in the period covered by the HFI. Pro forma financial information will also be required for an IPO on the main market in the event of a "significant gross change" – i.e., 25% variation relative to one or more indicators of the size of the business (total assets, revenue, profit or loss). Pro forma financial information is not required for an AIM IPO, but may be included on a voluntary basis. The impact of several small acquisitions over the financial reporting period should also be considered. In addition, if the IPO will be marketed in the US, the US pro forma financial reporting rules will also need to be considered.

## 7. Accounting issues

Identify any sensitive issues or any fine-line determinations in your significant accounting policies or practices and discuss these with your reporting accountants. Key financial statement issues include segmentation, consistency across reporting periods, disclosure in the notes to the financial statements and the disclosure of alternative performance measures (APMs) and adjusted metrics. The UK has reporting accountant workstreams which are not typically seen in other jurisdictions, the work on which impacts the overall IPO timetable - these include the preparation of a long-form report (a private financial due diligence report on significant aspects of the business) and a

working capital report (a private report that considers the basis for the statement in the disclosure document that the company has sufficient working capital for at least 12 months).

## 8. Financial position and prospects procedures

Discuss with your advisors any material weaknesses or significant deficiencies in your internal financial controls and understand their impact on your IPO process. Be prepared to discuss these forthrightly with your investment bankers and their lawyers, and to disclose them publicly. Even if there have been resource constraints or other problems in the past, investors want to see that you have a plan of remediation and a path to strengthening your financial controls in the future. Consideration of financial position and prospects procedures (FPPP) is critical in determining your company's suitability for listing. You will need to have established systems, controls and procedures to enable you to achieve this. Your reporting accountants will need to prepare a private report on the company's FPPP as part of the IPO process.

## 9. Key metrics

Investors will be expecting you to disclose and discuss the key operating metrics, beyond the IFRS financials, that management uses to measure and run the business. While your lead banks will be very helpful in this process, you should have your own perspective on the metrics that will work best for your company over time, as your banking team may suggest more metrics than make sense. Be sure to consider how your business might evolve and how that might affect your key metrics. For at least a few years following the IPO, you want your key metric disclosure to be as consistent as possible with your IPO disclosures. In addition, consider any APMs early and how the FCA, or your Nomad for an AIM IPO, may view these.

## 10. Shareholder structure

Dual-class voting structure are starting to be seen in the UK; this currently necessitates a listing on the

standard segment, but the FCA is consulting on permitting a limited form of dual-class share structure to be lifted on the premium agreement. A key eligibility requirement for the main market is that not less than 25% of the issuer's shares must be "in public hands" at the time of listing and post-IPO – owners of stakes of greater than 5% and directors, amongst others, will not be considered as in public hands. The FCA is consulting on lowering the requirement to 10%, which would be a welcome change. In addition, for a premium listing the company must be able to demonstrate that it carries on an independent business as its main activity. If the company will have a 30%+ shareholder following the IPO, a premium listed company will need to enter into a relationship agreement, which is required to ensure that the company can operate independently from the shareholder and comply with its ongoing obligations, and to include certain provisions in their constitution regarding the election and re-election of independent directors. While relationship agreements are not required for an IPO on AIM, they are typically entered into.

## 11. Index eligibility

A premium listing is required for inclusion in the FTSE UK Index series (which includes the FTSE 100, FTSE 250 and FTSE Small Cap indices). Inclusion in relevant indices enables you to benefit from passive investment by index tracking funds and investment from investors whose investment mandates require FTSE indexation. In order to be eligible for the FTSE UK indices, a premium listed issuer would need to meet the FTSE free float requirements (these tests are different in some respects to the free float requirements referred to above) – 25% free float for UK incorporated companies and 50% free float for non-UK incorporated companies.

## 12. Marketing activities

Investor marketing begins early in the UK IPO process with early-look meetings which can follow soon after the formal IPO kick-off and requires the company to have a finessed, and verifiable, equity story to present to investors at that stage. That would typically be followed by pilot-fishing meetings later in

the process and potentially deeper dive or “gold card” meetings where an advanced draft of the disclosure document may be made available on a confidential basis to certain key accounts before the formal announcement of the IPO. In addition, in some IPO processes, companies give a limited number of investors additional access to management and due diligence material in an attempt to secure one or more “cornerstone investors” who typically agree at the time of launch of the IPO to purchase a substantial and disclosed portion of the company’s shares.

Bear in mind that the process of assessing investor interest in an IPO is highly regulated, and violations of applicable securities laws could delay your IPO process and result in other penalties. Accordingly, your lawyers should be closely consulted with respect to all such interactions. In addition, if your transaction is in scope for the UK or EU Market Abuse Regulation (MAR) (for example, because of an existing listing of debt or equity securities on a European exchange, or where a parent or major shareholder is listed in Europe), an announcement that strategic alternatives, including an IPO, are under consideration will be required before the commencement of marketing activities and the MAR market sounding rules will need to be complied with, as applicable.

### 13. Pre-IPO research

On most UK IPOs, research is prepared and distributed by analysts employed by the underwriting banks, with such analysts then using their research to discuss the company with potential investors ahead of setting the price range and commencement of the roadshow (the “pre-deal investor education” process). This is an important part of the IPO process and will be a key area of focus for lawyers and bankers given the regulatory requirements and potential legal and practical problems associated with distribution of research reports in the lead up to an IPO. Reforms that came into effect in the UK in 2018 impose additional regulatory requirements, including obligations to give access to third party unconnected analysts to allow them to produce research on your company.

### 14. Lock-up agreements and trading restrictions

The lock-up period for premium listings is typically 180 days for the shareholders selling in the IPO (and, in some cases, other pre-IPO shareholders) and the issuer itself, and 365 days for directors and senior managers, with longer periods and further “orderly market” undertakings typically being seen on AIM IPOs. Understand what equity awards will vest or settle during the lock-up period and how these will be treated. Be mindful of your mandatory closed periods in connection with your reporting timelines as a listed company and how that might affect the expiration of the lock-up period, settlement of equity awards and potential sales of pre-IPO shares into the market. Also consider whether certain holders will be granted unique lock-up carve-outs or preferential lock-up rights and assess the ramifications of granting such rights.

### 15. Public communications

US “gun-jumping” rules will apply to IPOs in the UK where the offering is being extended to US investors, alongside UK rules and requirements. Discuss with your lawyers the rules that will govern your public communications during the IPO process. Standardise public communications to establish a track record and develop consistent processes for external communications, including review of press releases by your lawyers and fact-checking all of your public statements before they go out. Beware of media interviews and public appearances in which a potential IPO is discussed – not just by management but by directors and insider shareholders as well, particularly where you do not control the timing of publication. CEO comments to business publications during the IPO process (or even closely before) is one of the most likely areas for potential gun-jumping. Participation in industry conferences, particularly those hosted by investment banks, should be carefully choreographed during the IPO process.

## 16. Management team and IPO resourcing

Build out your senior management team, as necessary, to operate as a listed company. Also consider key hires in areas such as financial reporting and investor relations. Run background checks on new significant hires to avoid surprises during the IPO process. Consider whether newer members of the team, particularly those executives who will be interfacing with public investors, have been with the company for a sufficient amount of time to truly understand the company's story and deliver results to investors. An IPO is an extremely resource-intensive process, particularly for your finance and legal teams, and after the IPO senior management will need to dedicate significant time and resources to interacting with research analysts and shareholders. Consider whether you need to hire additional resource for the process, either on a permanent or temporary basis.

## 17. Board and committees

Assess the composition of your board of directors (executive and non-executive) and board committees to identify any changes necessary to ensure an appropriate board of directors for a listed company. Seek out directors with diverse backgrounds and skills who can help you build a listed company and contribute in a meaningful way to the company's culture, as well as support and challenge the management team. We believe strongly that diversity, including gender, ethnic, sexual orientation and neuro-diversity, creates a stronger board and a healthier company. Understand the requirements for independent directors that will apply after your IPO. For IPOs on the premium segment of the main market, the corporate governance regime is to "comply or explain" with the UK Corporate Governance Code which allows for a degree of non-compliance at IPO, although investors will expect to see a path to full compliance in most cases for premium listings. There is more flexibility on AIM, and companies can elect to comply with the Quoted Companies Alliance governance code rather than the full UK Corporate Governance Code. Recruiting capable directors and ensuring they are sufficiently

on-boarded ahead of an IPO can take time, so start early.

## 18. Corporate governance

It is never too soon to begin to act like a listed company. Focus early on corporate governance appropriate for a listed company and develop a culture of compliance. Transitioning a workforce from a private company to a heavily regulated listed company takes time and effort, and the example should be set at the top. Work with your lawyers to adopt state-of-the-art corporate policies and codes of conduct that comply with the rules and best practice, but also work for your organisation. Consider strategies to ease the transition, such as mock investor presentations on financial results, closing the relevant reporting on listed company timelines and/or establishing board committees akin to a listed company. If you share key financial or operating data broadly within the company, consider a strategy to begin to limit this disclosure, so that post-IPO you are limiting the number of potential insiders who will need to be included on insider lists. Taking the time during the IPO process to train both management and employees on the important aspects of corporate governance and ongoing obligations, from insider dealing to external communications, will make the transition to a listed company much easier following the IPO.

## 19. Executive remuneration

Consider engaging a remuneration consultant to assist in analysing remuneration practices, including equity and non-equity incentives, comparison to peer companies and potential reactions from investors, shareholder activists and compliance with guidelines issued by institutional investor bodies, such as the Investment Association Guidelines. Begin to develop a remuneration structure appropriate for a listed company. Talk to your lawyers about adopting employee share schemes and long-term incentive plans that will meet the future needs of the business and investor expectations. Changing or adopting new employee share schemes and long-term incentive plans after an IPO can be decidedly more difficult and for a premium listing may require shareholder



approval. Senior management should consult with personal financial advisers regarding wealth maximisation alternatives. The timing of vesting of equity awards can play a large part in this analysis, so understand your timeline and equity structure and how it will be treated on an IPO.

## 20. Cybersecurity and data privacy

Cybersecurity and data privacy have become an area of increased focus for regulators and investment banks. A flurry of high-profile data breaches and the passage of comprehensive laws related to data privacy protection and security in a number of jurisdictions (including the EU General Data Protection Regulation that came into effect in 2018) have lowered investment banks' risk thresholds and increased their due diligence processes around cyber/data/privacy issues. In light of this increased scrutiny, and the fact that newly listed companies may be at increased risk of targeted cyber attacks, consult with your lawyers early in the process to ensure that you have policies and procedures in place that are appropriate for your company's scale and stage of development, as well as the nature of the data assets that you hold and the jurisdictions in which you operate. To the extent that you hold or receive sensitive data (e.g., personally identifiable information or personal health information), extra care should be taken in this regard. Also, be prepared to discuss any cyber or data security breaches with the investment banks and their lawyers, including any completed and planned remediation measures, and understand that all such matters may require disclosure in your disclosure document.

## 21. Corporate documents

Understand the provisions of your current articles of association or other corporate documents, as well as any agreements with or between shareholders, as they relate to an IPO. Are there any special approvals required from shareholders or third parties? Will you need to undertake a pre-IPO reorganisation involving insertion of a new holding company due to preference for the listing vehicle (which can be driven by, amongst other things, tax, investor preferences and eligibility for index inclusion) and/or company law

requirements? Will that require agreement from all of your existing shareholders, or do your current documents allow you to "drag" shareholders? Are all shareholders and other equity holders required to enter into lock-ups with your investment bankers on terms that are standard for your chosen stock exchange or market? Are any holders expecting special IPO lock-up rights based on their agreements? Make sure that your company books are in order and accurately reflect all share issuances, transfers and cancellations, as well as option and warrant issuances, exercises and cancellations.

## 22. Due diligence

The investment banks and both sets of lawyers will conduct extensive due diligence on your company, including a thorough review of your minute books, company books and records, material agreements, material litigation, intellectual property portfolio, regulatory documents and agency correspondence, etc. Anticipate what materials the investment banks and lawyers will want to review and begin organising these documents to expedite the due diligence process. Failure to do so could result in avoidable delays to your IPO. Establish an online data room for the delivery of due diligence materials and get this populated early and then maintained. In addition, the IPO will involve an extensive fact checking process (known as verification) for various claims made in your disclosure document and other IPO materials. Compiling appropriate verification materials ahead of time can greatly facilitate the IPO process.

## 23. Market report / analysis

Discuss with your advisers early on in the process what market, economic and industry data you will want to show in your disclosure document, where it can be sourced from and if already available whether you have, or will need to seek, permission to include it. Consider whether to commission third party consultants to prepare a report into market and industry information and, if so, address up-front the basis on which information in that report can be included in your disclosure document and other marketing documents such as investor presentations.

## 24. Investigations or disputes

Analyse any past, pending or threatened investigations or disputes and assess the disclosure requirements that may apply to them. In extreme circumstances, material investigations or litigation could potentially delay or derail the IPO. Consider whether any disputes can be resolved before you start the IPO process in earnest and manage any material disputes to the extent possible. Also consider the impact that announcing an IPO may have on your negotiating position in these situations. Litigants will often be less likely to settle for a reasonable amount if they know the company is in the IPO process. In certain situations, litigants can strategically time actions to try to disrupt an IPO process. In those situations, thought and planning need to go into being prepared for such actions, particularly during critical portions of the “public phase” of the IPO process. If you are thinking of initiating a dispute with another party, consider its likely effect on the IPO.

## 25. Director & officer liability insurance

The exposure to liability is significantly greater for director and officers of listed companies than it is for private companies. A private company D&O insurance policy will not be appropriate once the company is listed. There has been increasing growth in securities claims in the UK in the past few years, with a number of high-profile cases being pursued. Choose an experienced D&O insurance broker and coordinate with the broker early in the process to ensure that your officers and directors are adequately protected. We are increasingly seeing companies take out public offering of securities insurance (or POSI policies) for the company and its directors, alongside traditional D&O policies, which provides ring-fenced coverage for liabilities relating to IPO.

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This fact sheet is intended as a general introduction to the transaction process and is not intended to provide legal advice as to any specific transaction; it will not be deemed to create an attorney/client relationship between Cooley LLP and the reader and you may not rely upon any of the statements contained herein for purposes of any specific transaction. Each transaction is unique, and will involve complex legal issues that can only be properly analyzed

## Appendix – Overview of Key Eligibility Requirements and Ongoing Obligations for UK IPOs

	Main Market - Premium	Main Market – Standard	AIM
<b>Key Eligibility Requirements</b>			
<b>Minimum market capitalisation</b>	£700,000 <sup>1 2</sup>	£700,000	None
<b>HFI requirements</b>	<p>HFI representing at least 75% of the issuer’s business and covering at least the last 3 years ending not more than 6 months before the date of the prospectus and not more than 9 months before the date of the listing</p> <p>Independently audited or reported on without modification</p> <p>Rules are modified for scientific research-based companies, mineral companies and property companies</p>	<p>Audited HFI covering the last 3 financial years (or such shorter period as the issuer has been in operation)</p> <p>Audit report for each year</p>	<p>Audited HFI covering the last 3 financial years (or such shorter period as the issuer has been in operation)</p> <p>Audit report for each year</p>
<b>Accounting standards</b>	UK IFRS (or equivalent GAAP, including EU IFRS, US, Canadian, Chinese, Japanese and South Korean GAAP, for non-UK companies)	IFRS (or equivalent GAAP, including EU IFRS, US, Canadian, Chinese, Japanese and South Korean GAAP, for non-UK companies)	<p>UK and EEA-incorporated companies: IAS</p> <p>Non-UK and EEA-incorporated companies: IAS, US GAAP, Australian IFRS, Canadian GAAP or Japanese GAAP</p>
<b>3-year revenue earning track record</b>	<p>Required</p> <p>Modified rules for scientific research-based companies, mineral companies and property companies</p>	Not required	Not required
<b>Independent business requirement</b>	The issuer must be able to demonstrate that it carries on an independent business as its main activity	Not required	<p>Not required</p> <p>Where the issuer’s main activity is a business that has not been independent and revenue-earning for at least two years, certain parties will be subject to a one year lock-up from admission</p>

<sup>1</sup> Scientific research-based companies that cannot comply with the HFI requirements above must have a minimum capitalisation of £20 million at listing (excluding the value of any shares which have been issued in the six months before listing).

<sup>2</sup> The FCA is consulting on increasing this to £50 million for both the premium and standard listing segments.



	Main Market - Premium	Main Market – Standard	AIM
<b>Control of business</b>	The issuer must demonstrate that it exercises operational control over the business it carries on as its main activity (modified for mineral companies)	Not required	Not required
<b>Free float</b>	Not less than 25% <sup>3</sup> of the shares must be in “public hands”  FCA has discretion to accept a lower level, but only in certain cases  Owners of stakes ≥ 5% of the issuer’s capital and directors are not “public hands”	Not less than 25% of the shares must be in “public hands”  FCA has discretion to accept a lower level, but only in certain cases  Owners of stakes ≥ 5% of the issuer’s capital and directors are not “public hands”	Not required  An assessment of free float is considered to be an important factor in the work a Nomad undertakes when bringing a company to market
<b>Shareholder pre-emption rights</b>	Required	Not required (but will apply for a UK company under company law)	Not required (but will apply for a UK company under company law)
<b>Constitutional requirements</b>	The issuer’s constitution must allow compliance with the Listing Rules, in particular voting on matters relating to a premium listing and (for a company with a controlling shareholder) the process of re-electing independent directors by shareholders	Not required	Not required
<b>Adviser(s) requirement</b>	Sponsor required on listing and in certain circumstances post-listing	No adviser required	Nomad and broker required at all times
<b>Controlling shareholder requirements</b>	Relationship agreement and certain constitutional provisions required if the company has a controlling shareholder (i.e., 30%+ shareholding)	Not required	Not required, but relationship agreements often seen as a matter of market practice
<b>Prospectus/admission document</b>	FCA approved prospectus required on admission  Content requirements set out in the UK Prospectus Regulation  Registration document approved by the FCA will be required where research is being published by syndicate analysts in connection with the IPO <sup>4</sup>	FCA approved prospectus required on admission  Content requirements set out in the UK Prospectus Regulation  Registration document approved by the FCA will be required where research is being published by syndicate analysts in connection with the IPO	Admission document required (does not require FCA or LSE approval unless making a public offer)  Content requirements based on the UK Prospectus Regulation, with amendments
<b>Working capital statement</b>	“Clean” 12-month working capital statement required	Working capital statement required – can be “qualified”	“Clean” 12-month working capital statement required

<sup>3</sup> The FCA is consulting on increasing this to £50 million for both the premium and standard listing segments.

<sup>4</sup> The registration document is a component part of the prospectus (with information about the issuer). It will usually be published approximately 1 week before the publication of connected research and the intention to float announcement.

	Main Market - Premium	Main Market – Standard	AIM
<b>Restrictions on issue of warrants and options</b>	Warrants or options to subscribe for equity shares (excluding rights under employee share schemes) must not exceed 20% of the issued equity share capital (excluding treasury shares) at the time of issue of the warrants or options	No restrictions	No restrictions
<b>Dual-class voting structures permitted</b>	Not permitted (fn) the FCA is consulting on allowing dual-class share structures within the premium segment in certain limited circumstances.	Permitted	Not permitted
<b>FTSE UK Series indexation</b>	Eligible if meet free float requirement: 25% for UK companies and 50% for non-UK companies	Not eligible	Not eligible
<b>Key Ongoing Obligations</b>			
<b>Shareholder approval for significant transactions</b>	Required, if more than 25% on any of the “class tests”	Not required	Only required for reverse takeovers and disposals resulting in a fundamental change of business
<b>Shareholder approval for related party transactions</b>	Required, if more than 5% on any of the “class tests”	Not required	Not required – announcement obligation only, but require a statement from the independent directors that (having consulted with the Nomad) the transaction is fair and reasonable so far as shareholders are concerned
<b>Compliance with Listing Principles</b>	Compliance with Listing Principles and Premium Listing Principles required	Compliance with Listing Principles required	Not applicable
<b>Approval of shareholder circulars</b>	Certain shareholder circulars must be approved by the FCA	Not required	Not required
<b>Compliance with UK Corporate Governance Code</b>	Required on a “comply or explain” basis	Not required	Not required - the issuer’s website must contain details of compliance with a recognised corporate governance code – many AIM companies follow the QCA Code rather than the UK Corporate Governance Code
<b>General obligation of disclosure of price sensitive information</b>	Required	Required	Required
<b>Obligation to maintain an insider list</b>	Required	Required	Required
<b>Obligation to put in place a dealing code for directors and senior managers</b>	Not required, but market practice	Not required, but market practice	Required

	Main Market - Premium	Main Market – Standard	AIM
<b>Annual report and accounts</b>	Required to be published within 4 months of financial year-end	Required to be published within 4 months of financial year-end	Required to be published within 6 months of financial year-end
<b>Half-yearly reports</b>	Required to be published within 3 months of half-year end	Required to be published within 3 months of half-year end	Required to be published within 3 months of half-year end
<b>Prospectus required for follow-on offerings</b>	Yes, unless an exemption is available (e.g. a placing to qualified investors only of less than 20% of existing issued share capital)	Yes, unless an exemption is available (e.g. a placing to qualified investors only of less than 20% of existing issued share capital)	Not unless an “offer to the public” is made  No further admission document is required other than on a reverse takeover
<b>Cancellation</b>	Cancellation of listing requires approval by 75% of the voted shares and, if the company has a controlling shareholder, also the approval of a majority of the voting independent shareholders (other than in limited circumstances)	No shareholder approval required for cancellation of listing	Cancellation of admission requires shareholder approval by at least 75% of votes cast unless the London Stock Exchange agrees otherwise (e.g. on a step-up to a premium listing)