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CORPORATE FINANCE

RAISING FINANCE

Get a lift: access capital markets



► WHERE CAPITAL MARKETS CAN MAKE A DIFFERENCE

ISSUE	KEY ADVANTAGES OF AN IPO
FINANCING GROWTH	Provides additional finance to accelerate organic growth, avoiding interest charges and covenants connected with debt finance Provides easy access to subsequent fund raisings, particularly on AIM Allows acquisitions to be financed with listed paper rather than cash
RAISING YOUR PROFILE	Can help enhance standing with customers and suppliers Can lead to increased public exposure, particularly with PR strategy and analyst coverage
MOTIVATE DIRECTORS AND EMPLOYEES	The award of publicly traded shares or share options can provide good management and employee incentivisation
INVESTORS WISHING TO EXIT	Gives existing shareholders the chance to realise part or all of their investment, with the possibility of any remaining investment growing in value
INTERNAL EFFICIENCIES	Acts as a catalyst for improving corporate governance, financial reporting and other internal processes

► MARKET UPDATE

The London Stock Exchange is recognised the world over as the leading market for dynamic growing companies. The Main Market continues to set a high standard and provide access to a deep pool of capital, whilst AIM has been successful in combining lighter touch regulation with a market for subsequent share trading.

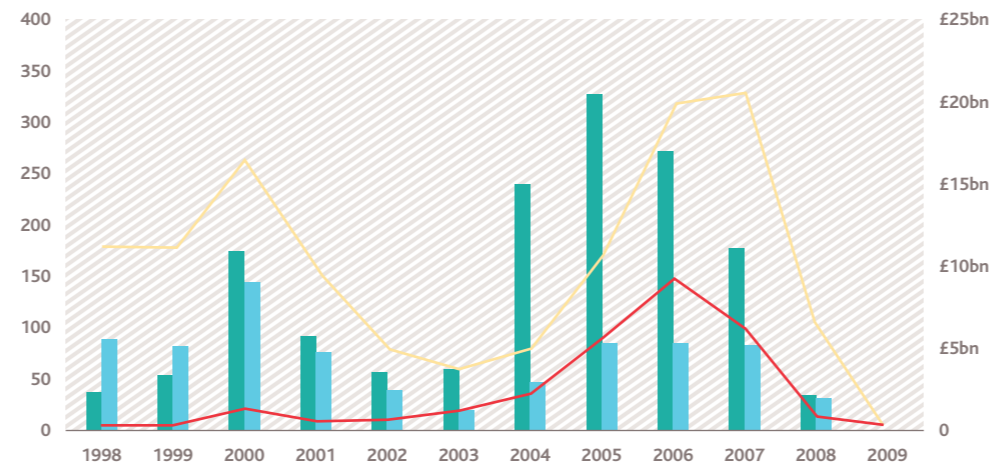
In more difficult market conditions only the most prepared companies are likely to be able to take advantage of future windows of opportunity in which to undertake an IPO.

Investors are increasingly demanding high standards of governance from companies looking to float, and a well groomed business will stand out from the crowd and facilitate a smooth IPO

process, avoiding the pitfalls which may disrupt those that are less prepared.

However, preparing for an IPO can take considerable time and place significant demands on management. BDO can help in the successful preparation of a potential IPO candidate in order that the company can move promptly when the opportunity arises.

No of IPOs and money raised on IPO



■ AIM admissions ■ Main market admissions — AIM money raised — Main market money raised

► KEY STAGES IN ACHIEVING A SUCCESSFUL IPO

	COMPANY	BDO ADVICE
	GROOMING <ul style="list-style-type: none"> Establish strategy, intended use of funds and IPO timetable. Fill any gaps in the management team and identify potential nonexecutive directors. Undertake tax and share scheme planning. Ensure financial statements are under IFRS and audited. Plan and start to implement rigorous financial reporting and corporate governance practices, including appropriate systems. Prepare robust financial projections. 	IPO PROCESS <ul style="list-style-type: none"> Finalise implementation of financial reporting and corporate governance processes. Understand and review transaction documentation. Prepare a presentation setting out the market proposition of your business. Undertake employee communication programme. Present at the roadshow events for potential investors.
	POST-IPO <ul style="list-style-type: none"> Ensure compliance with financial reporting and other continuing obligations. Monitor performance against forecasts and market expectations. Implement an investor relation strategy. Manage news flow – both good and bad. Meet analysts and investors regularly. 	BDO ADVICE <ul style="list-style-type: none"> Guide you in the preparation of required financial information. Guide you in the preparation of information for the IPO due diligence process, including the financial projections model. Advise on suitable financial reporting procedures. Recommend optimal tax structure. Advise on share incentive schemes and benchmark pay and benefits. Make introductions to appropriate other advisers.
	<ul style="list-style-type: none"> Perform due diligence to identify matters which may need to be disclosed in the IPO document. Review the financial projections, identifying and assisting management in flexing key assumptions. Support the review of information in the IPO document. Close liaison with management and the other advisers throughout the IPO process. 	<ul style="list-style-type: none"> Assist in implementing financial and tax strategy. Assist with meeting financial reporting and other continuing obligations. Provide operational improvement and working capital management services. Assist in the identification and investigation of acquisition targets and other growth opportunities.