Appendix 1

(Ref: Para.A57 )

Illustrative Assurance practitioner’s Report IN A REASONABLE ASSURANCE ENGAGEMENT with an Unmodified CONCLUSION

###### [Date][[1]](#footnote-1)\*

[Addressee]

[Name of Entity]

[Address]

###### Independent Reasonable Assurance Report on ABC Company’s Compilation of Pro Forma Historical Financial Information Included in a Prospectus

Dear [Addressee][[2]](#footnote-2)#

We have completed our reasonable assurance engagement to report on ABC Company’s compilation of pro forma financial information by [the responsible party]. The pro forma financial information consists of [the pro forma net asset statement as at [date]], [the pro forma Statement of Financial Performance for the period ended [date]], [the pro forma cash flow statement for the period ended [date],] and related notes [as set out on pages X‑X of the prospectus issued by the company]. The applicable criteria is the basis of which [the responsible party] has compiled the pro forma financial information and are [specified in [insert details] and described in [Note X]/[described in [Note X]].

Expressions and terms defined in the prospectus have the same meaning in this report.

[Insert any background information relating to ABC Company and/or the proposed fundraising deemed relevant; if any.]

The pro forma financial information has been compiled by [the responsible party] to illustrate the impact of the [event(s) or transaction(s)] [described in Note X] on the [company’s financial position as at insert date] [and] [the company’s/its financial performance [and cash flows] for the period ended specify date] as if the [event(s) or transaction(s)] had taken place at [specify date] [and specify date respectively]. As part of this process, information about the company’s [financial position], [financial performance] [and cash flows] has been extracted by [the responsible party] from the company’s financial statements [for the period ended [date]], on which [[an audit]/[a review] report]/[no audit or review report] has been published.[[3]](#footnote-3)

###### [The Responsible Party’s] Responsibility for the Pro Forma Financial Information

[The responsible party] of ABC Company are responsible for properly compiling the pro forma financial information on the basis of the applicable criteria.

**Our Independence and Quality Management**

We have complied with relevant ethical requirements[[4]](#footnote-4)\* related to assurance engagements which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Australian Standard on Quality Management 1,[[5]](#footnote-5)# which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

###### Our Responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been properly compiled, in all material respects, by [the responsible party] of ABC Company on the basis of the applicable criteria, as described in section [X] of the prospectus.

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3420, *Assurance* *Engagements* *To* *Report* *on* *the* *Compilation* *of* *Pro* *Forma* *Historical* *Financial* *Information* *included* *in* *a* *Prospectus* *or* *other* *Document* (ASAE 3420), issued by the Auditing and Assurance Standards Board. This standard requires that the assurance practitioner plan and perform procedures to obtain reasonable assurance about whether the [responsible party] has compiled, in all material respects, the pro forma financial information on the basis of the [applicable criteria].

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the historical financial information used in compiling the pro forma financial information, or of the pro forma financial information itself.

The purpose of the pro forma financial information being included in a prospectus is solely to illustrate the impact of a significant event(s) or transaction(s) on unadjusted financial information of the company as if the event(s) had occurred or the transaction(s) had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event(s) or transaction(s) at [insert date] would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by [the responsible party] in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event(s) or transaction(s), and to obtain sufficient appropriate evidence about whether:

* The related pro forma adjustments give appropriate effect to those criteria; and
* The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the assurance practitioner’s professional judgement, having regard to the assurance practitioner’s understanding of the nature of the company, the event(s) or transaction(s) in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

###### Opinion

In our opinion, [the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria as described in section [X] of the prospectus]/[the pro forma financial information has been properly compiled on the basis stated].

###### Consent

[Firm name] has consented to the inclusion of this report in the prospectus in the form and context in which it is included.

###### Liability

[Liability wording to be inserted for individual Firm practice.]

###### Declaration of Independence [or Disclosure of Interest Statement]

[Firm Name] does not have any interest in the outcome of this [transaction] other than in [state interest] for which normal professional fees will be received.

Yours faithfully

[Assurance practitioner’s signature]

[Date of the assurance practitioner’s report]

[Assurance practitioner’s address]

1. \* The date of both the hard copy and electronic version of the report should be the same. See ASIC’s RG 107 *Electronic Prospectuses*. [↑](#footnote-ref-1)
2. # For example, the directors or other title as appropriate in the circumstances of the assurance engagement. [↑](#footnote-ref-2)
3. Where the audit or review report has been modified, reference may be made to where the modification has been described in the prospectus. [↑](#footnote-ref-3)
4. \* See ASA 102 *Compliance with Relevant Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*. [↑](#footnote-ref-4)
5. # See ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*. [↑](#footnote-ref-5)