[Aus] Appendix 2

(Ref: Para. Aus A57.1)

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

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

[Addressee]

[Name of Entity]

[Address]

###### Independent Limited Assurance Report on ABC Company’s Compilation of Pro Forma Historical Financial Information for a Document

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

We have completed our limited assurance engagement to report on ABC Company’s compilation of pro forma financial information. 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 [insert details] issued by the company (collectively “the pro forma financial information”). The applicable criteria on which the [responsible party] have compiled the pro forma financial information are specified in [insert details] and described in [note X]/described in Note X] for inclusion in [insert details], dated on or about [insert date], and relating to the issue of [X shares/units] in ABC Company.

Expressions and terms defined in the [insert title] 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 [insert date],] as if the [event(s) or transaction(s)] had taken place at [insert details] [and insert 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] Responsibilities 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 a conclusion on whether anything has come to our attention that the pro forma financial information has not been properly compiled, in all material respects, by the [responsible party] on the basis of the applicable criteria, as described in section [X] of the [insert details.]

We have conducted our limited assurance engagement in accordance with the 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 limited assurance about whether anything has come the assurance practitioner’s attention that causes the assurance practitioner to believe that the [responsible party] has not 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 financial information used in compiling the pro forma financial information, or of the pro forma financial information itself.

The purpose of the compilation of the pro forma financial information being included in a [insert details] 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 limited assurance engagement to report on whether anything has come to our attention that the pro forma financial information has not been properly compiled, in all material respects, on the basis of the applicable criteria, involves performing limited procedures to assess whether the applicable criteria used by [the responsible party] in the compilation of the pro forma financial information does not provide a reasonable basis for presenting the significant effects directly attributable to the event(s) or transaction(s), and that the:

* related pro forma adjustments do not give appropriate effect to those criteria; and
* resultant pro forma financial information does not reflect the proper application of those adjustments to the unadjusted financial information.

The procedures we performed were based on our professional judgement and included making enquiries, primarily of persons responsible for financial and accounting matters, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of supporting documentation and agreeing or reconciling with underlying records, and other procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the compilation of the pro forma financial information has been prepared, in all material respects, in accordance with the applicable criteria.

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 conclusion.

###### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the pro forma financial information is not 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 [insert details.]

###### Consent

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

###### Liability

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

###### Declaration of Interest [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)