Appendix 1

(Ref: Para. A78, A81, A89, A91–A92)

##### Illustrations of Independent Auditor’s Reports Related to Going Concern

* Illustration 1: An auditor’s report of an entity other than a listed entity containing an unmodified opinion when the auditor has concluded that no material uncertainty exists.
* Illustration 2: [Deleted by the AUASB. Refer [Aus] Illustration 2A].
* [Aus] Illustration 2A: An auditor’s report on a financial report of a single listed company prepared in accordance with the *Corporations Act 2001* containing an unmodified opinion when the auditor has concluded that no material uncertainty exists and disclosure in the financial report about the significant judgements made by management in concluding that there is no material uncertainty related to events or conditions that may cast significant doubt on the entity’s ability to continue as going concern is adequate.
* Illustration 3: An auditor’s report of an entity other than a listed entity containing an unmodified opinion when the auditor has concluded that a material uncertainty exists and disclosure in the financial report is adequate.
* Illustration 4: [Deleted by the AUASB. Refer [Aus] Illustration 4A].
* [Aus] Illustration 4A: An auditor’s report on a financial report of a single listed company prepared in accordance with the *Corporations Act 2001* containing an unmodified opinion when the auditor has concluded that a material uncertainty exists and disclosure in the financial report is adequate.
* Illustration 5: [Deleted by the AUASB. Refer [Aus] Illustration 5A].
* [Aus] Illustration 5A: An auditor’s report on a financial report of a single listed company prepared in accordance with the *Corporations Act 2001* containing a qualified opinion when the auditor has concluded that a material uncertainty exists and that the financial report is materially misstated due to inadequate disclosure.
* Illustration 6: [Deleted by the AUASB. Refer [Aus] Illustration 6A].
* [Aus] Illustration 6A: An auditor’s report on a financial report of a single listed company prepared in accordance with the *Corporations Act 2001* containing an adverse opinion when the auditor has concluded that a material uncertainty exists and the financial report omits the required disclosures relating to the material uncertainty.
* [Aus] Illustration 7: An auditor’s report on a financial report of a single listed company prepared in accordance with the *Corporations Act 2001* containing a disclaimer of opinion (limitation of scope) when the auditor has been unable to obtain sufficient appropriate audit evidence about the company’s ability to continue as a going concern.

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| 1. **Illustration 1 – An Auditor’s Report of an Entity Other Than a Listed Entity Containing an Unmodified Opinion When No Material Uncertainty Exists**
2. For purposes of this illustrative auditor’s report, the following circumstances are assumed:
* Audit of the financial report of an entity other than a listed entity using a fair presentation framework. The audit is not a group audit (i.e., ASA 600[[1]](#footnote-2) does not apply).
* The financial report is prepared by management of the entity in accordance with Australian Accounting Standards (a general purpose framework).
* The terms of the audit engagement reflect the description of management’s responsibility for the financial report in ASA 210.
* The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
* The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board Limited’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.
* Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist.
* The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with ASA 701.
* The auditor has obtained all of the other information prior to the date of the auditor’s report and has not yet identified a material misstatement of the other information.
* Those responsible for oversight of the financial report differ from those responsible for the preparation of the financial report.
* In addition to the audit of the financial report, the auditor has other reporting responsibilities required under the law.
 |

**INDEPENDENT AUDITOR’S REPORT**

To the Shareholders of ABC Entity [or Other Appropriate Addressee]

**Report on the Audit of the Financial Report[[2]](#footnote-3)**

**Opinion**

We have audited the financial report of ABC Entity (the Entity), which comprises the statement of financial position as at 31 December 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information.

In our opinion, the accompanying financial report presents fairly, in all material respects, (*or give a true and fair view of*) the financial position of the Entity as at 31 December 20X1, and (*of*) its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards (ASAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Going Concern**

In the context of our audit of the financial report as a whole, and in forming our opinion thereon, we have concluded that management’s use of the going concern basis of accounting in the preparation of the financial report is appropriate. Based on the audit evidence obtained, we have not identified a material uncertainty related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern.

Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are not a guarantee as to the Entity’s ability to continue as a going concern.

**Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]**

*[Reporting in accordance with the reporting requirements in ASA 720 – see Illustration 1 in Appendix 2 of ASA 720.]*

**Responsibilities of Management and Those Charged with Governance for the Financial Report[[3]](#footnote-4)**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.*[[4]](#footnote-5)*]*

**Auditor’s Responsibilities for the Audit of the Financial Report**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.]*

**Report on Other Legal and Regulatory Requirements**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.]*

*[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate]*

*[Auditor Address]*

*[Date]*

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| 1. **[Aus] Illustration 2 – An Auditor’s Report on a Financial Report of a Single Listed Company Prepared in Accordance With the *Corporations Act 2001* Containing an Unmodified Opinion When No Material Uncertainty Exists and Disclosure in the Financial Report About the Significant Judgements Made by Management in Concluding That There is No Material Uncertainty Is Adequate**
2. For purposes of this illustrative auditor’s report, the following circumstances are assumed:
* Audit of the financial report of a listed company. The audit is not a group audit (i.e., ASA 600 does not apply).
* The financial report is prepared by the directors of the company in accordance with Australian Accounting Standards (a general purpose framework) and under *Corporations Act 2001*.
* The terms of the audit engagement reflect the description of directors’ responsibility for the financial report in ASA 210.
* The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
* The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The Code includes additional independence requirements that are applicable to audits of financial reports of public interest entities. The Code also requires the auditor to publicly disclose that the independence requirements applicable to audits of financial reports of public interest entities were applied.
* Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist.
* Management has disclosed information about significant judgements made in concluding that there is no material uncertainty related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern and the disclosures are adequate.
* The auditor has chosen to supplement the required statements in accordance with ASA 570 by referencing to the sections describing the respective responsibilities of the directors and of the auditor in relation to going concern.
* Key audit matters have been communicated in accordance with ASA 701.
* The auditor has obtained all of the other information prior to the date of the auditor’s report and has not yet identified a material misstatement of the other information.
* Those responsible for oversight of the financial report differ from those responsible for the preparation of the financial report.
* In addition to the audit of the financial report, the auditor has other reporting responsibilities required under section 308(3C) of the *Corporations Act 2001*.
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**INDEPENDENT AUDITOR’S REPORT**

To the Shareholders of ABC Company [or Other Appropriate Addressee]

**Report on the Audit of the Financial Report[[5]](#footnote-6)**

**Opinion**

We have audited the financial report of ABC Company Ltd., (the Company), which comprises the statement of financial position as at 30 June 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the directors’ declaration.

In our opinion, the accompanying financial report of ABC Company Ltd., is in accordance with the *Corporations Act 2001*, including:

* 1. giving a true and fair view of the Company’s financial position as at 30 June 20X1, and of its financial performance for the year then ended; and
	2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards (ASAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor’s report.[[6]](#footnote-7)\*

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

**Going Concern**

In the context of our audit of the financial report as a whole, and in forming our opinion thereon, we have concluded that management’s use of the going concern basis of accounting in the preparation of the financial report is appropriate.

We draw attention to Note X in the financial report, which describes the uncertainties faced by the Company, the significant judgements made by management in assessing the Company’s ability to continue as a going concern and the range of mitigating actions that have been deployed to address the effects on the Company’s business activities.

*[Description of how the auditor evaluated management's assessment of the entity's ability to continue as a going concern in accordance with ASA 570.]*

Based on the audit evidence obtained, we have not identified a material uncertainty related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are not a guarantee as to the Company’s ability to continue as a going concern. Our responsibilities and the responsibilities of management with respect to going concern are described in the relevant sections of this report.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the significant judgements made by management in concluding that there is no material uncertainty related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern referred to in the *Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

*[Description of each key audit matter in accordance with ASA 701.]*

**Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]**

*[Reporting in accordance with the reporting requirements in ASA 720 – see Illustration 1 in Appendix 2 of ASA 720.]*

**Responsibilities of the Directors for the Financial Report[[7]](#footnote-8)**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.*[[8]](#footnote-9)*]*

**Auditor’s Responsibilities for the Audit of the Financial Report**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.]*

**Report on the Remuneration Report[[9]](#footnote-10)#**

[*Reporting* *in* *accordance* *with* *ASA 700* – *see* *[Aus] Illustration* *1A* *in* *ASA 700*.]

[*Auditor’s* *name and signature*][[10]](#footnote-11)†

[*Name of Firm*]

*[Auditor Address]*

*[Date]*

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| 1. **Illustration 3 – An Auditor’s Report of an Entity Other Than a Listed Entity Containing an Unmodified Opinion When a Material Uncertainty Exists and Disclosure in the Financial Report Is Adequate**
2. For purposes of this illustrative auditor’s report, the following circumstances are assumed:
* Audit of the financial report of an entity other than a listed entity using a fair presentation framework. The audit is not a group audit (i.e., ASA 600 does not apply).
* The financial report is prepared by management of the entity in accordance with Australian Accounting Standards (a general purpose framework).
* The terms of the audit engagement reflect the description of management’s responsibility for the financial report in ASA 210.
* The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
* The relevant ethical requirements that apply to the audit are the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.
* Based on the audit evidence obtained, the auditor has concluded that a material uncertainty exists. The disclosure of the material uncertainty in the financial report is adequate.
* The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with ASA 701.
* The auditor has obtained all of the other information prior to the date of the auditor’s report and has not yet identified a material misstatement of the other information.
* Those responsible for oversight of the financial report differ from those responsible for the preparation of the financial report.
* In addition to the audit of the financial report, the auditor has other reporting responsibilities required under the law.
 |

**INDEPENDENT AUDITOR’S REPORT**

To the Shareholders of ABC Entity [or Other Appropriate Addressee]

**Report on the Audit of the Financial Report[[11]](#footnote-12)**

**Opinion**

We have audited the financial report of ABC Entity (the Entity), which comprises the statement of financial position as at 31 December 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information.

In our opinion, the accompanying financial report presents fairly, in all material respects, (*or give a true and fair view of*) the financial position of the Entity as at 31 December 20X1, and (*of*) its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards (ASAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note X in the financial report, which indicates that the Entity incurred a net loss of ZZZ during the year ended 31 December 20X1 and, as of that date, the Entity’s current liabilities exceeded its total assets by YYY. As stated in Note X, these events or conditions, along with other matters as set forth in Note X, indicate that a material uncertainty exists that may cast significant doubt on the Entity’s ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In the context of our audit of the financial report as a whole, and in forming our opinion thereon, we have concluded that managements’ use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are not a guarantee as to the Entity’s ability to continue as a going concern.

**Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]**

*[Reporting in accordance with the reporting requirements in ASA 720 – see Illustration 1 in Appendix 2 of ASA 720.]*

**Responsibilities of Management and Those Charged with Governance for the Financial Report[[12]](#footnote-13)**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.*[[13]](#footnote-14)*]*

**Auditor’s Responsibilities for the Audit of the Financial Report**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.]*

**Report on Other Legal and Regulatory Requirements**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.]*

*[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate]*

*[Auditor Address]*

*[Date]*

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| 1. **[Aus] Illustration 4A – An Auditor’s Report on a Financial Report of a Single Listed Company Prepared in Accordance With the *Corporations Act 2001* Containing an Unmodified Opinion When the Auditor Has Concluded That a Material Uncertainty Exists and Disclosure in the Financial Report Is Adequate**
2. For purposes of this illustrative auditor’s report, the following circumstances are assumed:
* Audit of the financial report of a listed company. The audit is not a group audit (i.e., ASA 600 does not apply).
* The financial report is prepared by the directors of the entity in accordance with Australian Accounting Standards (a general purpose framework) and under the *Corporations Act 2001*.
* The terms of the audit engagement reflect the description of directors’ responsibility for the financial report in ASA 210.
* The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
* The relevant ethical requirements that apply to the audit are the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The Code includes additional independence requirements that are applicable to audits of financial reports of public interest entities. The Code also requires the auditor to publicly disclose that the independence requirements applicable to audits of financial reports of public interest entities were applied.
* Based on the audit evidence obtained, the auditor has concluded that a material uncertainty exists. The disclosure of the material uncertainty in the financial report is adequate.
* Key audit matters have been communicated in accordance with ASA 701.
* The auditor has obtained all of the other information prior to the date of the auditor’s report and has not yet identified a material misstatement of the other information.
* Those responsible for oversight of the financial report differ from those responsible for the preparation of the financial report.
* In addition to the audit of the financial report, the auditor has other reporting responsibilities required under section 308(3C) of the *Corporations Act 2001*.
 |

**INDEPENDENT AUDITOR’S REPORT**

To the Shareholders of ABC Company [or Other Appropriate Addressee]

**Report on the Audit of the Financial Report[[14]](#footnote-15)**

**Opinion**

We have audited the financial report of ABC Company Ltd., (the Company), which comprises the statement of financial position as at 30 June 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the directors’ declaration.

In our opinion, the accompanying financial report of ABC Company Ltd., is in accordance with the *Corporations Act 2001*, including:

* 1. giving a true and fair view of the Company’s financial position as at 30 June 20X1, and of its financial performance for the year then ended; and
	2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards(ASAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor’s report.[[15]](#footnote-16)\*

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note X in the financial report, which indicates that the Company incurred a net loss of ZZZ during the year ended 30 June 20X1 and, as of that date, the Company’s current liabilities exceeded its total assets by YYY.

*[Description of how the auditor evaluated management's assessment of the entity's ability to continue as a going concern in accordance with ASA 570.]*

As stated in Note X, these events or conditions, along with other matters as set forth in Note X, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In the context of our audit of the financial report as a whole, and in forming our opinion thereon, we have concluded that managements’ use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are not a guarantee as to the Company’s ability to continue as a going concern.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

*[Description of each key audit matter in accordance with ASA 701.]*

**Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]**

*[Reporting in accordance with the reporting requirements in ASA 720 – see Illustration 1 in Appendix 2 of ASA 720.]*

**Responsibilities of the Directors for the Financial Report[[16]](#footnote-17)**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.*[[17]](#footnote-18)*]*

**Auditor’s Responsibilities for the Audit of the Financial Report**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.]*

**Report on the Remuneration Report[[18]](#footnote-19)#**

[*Reporting* *in* *accordance* *with* *ASA 700* – *see* *[Aus] Illustration* *1A* *in* *ASA 700*.]

[*Auditor’s* *name and signature*][[19]](#footnote-20)†

[*Name of Firm*]

*[Auditor Address]*

*[Date]*

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| 1. **[Aus] Illustration 5A – An Auditor’s Report on a Financial Report of a Single Listed Company Prepared in Accordance With *Corporations Act 2001* Containing a Qualified Opinion When the Auditor Has Concluded That a Material Uncertainty Exists and That the Financial Report Is Materially Misstated Due to Inadequate Disclosure**
2. For purposes of this illustrative auditor’s report, the following circumstances are assumed:
* Audit of the financial report of a listed company. The audit is not a group audit (i.e., ASA 600 does not apply).
* The financial report is prepared by the directors of the company in accordance with Australian Accounting Standards (a general purpose framework) and under the *Corporations Act 2001*.
* The terms of the audit engagement reflect the description of the directors’ responsibility for the financial report in ASA 210.
* The relevant ethical requirements that apply to the audit are the Accounting Professional & Ethical Standards Board Limited’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The Code includes additional independence requirements that are applicable to audits of financial reports of public interest entities. The Code also requires the auditor to publicly disclose that the independence requirements applicable to audits of financial reports of public interest entities were applied.
* Based on the audit evidence obtained, the auditor has concluded that a material uncertainty exists. Note Y to the financial report discusses the magnitude of financing arrangements, the expiration and the total financing arrangements; however the financial report does not include discussion on the impact or the availability of refinancing or characterise this situation as a material uncertainty.
* The financial report is materially misstated due to the inadequate disclosure of the material uncertainty. A qualified opinion is being expressed because the auditor concluded that the effects on the financial report of this inadequate disclosure are material but not pervasive to the financial report.
* Key audit matters have been communicated in accordance with ASA 701.
* The auditor has obtained all of the other information prior to the date of the auditor’s report and the matter giving rise to the qualified opinion on the financial report also affects the other information.
* Those responsible for oversight of the financial report differ from those responsible for the preparation of the financial report.
* In addition to the audit of the financial report, the auditor has other reporting responsibilities required under section 308(3C) of the *Corporations Act 2001*.
 |

**INDEPENDENT AUDITOR’S REPORT**

To the Shareholders of ABC Company [or Other Appropriate Addressee]

**Report on the Audit of the Financial Report[[20]](#footnote-21)**

**Qualified Opinion**

We have audited the financial report of ABC Company Ltd., (the Company), which comprises the statement of financial position as at 30 June 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the directors’ declaration.

In our opinion, except for the incomplete disclosure of the information referred to in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of ABC Company Ltd., is in accordance with the *Corporations Act 2001*, including:

* 1. giving a true and fair view of the Company’s financial position as at 30 June 20X1, and of its performance for the year then ended; and
	2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Qualified Opinion**

As discussed in Note Y, the Company’s financing arrangements expire and amounts outstanding are payable on 19 March 20X2. The Company has been unable to conclude re-negotiations or obtain replacement financing. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. The financial report does not adequately disclose this matter.

We conducted our audit in accordance with Australian Auditing Standards (ASAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ABC Company Ltd., would be on the same terms if given to the directors as at the time of this auditor’s report.[[21]](#footnote-22)#

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

**Material Uncertainty Related to Going Concern**

As described in the *Basis for Qualified Opinion* section of our report, a material uncertainty exists that has not been adequately disclosed in the financial report.

In the context of our audit of the financial report as a whole, and in forming our opinion thereon, we have concluded that managements’ use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are not a guarantee as to the Company’s ability to continue as a going concern.

**Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]**

*[Reporting in accordance with the reporting requirements in ASA 720 – see Illustration 6 in Appendix 2 of ASA 720. The last paragraph of the other information section in Illustration 6 would be customised to describe the specific matter giving rise to the qualified opinion that also affects the other information.]*

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section and in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

*[Description of each key audit matter in accordance with ASA 701.]*

**Responsibilities of the Directors for the Financial Report[[22]](#footnote-23)**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.*[[23]](#footnote-24)*]*

**Auditor’s Responsibilities for the Audit of the Financial Report**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.]*

**Report on the Remuneration Report[[24]](#footnote-25)†**

[*Reporting* *in* *accordance* *with* *ASA 700* – *see* *[Aus] Illustration 1A in* *ASA 700*.]

[*Auditor’s name and signature*][[25]](#footnote-26)§

[*Name of Firm*]

*[Auditor Address]*

*[Date]*

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| 1. **[Aus] Illustration 6A – An Auditor’s Report on a Financial Report of a Single Listed Company Prepared in Accordance With the *Corporations Act 2001* Containing an Adverse Opinion When the Auditor Has Concluded That a Material Uncertainty Exists and the Financial Report Omits the Required Disclosures Relating to the Material Uncertainty**
2. For purposes of the illustrative auditor’s report, the following circumstances are assumed:
* Audit of the financial report of a listed company. The audit is not a group audit (i.e., ASA 600 does not apply).
* The financial report is prepared by the directors of the company in accordance with Australian Accounting Standards (a general purpose framework) and under the *Corporations Act 2001*.
* The terms of the audit engagement reflect the description of the directors’ responsibility for the financial report in ASA 210.
* The relevant ethical requirements that apply to the audit are the Accounting Professional & Ethical Standards Board Limited’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). The Code includes additional independence requirements that are applicable to audits of financial reports of public interest entities. The Code also requires the auditor to publicly disclose that the independence requirements applicable to audits of financial reports of public interest entities were applied.
* Based on the audit evidence obtained, the auditor has concluded that a material uncertainty exists and the company is considering bankruptcy. The financial report omits the required disclosures relating to the material uncertainty. An adverse opinion is being expressed because the effects on the financial report of such omission are material and pervasive.
* ASA 701 applies; however, the auditor has determined that there are no key audit matters other than the matter described in the Basis for Adverse Opinion section.
* The auditor has obtained all of the other information prior to the date of the auditor’s report and the matter giving rise to the adverse opinion on the financial report also affects the other information.
* Those responsible for oversight of the financial report differ from those responsible for the preparation of the financial report.
* In addition to the audit of the financial report, the auditor has other reporting responsibilities required under section 308(3C) of the *Corporations Act 2001*.
 |

**INDEPENDENT AUDITOR’S REPORT**

To the Shareholders of ABC Company [or Other Appropriate Addressee]

**Report on the Audit of the Financial Report[[26]](#footnote-27)**

**Adverse Opinion**

We have audited the financial report of ABC Company Ltd., (the Company), which comprises the statement of financial position as at 30 June 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the directors’ declaration.

In our opinion, because of the omission of the information mentioned in the *Basis for Adverse Opinion* section of our report, the accompanying financial report of ABC Company Ltd., is not in accordance with the *Corporations Act 2001* including:

* 1. giving a true and fair view of the Company’s financial position as at 30 June 20X1, and of its performance for the year then ended; and
	2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Adverse Opinion**

The Company’s financing arrangements expired and the amount outstanding was payable on 30 June 20X1. The Company has been unable to conclude re-negotiations or obtain replacement financing and is considering filing for bankruptcy. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. The financial report does not adequately disclose this fact.

We conducted our audit in accordance with Australian Auditing Standards(ASAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ABC Company Ltd., would be on the same terms if given to the directors as at the time of this auditor’s report.[[27]](#footnote-28)\*

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

**Material Uncertainty Related to Going Concern**

As described in the *Basis for Adverse Opinion* section of our report, a material uncertainty exists that has not been disclosed in the financial report.

In the context of our audit of the financial report as a whole, and in forming our opinion thereon, we have concluded that managements’ use of the going concern basis of accounting in the preparation of the financial report is appropriate.

Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report and are not a guarantee as to the Company’s ability to continue as a going concern.

**Key Audit Matters**

Except for the matter described in the *Basis* *for* *Adverse* *Opinion* section and in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

**Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]**

*[Reporting in accordance with the reporting requirements in ASA 720 – see Illustration 7 in Appendix 2 of ASA 720. The last paragraph of the other information section in Illustration 7 would be customised to describe the specific matter giving rise to the adverse opinion that also affects the other information.]*

**Responsibilities of the Directors for the Financial Report[[28]](#footnote-29)**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.*[[29]](#footnote-30)*]*

**Auditor’s Responsibilities for the Audit of the Financial Report**

*[Reporting in accordance with ASA 700 – see Illustration 1 in ASA 700.]*

**Report on the Remuneration Report[[30]](#footnote-31)†**

[*Reporting* *in* *accordance* *with* *ASA 700* – *see* *[Aus] Illustration* *1A* *in* *ASA 700*.]

[*Auditor’s name and signature*][[31]](#footnote-32)\*

[*Name of Firm*]

*[Auditor Address]*

*[Date]*

|  |
| --- |
| **[Aus] Illustration 7 – An Auditor’s Report on a Financial Report of a Single Listed Company Prepared in Accordance With the *Corporations Act 2001* Containing a Disclaimer of Opinion (Limitation of Scope) When the Auditor Has Been Unable to Obtain Sufficient Appropriate Audit Evidence About the Company’s Ability to Continue as a Going Concern**For purposes of the illustrative auditor’s report, the following circumstances are assumed:* Audit of the financial report of a single listed company. The audit is not a group audit (i.e. ASA 600[[32]](#footnote-33)\* does not apply).
* The financial report is prepared by the directors of the company in accordance with Australian Accounting Standards (a general purpose framework) and under the *Corporations Act 2001*.
* The terms of the audit engagement reflect the description of the directors’ responsibility for the financial report in ASA 210.[[33]](#footnote-34)#
* The auditor is unable to obtain sufficient appropriate audit evidence about the company’s ability to continue as a going concern as the directors have refused to extend their going concern assessment up to the relevant period (limitation of scope).
* The auditor is not permitted to communicate key audit matters in accordance with ASA 705.[[34]](#footnote-35)†
* The auditor does not include an other information section in accordance with ASA 720.[[35]](#footnote-36)§
* In addition to the audit of the financial report, the auditor has other reporting responsibilities required under section 308(3C) of the *Corporations Act 2001*.
 |

INDEPENDENT AUDITOR’S REPORT

[Appropriate Addressee]

**Report on the Audit of the Financial Report**[[36]](#footnote-37)‡

**Disclaimer of Opinion**

We were engaged to audit the financial report of ABC Company Ltd., (the Company), which comprises the statement of financial position as at 30 June 20X1, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors’ declaration.

We do not express an opinion on the accompanying financial report of the Company. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

**Basis for Disclaimer of Opinion**

The Company’s financing arrangements expired and the amount outstanding was payable on 30 June 20X1. The Company has been unable to conclude re‑negotiations to obtain replacement financing. The directors have refused to extend their assessment of the Company’s ability to continue as a going concern beyond 30 September 20X1 given the uncertainty of obtaining suitable replacement financing. We have been unable to obtain alternative evidence which would provide sufficient appropriate audit evidence as to whether the Company may be able to obtain such financing, and hence remove significant doubt of its ability to continue as a going concern within twelve months of the date of this auditor’s report.

We are unable to conclude on the appropriateness of management’s use of the going concern basis of accounting in the preparation of the financial report and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern.

**Responsibilities of the Directors for the Financial Report**

[*Reporting* *in* *accordance* *with* *ASA 700* – *see* *[Aus] Illustration* *1A* *in* *ASA 700*.]

**Auditor’s Responsibilities for the Audit of the Financial Report**

[*Reporting* *in* *accordance* *with* *ASA 705* – *see* *[Aus] Illustration* *5* *in* *ASA 705*.]

**Report on the Remuneration Report[[37]](#footnote-38)#**

[*Reporting* *in* *accordance* *with* *ASA 700* – *see* *[Aus] Illustration* *1A* *in* *ASA 700*.]

[*Auditor’s name and signature*] [[38]](#footnote-39)#

[*Name of Firm*]

[*Date of the auditor’s report*]

[*Auditor’s* *Address*]

1. See ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)* [↑](#footnote-ref-2)
2. The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable. [↑](#footnote-ref-3)
3. Throughout these illustrative auditor’s reports, the terms management and those charged with governance may need to be replaced by another term that is appropriate in the context of the legal framework in the particular jurisdiction. [↑](#footnote-ref-4)
4. Paragraphs 34 and 39 of ASA 700 require wording to be included in the auditor’s report for all entities in relation to going concern to describe the respective responsibilities of those responsible for the financial report and the auditor in relation to going concern. [↑](#footnote-ref-5)
5. The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable. [↑](#footnote-ref-6)
6. \* Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant directors; and (b) setting out how the declaration would differ if it had been given to the relevant directors at the time the auditor’s report was made. [Section 307C (5A)(d) of the *Corporations Act 2001*] [↑](#footnote-ref-7)
7. Or other terms that are appropriate in the context of the legal framework of the particular jurisdiction. [↑](#footnote-ref-8)
8. Paragraphs 34 and 39 of ASA 700 require wording to be included in the auditor’s report for all entities in relation to going concern to describe the respective responsibilities of those responsible for the financial report and the auditor in relation to going concern. [↑](#footnote-ref-9)
9. # The Report on the Remuneration Report is an example of “Other Reporting Responsibilities”—refer paragraphs 42‑44 of ASA 700. Any additional “Other Reporting Responsibilities” that the auditor needs to address will also be included in a separate section of the auditor’s report. Under paragraph 42 of ASA 700, the sub‑title “Report on Other Legal and Regulatory Requirements” or other sub‑title as appropriate to the section is used. [↑](#footnote-ref-10)
10. † The auditor is required to sign the auditor’s report in both their own name and the name of their firm [section 324 AB(3*)* of the *Corporations Act 2001*] or the name of the audit company [section 324AD(1) of the *Corporations Act 2001*], as applicable. [↑](#footnote-ref-11)
11. The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable. [↑](#footnote-ref-12)
12. Or other terms that are appropriate in the context of the legal framework of the particular jurisdiction. [↑](#footnote-ref-13)
13. Paragraphs 34 and 39 of ASA 700 require wording to be included in the auditor’s report for all entities in relation to going concern to describe the respective responsibilities of those responsible for the financial report and the auditor in relation to going concern. [↑](#footnote-ref-14)
14. The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable. [↑](#footnote-ref-15)
15. \* Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant directors; and (b) setting out how the declaration would differ if it had been given to the relevant directors at the time the auditor’s report was made. [Section 307C (5A)(d) of the *Corporations Act 2001*] [↑](#footnote-ref-16)
16. Or other terms that are appropriate in the context of the legal framework of the particular jurisdiction. [↑](#footnote-ref-17)
17. Paragraphs 34 and 39 of ASA 700 require wording to be included in the auditor’s report for all entities in relation to going concern to describe the respective responsibilities of those responsible for the financial report and the auditor in relation to going concern. [↑](#footnote-ref-18)
18. # The Report on the Remuneration Report is an example of “Other Reporting Responsibilities”—refer paragraphs 42‑44 of ASA 700. Any additional “Other Reporting Responsibilities” that the auditor needs to address will also be included in a separate section of the auditor’s report. Under paragraph 42 of ASA 700, the sub‑title “Report on Other Legal and Regulatory Requirements” or other sub‑title as appropriate to the section is used. [↑](#footnote-ref-19)
19. † The auditor is required to sign the auditor’s report in both their own name and the name of their firm [section 324 AB(3*)* of the *Corporations Act 2001*] or the name of the audit company [section 324AD(1) of the *Corporations Act 2001*], as applicable. [↑](#footnote-ref-20)
20. The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable. [↑](#footnote-ref-21)
21. # Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant directors; and (b) setting out how the declaration would differ if it had been given to the relevant directors at the time the auditor’s report was made. [Section 307C (5A)(d)of the *Corporations Act 2001*] [↑](#footnote-ref-22)
22. Or other terms that are appropriate in the context of the legal framework of the particular jurisdiction [↑](#footnote-ref-23)
23. Paragraphs 34 and 39 of ASA 700 require wording to be included in the auditor’s report for all entities in relation to going concern to describe the respective responsibilities of those responsible for the financial report and the auditor in relation to going concern. [↑](#footnote-ref-24)
24. † The Report on the Remuneration Report is an example of “Other Reporting Responsibilities”—refer paragraphs 42‑44 of ASA 700. Any additional “Other Reporting Responsibilities” that the auditor needs to address will also be included in a separate section of the auditor’s report. Under paragraph 42 of ASA 700, the sub‑title “Report on Other Legal and Regulatory Requirements” or other sub‑title as appropriate to the section is used. [↑](#footnote-ref-25)
25. § The auditor is required to sign the auditor’s report in both their own name and the name of their firm [section 324AB(3)of the *Corporations Act 2001*] or the name of the audit company [section 324AD(1)of the *Corporations Act 2001*], as applicable. [↑](#footnote-ref-26)
26. The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements” is not applicable. [↑](#footnote-ref-27)
27. \* Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant directors; and (b) setting out how the declaration would differ if it had been given to the relevant directors at the time the auditor’s report was made. [Section 307C (5A)(d)of the *Corporations Act 2001*] [↑](#footnote-ref-28)
28. Or other terms that are appropriate in the context of the legal framework of the particular jurisdiction. [↑](#footnote-ref-29)
29. Paragraphs 34 and 39 of ASA 700 require wording to be included in the auditor’s report for all entities in relation to going concern to describe the respective responsibilities of those responsible for the financial report and the auditor in relation to going concern. [↑](#footnote-ref-30)
30. † The Report on the Remuneration Report is an example of “Other Reporting Responsibilities”—refer paragraphs 42‑44 of ASA 700. Any additional “Other Reporting Responsibilities” that the auditor needs to address will also be included in a separate section of the auditor’s report. Under paragraph 42 of ASA 700, the sub‑title “Report on Other Legal and Regulatory Requirements” or other sub‑title as appropriate to the section is used. [↑](#footnote-ref-31)
31. \* The auditor is required to sign the auditor’s report in both their own name and the name of their firm [section 324AB(3) of the *Corporations Act 2001*] or the name of the audit company [section 324AD(1) of the *Corporations Act 2001*], as applicable. [↑](#footnote-ref-32)
32. \* See ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*. [↑](#footnote-ref-33)
33. # See ASA 210 *Agreeing the Terms of Audit Engagements*. [↑](#footnote-ref-34)
34. † See ASA 705, paragraph 29. [↑](#footnote-ref-35)
35. § Paragraph A55 of ASA 720, *The Auditor’s Responsibilities Relating to Other Information* requires the auditor not to include an other information section when the auditor issues a disclaimer of opinion on the financial report in accordance with ASA 705. [↑](#footnote-ref-36)
36. ‡ The sub‑title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub‑title “Report on Other Legal and Regulatory Requirements” is not applicable. [↑](#footnote-ref-37)
37. # The Report on the Remuneration Report is an example of “Other Reporting Responsibilities”—refer paragraphs 42‑44 of ASA 700. Any additional “Other Reporting Responsibilities” that the auditor needs to address will also be included in a separate section of the auditor’s report. Under paragraph 42 of ASA 700, the sub‑title “Report on Other Legal and Regulatory Requirements” or other sub‑title as appropriate to the section is used. [↑](#footnote-ref-38)
38. # The auditor is required to sign the auditor’s report in both their own name and the name of their firm [section 324AB(3)of the *Corporations Act 2001*] or the name of the audit company [section 324AD(1)of the *Corporations Act 2001*], as applicable. [↑](#footnote-ref-39)