

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of [Company Name]

Qualified Opinion

We have audited the financial statements of [Company Name], which comprise the balance sheet as of [Date], and the related statements of income, retained earnings, and cash flows for the year then ended.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of [Company Name] as of [Date] in accordance with [Accounting Standards, e.g., GAAP/IFRS].

Basis for Qualified Opinion

As discussed in Note [X] to the financial statements, the Company utilizes a depreciation method for its manufacturing equipment that results in the full expensing of assets in the year of purchase. This practice is not in accordance with [Accounting Standards], which require that the cost of such assets be allocated over their estimated useful lives. Had the Company used an appropriate depreciation method, we estimate that fixed assets would be increased by \$[Amount], retained earnings would be increased by \$[Amount], and net income would be increased by \$[Amount] for the year ended [Date].

We conducted our audit in accordance with auditing standards generally accepted in [Jurisdiction]. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with [Accounting Standards], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

[Signature of Audit Firm]
[City, State/Province]
[Date]