

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, changes in equity, 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 Framework, e.g., GAAP/IFRS].

Basis for Qualified Opinion

As discussed in Note [X] to the financial statements, the Company carries its inventory at [Describe Method Used, e.g., Historical Cost], which constitutes a departure from [Accounting Framework], which requires inventory to be measured at the lower of cost or net realizable value. Management has not performed an impairment analysis to write down slow-moving or obsolete stock.

If the Company had recorded inventory at the lower of cost or net realizable value, inventory would have been decreased by \$[Amount], and net income and shareholders' equity would have been decreased by \$[Amount].

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 section of our report. We are independent of the Company and have fulfilled our other ethical responsibilities. 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 Framework] and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

[Signature of Audit Firm]

[City, State/Province]

[Date of Report]