

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Disclaimer of Opinion**

We were engaged to audit the accompanying 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, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of [Company Name]. 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 these financial statements.

### **Basis for Disclaimer of Opinion**

We were unable to observe the counting of physical inventories stated at [Amount] as of [Date], because we were appointed as auditors for the company after that date. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at that date. Since inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether any adjustments might have been necessary in respect of the profit for the year and the net cash flows from operating activities.

[Optional: Insert additional scope limitations here, such as inability to confirm accounts receivable or lack of access to records of a foreign subsidiary.]

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the entity's financial statements in accordance with [Auditing Standards] and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

[Signature of the Auditor/Audit Firm]

[Address of the Auditor]

[Date]