



## **CPA Guidance:**

# **Sample Auditor's Reports Effective for accounting Periods commencing on or after 1<sup>st</sup> October, 2012**

June 2015

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## INTRODUCTION

This information leaflet contains a compendium of illustrative auditor's reports applicable to Irish financial statements for periods commencing on or after 1 October 2012. The auditor's reports support and illustrate the requirements of ISAs (UK and Ireland) 700 (Revised June 2013) "The auditor's report on financial statements", 705 "Modifications to the opinion in the independent auditor's report" and 706 "Emphasis of matter paragraphs and other matter paragraphs in the independent auditor's report"<sup>1</sup>. They also support the requirements of the law and regulations applicable to the particular type of entity to which the illustration applies.

Whilst the majority of this information leaflet deals with companies, there are other entities for which a statutory audit obligation exists and, accordingly, Section 3 contains a number of examples of auditor's reports pertaining to such entities.

We have included the "Bannerman" paragraph in most of the sample auditor's reports. Whilst the inclusion of this paragraph is recommended it is not mandatory.

The citation for the Companies Acts for audit reports signed on or after 1<sup>st</sup> June, 2015 should be Companies Act 2014. The citation for reports signed before this date should be Companies Acts 1963-2013.

## SECTION 1

### COMPANY DOES NOT PREPARE GROUP FINANCIAL STATEMENTS

#### Example 1 –

#### Non-publicly traded company incorporated in Ireland preparing financial statements under the FRSSE

- Company is not a listed company.
- Company qualifies as a small company and chooses to prepare its statutory financial statements in accordance with the FRSSE.
- Company does not prepare group financial statements.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses] and the related notes<sup>1</sup>. The financial reporting framework that has been applied in their preparation is Irish law and the Financial Reporting Standard for Smaller Entities [(effective April 2008)]<sup>2</sup> issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ...]], the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors[, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)"], in the circumstances set out in note [x] to the financial statements]<sup>3</sup>.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing*

<sup>1</sup> Auditor's reports of entities that do not publish their financial statements on a website or publish them using 'PDF' format may refer to the financial statements by reference to page numbers.

<sup>2</sup> Specify the version of the Financial Reporting Standard for Smaller Entities effective April 2008 or effective Jan 2015.

<sup>3</sup> Delete the words in square brackets if the relief and exemptions provided by "APB Ethical Standard – Provisions

Available for Small Entities (revised)" (ES PASE) are not utilised. Paragraph 24 of ES PASE requires disclosure in the auditor's report where the audit firm has taken advantage of an exemption provided by ES PASE. The Appendix to ES PASE provides illustrative disclosures of relevant circumstances where the audit firm has taken advantage of an exemption provided by ES PASE.

*the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

### **Opinion on statutory financial statements**

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at ..... and of its profit [loss] for the year then ended; [and]

#### *Option 1*

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>4</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

#### *Option 2*

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion, the information given in the directors' report is consistent with the statutory financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

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<sup>4</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

## Example 2 –

### Non-publicly traded company incorporated in Ireland preparing financial statements under Irish GAAP

- Company is not a listed company.
- Company either does not qualify as a small company or qualifies as a small company but chooses not to prepare statutory financial statements in accordance with the FRSSE.
- Company does not prepare group financial statements.

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED**

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds] and the related notes<sup>5</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors<sup>6</sup>.

#### **Scope of the audit of the financial statements**

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>5</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

<sup>6</sup> If the company is a small entity as defined in paragraph 4(ii) of the APB Ethical Standard – Provisions Available for Small Entities (ES PASE), add 'including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note [x] to the financial statements if the auditor has availed itself of the exemption set out in paragraph 24 of ES PASE. The Appendix to ES PASE provides illustrative disclosures of relevant circumstances where the auditor has taken advantage of such an exemption.



## Opinion on statutory financial statements

In our opinion statutory the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at..... and of its profit [loss] for the year then ended; [and]

### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>7</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] ]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co.

Address  
Date

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<sup>7</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

### Example 3 –

#### Non-publicly traded company limited by guarantee incorporated in Ireland preparing financial statements under Irish GAAP

- Company is not a listed company.
- Company is limited by guarantee and does not have a share capital.
- Company does not prepare group financial statements.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses] and the related notes<sup>8</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...]] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

#### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at ..... and of its profit [loss] for the year then ended; [and]

##### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

<sup>8</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

*Option 2*

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*]] and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co.

Address  
Date

#### Example 4 –

#### Company incorporated in Ireland with a listing on the Global Exchange Market preparing financial statements under Irish GAAP

- Company is listed on the Global Exchange Market (“GEM”) of the Irish Stock Exchange and subject to the continuing obligations in respect of Annual Statutory financial statements as set out in Chapter 5 of the Listing Rules of the GEM.
- Company does not prepare group financial statements.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds] and the related notes<sup>9</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors<sup>10</sup>.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

<sup>9</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

<sup>10</sup> If the company is a small entity as defined in paragraph 4(ii) of the APB Ethical Standard – Provisions Available for Small Entities (ES PASE), add 'including "APB Ethical Standard – Provisions Available for Small Entities (Revised)"', in the circumstances set out in note [x] to the financial statements' if the auditor has availed itself of the exemption set out in paragraph 24 of ES PASE. The Appendix to ES PASE provides illustrative disclosures of relevant circumstances where the auditor has taken advantage of such an exemption.

## Opinion on statutory financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at..... and of its profit [loss] for the year then ended; [and]

### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>11</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] ]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co.

Address  
Date

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<sup>11</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

### Example 5 –

#### Company incorporated in Ireland preparing financial statements under IFRSs as adopted by the European Union

- Company has a primary listing on the Enterprise Securities Market (“ESM”) of the Irish Stock Exchange and is subject to the obligations in respect of Annual Statutory financial statements as set out in Part 1 of the Listing Rules of the ESM.

or

- Company has a primary listing on “AIM”, the London Stock Exchange’s international market for smaller growing companies and is subject to the obligations in respect of Annual Statutory financial statements as set out in Rule 19 of the AIM Rules.

or

- Company has opted to prepare ‘IFRS entity financial statements’ in accordance with Part 6 of the Companies Act 2014.

and

- Company does not prepare group financial statements.

#### INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ LIMITED/PLC

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Statement of Financial Position, the Statement of Comprehensive Income<sup>12</sup>, the Statement of Cash Flow and the Statement of Changes in Equity] and the related notes<sup>13</sup>. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company’s members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company’s members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company’s members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement [set out [on page ...]], the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s [(APB’s)] Ethical Standards for Auditors<sup>14</sup>.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC’s website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ...] of the Annual Report].*

Or:

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<sup>12</sup> The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them

<sup>13</sup> Auditor’s reports of entities that do not publish their financial statements on a website or publish them using ‘PDF’ format may refer to the financial statements by reference to page numbers.

<sup>14</sup> Add the words “including ‘APB Ethical Standard – Provisions Available for Small Entities (Revised)’” if the relief and exemptions provided by “APB Ethical Standard – Provisions Available for Small Entities (Revised)” (ES PASE) are utilised. Paragraph 24 of ES PASE requires disclosure in the auditor’s report where the audit firm has taken advantage of an exemption provided by ES PASE. The Appendix to ES PASE provides illustrative disclosures of relevant circumstances where the audit firm has taken advantage of an exemption provided by the ES PASE.

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

### **Opinion on statutory financial statements**

In our opinion the statutory financial statements:

- give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the assets, liabilities and financial position of the company as at ..... and of its profit [loss] for the year then ended; and

#### *Option 1*

- have been properly prepared in accordance with IFRSs as adopted by the European Union and the requirements of the Companies Act 2014.

#### *Option 2*

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion, the information given in the directors' report is consistent with the statutory financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## Example 6 –

### Publicly traded company incorporated in Ireland preparing financial statements under Irish GAAP

- Company has equity shares with a primary listing on the Main Securities Market (“MSM”) of the Irish Stock Exchange and is subject to the continuing obligations in relation to the annual report as set out in Chapter 6 of the Listing Rules of the MSM.
- Company does not prepare group financial statements.
- Corporate governance statement incorporated into the directors’ report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB<sup>15</sup>.

#### INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses] and the related notes<sup>16</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company’s members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company’s members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company’s members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s [APB’s] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC’s website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

#### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at..... and of its profit [loss] for the year then ended; and

<sup>15</sup> See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the director’s report.

<sup>16</sup> Auditor’s reports of entities that do not publish their financial statements on a web site or publish them using ‘PDF’ format may continue to refer to the financial statements by reference to page numbers.



#### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>17</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

#### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Our assessment of risks of material misstatement**

[Insert a description of those specific assessed risks of material misstatement that were identified by the auditor and which had the greatest effect on the audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.]

### **Our application of materiality**

[Insert an explanation of how the auditor applied the concept of materiality in planning and performing the audit. Such explanation shall specify the threshold used by the auditor as being materiality for the statutory financial statements as a whole.]

### **An overview of the scope of our audit**

[Insert an overview of the scope of the audit, including an explanation of how the scope addressed the assessed risks of material misstatement and was influenced by the auditor's application of materiality.]

[The disclosures about the above three matters are made in a manner that complements the description of significant issues relating to the statutory financial statements required to be set out in the separate section of the annual report describing the work of the audit committee in discharging its responsibilities (see paragraphs 19B and A13 of ISA 700)].

### **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited statutory financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and

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<sup>17</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2014 we are required to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

Under the Listing Rules of the Irish Stock Exchange we are required to review:

- the directors' statement, [set out [on page...]], in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code and the two provisions of the Irish Corporate Governance Annex specified for our review;
- the six specified elements of the disclosures in the report to shareholders by the Board on directors' remuneration.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## Example 7 –

### Publicly traded company incorporated in Ireland preparing financial statements under IFRSs as adopted by the European Union

- Company has equity shares with a primary listing on the Main Securities Market (“MSM”) of the Irish Stock Exchange and is subject to the continuing obligations in relation to the annual report as set out in Chapter 6 of the Listing Rules of the MSM.
- Company does not prepare group financial statements.
- Corporate governance statement incorporated into the directors’ report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB<sup>18</sup>.

#### INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity<sup>19</sup>] and the related notes<sup>20</sup>. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company’s members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company’s members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company’s members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s [APB’s] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC’s website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>18</sup> See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the director’s report.

<sup>19</sup> The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them.

<sup>20</sup> Auditor’s reports of entities that do not publish their financial statements on a web site or publish them using ‘PDF’ format may continue to refer to the financial statements by reference to page numbers.

## **Opinion on statutory financial statements**

In our opinion the statutory financial statements:

- give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the assets, liabilities and financial position of the company as at ..... and of its profit [loss] for the year then ended; and

### *Option 1*

- have been properly prepared in accordance with IFRSs as adopted by the European Union and the requirements of the Companies Act 2014.

### *Option 2*

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## **Our assessment of risks of material misstatement**

[Insert a description of those specific assessed risks of material misstatement that were identified by the auditor and which had the greatest effect on the audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.]

## **Our application of materiality**

[Insert an explanation of how the auditor applied the concept of materiality in planning and performing the audit. Such explanation shall specify the threshold used by the auditor as being materiality for the statutory financial statements as a whole.]

## **An overview of the scope of our audit**

[Insert an overview of the scope of the audit, including an explanation of how the scope addressed the assessed risks of material misstatement and was influenced by the auditor's application of materiality.]

[The disclosures about the above three matters are made in a manner that complements the description of significant issues relating to the statutory financial statements required to be set out in the separate section of the annual report describing the work of the audit committee in discharging its responsibilities (see paragraphs 19B and A13D)].

## **[Separate opinion in relation to IFRSs as issued by the IASB]**

As explained in note [x] to the statutory financial statements, the company in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, have also complied with the IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the statutory financial statements comply with IFRSs as issued by the IASB.]

## **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited statutory financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2014 we are required to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by section 305 to 312 of the Act are not made.

Under the Listing Rules of the Irish Stock Exchange we are required to review:

- the directors' statement, [set out [on page...]], in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code and the two provisions of the Irish Corporate Governance Annex specified for our review; and
- the six specified elements of the disclosures in the report to shareholders by the Board on directors' remuneration.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## Example 8 –

### Publicly traded company with listed debt incorporated in Ireland preparing financial statements under Irish GAAP

- Company has debt securities only with a primary listing on the Main Securities Market (“MSM”) of the Irish Stock Exchange (“ISE”) and is subject to the continuing obligations in relation to the annual report as set out in Chapter 15 of the Listing Rules of the MSM.
- ISE debt listed only companies are not required to make the ISE corporate governance disclosures.
- Company does not prepare group financial statements.
- Corporate governance statement (pursuant to S.I. No. 450 of 2010) incorporated into the directors’ report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB<sup>21</sup>.

### INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses] and the related notes<sup>22</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company’s members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company’s members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company’s members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s [APB’s] Ethical Standards for Auditors.

### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC’s website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at..... and of its profit [loss] for the year then ended; and

<sup>21</sup> See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the director’s report.

<sup>22</sup> Auditor’s reports of entities that do not publish their financial statements on a web site or publish them using ‘PDF’ format may continue to refer to the financial statements by reference to page numbers.

*Option 1*

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>23</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

*Option 2*

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] ]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

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<sup>23</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

### Example 9 –

#### Non-publicly traded collective investment fund incorporated in Ireland preparing financial statements under Irish GAAP

- Company is not a listed company.
- Company is a collective investment fund.
- Company does not prepare group financial statements.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses] and the related notes<sup>24</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland)<sup>25</sup>.

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

#### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at..... and of its profit [loss] for the year then ended; and

<sup>24</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

<sup>25</sup> Investment companies subject to Part XIII of the Companies Act 1990 or the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 may alternatively adopt an alternative body of accounting standards which apply in the United States of America, Canada or Japan.



#### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>26</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] the requirements of the Companies Act 2014 [and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]<sup>27</sup>.

#### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 [and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]<sup>28</sup>.

#### **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

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<sup>26</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

<sup>27</sup> Include if the fund is a UCITS fund.

<sup>28</sup> Include if the fund is a UCITS fund.

#### Example 10 –

#### Publicly traded company with collective investment funds incorporated in Ireland preparing financial statements under Irish GAAP

- Company has collective investment funds with a primary listing on the Main Securities Market (“MSM”) of the Irish Stock Exchange and is subject to the Annual Report and Statutory financial statements requirements as set out in the Code of Listing Requirements and Procedures for Investment Funds and/or Chapter 14 of the Listing Rules of the MSM.
- Company does not prepare group financial statements.
- Corporate governance statement incorporated into the directors’ report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB<sup>29</sup>.

#### INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ...which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Net Assets Attributable to Participating Shareholders] and the related notes<sup>30</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland)<sup>31</sup>.

This report is made solely to the company’s members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company’s members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company’s members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s [APB’s] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC’s website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>29</sup> See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the directors’ report.

<sup>30</sup> Auditor’s reports of entities that do not publish their financial statements on a web site or publish them using ‘PDF’ format may continue to refer to the financial statements by reference to page numbers.

<sup>31</sup> Investment companies subject to Part XIII of the Companies Act 1990 or the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 may alternatively adopt an alternative body of accounting standards which apply in the United States of America, Canada or Japan.

## Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at.....and of its profit [loss] for the year then ended; and

### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>32</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] the requirements of the Companies Act 2014 [and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]<sup>33</sup>.

### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 [and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]<sup>34</sup>.

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]

Sean MacGabhan  
for and on behalf of ABC & Co

Address

Date

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<sup>32</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

<sup>33</sup> Include if the fund is a UCITS fund.

<sup>34</sup> Include if the fund is a UCITS fund.

## SECTION 2

### GROUP AND PARENT COMPANY STATUTORY FINANCIAL STATEMENTS REPORTED ON IN A SINGLE AUDITOR'S REPORT

#### Example 11 –

#### Non-publicly traded group – Parent company incorporated in Ireland preparing financial statements under Irish GAAP (Section 148(8) exemption taken)

- Company is not a listed company.
- Company prepares group financial statements under Irish GAAP and Section 304 Companies Act 2014 exemption taken for the parent company's own profit and loss account.
- This example report may also be used for the report on the group financial statements prepared under Irish GAAP of a company incorporated in Ireland and listed on the Global Exchange Market ("GEM") of the Irish Stock Exchange and subject to the continuing obligations in respect of Annual Statutory financial statements as set out in Chapter 5 of the Listing Rules of the GEM.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses] and the related notes<sup>35</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...]] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>35</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

## Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and of the parent company as at ..... and of the group's profit [loss] for the year then ended; [and]

### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>36</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] ]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The parent company balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

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<sup>36</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

## Example 12 –

### Non-publicly traded group – Parent company incorporated in Ireland preparing financial statements under Irish GAAP (Section 304 exemption not taken)

- Company is not a listed company.
- Company prepares group financial statements and Section 304 Companies Act 2014 exemption not taken for parent company's own profit and loss account.
- This example report may also be used for the report on the group financial statements prepared under Irish GAAP of a company listed on the Global Exchange Market ("GEM") of the Irish Stock Exchange and subject to the continuing obligations in respect of Annual Statutory financial statements as set out in Chapter 5 of the Listing Rules of the GEM.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Group and Parent Company Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses,] and the related notes<sup>37</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and of the parent company as at ..... and of the group's and parent company's profit [loss] for the year then ended; [and]

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<sup>37</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

*Option 1*

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>38</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

*Option 2*

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] ]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The parent company's statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

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<sup>38</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

### Example 13 –

#### Non-publicly traded group – Parent company incorporated in Ireland prepares financial statements under IFRSs as adopted by the European Union

- Company is not a company listed on the Main Securities Market of the Irish Stock Exchange.
- Company prepares group financial statements under IFRSs as adopted by the European Union and Section 304 Companies Act 2014 exemption taken in respect of the parent company's own statement of comprehensive income.
- This example report may also be used for the report on the group financial statements prepared under IFRSs as adopted by the EU of a parent company incorporated in Ireland and listed either on
  - (a) the Enterprise Securities Market ("ESM") of the Irish Stock Exchange and is subject to the obligations in respect of Annual Statutory financial statements as set out in Part 1 of the Listing Rules of the ESM; or
  - (b) "AIM", the London Stock Exchange's market for smaller and growing companies and is subject to the obligations in respect of Annual Statutory financial statements as set out Rule 19 of the AIM Rules.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity]<sup>39</sup>36 and the related notes<sup>40</sup>37. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>39</sup> The names used for the primary statements in the auditor's report should reflect the precise titles used by the company for them.

<sup>40</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.



## Opinion on statutory financial statements

In our opinion:

- the group statutory financial statements give a true and fair view of the assets, liabilities and financial position of the group and of the parent company as at ..... and of the group's and parent company's profit [loss] for the year then ended; [and]
- the parent company statutory financial statements give a true and fair view of the assets, liabilities and financial position of the parent company as at ..... and of the parent company's profit [loss] for the year then ended; [and]

### Option 1

- have been properly prepared in accordance with IFRSs as adopted by the European Union and the requirements of the Companies Act 2014.

### Option 2

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The parent company's statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

#### Example 14 –

#### Publicly traded group – Parent company incorporated in Ireland prepares financial statements under IFRSs as adopted by the European Union

- Company has equity shares with a primary listing on the Main Securities Market (“MSM”) of the Irish Stock Exchange and is subject to the continuing obligations in relation to the annual report as set out in Chapter 6 of the Listing Rules of the MSM.
- Company prepares group financial statements under IFRSs as adopted by the European Union and Section 304 exemption taken in respect of parent company’s own statement of comprehensive income.
- Corporate governance statement incorporated into the directors’ report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB<sup>41</sup>.

#### INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity]<sup>42</sup> and the related notes<sup>43</sup>. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

This report is made solely to the company’s members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company’s members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company’s members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s [APB’s] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC’s website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

<sup>41</sup> See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the director’s report.

<sup>42</sup> The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them.

<sup>43</sup> Auditor’s reports of entities that do not publish their financial statements on a web site or publish them using ‘PDF’ format may continue to refer to the financial statements by reference to page numbers.

## **Opinion on statutory financial statements**

In our opinion:

- the group statutory financial statements give a true and fair view of the assets, liabilities and financial position of the group and of the parent company as at..... and of the group's and parent company's profit [loss] for the year then ended; [and]
- the parent company statutory financial statements give a true and fair view of the assets, liabilities and financial position of the parent company as at..... and of the parent company's profit [loss] for the year then ended; [and]

### *Option 1*

- have been properly prepared in accordance with IFRSs as adopted by the European Union and the requirements of the Companies Act 2014.

### *Option 2*

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the group financial statements, Article 4 of the IAS Regulation.

## **Our assessment of risks of material misstatement**

[Insert a description of those specific assessed risks of material misstatement that were identified by the auditor and which had the greatest effect on the audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.]

## **Our application of materiality**

[Insert an explanation of how the auditor applied the concept of materiality in planning and performing the audit. Such explanation shall specify the threshold used by the auditor as being materiality for the statutory financial statements as a whole.]

## **An overview of the scope of our audit**

[Insert an overview of the scope of the audit, including an explanation of how the scope addressed the assessed risks of material misstatement and was influenced by the auditor's application of materiality.]

[The disclosures about the above three matters are made in a manner that complements the description of significant issues relating to the statutory financial statements required to be set out in the separate section of the annual report describing the work of the audit committee in discharging its responsibilities (see paragraphs 19B and A13D)].

## **[Separate opinion in relation to IFRSs as issued by the IASB]**

As explained in note [x] to the financial statements, the group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, have also complied with the IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.]

## **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The parent company's statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the group financial statements is consistent with the group financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2014 we are required to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Under the Listing Rules of the Irish Stock Exchange we are required to review:

- the directors' statement, [set out [on page...]], in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code and the two provisions of the Irish Corporate Governance Annex specified for our review; and
- the six specified elements of disclosures in the report to shareholders by the Board on directors' remuneration.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## Example 15 –

### Publicly traded group – Parent company incorporated in Ireland prepares financial statements under Irish GAAP

- Company has equity shares with a primary listing on the Main Securities Market (“MSM”) of the Irish Stock Exchange and is subject to the continuing obligations in relation to the annual report as set out in Chapter 6 of the Listing Rules of the MSM.
- Company prepares group financial statements under IFRSs as adopted by the European Union and Section 304 exemption taken in respect of the parent company’s own profit and loss account.
- Corporate governance statement incorporated into the directors’ report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB<sup>44</sup>.

#### INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Group Statement of Financial Position and Parent Company Balance Sheet, the Group Statement of Comprehensive Income, the Group Statement of Cash Flows, the Group Statement of Changes in Equity]<sup>45</sup> and the related notes<sup>46</sup>. The financial reporting framework that has been applied in the preparation of the group financial statements is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company’s members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company’s members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company’s members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors’ Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s [APB’s] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC’s website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

<sup>44</sup> See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the directors’ report.

<sup>45</sup> The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them.

<sup>46</sup> Auditor’s reports of entities that do not publish their financial statements on a web site or publish them using ‘PDF’ format may continue to refer to the financial statements by reference to page numbers

## Opinion on statutory financial statements

In our opinion:

- the group statutory financial statements give a true and fair view of the assets, liabilities and financial position of the group and of the parent company as at..... and of the group's and parent company's profit [loss] for the year then ended; [and]
- the parent company balance sheet gives a true and fair view of the assets, liabilities and financial position of the parent company as at.....; [and]

### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 Reduced Disclosure Framework<sup>47</sup>] [FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland]] and the requirements of the Companies Act 2014 and, as regards the group financial statements, Article 4 of the IAS Regulation.

☐

### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 Reduced Disclosure Framework] [FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland]] [; and]
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the group financial statements, Article 4 of the IAS Regulation.

## Our assessment of risks of material misstatement

[Insert a description of those specific assessed risks of material misstatement that were identified by the auditor and which had the greatest effect on the audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.]

## Our application of materiality

[Insert an explanation of how the auditor applied the concept of materiality in planning and performing the audit. Such explanation shall specify the threshold used by the auditor as being materiality for the statutory financial statements as a whole.]

## An overview of the scope of our audit

[Insert an overview of the scope of the audit, including an explanation of how the scope addressed the assessed risks of material misstatement and was influenced by the auditor's application of materiality.]

[The disclosures about the above three matters are made in a manner that complements the description of significant issues relating to the statutory financial statements required to be set out in the separate section of the annual report describing the work of the audit committee in discharging its responsibilities (see paragraphs 19B and A13D)].

## [Separate opinion in relation to IFRSs as issued by the IASB]

As explained in note [x] to the financial statements, the group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, have also complied with the IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.]

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.

<sup>47</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

- The parent company's balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.
- In our opinion the information given in the directors' report is consistent with the financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the group financial statements is consistent with the group financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2014 we are required to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Under the Listing Rules of the Irish Stock Exchange we are required to review:

- the directors' statement, [set out [on page...]], in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code and the two provisions of the Irish Corporate Governance Annex specified for our review; and
- the six specified elements of the disclosures in the report to shareholders by the Board on directors' remuneration.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## Example 16 –

### Publicly traded group – Parent company incorporated in Ireland prepares financial statements under Irish GAAP and corporate governance statement not incorporated in the directors' report

- Company has equity shares with a primary listing on the Main Securities Market ("MSM") of the Irish Stock Exchange and is subject to the continuing obligations in relation to the annual report as set out in Chapter 6 of the Listing Rules of the MSM.
- Company does prepare group financial statements and Section 304 exemption taken in respect of parent company's own profit and loss account.
- Corporate governance statement not incorporated into the directors' report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB (the underlined text has been revised or included in the auditor's report as a consequence of the statement not being incorporated in the director's report).

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Group Statement of Financial Position and Parent Company Balance Sheet, the Group Statement of Comprehensive Income, the Group Statement of Cash Flows, the Group Statement of Changes in Equity]<sup>48</sup> and the related notes<sup>49</sup>. The financial reporting framework that has been applied in the preparation of the group financial statements is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>48</sup> The names used for the primary statements in the auditor's report should reflect the precise titles used by the company for them.

<sup>49</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.



## Opinion on statutory financial statements

In our opinion:

- the group statutory financial statements give a true and fair view of the assets, liabilities and financial position of the group and of the parent company as at .....and of the group's and parent company's profit [loss] for the year then ended; [and] have been properly prepared in accordance with IFRSs as adopted by the European Union and the requirements of the Companies Act 2014 and Article 4 of the IAS Regulation
- the parent company balance sheet gives a true and fair view of the assets, liabilities and financial position of the parent company as at .....; and have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 Reduced Disclosure Framework<sup>50</sup>] [FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland]] and the requirements of the Companies Act 2014 and Article 4 of the IAS Regulation

## Our assessment of risks of material misstatement

[Insert a description of those specific assessed risks of material misstatement that were identified by the auditor and which had the greatest effect on the audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.]

## Our application of materiality

[Insert an explanation of how the auditor applied the concept of materiality in planning and performing the audit. Such explanation shall specify the threshold used by the auditor as being materiality for the statutory financial statements as a whole.]

## An overview of the scope of our audit

[Insert an overview of the scope of the audit, including an explanation of how the scope addressed the assessed risks of material misstatement and was influenced by the auditor's application of materiality.]

[The disclosures about the above three matters are made in a manner that complements the description of significant issues relating to the statutory financial statements required to be set out in the separate section of the annual report describing the work of the audit committee in discharging its responsibilities (see paragraphs 19B and A13D)].

## [Separate opinion in relation to IFRSs as issued by the IASB]

As explained in note [x] to the financial statements, the group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, have also complied with the IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.]

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The parent company's balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk.
- In our opinion the information required by Section 1373(2) of the Companies Act 2014 [on pages] [in describe document] [at include web address] in the Corporate Governance Statement is consistent with the parent company financial statements and the description of the main features of the internal control and risk

<sup>50</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

management systems in relation to the process for preparing the group and parent company financial statements in that statement is consistent with the group and parent company financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2014 we are required to report to you if, in our opinion:

- the disclosures of directors' remuneration and transactions specified by law are not made; or
- a Corporate Governance Statement has not been prepared by the company; or
- the Corporate Governance Statement does not contain the information required by Section 1373 of the Companies Act 2014.

Under the Listing Rules of the Irish Stock Exchange we are required to review:

- the directors' statement, [set out [on page...]], in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code and the two provisions of the Irish Corporate Governance Annex specified for our review; and
- the six specified elements of the disclosures in the report to shareholders by the Board on directors' remuneration.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## Example 17 –

### Private company with publicly traded listed debt – Parent company incorporated in Ireland preparing financial statements under IFRSs as adopted by the European Union

- Company has debt securities only with a primary listing on the Main Securities Market of the Irish Stock Exchange and is subject to the continuing obligations in relation to the annual report as set out in Chapter 15 of the Listing Rules of the MSM.
- Company prepares group financial statements under IFRSs as adopted by the European Union and Section 304 exemption taken in respect of the parent company's own statement of comprehensive income.
- Corporate governance statement incorporated into the directors' report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB<sup>51</sup>.

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ...which comprise [specify the titles of the primary statements such as the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity]<sup>52</sup> and the related notes<sup>53</sup>. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>51</sup> See example 16 for an illustration of an auditor's report where the corporate governance statement is not incorporated into the directors' report.

<sup>52</sup> The names used for the primary statements in the auditor's report should reflect the precise titles used by the company for them.

<sup>53</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

## Opinion on statutory financial statements

In our opinion:

- the group statutory financial statements give a true and fair view of the assets, liabilities and financial position of the group as at .....and of the group's profit [loss] for the year then ended; [and]
- the parent company statement of financial position gives a true and fair view of the assets, liabilities and financial position of the parent company as at .....; [and]

### Option 1

- have been properly prepared in accordance with IFRSs as adopted by the European Union, the requirements of the Companies Act 2014 and as regards the group financial statements, Article 4 of the IAS Regulation

### Option 2

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the group financial statements, Article 4 of the IAS Regulation.

## [Separate opinion in relation to IFRSs as issued by the IASB]

As explained in note [x] to the financial statements, the group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, have also complied with the IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group statutory financial statements comply with IFRSs as issued by the IASB.]

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The parent company statement of financial position is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the group financial statements is consistent with the group financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

### Example 18 –

#### Publicly traded collective investment fund – Parent company incorporated in Ireland prepares financial statements under IFRSs as adopted by the European Union

- Company is a collective investment fund with a primary listing on the Main Securities Market of the Irish Stock Exchange and is subject to the requirements for Annual Report and Statutory financial statements as set out in the Code of Listing Requirements and Procedures for Investment Funds and/or Chapter 14 of the Listing Rules of the MSM.
- Company prepares group financial statements under IFRSs as adopted by the European Union and Section 304 exemption taken in respect of the parent company's own statement of comprehensive income.
- Corporate governance statement incorporated into the directors' report, either directly or by incorporation by reference as explained in Bulletin 2011/1 issued by the APB<sup>54</sup>.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the statutory financial statements of (name of company) for the year ended ... which comprise [specify the titles of the primary statements such as the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Changes in Net Assets attributable to holders of redeemable shares]<sup>55</sup> and the related notes<sup>56</sup>. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2014 [and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]<sup>57</sup>.

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

<sup>54</sup> See example 16 for an illustration of an auditor's report where the corporate governance statement is not incorporated into the directors' report

<sup>55</sup> The names used for the primary statements in the auditor's report should reflect the precise titles used by the company for them.

<sup>56</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

<sup>57</sup> Include if the fund is a UCITS fund.

## Opinion on statutory financial statements

In our opinion:

- the group statutory financial statements give a true and fair view of the assets, liabilities and financial position of the group as at .....and of the group's profit [loss] for the year then ended; [and]
- the parent company statement of financial position gives a true and fair view of the assets, liabilities and financial position of the parent company as at .....; [and]

### Option 1

- have been properly prepared in accordance with IFRSs as adopted by the European Union, the requirements of the Companies Act 2014 [, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]<sup>58</sup>53 and, as regards the group financial statements, Article 4 of the IAS Regulation.

### Option 2

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 [, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]<sup>59</sup>53 and, as regards the group financial statements, Article 4 of the IAS Regulation.

## [Separate opinion in relation to IFRSs as issued by the IASB]

As explained in note [x] to the financial statements, the group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, have also complied with the IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.]

## Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The parent company statement of financial position is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the group financial statements is consistent with the group financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

<sup>58</sup> Include if the fund is a UCITS fund

<sup>59</sup> Include if the fund is a UCITS fund

## Example 19 –

### State Body incorporated in Ireland preparing group financial statements under Irish GAAP

- Company is a State Body subject to the Code of Practice for the Governance of State Bodies.
- Company is not a listed company.
- Company prepares group financial statements under Irish GAAP and Section 304 exemption taken in respect of the parent company's own profit and loss account.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the statutory financial statements of (name of company) for the year ended ...which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses] and the related notes<sup>60</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out [on page ]] the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...]] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited statutory financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

#### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and of the parent company as at ..... and of the group's profit [loss] for the year then ended; [and]

#### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 Reduced Disclosure Framework<sup>61</sup>] [FRS 102 The

<sup>60</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

<sup>61</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

Financial Reporting Standard applicable in the UK and Republic of Ireland]] and the requirements of the Companies Act 2014.

□

*Option 2*

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 Reduced Disclosure Framework] [FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland]]]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The parent company balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2014 we are required to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

Under the Code of Practice for the Governance of State Bodies ("the Code") we are required to report to you if the statement regarding the system of internal financial control required under the Code [as included in the Corporate Governance Statement] on page(s) [ to ] does not reflect the group's compliance with paragraph 13.1 (iii) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date



## SECTION 3

### OTHER AUDITOR'S REPORTS

#### Example 20 – Credit Union preparing financial statements under Irish GAAP

- Replacing Illustrative Auditor's Report on financial statements for a Credit Union – Appendix 1 PN 27(I).
- Group financial statements not prepared.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ CREDIT UNION LIMITED

We have audited the financial statements of (name of credit union) for the year ended ... which comprise [specify the titles of the primary statements such as the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses]<sup>62</sup> and the related notes<sup>63</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the credit union's members, as a body, in accordance with the Credit Union Acts 1997 to 2012. Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's members as a body, for our audit work, for this report, or for the opinions, we have formed.

#### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement [set out [on page ...]], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>62</sup> The names used for the primary statements in the auditor's report should reflect the precise titles used by the company for them.

<sup>63</sup> Auditor's reports of entities that do not publish their financial statements on a website or publish them using 'PDF' format may refer to the financial statements by reference to page numbers.

**Opinion on statutory financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at..... and of its income and expenditure for the year then ended;
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared so as to conform with the requirements of the Credit Union Acts 1997 to 2012.

**Other matters prescribed by the Credit Union Acts 1997 to 2012**

- We have obtained all the information and explanations which we considered were necessary for the purposes of our audit.
- In our opinion proper accounting records have been kept by the credit union.
- The financial statements are in agreement with the accounting records.

[Firm Signature]  
ABC & Co.

Address  
Date

## Example 21 –

### Industrial and Provident Society preparing financial statements under Irish GAAP

- Society does not prepare group financial statements.
- This auditor's report pertains to the annual financial statements of the Society and not to the annual return required by the Industrial and Provident Societies Acts 1893 to 2014.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ CO-OPERATIVE SOCIETY LIMITED

We have audited the statutory financial statements of (name of Industrial and Provident society) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds] and the related notes<sup>64</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the society's members as a body in accordance with the requirements of the Industrial and Provident Societies Acts, 1893 to 2014. Our audit work has been undertaken so that we might state to the society's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society or the society's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of [committee of management][trustees] and auditors

As explained more fully in the [Committee of Management][Trustees'] Responsibilities Statement [set out [on page.....]] the [committee of management][trustees] are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors<sup>65</sup>.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

<sup>64</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

<sup>65</sup> If the company is a small entity as defined in paragraph 4(ii) of the APB Ethical Standard – Provisions Available for Small Entities, add 'including "APB Ethical Standard – Provisions Available for Small Entities (revised)"', in the circumstances set out in note [x] to the financial statements' if the auditor has availed of the exemption set out in paragraph 24 the Ethical Standard ("ES"). The Appendix to the ES provides illustrative disclosures of relevant circumstances where the auditor has taken advantage of such an exemption.

### **Opinion on statutory financial statements**

In our opinion the statutory financial statements

- give a true and fair view of the assets, liabilities and financial position of the society as at ..... and of its[profit [loss] ] [surplus/[deficit]] for the year then ended; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.

As required by Section 13(2) of the Industrial and Provident Societies Act 1893 we examined the balance sheets showing the receipts and expenditure, funds and effects of the society, and verified the same with the books, deeds, documents, accounts and vouchers relating thereto, and found them to be correct, duly vouched, and in accordance with law.

[Firm Signature]  
ABC & Co.

Address  
Date

## Example 22 – Friendly Society preparing financial statements under Irish GAAP

- Society does not prepare group financial statements.
- This auditor's report pertains to the annual financial statements of the Society and not to the annual return required by the Friendly Societies Acts 1896 to 2014.

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ FRIENDLY SOCIETY

We have audited the financial statements of (name of society) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds] and the related notes<sup>66</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the society's members as a body. Our audit work has been undertaken so that we might state to the society's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society or the society's members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of [committee of management][trustees] and auditors

As explained more fully in the [Committee of Management][Trustees'] Responsibilities Statement [set out [on page ]] the [committee of management][trustees] are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors<sup>67</sup>.

### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

### Opinion on statutory financial statements

In our opinion the financial statements

- give a true and fair view of the state of the society's affairs as at .....and of its [profit [loss] ] [surplus/[deficit]] for the year then ended; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.

[Firm Signature]  
ABC & Co.

Address  
Date

<sup>66</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

<sup>67</sup> If the company is a small entity as defined in paragraph 4(ii) of the APB Ethical Standard – Provisions Available for Small Entities, add 'including "APB Ethical Standard – Provisions Available for Small Entities (revised)"', in the circumstances set out in note [x] to the financial statements' if the auditor has availed of the exemption set out in paragraph 24 the Ethical Standard ("ES"). The Appendix to the ES provides illustrative disclosures of relevant circumstances where the auditor has taken advantage of such an exemption.

## Example 23 –

### Defined Benefit/Defined Contribution Scheme/Plan preparing financial statements under Irish GAAP

#### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE[S] OF XYZ PENSION SCHEME/PLAN

We have audited the financial statements of (name of scheme/plan) for the year ended ...which comprise [specify the titles of the primary statements such as the Fund Account, the Net Assets Statement] and the related notes<sup>68</sup>. The financial reporting framework that has been applied in their preparation is Irish pension law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

#### Respective responsibilities of trustee[s] and auditors

As explained more fully in the Trustees' Responsibilities Statement [set out [on page ...]], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for ensuring that contributions are made to the [scheme/plan] in accordance with the [scheme's/plan's] rules [and the recommendation of the actuary]<sup>69</sup>. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish pension law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial transactions of the [scheme/plan] during the year ended ..... and of the amount and disposition of the assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date; and
- are prepared in accordance with Generally Accepted Accounting Practice in Ireland.

<sup>68</sup> Auditor's reports of entities that do not publish their financial statements on a web site or publish them using 'PDF' format may continue to refer to the financial statements by reference to page numbers.

<sup>69</sup> Only include text if the scheme/Plan is Defined Benefit. The Institute of Certified Public Accountants in Ireland

**Opinions on other matters prescribed by the Occupational Pension Scheme (Disclosure of Information) Regulations 2006**

In our opinion:

- the financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 which is applicable and material to the [scheme/plan];
- the contributions payable to the [scheme / plan] during the year ended ..... have been received by the trustees within thirty days of the end of the [scheme / plan] year; and
- the contributions have been paid in accordance with the rules of the [scheme / plan] [and the recommendation of the actuary]<sup>70</sup>.

[Firm Signature]  
ABC & Co.

Address  
Date

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<sup>70</sup> Only include text if the scheme/Plan is Defined Benefit. The Institute of Certified Public Accountants in Ireland

## SECTION 4

### EMPHASIS OF MATTER PARAGRAPHS

#### Example 24 –

**Emphasis of matter: Material uncertainty that may cast significant doubt about the company's ability to continue as a going concern**

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- The company incurred a net loss of kX during the year ended 31 December 20X1 and, as at that date, the company's current liabilities exceeded its total assets by kY and it had net current liabilities of kZ.
- These conditions, along with other matters set forth in the notes to the financial statements, indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern.
- The company makes relevant disclosures in the financial statements including those referred to in paragraphs 18 and 19 of ISA (UK and Ireland) 570 "Going Concern".
- The auditor issues an unmodified opinion with an emphasis of matter paragraph describing the situation giving rise to the emphasis of matter and its possible effects on the financial statements, including (where practicable) quantification.

#### Extract from auditor's report

...

#### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at..... and of its profit [loss] for the year then ended; [and]

##### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>71</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

##### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [; and]
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### Emphasis of matter – Going concern

In forming our opinion on the statutory financial statements, which is not modified, we have considered the adequacy of the disclosure made in note [x] to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of Kx during the year ended 31 December 201X and, at that date, the company's current liabilities exceeded its total assets by kY and it had net current liabilities of kZ. These conditions, along with the other matters explained in note [x] to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

#### Matters on which we are required to report by the Companies Act 2014

...

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<sup>71</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.



## Example 25 – Emphasis of matter: Uncertain outcome of a lawsuit

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- A lawsuit alleges that the company has infringed certain patent rights and claims royalties and damages. The company has filed a counter action, and preliminary hearings and discovery proceedings on both actions are in progress.
- The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.
- The company makes relevant disclosures in the financial statements.
- The auditor issues an unmodified opinion with an emphasis of matter paragraph describing the situation giving rise to the emphasis of matter and its possible effects on the financial statements, including that the effect on the financial statements of the resolution of the uncertainty cannot be quantified.

### Extract from auditor's report

...

#### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at.....and of its profit [loss] for the year then ended; [and]

##### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>72</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

##### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [and]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### Emphasis of matter – uncertain outcome of a lawsuit

In forming our opinion on the statutory financial statements, which is not modified, we have considered the adequacy of the disclosures made in note [x] to the financial statements concerning the uncertain outcome of a lawsuit, alleging infringement of certain patent rights and claiming royalties and punitive damages, where the company is the defendant. The company has filed a counter action, and preliminary hearings and discovery proceedings on both actions are in progress. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

#### Matters on which we are required to report by the Companies Act 2014

...

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<sup>72</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.  
The Institute of Certified Public Accountants in Ireland

## SECTION 5

### MODIFIED OPINIONS – QUALIFIED OPINION ON FINANCIAL STATEMENTS

#### Example 26 –

#### Qualified opinion: Disagreement – Inappropriate accounting treatment of debtors

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- The debtors shown on the balance sheet include an amount of kY due from a company which has ceased trading. XYZ Limited has no security for this debt.
- The auditor's opinion is that the company is unlikely to receive any payment and full allowance of kY should have been made.
- The auditor believes that the effect of the disagreement is material but not pervasive to the financial statements and accordingly issues a qualified opinion – except for disagreement about the accounting treatment of debtors.
- The auditor concludes that it is still possible to express the 'financial situation' opinion.

#### Extract from auditor's report

...

#### Basis for qualified Opinion on statutory financial statements

Included in the debtors shown on the balance sheet is an amount of kY due from a company which has ceased trading. XYZ Limited has no security for this debt. In our opinion the company is unlikely to receive any payment and full allowance of kY should have been made. Accordingly, debtors should be reduced by kY, the deferred tax liability should be reduced by kX and profit for the year and retained earnings should be reduced by kZ.

#### Qualified Opinion on statutory financial statements

In our opinion except for the effects of the matter described in the Basis for qualified opinion paragraph, the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at..... and of its profit [loss] for the year then ended; [and]

#### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>73</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

#### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [and]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

<sup>73</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

## Example 27 –

### Qualified opinion: Disagreement – Non-disclosure of a going concern problem

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- The company's year-end is 31 December 20X1 and neither the financial statements nor the directors' report disclose that the company's financing arrangements expire and amounts outstanding are payable on 19 July 20X2 and that the company has been unable to re-negotiate or obtain replacement financing. The directors continue to talk to potential alternative providers of finance.
- This situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.
- The auditor concludes that there is a significant level of concern about going concern and disagrees with the failure to disclose this information in the financial statements. The auditor believes that the lack of disclosure although material is not pervasive to the financial statements and accordingly issues a qualified opinion describing the disagreement.

### Extract from auditor's report

...

#### Basis for qualified Opinion on statutory financial statements

The company's financing arrangements expire and amounts outstanding are payable on 19 July 20X2. While the directors continue to investigate alternative sources of finance, the company has so far been unable to re-negotiate or obtain replacement financing. This situation indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact.

#### Qualified Opinion on statutory financial statements

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at.....and of its profit [loss] for the year then ended; [and]

##### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>74</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

##### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### Matters on which we are required to report by the Companies Act 2014

...

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<sup>74</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

## Example 28 –

### Qualified opinion: Disagreement – Non-disclosure of information required to be disclosed

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- The company has not disclosed that one of its bankers has a fixed and floating charge over all of the company's assets as security for a long term loan. Such disclosure is required by paragraph 58 Schedule 3 of the Companies Act 2014.

#### Extract from auditor's report

...

#### Basis for qualified Opinion on statutory financial statements

The notes to the financial statements do not disclose that one of the company's bankers has a fixed and floating charge over all of the company's assets as security for a bank loan of k5 million which is included in creditors: amounts falling due after more than one year. Such disclosure is required by paragraph 58 Schedule 3 of the Companies Act 2014.

#### Qualified Opinion on statutory financial statements

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at.....and of its profit [loss] for the year then ended; [and]

##### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>75</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

##### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] ]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### Matters on which are required to report by the Companies Act 2014

...

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<sup>75</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

## Example 29 –

### Qualified opinion: Limitation on scope – Auditor not appointed at the time of the stocktaking

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- The evidence available to the auditor was limited because the auditor did not observe the counting of the physical stock as at 31 December 20X1, since that date was prior to the time the auditor was initially engaged as auditor for the company. Owing to the nature of the company's records, the auditor was unable to satisfy itself as to stock quantities using other audit procedures.
- The limitation in audit scope causes the auditor to issue a qualified opinion “except for” any adjustments that might have been found to be necessary had it been able to obtain sufficient evidence concerning stock.
- The limitation of scope was determined by the auditor to be material but not pervasive to the financial statements.
- The auditor concludes that it is still possible to express the ‘financial situation’ opinion.

### Extract from auditor's report

...

#### Basis for qualified Opinion on statutory financial statements

With respect to stock having a carrying amount of kX the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 December 20X1, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

#### Qualified Opinion on statutory financial statements

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at.....and of its profit [loss] for the year then ended; [and]

#### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>76</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

#### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [and]; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### Matters on which we are required to report by the Companies Act 2014

- In respect solely of the limitation on our work relating to stock, described above:
  - we have not obtained all the information and explanations that we consider necessary for the purpose of our audit; and
  - we were unable to determine whether proper accounting records have been kept.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

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<sup>76</sup>For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

### Example 30 –

#### **Qualified opinion: Limitation of scope – Directors did not prepare cash flow forecasts sufficiently far into the future to be able to assess the going concern status of the company**

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- The evidence available to the auditor was limited because the company had prepared cash flow forecasts and other information needed for the assessment of the appropriateness of the going concern basis of preparation of the financial statements only for a period of nine months from the date of approval of the financial statements and there were no sufficient alternative procedures that the auditor could perform.
- Although this fact is disclosed in the financial statements had the information been available the auditor might have formed a different opinion. The auditor considers that the directors have not taken adequate steps to satisfy themselves that it is appropriate for them to adopt the going concern basis.
- The auditor does not consider that the future period to which the directors have paid particular attention in assessing going concern is reasonable in the company's circumstances. The auditor considers that the particular circumstances of the company and the nature of the company's business require that such information be prepared, and reviewed by the directors and auditor for a period of at least twelve months from the date of approval of the financial statements.
- The auditor considers that the possible effect of the limitation of scope is material but not pervasive.
- The auditor issues a qualified opinion referring to the adjustments that might have been found to be necessary had they obtained sufficient evidence concerning the appropriateness of the going concern basis of preparation of the financial statements.

#### **Extract from auditor's report**

...

#### **Basis for qualified Opinion on statutory financial statements**

The audit evidence available to us was limited because the directors of the company have prepared cash flow forecasts and other information needed for the assessment of the appropriateness of the going concern basis of preparation of the financial statements for a period of only nine months from the date of approval of these financial statements. We consider that the directors have not taken adequate steps to satisfy themselves that it is appropriate for them to adopt the going concern basis because the circumstances of the company and the nature of the business require that such information be prepared, and reviewed by the directors and ourselves, for a period of at least twelve months from the date of approval of the financial statements. Had this information been available to us we might have formed a different opinion on the financial statements.

#### **Qualified Opinion on statutory financial statements**

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at.....and of its profit [loss] for the year then ended; [and]

#### *Option 1*

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>77</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

#### *Option 2*

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

---

<sup>77</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.



**Matters on which we are required to report by the Companies Act 2014**

- In respect solely of the limitation on our work relating to the assessment of the appropriateness of the going concern basis of preparation of the financial statements, described above, we have not obtained all the information and explanations that we consider necessary for the purpose of our audit.
- In our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited.
- The statutory financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the statutory financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## SECTION 6

### Modified opinions – Adverse Opinion on statutory financial statements

#### Example 31 –

#### Adverse opinion: No provision made for losses expected to arise on long-term contracts

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- No provision has been made for losses expected to arise on certain long-term contracts currently in progress, as the directors consider that such losses should be off-set against amounts recoverable on other long-term contracts.
- In the auditor's opinion, provision should be made for foreseeable losses on individual contracts as required by SSAP 9.
- In the auditor's view, the financial effect of this disagreement in accounting treatment is both material and pervasive to the financial statements such that an "except for" qualification of the auditor's opinion would not be sufficient to disclose the misleading nature of the financial statements.
- The auditor issues an adverse opinion due to the failure to provide for the losses and quantifies the impact on the profit for the year, the contract work in progress and the deferred tax liability at the year end.
- The auditor considers that notwithstanding its adverse opinion on the financial statements that the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited and that it had received all the information and explanations it required for the audit.
- The auditor concludes that it is still possible to express the 'financial situation' opinion.

#### Extract from auditor's report

...

#### Basis for adverse Opinion on statutory financial statements

As more fully explained in note [x] to the financial statements no provision has been made for losses expected to arise on certain long-term contracts currently in progress, as the directors consider that such losses should be off-set against amounts recoverable on other long-term contracts. In our opinion, provision should be made for foreseeable losses on individual contracts as required by Statement of Standard Accounting Practice 9: Stocks and long-term contracts. If losses had been so recognised the effect would have been to reduce the carrying amount of contract work in progress by kX, the deferred tax liability by kY and the profit for the year and retained earnings at 31 December 20X1 by kZ.

#### Adverse Opinion on statutory financial statements

In our opinion, because of the significance of the matter described in the Basis for adverse opinion paragraph, the financial statements do not give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the assets, liabilities and financial position of the company as at 31 December 20X1 and of its profit [loss] for the year then ended.

In all other respects, in our opinion the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### Matters on which we are required to report by the Companies Act 2014

Notwithstanding our adverse opinion on the statutory financial statements:

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- in our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited;
- the statutory financial statements are in agreement with the accounting records;
- in our opinion the information given in the directors' report is consistent with the statutory financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]

Sean MacGabhan

for and on behalf of ABC & Co

Address

Date

### Example 32 –

#### **Adverse opinion: Significant level of concern about going concern status that is not disclosed in the financial statements**

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- Although there is a significant level of concern about the company's ability to continue as a going concern the financial statements and notes do not disclose this fact and the directors have prepared the financial statements on the going concern basis.
- The auditor considers that the financial statements should disclose that there is a material uncertainty, which may cast significant doubt on the company's ability to continue as a going concern.
- As the effect of this disagreement is both material and pervasive to the amounts included within the financial statements the auditor concludes that a qualification of the opinion is not adequate to disclose the misleading and incomplete nature of the financial statements.
- The auditor issues an adverse audit opinion stating that, because the material uncertainty regarding going concern is not disclosed, the financial statements do not give a true and fair view.

#### **Extract from auditor's report**

...

#### **Basis for adverse Opinion on statutory financial statements**

As explained in note [x] to the statutory financial statements the company's financing arrangements expired and the amount outstanding was payable on [a past date]. The company has been unable to re-negotiate or obtain replacement financing and the directors are continuing to investigate alternative sources of finance. If they are not successful, they will have no alternative but to cease trading. These events indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The statutory financial statements (and notes thereto) do not disclose this fact and have been prepared on the going concern basis.

#### **Adverse Opinion on statutory financial statements**

In our opinion, because of the significance of the matter described in the Basis for adverse opinion paragraph the statutory financial statements do not give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the assets, liabilities and financial position of the company as at... and of its profit [loss] for the year then ended

In all other respects, in our opinion the statutory financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Matters on which we are required to report by the Companies Act 2014**

Notwithstanding our adverse opinion on the financial statements:

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- in our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited;
- the statutory financial statements are in agreement with the accounting records;
- in our opinion the information given in the directors' report is consistent with the statutory financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## SECTION 7

### MODIFIED OPINIONS – DISCLAIMER OF OPINION ON FINANCIAL STATEMENTS

#### Example 33 –

#### Disclaimer of opinion: Auditor unable to attend stocktaking and confirm trade debtors

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- The evidence available to the auditor was limited because the auditor was not able to observe all physical stock and confirm trade debtors due to limitations placed on the scope of the auditor's work by the directors of the company.
- The limitation in scope is considered by the auditor to be both material and pervasive so that it is unable to form an opinion on the financial statements.
- As a result, the auditor issues a modified opinion disclaiming an opinion on the financial statements.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We were engaged to audit the statutory financial statements of (name of entity) for the year ended ...which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses] and the related notes<sup>78</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement [set out [on page ...]], the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors. Because of the matter described in the Basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>78</sup> Auditor's reports of entities that do not publish their financial statements on a website or publish them using 'PDF' format may refer to the financial statements by reference to page numbers.

**Basis for disclaimer of Opinion on statutory financial statements**

The audit evidence available to us was limited because we were unable to observe the counting of physical stock having a carrying amount of kX and send confirmation letters to trade debtors having a carrying amount of kY due to limitations placed on the scope of our work by the directors of the company. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning both stock and trade debtors.

**Disclaimer of Opinion on statutory financial statements**

Because of the significance of the matter described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

**Matters on which we are required to report by the Companies Act 2014**

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we consider necessary for the purpose of our audit;
- we were unable to determine whether proper accounting records have been kept.

Notwithstanding our disclaimer of an opinion on the financial statements:

- the financial statements are in agreement with the accounting records; and
- in our opinion the information given in the directors' report is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## Example 34 –

### Disclaimer of opinion: Multiple uncertainties

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- As discussed in ISA (UK and Ireland) 705 paragraph 10 the auditor disclaims an opinion when, in extremely rare circumstances involving multiple uncertainties, the auditor concludes that, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.
- This example does not include a description of the multiple uncertainties that might lead to a disclaimer of opinion because circumstances will vary and auditors will have to use their judgment when deciding whether it is an extreme case involving multiple uncertainties that are significant to the financial statements. Often, if the matters constituting the multiple uncertainties were considered individually the auditor may be able to issue an unqualified auditor's opinion with an emphasis of matter paragraph describing the situation giving rise to the emphasis of matter and its possible effects on the financial statements, including (where practicable) quantification but the audit opinion would be unmodified.

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We were engaged to audit the financial statements of (name of entity) for the year ended ... which comprise [specify the titles of the primary statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds] and the related notes<sup>79</sup>. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement [set out [on page ...]], the directors are responsible for the preparation of the statutory financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors. Because of the matters described in the Basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### Scope of the audit of the financial statements

Either:

*A description of the scope of an audit of financial statements is [provided on the FRC's website at [www.frc.org.uk/audit-scope-ireland](http://www.frc.org.uk/audit-scope-ireland)] / [set out [on page ...] of the Annual Report].*

Or:

*An audit involves obtaining evidence about the amounts and disclosures in the statutory financial statements sufficient to give reasonable assurance that the statutory financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.*

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<sup>79</sup> Auditor's reports of entities that do not publish their financial statements on a website or publish them using 'PDF' format may refer to the financial statements by reference to page numbers

**Basis for disclaimer of Opinion on statutory financial statements**

In seeking to form an opinion on the financial statements we considered the implications of the significant uncertainties disclosed in the financial statements concerning the following matters:

[Describe uncertainty 1]

[Describe uncertainty 2]

There is potential for the uncertainties to interact with one another such that we have been unable to obtain sufficient appropriate audit evidence regarding the possible effect of the uncertainties taken together.

**Disclaimer of Opinion on statutory financial statements**

Because of the significance of the possible impact of the uncertainties, described in the Basis for disclaimer of Opinion on statutory financial statements paragraph, to the financial statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

**Matters on which we are required to report by the Companies Act 2014**

Notwithstanding our disclaimer of an opinion on the financial statements:

- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- in our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited;
- the statutory financial statements are in agreement with the accounting records;
- in our opinion the information given in the directors' report is consistent with the statutory financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date



## SECTION 8

### MODIFIED OPINIONS – OTHER REQUIREMENTS OF THE COMPANIES ACTS

#### Example 35 –

#### Modified opinion on the consistency of the financial statements with the directors' report

- Irish non-publicly traded company prepares Irish GAAP financial statements (Example 2).
- Auditor gives an unqualified opinion on the financial statements.
- There is an unresolved inconsistency between the directors' report and the financial statements.

#### Extract from auditor's report

...

#### Opinion on statutory financial statements

In our opinion the statutory financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at..... and of its profit [loss] for the year then ended; [and]

##### Option 1

- have been properly prepared in accordance with the relevant financial reporting which consists of, collectively, [Generally Accepted Accounting Practice in Ireland][FRS 101 *Reduced Disclosure Framework*<sup>80</sup>] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] and the requirements of the Companies Act 2014.

##### Option 2

- have been properly prepared in accordance with [Generally Accepted Accounting Practice in Ireland FRS 101 *Reduced Disclosure Framework*] [FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*] [; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### Matters on which we are required to report by the Companies Act 2014

In our opinion:

- the information given in the seventh paragraph of the Business Review in the Directors' Report is not consistent with the financial statements. That paragraph states without amplification that "the company's trading for the period resulted in a 10% increase in profit over the previous period's profit". The profit and loss account, however, shows that the company's profit for the period includes a profit of kZ which did not arise from trading but arose from the disposal of assets of a discontinued operation. Without this profit on the disposal of assets the company would have reported a profit for the year of kY, representing a reduction in profit of 25% over the previous period's profit on a like for like basis. Except for this matter, in our opinion the information given in the Directors' Report is consistent with the financial statements;
- we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- in our opinion the accounting records of the company were sufficient to permit the statutory financial statements to be readily and properly audited;
- the statutory financial statements are in agreement with the accounting records.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by section 305 to 312 of the Act are not made.

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<sup>80</sup> For accounting periods beginning 1 January 2015. For later periods (and early adoption of FRS 101 or 102) the more specific reference to the applicable accounting standards forming part of Irish GAAP is preferable.

[Signature]  
Sean MacGabhan  
for and on behalf of ABC & Co

Address  
Date

## SECTION 9

### ILLUSTRATIVE DIRECTORS' RESPONSIBILITIES STATEMENT FOR A NON-PUBLICLY TRADED COMPANY

*The FRC has not prepared an illustrative example of a Directors' responsibilities statement for a publicly traded company as the directors' responsibilities, which are in part dependant on the particular regulatory environment, will vary depending on the rules of the market on which its securities are admitted to trading.*

#### A. Company prepares financial statements under Irish GAAP

##### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and Irish law).

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business<sup>81</sup>.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the statutory financial statements and directors report comply with the Companies Act 2014 and enable the statutory financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions<sup>82</sup>.

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<sup>81</sup> Included where no separate statement on going concern is made by the directors

<sup>82</sup> This paragraph is Included where the financial statements are published on the reporting entity's website

## **B. Company prepares financial statements under IFRSs as adopted by the European Union**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Under that law the directors have elected to prepare the financial statements in accordance with IFRSs as adopted by the European Union.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business<sup>83</sup>.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the statutory financial statements and directors report comply with the Companies Act 2014 and enable the statutory financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions<sup>84</sup>.

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<sup>83</sup> Included where no separate statement on going concern is made by the directors

<sup>84</sup> This paragraph is Included where the financial statements are published on the reporting entity's website.

## **SECTION 10**

### **DESCRIPTION OF THE “SCOPE OF AN AUDIT” THAT MAY BE CROSS REFERENCED FROM AUDITOR’S REPORTS**

#### **Scope of an Audit of Statutory financial statements arising from the requirements of ISAs (UK and Ireland)**

##### **Overview**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the [entity’s] circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

##### **Overall objective**

The overall objectives of the auditor are to:

- a. obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- b. report on the financial statements and communicate, as required by ISAs (UK and Ireland), the auditor’s findings.

##### **Compliance with ISAs (UK and Ireland) and APB’s Ethical Standards for Auditors**

The auditor is required to comply with:

- a. all ISAs (UK and Ireland) that are relevant to the audit; and
- b. APB’s Ethical Standards for Auditors.

ISAs (UK and Ireland):

- Require the auditor to plan and perform an audit with professional scepticism recognising that circumstances may exist that cause the financial statements to be materially misstated.
- Require the auditor to exercise professional judgment in planning and performing an audit.
- Contain requirements which the auditor must comply with unless a particular ISA (UK and Ireland) or a requirement of an ISA (UK and Ireland) is not relevant.

Some ISAs (UK and Ireland) address the core aspects of the audit process such as:

- Planning the audit.
- Understanding the entity and its environment (including its internal controls).
- Identifying and assessing the risks of material misstatement.
- Responding to assessed risks.

Other ISAs (UK and Ireland) establish requirements in relation to those areas of the auditor's work where it is particularly important that the views of the auditor and users of financial statements regarding the nature and extent of work to be performed are aligned. Such areas include:

- Going concern.
- The auditor's responsibility to consider fraud.
- Consideration of laws and regulations.

#### **Other information in documents containing audited financial statements**

The auditor is required to read all financial and non-financial information, (other information), included in the document containing the audited financial statements and to consider whether such other information is consistent with the audited financial statements. The auditor considers the implications for its report if it becomes aware of any material inconsistencies with the financial statements or any apparent material misstatements in the other information.

#### **Communicating with those charged with governance**

The auditor is required to communicate its significant findings arising from the audit with those charged with governance. Those charged with governance are the persons with responsibility for overseeing the strategic direction of the entity and obligations relating to the accountability of the entity. This includes overseeing the financial reporting process.

Significant findings from the audit include:

- a. the auditor's view about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- b. significant difficulties encountered during the audit; and
- c. material weaknesses in internal control identified during the audit.

#### **Reporting on the financial statements**

The auditor's report is required to contain a clear expression of opinion on the financial statements taken as a whole.

To form an opinion on the financial statements the auditor concludes as to whether:

- a. sufficient appropriate audit evidence has been obtained;
- b. uncorrected misstatements are material, individually or in aggregate;
- c. the financial statements, including the related notes, give a true and fair view, in accordance with the requirements of the relevant financial reporting framework<sup>85</sup>; and
- d. the financial statements are properly prepared in accordance with the requirements of applicable law.

In particular an audit involves evaluating whether:

- a. the financial statements adequately refer to or describe the relevant financial reporting framework;
- b. the financial statements adequately disclose the significant accounting policies selected and applied;
- c. the accounting policies selected and applied are consistent with the applicable financial reporting framework, and are appropriate in the circumstances;
- d. accounting estimates are reasonable;
- e. the information presented in the financial statements is relevant, reliable, comparable and understandable;
- f. the financial statements provide adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the financial statements; and

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<sup>85</sup> This conclusion is required only with respect to financial statements which have been prepared in accordance with a true and fair framework (examples are, International Financial Reporting Standards as adopted by the European Union and Irish GAAP).

- g. the terminology used in the financial statements, including the title of each financial statement is appropriate.

### **Unqualified opinions**

An unqualified opinion is expressed when the auditor is able to conclude that the financial statements [give a true and fair view in accordance with the relevant financial reporting framework and]<sup>86</sup> have been properly prepared in accordance with the requirements of applicable law.

### **Modified opinions**

The auditor modifies the opinion when either:

- a. the auditor concludes that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement; or
- b. the auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement.

The auditor expresses a qualified opinion when either:

- a. misstatements, individually or in the aggregate, are material but not pervasive to the financial statements; or
- b. the possible effect of undetected misstatements, arising from an inability to obtain sufficient appropriate audit evidence, could be material but not pervasive.

The auditor expresses an adverse opinion when the auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

The auditor disclaims an opinion when:

- a. the possible effect of undetected misstatements, arising from an inability to obtain sufficient appropriate audit evidence, could be both material and pervasive to the financial statements; and
- b. in extremely rare circumstances involving multiple uncertainties, the auditor concludes that notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

### **Emphasising certain matters without qualifying the opinion**

In certain circumstances an auditor's report includes an emphasis of matter paragraph to highlight a matter fundamental to the user's understanding of the financial statements. An emphasis of matter paragraph does not affect the auditor's opinion. The auditor is required to consider adding an emphasis of matter paragraph where there is a significant uncertainty the resolution of which is dependent upon future events and which may affect the financial statements. The auditor is required to add an emphasis of matter paragraph to highlight a material uncertainty relating to an event or condition that may cast significant doubt on the entity's ability to continue as a going concern.

### **Communicating "other matters"**

If the auditor considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that, in the auditor's judgment is relevant to the user's understanding of the audit, the auditor's responsibility or the auditor's report, the auditor does so in a paragraph in the auditor's report with the heading "Other Matter" or other appropriate heading.

### **Other Legal and Regulatory Requirements**

The auditor is required to address other legal and regulatory requirements relating to the auditor's report in a separate section of the auditor's report following the opinion on the financial statements.

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<sup>86</sup> Only applicable with respect to "true and fair" frameworks



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