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Bulletin 1(I): Compendium of Illustrative Auditor's Reports on Irish Financial Statements

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INTRODUCTION

1. This Bulletin 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 "*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*"¹. They also support the requirements of the law and regulations applicable to the particular type of entity to which the illustration applies.
2. Whilst the majority of this Bulletin deals with companies, there are other entities for which a statutory audit obligation exists and, accordingly, Appendix 3 contains a number of examples of auditor's reports pertaining to such entities.
3. This Bulletin also states the legal requirements involved in preparing an auditor's report pursuant to Section 193 of the Companies Act 1990 ('1990 Act') to accompany the statutory financial statements to be laid in front of the members at the annual general meeting of a company incorporated under the Irish Companies Acts 1963 to 2012 ('Companies Acts').

LEGISLATION GOVERNING THE STATUTORY AUDITOR'S REPORT

4. In preparing an auditor's report pursuant to Section 193 of the 1990 Act to accompany the statutory financial statements to be laid in front of the members of an Irish company at the annual general meeting the auditor, among other things, will have regard to:
 - Section 193 of the 1990 Act: Auditors' report and right of access to books and of attendance and audience at general meetings;
 - Various pieces of legislation in relation to the consideration by auditors of consistency of directors' report with company's financial statements (see paragraph 45);
 - Section 191(8) of the Companies Act 1963 ('1963 Act'): Particulars of directors' salaries and payments to be given in financial statements;
 - Section 46 of the 1990 Act: Duty of auditors of company in breach of Section 41 or 43;
 - If publicly traded, Regulation 9 of S.I. No. 450 of 2009 as amended by S.I. No. 83 of 2010 ('S.I. No. 450 as amended');
 - Other relevant legislation, FRC Practice Notes and Bulletins especially in the case of regulated entities.

1 The relevant versions of ISAs (UK and Ireland) 700, 705 and 706 are those that are effective for audits of financial statements for periods commencing on or after 1 October 2012

THE REQUIREMENTS OF SECTION 193 OF THE 1990 ACT: AUDITORS' REPORT AND RIGHT OF ACCESS TO BOOKS AND OF ATTENDANCE AND AUDIENCE AT GENERAL MEETINGS

5. Section 193(1) of the 1990 Act requires that :

The auditors of a company shall make a report to the members on the individual accounts examined by them, and on every balance sheet and profit and loss account or income statement, and all group accounts, laid before the company in general meeting during their tenure of office.

6. Accordingly, auditors of a company have a duty under the Companies Acts to make a report to the members of the company on the financial statements examined by them. Specifically, they are required to report on every balance sheet and profit and loss account and on all group financial statements laid before the company in general meeting during their tenure of office. The expression 'financial statements' is used in this document to denote the annual accounts, prepared by directors to meet their obligations under Section 148 (company accounts) and/or Section 150 (group accounts) of the 1963 Act.

Requirement for auditor's report to be read out at AGM

7. Section 193(2) of the 1990 Act requires that :

The auditors' report shall be read at the annual general meeting of the company and shall be open to inspection by any member.

8. It is noteworthy that while law requires the auditor's report to be read at the AGM it does not specifically impose this obligation on the auditor – it would appear that any person present at the meeting, e.g. the chairman, may read the report at the meeting.

Access to books and records and provision of information and explanations

9. Section 193(3) of the 1990 Act requires that :

Every auditor of a company shall have a right of access at all reasonable times to the books, accounts and vouchers of the company and shall be entitled to require from the officers (within the meaning of section 197 (5)) of the company such information and explanations that are within their knowledge or can be procured by them as he thinks necessary for the performance of the duties of the auditors.

10. The above refers to the obligation on the auditor to report whether or not they consider that they have received all the information and explanations they consider necessary for the audit. Section 197 of the 1990 Act provides as follows:

Penalty for false statements to auditors.

- (1) An officer of a company who knowingly or recklessly makes a statement to which this section applies that is misleading, false or deceptive in a material particular shall be guilty of an offence.
- (2) This section applies to any statement made to the auditors of a company (whether orally or in writing) which conveys, or purports to convey, any information or explanation which they require under the Companies Acts, or are entitled so to require, as auditors of the company.
- (3) An officer of a company who fails to provide to the auditors of the company or of the holding company of the company, within two days of the making of the relevant requirement, any information or explanations that the auditors require as auditors of the company or of the holding company of the company and that is within the knowledge of or can be procured by the officer shall be guilty of an offence.
- (4) In a prosecution for an offence under this section, it shall be a defence for the defendant to show that it was not reasonably possible for him to comply with the requirement under subsection (3) to which the offence relates within the time specified in that subsection but that he complied therewith as soon as was reasonably possible after the expiration of such time.
- (5) In this section "officer", in relation to a company, includes any employee of the company.

11. As breaches of Section 197 of the 1990 Act are an indictable offence, auditors have regard to Bulletin 2007/2 issued by the Auditing Practices Board (APB) concerning the auditors' duty to report to the Office of the Director of Corporate Enforcement (ODCE) in circumstances where a reporting obligation may arise.

Identification of accounting and auditing standards

12. Section 193(4) of the 1990 Act requires that :

The auditors' report shall include –

- (a) an introduction identifying the individual accounts, and where appropriate, the group accounts, that are the subject of the audit and the financial reporting framework that has been applied in their preparation, and

(b) a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.

The “introduction” to the auditor’s report

13. For clarity the auditor will use language in the introduction that is consistent with the description of the financial statements used by the directors in preparing the financial statements subject to audit. There are a number of possible financial reporting frameworks that may be used in the preparation of financial statements. Where the “Companies Acts” framework has been adopted the auditor identifies the precise standards being used. Generally, the Companies Acts framework will be Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland). For companies permitted to adopt an alternative body of accounting standards the reference will be to Irish law and the body of accounting standards applied.

Description of the “scope of the audit”

14. Paragraph 16 of ISA (UK and Ireland) 700 requires:

The auditor’s report shall either

- a) Cross refer to the applicable version of a “Statement of the Scope of an Audit” that is maintained on the FRC’s website; or
- b) Cross refer to a “Statement of the Scope of an Audit” that is included elsewhere within the Annual Report; or
- c) Include the following description of the scope of an audit:

“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 [*describe nature of entity*] circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by [*describe those charged with governance*]; 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.”

15. In the illustrative auditor’s reports in this Bulletin these alternatives are shown by means of two text boxes. The alternative shown by the first text box is the wording that is used when the auditor’s report cross refers to a Statement of the Scope of an Audit maintained on the FRC’s website, or included elsewhere within the Annual Report. The alternative

shown by the second text box is the wording that must be used if the description of the Scope of an Audit is included within the auditor's report.

16. Effective for audits of financial statements for periods commencing on or after 1 October 2012 the Statement of the Scope of an Audit can be found on the FRC website at www.frc.org.uk/audit-scope-ireland . A single statement can be used with respect to the auditor's reports of all Irish entities. The text of this statement is included in Appendix 10.

Reference to proper preparation of financial statements

17. Section 193(4A) of the 1990 Act provides as follows:

(4A)

- (a) Except in the case of a company that has taken advantage of any of the provisions of Part III of the Sixth Schedule to the Principal Act, the auditors' report shall state clearly whether in the auditors' opinion the annual accounts have been properly prepared in accordance with the requirements of the Companies Acts (and, where applicable, Article 4 of the IAS Regulation).
- (b) In the case of a company that has taken advantage of any of the provisions of Part III of the Sixth Schedule to the Principal Act, the auditors' report shall state whether, in their opinion, the annual accounts and, where it is a holding company submitting group accounts, the group accounts have been properly prepared in accordance with the Companies Acts (and, where applicable, Article 4 of the IAS Regulation) and give a true and fair view of the matters referred to in subsection (4B)(e)(i) and (ii) and, where appropriate, subsection (4B)(e)(iii) subject to the non-disclosure of any matters (to be indicated in the report) which by virtue of the said Part III are not required to be disclosed.

18. Accordingly, the opinion section of the auditor's report refers to whether the financial statements subject to audit have been properly prepared in accordance with the Companies Acts. In this context, the expression 'properly prepared' includes compliance with the requirements of the Companies Acts with respect to the form and content of the balance sheet and profit and loss account and any additional information to be provided by way of notes to the financial statements, subject to an overriding requirement that the financial statements should give a true and fair view.

19. Article 4 of the IAS Regulation provides as follows:

Regulation (EC) 1606/2002 The IAS Regulation

Article 4 Consolidated accounts of publicly traded companies

For each financial year starting on or after 1 January 2005, companies governed by the law of a Member State shall prepare their consolidated accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) if, at their balance sheet date, their securities are admitted to trading on a regulated market of any Member State within the meaning of Article 1(13) of Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field ⁽¹⁾.

(1) OJ L 141, 11.6.1993, p. 27. Directive as last amended by European Parliament and Council Directive 2000/64/EC (OJ L 290, 17.11.2000, p. 27).

20. In relation to Irish companies with a listing on a regulated market in any Member State the auditor therefore makes reference to properly prepared in accordance with IAS 4 of the IAS Regulation in relation to the consolidated financial statements only. For a parent company with an Irish Stock Exchange listing this will only apply where consolidated financial statements are prepared and either its debt or equity is listed on the Main Securities Market of the Irish Stock Exchange.

Additional statements and opinions

21. Section 193(4B) of the 1990 Act imposes the following reporting obligations on the auditor:

(4B) The auditors' report shall also state –

- (a) whether they have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their audit,
- (b) whether, in their opinion, proper books of account have been kept by the company,
- (c) whether, in their opinion, proper returns adequate for their audit have been received from branches of the company not visited by them, and
- (d) whether the company's balance sheet and (unless it is framed as a consolidated profit and loss account) profit and loss account are in agreement with the books of account and returns.

Obtaining all necessary information and explanations

22. The auditor must state whether they have obtained all the information and explanations necessary for the purpose of their audit. In particular circumstances, for example where there has been a limitation of the scope of the audit giving rise to a modification of the auditor's report, the auditor should consider whether they can make that statement.

Proper books of account

23. The auditor must also opine whether proper books of account have been kept by the company. The auditor forms this opinion having regard to the definition of proper books set out in Section 202 of the 1990 Act. Where the auditor is of the opinion that, other than for matters that are minor or otherwise immaterial in nature, proper books have not been kept, in addition to modifying the proper books opinion the auditor will also consider their other consequential reporting duties:

- duty under ISA (UK and Ireland) 250A *Consideration of laws and regulations in an audit of financial statements* to report to those charged with governance;
- as breaches of Section 202 are an indictable offence, the auditor has regard to Bulletin 2007/2 issued by the APB concerning the auditors' duty to report to the ODCE in circumstances where a reporting obligation may arise;
- as required by Section 194 of the 1990 Act:
 - serve the written notice on the company as soon as may be; and
 - within seven days notify the CRO on form H4 unless the directors have taken the necessary steps to ensure that proper book are kept as required by Section 202 of the 1990 Act.

24. Where the failure to keep proper books reflects non-compliance with the Taxes Consolidation Act 1997 and/or the Criminal Justice Act 2011 and/or the Criminal Justice (Theft and Fraud Offences) Act 2001 and/or anti money laundering legislation the auditor also considers their reporting duties to the Gardaí and/or Revenue Commissioners.

The true and fair reporting requirement

25. Section 193(4C)(i) of the 1990 Act sets out the auditors obligation in relation to true and fair:

(4C) The auditor's report shall state, in particular –

- (i) whether the annual accounts give a true and fair view in accordance with the relevant financial reporting framework–
 - (l) in the case of an individual balance sheet, of the state of affairs of the company as at the end of the financial year,

- (II) in the case of an individual profit and loss account, of the profit or loss of the company for the financial year,
- (III) in the case of group accounts, of the state of affairs as at the end of the financial year and of the profit or loss for the financial year of the undertakings included in the consolidation as a whole, so far as concerns members of the company...

26. Accounting standards set out in Financial Reporting Standards ('FRSs') and in International Financial Reporting Standards ('IFRSs') as adopted by the European Union require, in certain circumstances, further 'primary statements' in addition to the balance sheet and profit and loss account. These further primary statements are normally necessary in order that the annual financial statements give a true and fair view. The Companies Acts do not require the auditors to refer to those 'primary statements' in their report.

Reporting on a "financial situation"

27. Section 193(4C)(ii) of the 1990 Act sets out the auditor's obligation in relation to reporting on a financial situation:

whether, in their opinion, there existed at the balance sheet date a financial situation which under section 40(1) of the Companies (Amendment) Act 1983 would require the convening of an extraordinary general meeting of the company.

28. Section 40 of the Companies (Amendment) Act 1983 ('1983 Act') refers to the financial situation where net assets are 'half or less of the company's called-up share capital' which in certain circumstances requires the convening of an extraordinary general meeting ('EGM'). In the case of a group, the Section 40 opinion is formed by reference to the parent company balance sheet. Matters to be considered by the auditor include:

- a) the auditor bases the opinion, as to whether a financial situation exists, solely on the amounts of the assets (whether at cost or valuation) and liabilities included in the balance sheet (or statement of financial position) on which the auditor is reporting. Reporting on the financial situation shown in the balance sheet means that the auditor ignores disclosure of the market values of property and investments that is made merely by way of note to the balance sheet. Furthermore, non-adjusting post-balance sheet events as defined by FRS 21 or IAS 10 *Events after the balance sheet date* are not taken into account;
- b) Section 40 of the 1983 Act does not apply to situations which existed and were known by the directors to exist before 13 October 1983, the day on which the 1983 Act came into force. In such situations, there is no obligation on the auditor to report as to whether or not a financial situation existed;

- c) even though the balance sheet shows that a financial situation exists, there may be additional circumstances which avoid the need to convene an EGM. The auditor's responsibility is confined to reporting on the existence of the financial situation regardless of whether an EGM has been or will be held. The auditor may but need not comment in the auditor's report on such additional circumstances.
29. Where the auditor has added an "emphasis of matter" paragraph or an "other matter" paragraph (as defined in ISA (UK and Ireland) 706) to an unqualified auditor's report there is no change to the approach to the separate 'financial situation' opinion and it remains based on the financial information as shown by the balance sheet.
30. Where the auditor cannot report without modification to the effect that in their opinion the financial statements give a true and fair view, this may have an impact on the 'financial situation' opinion since that further opinion is based on the amounts shown by the balance sheet. The impact of auditor's report modifications in this context may be summarised as follows:
- a) Where the auditor has modified their opinion because of the effect of a limitation on the scope of their work, the auditor considers whether the adjustments which might be required, had there been no limitation of scope, could result in the net assets of the company altering from more than half of the called-up share capital to half or less (or vice versa). Where the adjustments which might be required could result in the financial situation being affected in this way, the auditor appropriately modifies the separate 'financial situation' opinion.
- b) Where the auditor has disclaimed an opinion because the possible effect of a limitation on the scope of their work is so material or pervasive that the auditor has not been able to obtain sufficient evidence to support, and accordingly is unable to express an opinion on the financial statements, it will be necessary for the auditor to give a disclaimer of opinion in relation to the separate 'financial situation'.
- c) Finally, where the auditor has qualified their audit opinion due to disagreement affecting balance sheet amounts, the auditor expresses the 'financial situation' opinion based on the assumption that the balance sheet is adjusted for the amounts in disagreement.
31. Example 3 in Appendix 1 sets out the text of an auditor's report of a company limited by guarantee not having a share capital and not trading for gain. Readers will note that no reference is made to Section 40 of the 1983 Act.

Auditor's report modifications

32. Sections 193(4D) and (4E) of the 1990 Act state:

(4D) The auditors' report –

(a) [deleted]

(b) shall, in relation to each matter referred to in subsections (4A), (4B) and (4C) contain a statement or opinion, as the case may be, which shall be either –

(i) unqualified, or

(ii) qualified,

and

(c) shall include a reference to any matters to which the auditors wish to draw attention by way of emphasis without qualifying the report.

(4E) For the purposes of subsection (4D)(b)(ii), a statement or opinion may be qualified, including to the extent of an adverse opinion or a disclaimer of opinion, where there is a disagreement or limitation in scope of work.

33. Detailed guidance on the modification of the auditor's report and the use of emphasis of matter and other matter paragraphs may be found in International Standard on Auditing (UK and Ireland) 705 *Modifications to the opinion in the independent auditor's report* and International Standard on Auditing (UK and Ireland) 706 *Emphasis of matter paragraphs and other matter paragraphs in the independent auditor's report*.

34. The appendices to this Bulletin include example auditor's reports illustrating modified opinions (Appendices 5-8) and emphasis of matter paragraphs (Appendix 4).

35. Section 193(4F) of the 1990 Act states:

(4F) Where the individual accounts of a parent undertaking are attached to the group accounts, the auditors' report on the group accounts may be combined with the report on the individual accounts.

36. Various example reports in this compendium illustrate the wording of the auditor's report where the annual report presents both the group and company financial statements (see Appendix 2). Please refer to paragraph 63 for a discussion of auditor's reports where the group and parent company financial statements are presented separately.

37. Section 193(4G) of the 1990 Act states:

- (4G) (a) The auditors' report shall state the name of the auditor and be signed, as provided for in paragraph (b), and dated.
- (b) Where the auditor is—
- (i) a statutory auditor (within the meaning of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010, the report shall be signed by that person, or
 - (ii) a statutory audit firm (within the meaning of the foregoing Regulations), the report shall be signed by—
 - (I) the statutory auditor (or, where more than one, each statutory auditor) designated by the statutory audit firm for the particular audit engagement as being primarily responsible for carrying out the statutory audit on behalf of the audit firm, or
 - (II) in the case of a group audit, at least the statutory auditor (or, where more than one, each statutory auditor) designated by the statutory audit firm as being primarily responsible for carrying out the statutory audit at the level of the group, in his or her own name, for and on behalf of, the audit firm.

Dating of the auditor's report

38. The Companies Acts require that both the balance sheet and the profit and loss account are signed by two of the directors of the company on behalf of the board². Paragraph 24 of ISA (UK and Ireland) 700 (Revised October 2012) *The auditor's report on financial statements* states that the auditor "shall not sign, and hence date, the report earlier than the date on which all other information contained in a report of which the audited financial statements form a part have been approved by those charged with governance and the auditor has considered all necessary available evidence." Please refer also to ISA (UK and Ireland) 560 *Subsequent events* for detailed requirements and guidance in this area.

² Where the company is a bank, section 156 of the Companies Act 1963 provides that the balance sheet and profit and loss account (or income statement) must be signed by the company secretary and where there are more than three directors by at least three of the directors.

39. Section 193(5) of the 1990 Act states:

(5) The auditors of a company shall be entitled to attend any general meeting of the company and to receive all notices of, and other communications relating to, any general meeting which any member of the company is entitled to receive and to be heard at any general meeting which they attend on any part of the business of the meeting which concerns them as auditors.

40. This section gives the auditor a right to receive timely notice of general meetings. The auditor is also given the right but not an obligation to attend these meetings.

41. Section 193(6) of the 1990 Act states:

(6) A person who is appointed as auditor of a company or as a public auditor shall be under a general duty to carry out such audit with professional integrity.

42. Compliance with the APB's Ethical Standards for Auditors, International Standard on Quality Control (UK and Ireland), International Standards on Auditing (UK and Ireland) and the rules of the recognised professional body of which the auditor is a member, is required to carry out an audit with professional integrity.

43. Section 193(7) of the 1990 Act states:

(7) Any reference in the Principal Act to section 163 of or the Seventh Schedule to that Act shall be construed as references to this section.

44. This section updates the references in the 1963 Act to point to Section 193 of the 1990 Act as far as concerns the statutory auditor's report.

Other Information required by the Companies Acts

Consistency of directors' report with financial statements

45. As indicated in the table below company law requires the auditor to state whether, in the auditor's opinion, the information given in the report of the directors relating to the financial year concerned is consistent with the financial statements prepared by the company for that year. A similar obligation for group financial statements is imposed. The auditor is not required to form an opinion on the directors' report itself.

Type	Individual Accounts	Group Accounts
Companies other than insurance undertakings and credit institutions	Section 15 Companies (Amendment) Act 1986	Regulation 38 European Communities (Companies: Group Accounts) Regulations, 1992
Insurance Undertakings	Section 15 Companies (Amendment) Act 1986	Regulation 16 European Communities (Insurance Undertakings: Accounts) Regulations 1996
Credit Institutions	Regulation 13(2) European Communities (Credit Institutions: Accounts) Regulations 1992	Regulation 13(2) European Communities (Credit Institutions: Accounts) Regulations 1992

46. The auditor has no statutory responsibilities in respect of items in the directors' report which, in the auditor's opinion, are misleading but not inconsistent with the financial statements. However, if the auditor considers that the other information is misleading and the auditor is unable to resolve the matter with management and those charged with governance, the auditor considers the implication for the auditor's report and what further actions may be appropriate. ISA (UK and Ireland) 720B *The auditor's statutory reporting responsibility in relation to directors' reports* also addresses this area.

Other requirements of the Companies Acts

47. The content of the auditor's report may also be affected by other requirements of the Companies Acts giving the auditor additional reporting responsibilities. In the circumstances specified in (i) and (ii) below the auditor must set out the required particulars in their report, so far as they are reasonably able to do so.

(i) Section 191(8) of the 1963 Act

If the financial statements do not comply with the requirements of Section 191 which deals with 'Particulars of directors' salaries and payments to be given in accounts'.

(ii) Section 46 of the 1990 Act

If the financial statements do not comply with the requirements of Section 41 or 43 which deal with particulars of substantial contracts, loans and other transactions with directors, together with particulars of related amounts outstanding at the balance sheet date. As breaches of Sections 41 or 43 are indictable offences, the auditor has regard to Bulletin 2007/2 issued by the APB concerning the auditors' duty to report to the ODCE in circumstances where a reporting obligation may arise.

(iii) Regulation 9 of S.I. No. 450 as amended

Bulletin 2011/01 "*Developments in Corporate Governance affecting the responsibilities of auditors of companies incorporated in Ireland*" issued by the APB gives guidance to auditors of companies listed on an EU regulated market with respect to this reporting duty. Examples 6-8 and 14-18 in this compendium set out example auditor's reports meeting this reporting requirement in the most commonly encountered circumstances.

Classifications of companies

Publicly traded and non-publicly traded

48. This Bulletin distinguishes between:

- a) "publicly traded companies" – defined as "those whose securities are admitted to trading on a regulated market in any Member State in the European Economic Area" (EEA); and
- b) "non-publicly traded companies" – defined as "those who do not have any securities that are admitted to trading on a regulated market in any Member State in the European Economic Area" (EEA).

49. Under Article 4 of the IAS Regulation³, publicly traded companies governed by the law of a Member State are required to prepare their consolidated financial statements on the basis of accounting standards issued by the International Accounting Standards Board (IASB) that are adopted by the EU⁴. Such financial statements are referred to as "IFRS Group accounts" in the Companies Acts whereas in the auditor's reports in this Bulletin this framework is referred to as "IFRSs as adopted by the European Union"⁵

3 Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

4 Refer to Section 150 of the 1963 Act.

5 For companies that apply the requirements of Irish company law and the FRC's accounting standards the financial reporting framework is described as Irish Generally Accepted Accounting Practice (Irish GAAP).

50. Article 4 does not apply to a publicly traded company that is not required to prepare consolidated financial statements.
51. In Ireland (as permitted under Article 5 of the IAS Regulation) the use of 'IFRS accounts' has been extended so that:
- a) Publicly traded companies are permitted to use IFRSs as adopted by the European Union in their individual financial statements; and
 - b) Non publicly traded companies are permitted to use IFRSs as adopted by the European Union in both their individual and consolidated financial statements.
52. Charities are not permitted to use IFRSs⁶. In addition charities do not fall within the ambit of Article 4 of the IAS Regulation as non-profit making bodies are specifically excluded.
53. For the purposes of the auditor's report a further implication of being a publicly traded company is that such companies are required to include a Corporate Governance Statement in their annual report. The requirements relating to the content of the Corporate Governance Statement are set out in S.I. No. 450 as amended.
54. If the Corporate Governance Statement is not included in the directors' report there are specific reporting responsibilities imposed on the auditor. Guidance on the auditor's responsibilities with respect to the Corporate Governance Statement is set out more fully in Bulletin 2011/1 issued by the APB. Appendices 1 and 2 to the Bulletin contain illustrative examples of how the auditor is required to report in this circumstance.

Listed companies

55. Chapter 6 of the Listing Rules of the Irish Stock Exchange applies to a company that has a listing of equity shares on the Main Securities Market (MSM). There are implications for the auditor's report of having a listing on the MSM. They arise from the requirements in Listing Rule 6.8.6 for a MSM listed company to ensure that its auditor reviews:
- The directors' going concern statement (required by LR 6.8.3 (3)); and
 - The parts of the directors' statement relating to the company's compliance with the UK Corporate Governance Code (required by LR 6.8.3 (7))⁷; and the Irish Annex (LR 6.8.3 (9))⁶.
56. Listing Rule 6.8.7 requires a listed company to ensure that the auditor also reviews the following disclosures:

⁶ Refer to Section 148(3) of the 1963 Act.

⁷ These statements are different from the requirement for a corporate governance statement in S.I. No. 450 as amended described in paragraph 47(iii).

- amount of each element in the remuneration package & information on share options (required by LR 6.8.5 (2));
 - details of long term incentive schemes for directors (required by LR 6.8.5 (3), (4) and (5));
 - defined contribution schemes (required by LR 6.8.5 (11)); and
 - defined benefit schemes (required by LR 6.8.5 (12)).
57. Listing Rule 6.8.8 requires that if, in the opinion of the auditors the listed company has not complied with any of the requirements set out in LR 6.8.7, the listed company must ensure that the auditor's report includes, to the extent possible, a statement giving details of the non-compliance.
58. The Listing Rules are silent as to whether the auditor should report on the auditor's review of the above matters. However, the FRC is of the view that the auditor should describe its responsibilities within the auditor's report and incorporate a suitable conclusion in respect of their review. Paragraph 22 of ISA (UK and Ireland) 700 (Revised October 2012) sets out this requirement and examples 6, 7, 14, 15 and 16 illustrate it.

Companies admitted to trading on other markets

59. The definition of publicly traded company exclude those with a listing on an exchange-regulated market such as both the Irish Stock Exchange's Enterprise Security Market (ESM) and the London Stock Exchange's international market for smaller growing companies (AIM). However, under both the rules of the ESM and the AIM, a company that is admitted to trading on the ESM or on the AIM market is required to prepare its financial statements in accordance with IFRSs as adopted by the European Union. Examples 5 and 13 are applicable to companies admitted to trading on ESM and/or AIM.

Treatment of the classifications in the illustrative examples

60. If not otherwise apparent from the title of a particular illustration in the appendices, the rubric to an example makes clear which of the above classifications apply to the illustration.

Alternative presentation options of the financial statements of a group

61. As explained in paragraph 51 above, group and parent company financial statements may be prepared in accordance with different financial reporting frameworks (for example IFRSs as adopted by the EU used for the group financial statements and Irish GAAP used for the parent company financial statements).
62. Where the financial statements of the group and the parent company are presented in accordance with different financial reporting frameworks the financial statements might be presented separately within the Annual Report and in such circumstances separate auditor's reports might be provided.

63. The examples in Appendix 2 of this Bulletin illustrate auditor's reports where the report on the group financial statements and the report on the parent company financial statements are presented as a single auditor's report. Where the group and parent company financial statements are presented separately, the auditor might provide separate auditor's reports on the group financial statements and on the parent company financial statements. Where this is the case:

- The auditor refers explicitly to the '*parent company*' or '*group*' as appropriate in naming the primary financial statements, or generally referring to those financial statements, throughout the respective reports.
- In the opinion section of the reports, the auditor refers to the "*true and fair view of the company's affairs as at ...*" regarding the parent company financial statements and the "*true and fair view of the group's affairs as at ...*" regarding the group financial statements.
- The legal requirement to give an opinion on whether the company balance sheet agrees with the books of account, and on whether a 'financial situation' in accordance with Section 40 of the Companies Act 1983 exists, applies to the parent company alone and, accordingly, these opinions are not included in the separate auditor's report on the group financial statements.
- Under 'other matters' (see also paragraph 71), the auditor includes the following text in the auditor's report on the parent company financial statements and the group financial statements respectively:

Other matter (for inclusion in the auditor's report on the parent company financial statements)

We have reported separately on the group financial statements of (name of company) for the year ended ... [That report includes an emphasis of matter] [The opinion in that report is (qualified)/(an adverse opinion)/(a disclaimer of opinion)].

Other matter (for inclusion in the auditor's report on the group financial statements)

We have reported separately on the parent company financial statements of (name of company) for the year ended ... [That report includes an emphasis of matter] [The opinion in that report is (qualified)/(an adverse opinion)/(a disclaimer of opinion)].

Omitting the parent company profit and loss account

64. Section 148(8) of the 1963 Act allows a company that prepares group financial statements to omit the parent company's profit and loss account from the company's annual financial statements provided that:
- a) the notes to the parent company's balance sheet show the company's profit or loss for the financial year determined in accordance with Section 149 or Section 149A of the 1963 Act as appropriate; and
 - b) it is disclosed in the company's annual financial statements that the exemption applies.
65. Section 7(1A) of the Companies (Amendment) Act 1986 ('1986 Act') extends a similar exemption in respect of filing the parent company profit and loss account. Where advantage has been taken of the exemptions under Section 148(8) of the 1963 Act and Section 7(1A) of the 1986 Act and the parent company financial statements have been prepared in accordance with "IFRSs as adopted by the European Union" the financial reporting framework is described in the auditor's report as

have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2012.

66. Example 11 illustrates an auditor's report where the exemptions have been taken in respect of the parent company's own profit and loss account. Example 12 illustrates an auditor's report where the exemptions have not been taken.

Opinion in respect of an additional financial reporting framework

67. The financial statements of some companies may comply with two financial reporting frameworks (for example IFRSs as adopted by the European Union and IFRSs as issued by the IASB) and those charged with governance may engage the auditor to express an opinion in respect of both frameworks.
68. ISA (UK and Ireland) 700 (Revised) requires that the second opinion should be clearly separated from the first opinion on the financial statements by use of an appropriate heading. This is illustrated in examples 7 and 14-18.⁸

8 The wording used in these examples is illustrative to reflect the requirement of the Securities and Exchange Commission of the USA whose Final Rule "Acceptance From Foreign Private Issuers of Financial Statements Prepared in Accordance With International Financial Reporting Standards Without Reconciliation to US GAAP" (4 January 2008) states "...the independent auditor must opine in its report on whether those financial statements comply with IFRS as issued by the IASB. ...the auditor's report can include this language in addition to any opinion relating to compliance with standards required by the home country".

Emphasis of matter paragraphs

69. An emphasis of matter paragraph refers to a matter that is appropriately presented or disclosed in the financial statements that, in the auditor's judgment, is of such importance that it is fundamental to a user's understanding of the financial statements. When the auditor includes an emphasis of matter paragraph ISA (UK and Ireland) 706 requires the auditor to indicate in its report that the auditor's opinion is not modified in respect of the matter emphasised.
70. Example of emphasis of matter paragraphs are set out in Appendix 4. These examples have been drafted in the context of auditor's reports on the financial statements of a company. However, the examples can be tailored for use in the auditor's reports of all entities.

Other matter paragraphs

71. A matter other than those presented or disclosed in the financial statements that, in the auditor's judgment, is relevant to a user's understanding of the audit, the auditor's responsibilities or the auditor's report, is referred to in the other matter paragraph.

REGULATED ENTITIES

72. Examples 12 to 16 in Appendix 2, which provide examples of auditor's reports for publicly traded and non-publicly traded parent companies preparing financial statements in accordance with both Irish GAAP and IFRSs as adopted by the European Union, are appropriate for use in relation to the financial statements of banking and insurance parent companies. They should, therefore, be used rather than the example auditor's reports in Practice Notes – PN 19(I) (revised) and PN 20(I) (revised) issued by the APB. Similarly, example 20 in Appendix 3 supersedes the example auditor's report in Practice Note 27(I) on the audit of credit unions in Ireland and example 23 updates the example auditor's report in Practice Note 15(I) on the audit of occupational pension schemes in Ireland.
73. The abovementioned Practice Notes contain, however, illustrative examples of reports by auditors on other matters that arise from the requirements of regulations not subject to the reporting requirements of ISAs (UK and Ireland).

MODIFYING THE AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

74. An auditor's opinion on financial statements is considered to be modified in the following situations.
- a) Qualified opinion arising from either a disagreement or a scope limitation (Illustrative examples set out in Appendix 5);
 - b) Adverse opinion (Illustrative examples set out in Appendix 6); and
 - c) Disclaimer of opinion (Illustrative examples set out in Appendix 7).

MODIFYING THE AUDITOR'S OPINION ON THE DIRECTORS' REPORT

75. Section 13 of the 1986 Act requires the auditor to state in its report on the company's annual financial statements whether in its opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements. The example report in Appendix 8 illustrates a modified opinion on the consistency of the directors' report with the annual financial statements.

ILLUSTRATIVE DIRECTORS' RESPONSIBILITIES STATEMENT

76. Appendix 9 contains an illustrative example of a Directors' Responsibilities Statement for a non-publicly traded company preparing its parent company financial statements under Irish GAAP. Illustrative examples of Directors' Responsibilities Statements for publicly traded companies are not provided as the directors' responsibilities will vary dependent on the rules of the market on which a company's securities are admitted to trading.

COMPANY DOES NOT PREPARE GROUP FINANCIAL STATEMENTS

1. Non-publicly traded company incorporated in Ireland preparing financial statements under the FRSSE
2. Non-publicly traded company incorporated in Ireland preparing financial statements under Irish GAAP
3. Non-publicly traded company limited by guarantee incorporated in Ireland preparing financial statements under Irish GAAP
4. Company incorporated in Ireland with a listing on the Global Exchange Market preparing financial statements under Irish GAAP
5. Company incorporated in Ireland preparing financial statements under IFRSs as adopted by the European Union
6. Publicly traded company incorporated in Ireland preparing financial statements under Irish GAAP
7. Publicly traded company incorporated in Ireland preparing financial statements under IFRSs as adopted by the European Union
8. Publicly traded company with listed debt incorporated in Ireland preparing financial statements under Irish GAAP
9. Non-publicly traded collective investment fund incorporated in of Ireland preparing financial statements under Irish GAAP
10. Publicly traded company with collective investment funds incorporated in Ireland preparing financial statements under Irish GAAP

Example 1 – Non-publicly traded company incorporated in Ireland preparing financial statements under the FRSSSE

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

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the 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 notes⁹. 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)]¹⁰ issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities).

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 giving 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[, including “APB Ethical Standard – Provisions Available for Small Entities (Revised)”, in the circumstances set out in note [x] to the financial statements]¹¹.

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] / [set out [on page ...] of the Annual Report].

9 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.

10 Specify the version of the Financial Reporting Standard for Smaller Entities.

11 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.

Or:

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 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. 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, in accordance with Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities, of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion, the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at ... a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

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 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 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 notes¹². The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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 Auditors¹³.

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] / [set out [on page...] of the Annual Report].

12 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.

13 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.

Or:

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 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co.

Address

Date

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, does not have a share capital and is not subject to the Companies (Amendment) Act, 1986 as it is not trading for the acquisition of gain by the members.*
- *Company does not prepare group financial statements.*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the 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 notes¹⁴. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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] / [set out [on page...] of the Annual Report].

14 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.

Or:

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 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán 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 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 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 notes¹⁵. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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 Auditors¹⁶.

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] / [set out [on page...] of the Annual Report].

15 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.

16 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.

Or:

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 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co.

Address

Date

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 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 Financial Statements as set out in Rule 19 of the AIM Rules.*
or
- *Company has opted to prepare ‘IFRS individual accounts’ in accordance with Section 148 of the Companies Act 1963.*
and
- *Company does not prepare group financial statements.*

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

We have audited the 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 Income¹⁷, the Statement of Cash Flow and the Statement of Changes in Equity] and the related notes¹⁸. 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.

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 giving 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 Auditors¹⁹].

17 The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them.

18 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.

19 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.

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] / [set out [on page ...] of the Annual Report].

Or:

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 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. 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, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion, the information given in the directors' report is consistent with the financial statements.

- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at ... a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán 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 APB²⁰.*

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the 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 notes²¹. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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] / [set out [on page...] of the Annual Report].

20 See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the director’s report.

21 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.

Or:

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 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Acts 1963 to 2012 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;
- the six specified elements of the disclosures in the report to shareholders by the Board on directors' remuneration.

[Signature]

Seán 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 APB²².*

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the 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 Equity²³] and the related notes²⁴. 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.

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 giving 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] / [set out [on page...] of the Annual Report].

22 See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the director’s report.

23 The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them.

24 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.

Or:

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 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. 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 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

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

As explained in note [x] to the 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 financial statements comply with IFRSs as issued by the IASB.]

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the statement of financial position are more than half of the amount of its called-up share capital and, in our opinion, on that

basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Acts 1963 to 2012 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]

Seán MacGabhán

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 APB²⁵.*

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the 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 notes²⁶. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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.

25 See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the director’s report.

26 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.

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] / [set out [on page...] of the Annual Report].

Or:

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 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.

- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

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 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 notes²⁷. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland)²⁸.

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 giving 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] / [set out [on page...] of the Annual Report].

27 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.

28 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.

Or:

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 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland²⁷ of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 [and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]²⁹.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.

²⁹ Include if the fund is a UCITS fund.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

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 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 APB³⁰.*

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the 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 notes³¹. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland)³².

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 giving 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.

30 See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the directors’ report.

31 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.

32 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.

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] / [set out [on page...] of the Annual Report].

Or:

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 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland³¹ of the state of the company's affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 [and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]³³.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.

³³ Include if the fund is a UCITS fund.

- 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 Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

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

11. Non-publicly traded group – Parent company incorporated in Ireland preparing financial statements under Irish GAAP (Section 148(8) exemption taken)
12. Non-publicly traded group – Parent company incorporated in Ireland preparing financial statements under Irish GAAP (Section 148(8) exemption not taken)
13. Non-publicly traded group – Parent company incorporated in Ireland prepares financial statement under IFRSs as adopted by the European Union
14. Publicly traded group – Parent company incorporated in Ireland prepares financial statements under IFRSs as adopted by the European Union
15. Publicly traded group – Parent company incorporated in Ireland prepares financial statements under Irish GAAP
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
17. Private company with publicly traded listed debt – Parent company incorporated in Ireland preparing financial statements under IFRSs as adopted by the European Union
18. Publicly traded collective investment fund – Parent company incorporated in Ireland prepares financial statements under IFRSs as adopted by the European Union
19. State Body incorporated in Ireland preparing group financial statements under Irish GAAP

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 148(8) Companies Act 1963 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 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 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 notes³⁴. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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] / [set out [on page...] of the Annual Report].

³⁴ 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.

Or:

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 group's and parent 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the group's and of the parent company's affairs as at and of the group's profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

Example 12 – Non-publicly traded group – Parent company incorporated in Ireland preparing financial statements under Irish GAAP (Section 148(8) exemption not taken)

- *Company is not a listed company.*
- *Company prepares group financial statements and Section 148(8) Companies Act 1963 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 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 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 notes³⁵. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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] / [set out [on page...] of the Annual Report].

³⁵ 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.

Or:

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 group's and parent 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the group's and of the parent company's affairs 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 the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company's financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

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 148(8) Companies Act 1963 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 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 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 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]³⁶ and the related notes³⁷. 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 Acts 1963 to 2012.

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 giving 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.

36 The names used for the primary statements in the auditor's report should reflect the precise titles used by the company for them.

37 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.

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] / [set out [on page...] of the Annual Report].

Or:

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 group's and the parent 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. 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at and of its [profit/loss] for the year then ended;
- the parent company statement of financial position gives a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2012, of the state of the parent company's affairs as at ; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.

- The parent company statement of financial position is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company statement of financial position are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán 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 148(8) 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 APB³⁸.*

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the 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]³⁹ and the related notes⁴⁰. 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 Acts 1963 to 2012.

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 giving 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.

38 See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the director’s report.

39 The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them.

40 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.

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] / [set out [on page...] of the Annual Report].

Or:

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 group's and parent 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. 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at and of its [profit/loss] for the year then ended;
- the parent company statement of financial position gives a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2012, of the state of the parent company's affairs as at ; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 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 Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company
- The parent company statement of financial position is in agreement with the books of account.
- 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.
- The net assets of the parent company, as stated in the parent company statement of financial position are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Acts 1963 to 2012 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]

Seán 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 148(8) 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 APB⁴¹.*

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the 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]⁴² and the related notes⁴³. 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 and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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.

41 See example 16 for an illustration of an auditor’s report where the corporate governance statement is not incorporated into the directors’ report.

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

43 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.

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] / [set out [on page...] of the Annual Report].

Or:

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 group and the parent 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. 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at and of its [profit/loss] for the year then ended;
- the parent company balance sheet gives a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the parent company's affairs as at; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 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 Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.
- 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 Companies Acts 1963 to 2012 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]

Seán 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 148(8) 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 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]⁴⁴ and the related notes⁴⁵. 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 and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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.

44 The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them.

45 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.

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] / [set out [on page...] of the Annual Report].

Or:

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 group and the parent 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. 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at and of its [profit/loss] for the year then ended;
- the parent company balance sheet gives a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 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 Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.
- In our opinion the information required by Section 158(6D)(d) of the Companies Act 1963 [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 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 Companies Acts 1963 to 2012 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 158(6D) (a), (b), (e) and (f) of the Companies Act 1963.

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]

Seán 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 148(8) 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 APB⁴⁶.*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ LIMITED

We have audited the 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]⁴⁷ and the related notes⁴⁸. 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 Acts 1963 to 2012.

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 giving 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.

46 See example 16 for an illustration of an auditor's report where the corporate governance statement is not incorporated into the directors' report.

47 The names used for the primary statements in the auditor's report should reflect the precise titles used by the company for them.

48 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.

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] / [set out [on page...] of the Annual Report].

Or:

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 group and the parent 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. 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at and of its [profit/loss] for the year then ended;
- the parent company statement of financial position gives a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2012, of the state of the parent company's affairs as at ; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 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 Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company statement of financial position is in agreement with the books of account.
- 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.
- The net assets of the parent company, as stated in the parent company statement of financial position is more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán 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 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 148(8) 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 APB⁴⁹.*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XYZ PLC

We have audited the 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]⁵⁰ and the related notes⁵¹. 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 Acts 1963 to 2012 [and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]⁵².

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 giving 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.

49 See example 16 for an illustration of an auditor's report where the corporate governance statement is not incorporated into the directors' report.

50 The names used for the primary statements in the auditor's report should reflect the precise titles used by the company for them.

51 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.

52 Include if the fund is a UCITS fund.

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] / [set out [on page...] of the Annual Report].

Or:

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 group and the parent 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. 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 group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at and of its [profit/loss] for the year then ended;
- the parent company statement of financial position gives a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2012, of the state of the parent company's affairs as at ; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012 [, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011]⁵³ and, as regards the group financial statements, Article 4 of the IAS Regulation.

⁵³ Include if the fund is a UCITS fund.

[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 Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company statement of financial position is in agreement with the books of account.
- 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 provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

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 148(8) 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 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 notes⁵⁴. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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] / [set out [on page...] of the Annual Report].

⁵⁴ 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.

Or:

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 group's and the parent 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. 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the group's and parent company's affairs as at and of the group's [profit/loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Acts 1963 to 2012 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 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]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

APPENDIX 3

OTHER AUDITOR'S REPORTS

20. Credit Union preparing financial statements under Irish GAAP
21. Industrial and Provident Society preparing financial statements under Irish GAAP
22. Friendly Society preparing financial statements under Irish GAAP
23. Defined Benefit/Defined Contribution Scheme/ Plan preparing financial statements under Irish GAAP

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]⁵⁵ and the related notes⁵⁶. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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] / [set out [on page ...] of the Annual Report].

⁵⁵ The names used for the primary statements in the auditor’s report should reflect the precise titles used by the company for them.

⁵⁶ 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.

Or:

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 credit union'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. 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 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 Act 1997.

Other matters prescribed by the Credit Union Act 1997

- 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 1978.*

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

We have audited the 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 notes⁵⁷. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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 Auditors⁵⁸.

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] / [set out [on page...] of the Annual Report].

⁵⁷ 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.

⁵⁸ 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.

Or:

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the [committee of management][trustees]; 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. 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 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.

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 1977.*

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

We have audited the 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 notes⁵⁹. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving 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 Auditors⁶⁰.

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] / [set out [on page...] of the Annual Report].

⁵⁹ 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.

⁶⁰ 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.

Or:

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the [committee of management][trustees]; 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. 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 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

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 notes⁶¹. The financial reporting framework that has been applied in their preparation is Irish pension law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (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 giving 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]⁶². 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] / [set out [on page ...] of the Annual Report].

61 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.

62 Only include text if the scheme/Plan is Defined Benefit.

Or:

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 [scheme's/plan's] circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; 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. 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.

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]⁶².

[Firm Signature]
ABC & Co.

Address
Date

EMPHASIS OF MATTER PARAGRAPHS

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

25. Emphasis of matter: Uncertain outcome of a lawsuit

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 €X during the year ended 31 December 20X1 and, as at that date, the company’s current liabilities exceeded its total assets by €Y and it had net current liabilities of €Z.*
- *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 financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company’s affairs as at 31 December 20X1 and of its loss for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Emphasis of matter – Going concern

In forming our opinion on the 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 €X during the year ended 31 December 201X and, at that date, the company’s current liabilities exceeded its total assets by €Y and it had net current liabilities of €Z. 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 Acts 1963 to 2012

...

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 financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at ... and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Emphasis of matter – uncertain outcome of a lawsuit

In forming our opinion on the 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 Acts 1963 to 2012

...

MODIFIED OPINIONS – QUALIFIED OPINION ON FINANCIAL STATEMENTS

26. Disagreement – Inappropriate accounting treatment of debtors
27. Disagreement – Non-disclosure of a going concern problem
28. Disagreement – Non-disclosure of information required to be disclosed
29. Limitation of Scope – Auditor not appointed at the time of the stocktaking
30. 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

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 €Y 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 €Y 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 financial statements

Included in the debtors shown on the balance sheet is an amount of €Y 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 €Y should have been made. Accordingly, debtors should be reduced by €Y, the deferred tax liability should be reduced by €X and profit for the year and retained earnings should be reduced by €Z.

Qualified opinion on financial statements

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

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at ... and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.

- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law 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 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 financial statements

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

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 20X1 and of its profit [loss] for the year then ended; and

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- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

...

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 34 of Part IV to the Schedule of the Companies (Amendment) Act 1986.*

Extract from auditor's report

...

Basis for qualified opinion on 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 €5 million which is included in creditors: amounts falling due after more than one year. Such disclosure is required by the Companies (Amendment) Act 1986.

Qualified opinion on financial statements

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

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 20X1 and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which are required to report by the Companies Acts 1963 to 2012

...

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 financial statements

With respect to stock having a carrying amount of €X 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 financial statements

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

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 20X1 and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- 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 books of account have been kept.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán 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 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 financial statements

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

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at ... and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

- 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 proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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

Address
Date

Modified opinions – Adverse opinion on financial statements

31. Adverse opinion: No provision made for losses expected to arise on long term contracts
32. Adverse opinion: Significant level of concern about going concern status that is not disclosed in the 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 proper books of account have been kept by the company 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 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 €X, the deferred tax liability by €Y and the profit for the year and retained earnings at 31 December 20X1 by €Z.

Adverse opinion on 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 state of the company's affairs 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 Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

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 proper books of account have been kept by the company;
- the financial statements are in agreement with the books of account;
- in our opinion the information given in the directors' report is consistent with the financial statements; and
- the net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán 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 financial statements

As explained in note [x] to the 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 financial statements (and notes thereto) do not disclose this fact and have been prepared on the going concern basis.

Adverse opinion on 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 state of the company's affairs as at ... 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 Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

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 proper books of account have been kept by the company;
- the financial statements are in agreement with the books of account;
- in our opinion the information given in the directors' report is consistent with the financial statements; and
- the net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

APPENDIX 7

MODIFIED OPINIONS – DISCLAIMER OF OPINION ON FINANCIAL STATEMENTS

- 33. Disclaimer of opinion: Auditor unable to attend stocktaking and confirm trade debtors
- 34. Disclaimer of opinion: Multiple uncertainties

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 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 notes⁶³. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 giving a true and fair view. 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] / [set out [on page ...] of the Annual Report].

⁶³ 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.

Or:

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

Basis for disclaimer of opinion on 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 €X and send confirmation letters to trade debtors having a carrying amount of €Y 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 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 Acts 1963 to 2012

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 books of account have been kept;
- we have been unable to form an opinion as to whether there did or did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Notwithstanding our disclaimer of an opinion on the financial statements:

- the financial statements are in agreement with the books of account; 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 Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán 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 notes⁶⁴. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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. 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.

64 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.

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] / [set out [on page ...] of the Annual Report].

Or:

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

Basis for disclaimer of opinion on 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 financial statements

Because of the significance of the possible impact of the uncertainties, described in the Basis for disclaimer of opinion on 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 Acts 1963 to 2012

We have been unable to form an opinion as to whether there did or did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

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 proper books of account have been kept by the company;
- the financial statements are in agreement with the books of account;
- in our opinion the information given in the directors' report is consistent with the financial statements; and

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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

Address
Date

MODIFIED OPINIONS – OTHER REQUIREMENTS OF THE COMPANIES ACTS

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

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 financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company’s affairs as at and of its profit [loss] for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

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 €Z 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 €Y, 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 proper books of account have been kept by the company;

- the financial statements are in agreement with the books of account; and
- the net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

[Signature]

Seán MacGabhan

for and on behalf of ABC & Co

Address

Date

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 giving a true and fair view of the state of affairs of the company and the profit or loss of the company for each financial year. 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 promulgated by the Institute of Chartered Accountants in Ireland 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 business⁶⁵.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2012. 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.

⁶⁵ Included where no separate statement on going concern is made by the directors

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 jurisdictions⁶⁶.

⁶⁶ 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 giving a true and fair view of the state of affairs of the company and the profit or loss of the company for each financial year. 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 business⁶⁷.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2012. 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 jurisdictions⁶⁸.

⁶⁷ Included where no separate statement on going concern is made by the directors

⁶⁸ This paragraph is Included where the financial statements are published on the reporting entity's website.

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

Scope of an Audit of 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 framework⁶⁹; 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
- 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

⁶⁹ 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).

framework and]⁷⁰ 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

70 Only applicable with respect to "true and fair" frameworks.

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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