

Independent review of annual financial statements

ISRE 2400: Fair presentation financial reporting framework

Circumstances:

- A company that requires an independent review in terms of the Companies Act, 2008.
- The annual financial statements are prepared in accordance with IFRS for SMEs.
- A firm that is a Registered Auditor is the appointed independent reviewer.
- Unmodified conclusion.

INDEPENDENT REVIEWER'S REPORT

To the Shareholders / Members¹ of ABC Proprietary Limited

Report on the Financial Statements²

We have reviewed the annual financial statements of ABC Proprietary Limited that comprise the statement of financial position as at 31 December 20xx and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages xx to xx.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities³ and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on the annual financial statements based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400, *Engagements to Review Financial Statements*. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained.

¹ The appropriate use of "Shareholders" or "Members" is in accordance with the definitions contained in the Companies Act, 2008 (as amended).

² The subtitle "**Report on the Financial Statements**" is unnecessary in circumstances when the second subtitle "**Report on Other Legal and Regulatory Requirements**" is not applicable.

³ May refer to *South African Statements of Generally Accepted Accounting Practice* or *International Financial Reporting Standards*, as applicable

A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial statements as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annual financial statements do not present fairly, in all material respects the financial position of ABC Proprietary Limited as at 31 December 20xx and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities⁴ and the requirements of the Companies Act of South Africa.

Emphasis of Matter

[Where applicable, an emphasis of matter paragraph is included that refers to a matter appropriately presented or disclosed in the financial statements that, in the independent reviewer's judgement is of such importance that it is fundamental to users' understanding of the financial statements.]

Other Matter

[Where applicable, a paragraph is included that refers to a matter other than those presented or disclosed in the financial statements that, in the independent reviewer's judgement, is relevant to users' understanding of the independent review, the independent reviewer's responsibilities or the independent reviewer's report.]

Report on Other Legal and Regulatory Requirements

[Law or regulation may impose additional reporting responsibilities on the independent reviewer which have no effect on the Report on the Financial Statements.]⁵

Independent Reviewer's signature

Name of individual reviewer

Registered Auditor

Date

Registered Auditor's address

⁴ Or refer to *South African Statements of Generally Accepted Accounting Practice* or *International Financial Reporting Standards*, as applicable.

⁵There is no requirement for an Independent Reviewer to include any disclosure in their "Report on Other Legal and Regulatory Requirements" regarding a Reportable Irregularity reported to the CIPC in accordance with Regulation 29(1)(b) and (6) to (11) to the Companies Act of South Africa. Regard should be had as to the possible effect, if any, of any Reportable Irregularity on the Conclusion expressed.