

Proposed Guide

March 2013

Comments due: 15 May 2013



Proposed Guide for Registered Auditors

**Reporting on Financial Information contained in
Interim, Preliminary, Provisional and Abridged Reports**

REQUEST FOR COMMENTS

The Committee for Auditing Standards (CFAS) of the Independent Regulatory Board for Auditors (IRBA) approved this exposure draft, *Proposed Guide for Registered Auditors: Reporting on Financial Information contained in Interim, Preliminary, Provisional and Abridged Reports* (the proposed Guide). This proposed Guide may be modified in light of comments received before being issued in final form.

The proposed Guide may be downloaded free-of-charge in PDF Format from the IRBA website: www.irba.co.za.

Respondents are requested to submit their comments electronically to the Director: Standards, Sandy van Esch svanesch@irba.co.za, or to standards@irba.co.za. All comments will be considered a matter of public record and will be posted on the IRBA website, www.irba.co.za.

Comments may also be faxed for the attention of the Director: Standards at +27 086 575 6535 or mailed to:

The Director: Standards
The Independent Regulatory Board for Auditors
P O Box 8237
Greenstone1616
South Africa

Comments should be submitted by **15 May 2013**.

The mission of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognized standards and processes.

In line with the IRBA's legislative mandate, the IRBA objectives are to create the framework and principles to contribute to the protection of the public who rely on the services of registered auditors and to support registered auditors who carry out their duties competently, fearlessly and in good faith. The goal is to help create an ethical, value-driven financial sector that encourages investment, confidence and promotes sound practices by developing and maintaining auditing standards which are internationally comparable. The statutory responsibility of the Committee for Auditing Standards (CFAS) is to assist the IRBA to:

- develop, maintain, adopt, issue or prescribe auditing pronouncements;
- consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and
- promote and ensure the relevance of auditing pronouncements.

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CONTENTS

Contents	Page
Explanatory Memorandum	
Introduction	4
Background	4
Significant Matters	6
Project Timetable	7
Effective Date	7
Guide for Respondents	7
Request for Specific Comments	7
Exposure Draft	
Proposed Guide for Registered Auditors: <i>Reporting on Financial Information contained in Interim, Preliminary, Provisional and Abridged Reports</i>	9

EXPLANATORY MEMORANDUM

Introduction

This memorandum provides background to and an explanation of this proposed *Guide for Registered Auditors: Reporting on Financial Information contained in Interim, Preliminary, Provisional and Abridged Reports* (the proposed Guide). This proposed Guide replaces the previous *SAICA Guide: Reporting on Financial Information contained in Interim, Preliminary, Provisional and Abridged Reports*, (March 2004) (the SAICA Guide) withdrawn in August 2011, and addresses and updates matters previously dealt with in the SAICA Guide.

This proposed Guide has been prepared by a CFAS Task Group comprising representatives of the JSE Limited (the JSE) and technical staff from JSE accredited audit firms with experience in JSE reporting responsibilities. The Committee for Auditing Standards (CFAS) approved the proposed Guide in March 2013 for exposure for a period of 60 days.

Background

This proposed Guide provides guidance for JSE accredited auditors of issuers, listed on the JSE, in meeting the JSE Limited Listings Requirements (the Listings Requirements) for an audit, or review, and the related auditor's audit or review report on an issuer's interim, preliminary, provisional or abridged reports.

Listing Requirements and application of the IAASB International Standards

This proposed Guide clarifies the application of the International Standard on Auditing (ISA) 810, *Engagements to report on summary financial statements* (ISA 810) and the International Standard on Review Engagements (ISRE) 2410 *Review of Interim Financial Information performed by the Independent Auditor of the Entity* (ISRE 2410) to the auditor's reporting responsibilities in such engagements. Both ISA 810, effective for engagements for periods beginning on or after 15 December 2009, and ISRE 2410, effective for reviews of interim financial information for periods commencing on or after 15 December 2006, were issued by the IAASB subsequent to the issue of the SAICA Guide (2004) that consequently did not address the changes arising from their issue.

This proposed Guide addresses the Listings Requirements for JSE accredited auditors to apply these standards in engagements to audit or review financial information contained in an issuer's interim, preliminary, provisional or abridged reports. Attention is drawn to the requirement for a review of the issuer's financial information, when required by the Listings Requirements to be performed in accordance with ISRE 2410.

Applied criteria and financial reporting frameworks

Paragraph 8.57 of the Listings Requirements specify the minimum contents of interim, preliminary, provisional and abridged reports that comprise the "applicable criteria" envisaged in ISA 810 when reporting on financial information contained in summary financial statements and the "financial reporting framework" envisaged in ISRE 2410 when reporting on financial information contained in condensed financial statements. The proposed Guide articulates the relationship between the minimum contents in the Listings Requirements, and the applied criteria and financial reporting framework in ISA 810 and ISRE 2410 respectively (refer to paragraphs 11 to 15).

EXPLANATORY MEMORANDUM

Reporting requirements

Appendix 1 in the proposed Guide contains illustrative auditor's reports on financial information contained in an issuer's interim, preliminary, provisional or abridged report with appropriate wording to describe the "applied criteria" or "financial reporting framework" to be included therein. Suggested wording is also provided for the note on the "basis of preparation" to be included in the issuer's interim, preliminary, provisional or abridged report.

The JSE does not require the auditor's full audit or review report to accompany the financial information contained in an issuer's interim, preliminary, provisional or abridged report published on the Stock Exchange News Service ("SENS"). The auditor's full report is to be made available for inspection at the offices of the issuer and in certain circumstances is also available at the JSE. This is contrary to the requirements in ISA 810 and ISRE 2410. Accordingly, guidance is provided in paragraphs 15 to 18 of the proposed Guide and in Appendix 2 for illustrative disclosures regarding the auditor's report and any modification of the auditor's report on the financial statements, contained in an issuer's interim, preliminary, provisional or abridged report published on SENS.

Incorporation of recent JSE communications affecting the Listings Requirements

The proposed Guide incorporates amendments made to the Listings Requirements with regard to the publication of short-form announcements in the press and on SENS in accordance with the Section 3 and Section 11 in accordance with the Appendix to Section 11 as communicated in JSE Bulletin 7 of 2012 on 3 September 2012. These amendments to the Listings Requirements are effective from 1 January 2013.

Any further amendments made to the Listings Requirements that are relevant to the reporting requirements will be incorporated in the proposed Guide as and when issued. This includes, but is not limited to, the possible amendments to the Listings Requirements indicated in the JSE Guidance Letter titled "Audit Report Matters", issued on 20 September 2012, that clarifies certain reporting requirements for issuers.

The proposed Guide and Appendix 1 also reflect the effect of the JSE Guidance Letter issued on 13 December 2012, titled "Financial Reporting: AC 500 Standards now issued by SAICA". The Financial Reporting Standards Council (FRSC) established by the Companies Act, 2008, has proposed changes to the Companies Act Regulations to make provision for the withdrawal of SA GAAP and to create Financial Reporting Pronouncements (FRPs) to be issued by the FRSC.

Following the withdrawal of the SA GAAP standards in December 2012, which include the AC 500 Standards issued by the Accounting Practices Board (APB) and its successor, it was anticipated that the FRSC would reissue the AC 500 standards as FRPs. As the Companies Act Regulations have not yet been amended, all references in the Listings Requirements to the AC 500 standards of the APB will be replaced with: "the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council".

The JSE Issuer Services issued a SENS announcement on 21 February 2013 stating the following:

"The JSE issued a guidance letter in September 2012 dealing with various matters relating to the issue of an auditor's report. We now wish to update the Listing Requirements to align them with that letter. There are also three specific changes arising from that letter which we wish to make:

EXPLANATORY MEMORANDUM

- 1) We wish to delete par 3.18(g), which appears to be out of line with International Auditing Standards;
- 2) We wish to introduce a reporting obligation on issuers that, specifically in instances where announcements/publications include some information that is audited and some that is not, they warn the reader of this fact;
- 3) Our guidance letter clarified that we don't expect issuers to obtain a separate audit report on the abridged results, as the full AFS have been audited. We wish to clarify that this principle expands to any summary of the audited AFS.

*The proposed Listings Requirements are available on the JSE's website (Route: How to List/Listings Requirements/see under New Items) and interested parties are invited to submit their comments by no later than **25 March 2013**. Comments can be submitted electronically to taniaw@jse.co.za.*

As the proposed amendments are still out for public comment they have not been included in this proposed Guide but will result in consequential changes that will be addressed when the Guide is finalised and approved for issue, expected to be during June 2013.

Summary of Listings Requirements

Appendix 4 of the proposed Guide contains a summary of the Listings Requirements that apply to an issuer's interim, preliminary, provisional or abridged reports together with the related auditor's reporting responsibilities is included in the proposed Guide. The CFAS Task team debated the benefits of including an Appendix in the proposed Guide that would necessitate a timeous revision of the Guide for any future amendments to the Listing Requirements affecting these requirements.

Views were expressed that JSE accredited auditors are required to have a working knowledge of the Listing Requirements and thus the summary may be not be regarded as beneficial as intended.

Significant matters

The Task Group considered whether the International Financial Reporting Standard, IAS 34 *Interim Financial Reporting* specified by the Listing Requirements¹ as the "applicable standard" to be applied in the preparation of interim financial information, of itself, can be regarded as an "acceptable financial reporting framework" for interim financial statements, as required in the preconditions for acceptance of an audit². A view was expressed that, while IAS 34 is not a recognised financial reporting framework, it is included in the International Financial Reporting Standards (a recognised acceptable financial reporting framework) and thus the Listings Requirements may be viewed as an "acceptable basis of preparation" of an issuer's interim report. Guidance in this regard is contained in paragraphs 10 to 14 of the proposed Guide.

The Task Group also considered whether in the auditor's report the financial reporting framework is more correctly described as "*International Financial Reporting Standards which include the requirements of IAS 34 Interim Financial Reporting*." It is suggested that auditors' reports on an issuers interim reports have been found to contain different descriptions. Three possible options were suggested for the appropriate description in an illustrative auditor's report on the interim financial information, namely:

¹ JSE Listing Requirements, paragraph 8.57

² ISA 210 *Agreeing the Terms of Audit Engagements* paragraph 6(a)

EXPLANATORY MEMORANDUM

- a) “*International Financial Reporting Standard, IAS 34 Interim Financial Reporting;*
- b) “ *International Accounting Standard (IAS) 34 Interim Financial Reporting;*” or
- c) “*International Financial Reporting Standards, which includes International Accounting Standard (IAS) 34 Interim Financial Reporting.*”

The view of respondents with regard to general practice is sought in this regard to enhance the quality and consistency of auditors’ reports.

Project Timetable

Subject to comments received on exposure of this proposed Guide, the CFAS intends to finalise the proposed Guide in the second quarter of 2013.

Effective Date

The CFAS recognises that the withdrawal of the SAICA Guide (2004) in 2011 has left a gap in guidance for JSE accredited auditors in meeting their reporting responsibilities in terms of the Listings Requirements to audit or review and report on an issuer’s interim, preliminary, provisional or abridged report. Auditors have, none-the-less, continued to issue such reports that may not always have been in accordance with the JSE Listings Requirements, or necessarily met the reporting requirements in ISA 810 and ISRE 2410.

The CFAS also recognises that the implications of the changes to the auditor’s engagement and report arising from the issue of ISA 810 and ISRE 2410 when applied in circumstances of paragraph 8.60 of the JSE Listings Requirements, may not be fully appreciated by an issuer’s auditors. It is hoped this proposed Guide will enhance the auditors’ understanding of these requirements and the quality and consistency of reports issued by auditors.

Assuming the CFAS finalises the proposed Guide during the second quarter of 2013, to recommend to the IRBA Board for approval to issue, it is anticipated the Guide may be effective for auditors’ audit or review reports on an issuer’s interim, preliminary, provisional or abridged reports issued on or after 30 June 2013. Earlier application would be permitted. The CFAS welcomes comment on whether this would provide a sufficient period to support effective implementation of the proposed Guide.

Guide for Respondents

The CFAS welcomes comments on all matters addressed in the exposure draft. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and where appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with the proposals in this exposure draft it will be helpful for the CFAS to be made aware of this view.

Request for specific comments

1. Respondents are requested to indicate whether or not they agree that the reference to IAS 34 in 8.57(a) of the JSE Listing Requirements for the preparation of interim reports comprises an acceptable financial reporting framework for purposes of paragraph 6(a) of ISA 210 *Agreeing the Terms of Audit Engagements* when accepting an engagements to audit or review the interim report of an issuer.

EXPLANATORY MEMORANDUM

If “Not” please provide suggestions.

[KPMG: Not, IAS 34 deals with presentation of interim financial statements and there is very little recognition and measurement requirements and therefore the rest of IFRS applies with regards to the recognition and measurement requirements. Refer to IFRS is more technically correct.]

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2. Respondents are requested to indicate which of the following descriptions they regard as the most appropriate description of the *financial reporting framework* as required by paragraph 8.57(a) of the JSE Listing Requirements in an auditor’s review report on an interim report:

- a) “*International Financial Reporting Standard, IAS 34 Interim Financial Reporting*;
- b) “*International Accounting Standard (IAS) 34 Interim Financial Reporting*,” or
- c) “*International Financial Reporting Standards, which include International Accounting Standard (IAS) 34 Interim Financial Reporting*.”

[KPMG: Option c is the most appropriate description for the financial reporting framework.]

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Do respondents believe there are any additional matters that should be addressed in the proposed Guide?

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3. If “Yes”, please provide suggestions.

[KPMG:

1 Currently there is no guidance on the auditor’s responsibility when it comes to short form announcements, Suggest expanding on this is a separate heading in the guide.

2 There is no indication that ISA 810 contains additional reporting requirements when the auditor’s report on the audited financial statements contains an adverse or disclaimer of opinion. Suggest including some guidance in paragraph 31 of the guide. Refer to paragraph 31 for additional comments.]

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4.3. An increased number of illustrative auditors’ reports are included in Appendix 1 of this proposed Guide by comparison to those provided in the previous SAICA Guide that has been withdrawn.

a) Do respondents believe the additional illustrative auditors’ reports are useful?

If “Not” please indicate which illustrative reports you believe are unnecessary or could be omitted from the proposed Guide.

[KPMG: Certain of the illustrative reports may become unnecessary due to the implementation of the amendments to the JSE LR. If that becomes the case it would be most useful to retain the reports that reflect the different wording to be used when the opinion is modified if this can be worked in for use in a different situation.]

In addition, the preliminary and provisional illustrative example reports

EXPLANATORY MEMORANDUM

in illustration 2&3, 7&9 and 8&10 are identical, except for the words "preliminary" or "provisional". Suggest combining these reports with the option of preliminary/provisional where applicable.

- b) Are there additional illustrative reports that respondents believe should be provided?

If "Yes" please provide suggestions and examples. ~~[KPMG: Certain of the illustrative reports may become unnecessary due to the implementation of the amendments to the JSE LR. If that becomes the case it would be most useful to retain the reports that reflect the different wording to be used when the opinion is modified if this can be worked in for use in a different situation.]~~

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5.4.

Do respondents find the summary of the relevant Listings Requirements in Appendix 4 that pertain to issuers' interim, preliminary, provisional and abridged reports and the related auditors' reporting responsibilities useful?

If you answered "No", please explain why and, either suggest an alternative, or indicate whether you believe Appendix 4 should be excluded. [KPMG: This is certainly useful but will need to be updated whenever the JSE LR are updated. Maybe the JSE should consider expanding the information set out in practice note 1 to include this information and this report should rather cross referenced to the JSE LR]

6.5.

Respondents are requested to comment on whether or not the proposed effective date for implementation of the Guide to be applied to auditor's reports issued on or after 30 June 2013 will be sufficient to support effective implementation of the guidance.

If not, what implementation date do respondents believe will be appropriate? [KPMG: Effective date is fine – the auditors should have been doing this all along so major changes to their practices should not be required]

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Proposed Guide

Reporting on Financial Information contained in Interim, Preliminary, Provisional and Abridged Reports

(Effective for reports issued on or after <insert date>)

Contents	Page
Introduction.....	1244
Scope of the proposed Guide	1244
Effective date.....	1342
Definitions.....	1342
Applied criteria and financial reporting framework.....	1544
Inclusion of the auditor's report on summary or condensed financial statements	1746
Planning and performing a review engagement	1846
Forming an opinion and reporting on the financial statements	1947
Unaudited or un-reviewed supplementary information	1947
Other information in documents containing audited or reviewed financial statements	2048
Date of the auditor's report	2048
Form of auditor's opinion on summary financial statements.....	2149
Effect of a modified auditor's report on the complete set of financial statements on the auditor's report on the summary financial statements	2149
Auditor association	2220
Appendix 1.....	2324
Illustrative auditor's reports on financial statements contained in interim, preliminary, provisional and abridged reports.....	2324
Illustration 1: Auditor's review report on interim financial statements	2324
Illustration 2: Auditor's review report on preliminary financial statements.....	2523
Illustration 3: Auditor's review report on provisional financial statements	2725
Illustration 4: Auditor's report on summary financial statements contained in an abridged report (report dated later than the auditor's report on the complete set of financial statements).....	2927
Illustration 5: Auditor's report on the summary financial statements contained in an abridged report (report dated the same as the auditor's report on the complete set of financial statements).....	3229
Illustration 6: Auditor's report on summary financial statements contained in a preliminary report (report dated later than the auditor's report on the complete set of financial statements).....	3434
Illustration 7: Auditor's report on summary financial statements contained in a preliminary report (report dated the same as the auditor's report on the complete set of financial statements).....	3733

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

Illustration 8: Auditor’s report on summary financial statements contained in a provisional report (report dated later than the auditor’s report on the complete set of financial statements).....	3935
Illustration 9: Auditor’s report on summary financial statements contained in a provisional report (report dated the same as the auditor’s report on the complete set of financial statements).....	4137
Illustration 10: Auditor’s report on summary financial statements contained in a preliminary report in which the unaudited supplementary information is not sufficiently differentiated from the audited information (report dated the same as the auditor’s report on the complete set of financial statements).....	4339
Illustration 11: Auditor’s report on summary financial statements contained in a preliminary report – qualified opinion expressed on the complete set of financial statements (report dated the same as the auditor’s report on the complete set of financial statements).....	4544
Appendix 2.....	4844
Illustrative wording regarding the auditor and the auditor’s report on financial information to be included in an issuer’s SENS announcement where the auditor’s report is not included therein.....	4844
Appendix 3.....	5046
Explanatory diagram on the application of ISA 810 to summary financial statements, and ISRE 2410 to condensed financial statements, and the applicable auditor’s report.....	5046
Appendix 4.....	5247
Summary of Listings Requirements that apply to issuers’ interim, preliminary, provisional and abridged reports.....	5247

This proposed *Guide for Registered Auditors: Reporting on Financial Information contained in Interim, Preliminary, Provisional or Abridged Reports* provides authoritative guidance for JSE accredited auditors in applying the audit and review requirements in the relevant IAASB International Standards, to meet the additional regulatory reporting requirements in the JSE Listing Requirements.

It should be read in conjunction with the proposed South African *Preface to the Standards on Quality Control, Auditing, Assurance and Related Services Pronouncements*, issued by the IRBA in November 2012, which sets out the proposed application and authority of Auditing Guides issued by the IRBA. Auditors failing to apply the guidance contained in this Guide may be required to explain how they have met the requirements of the relevant International Engagement Standards in the conduct of such engagements.

The authoritative pronouncements of the IRBA are those developed following the proposed Due Process Policy of CFAS issued by the IRBA in November 2012. It is expected that this proposed Guide will be issued as an authoritative pronouncement.

Introduction

Scope of the proposed Guide

1. The purpose of this proposed Guide is to provide guidance to a JSE accredited auditor³ (an auditor) in the implementation of International Standard on Auditing (ISA) 810 *Engagements to Report on Summary Financial Statements* (ISA 810) and International Standard on Review Engagements (ISRE) 2410 *Review of Interim Financial Information performed by the Independent Auditor of the Entity* (ISRE 2410), when an issuer's auditor is engaged to audit the issuer's summary financial statements contained in an interim, preliminary, provisional or abridged report, and when an issuer's auditor is engaged to review the condensed financial statements contained in an issuer's unaudited interim, preliminary or provisional report, respectively.
2. The JSE Listings Requirements require an issuer to publish interim, preliminary, provisional and abridged reports and specify whether or not the auditor's responsibilities include the audit or review of these reports⁴. This proposed Guide provides illustrative auditor's reports for circumstances when an issuer's auditor is reporting on summary financial statements or condensed financial statements included in the issuer's interim, preliminary, provisional or abridged report.
3. ISA 810 applies where an issuer's auditor is engaged to report on summary financial statements derived from financial statements audited in accordance with International Standards on Auditing (ISAs) by that same auditor. ISRE 2410 applies to a review of historical financial information undertaken by an issuer's auditor.
4. This proposed Guide does not override ISA 810 or ISRE 2410, nor does it purport to deal with all considerations that may be relevant in the circumstances of such engagements. The auditor is required to comply with all relevant requirements of ISA 810 or the relevant basic principles and essential procedures of ISRE 2410 in the performance of an audit or review of an interim, preliminary, provisional or abridged report.
5. The illustrative reports in Appendix 1 of this proposed Guide do not provide illustrative reports containing modified opinions or conclusions and Emphasis of Matter (including Reportable Irregularities) and Other Matter paragraphs in the auditor's report. ISA 810, ISRE 2410 and the South African Auditing Practice Statement (SAAPS) 3, *Illustrative Reports*, address how the form and content of the auditor's report are affected when the auditor expresses a modified opinion or conclusion or includes an Emphasis of Matter, Other Matter or a Report on Other Legal and Regulatory Requirements paragraph in the auditor's report.
6. The disclosure requirements for interim, preliminary and provisional financial statements⁵ and for summary financial statements⁶ contained in the Companies Act are not repeated in this proposed Guide.
7. The Appendices to this proposed Guide contain the following:
 - a) Appendix 1: Illustrative **auditor's** reports on financial statements contained in interim, preliminary, provisional and abridged reports;

³ Listings Requirements - Section 22 sets out the requirements for registered auditors and their audit firms to be accredited by the JSE. Only a JSE accredited auditor may be appointed as the auditor of an issuer listed on the JSE Limited.

⁴ Listings Requirements, paragraphs 3.15, 3.16, 3.18, 3.20 to 3.22

⁵ Companies Act, section 29(1) and (2)

⁶ Companies Act, section 29(3)

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

- b) Appendix 2: Illustrative wording regarding the auditor and the auditor's report on financial statements included in an issuer's SENS announcement where the auditor's report is not included therein;
- c) Appendix 3: Explanatory diagram on the application of ISA 810 to summary financial statements, and ISRE 2410 to condensed financial statements, and the applicable auditor's ~~audit report, or review report~~; and
- d) Appendix 4: Summary of Listings Requirements that apply to issuers' applicable to interim, preliminary, provisional and abridged reports.

Effective date

- 8. This proposed Guide is effective for an auditor's ~~audit or review~~ report on an issuer's interim, preliminary, provisional or abridged report issued on or after <date>.

Definitions

- 9. For purposes of this proposed Guide, the following terms have the meanings attributed below:
 - a) ~~_____~~ Abridged report – An ~~abridged summary~~ version of an issuer's audited annual financial statements that is a compulsory report that must be published on SENS at the same time that the annual financial statements are distributed to the issuer's holders of securities, and an electronic copy of the audited annual financial statements is submitted to the JSE (commonly referred to as the "glossies" ~~or the "Integrated Report",~~ " ~~unless a "no change report" was published~~⁷. An abridged report is prepared in compliance with the Listings Requirements and must contain a set of summary financial statements that include the minimum financial information requirements required in in the Listings Requirements⁸. If there are no changes between a previously published preliminary or provisional report and the final audited results included in the annual financial statements then the abridged report will take the form of a "no change" report including details of the annual general meeting.⁷
 - ~~a) _____~~
 - b) Applied criteria – The criteria applied by management in the preparation of the summary financial statements⁹.
 - c) Companies Act – the Companies Act, No. 71 of 2008 (referred to in an auditor's report as the Companies Act of South Africa).
 - d) Company – A company as defined in the Companies Act.
 - e) Complete set of financial statements – Financial statements that comply with all the requirements of International Financial Reporting Standards¹⁰, and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee or Financial Reporting Pronouncements, as issued by

⁷ Listings Requirements, paragraphs 3.21 and 3.22 and JSE Guidance Letter: *Audit Report Matters* issued 20 September 2012.

⁸ Listings Requirements, paragraphs 8.57 and 8.58

⁹ ISA 810, paragraph 4(a), and including the minimum requirements in Listings Requirements 8.57 and 8.58

¹⁰ IAS 1 Presentation of Financial Statements

the Financial Reporting Standards Council¹¹ and the requirements of the Companies Act (as applicable).

- f) Condensed financial statements¹² – Financial statements that contain:
- i) A condensed statement of financial position;
 - ii) A condensed statement of comprehensive income, presented as either
 - aa. A condensed single statement; or
 - ba. A condensed separate income statement and a condensed statement of comprehensive income;
 - iii) A condensed statement of changes in equity;
 - iv) A condensed statement of cash flows; and
 - v) **Selected explanatory notes** as required by International Financial Reporting Standard, IAS 34 Interim Financial Reporting
 - (i) to (iv) above contain at a minimum, each of the headings and subtotals that were included in the issuer's most recent audited annual financial statements.

Comment [h1]: Can we not also have a definition for "related"? as in the ISA 810 reports we refer to "related" and the IAS 34 review reports we refer to "selected"

Condensed financial statements are issued where a complete set of financial statements has not been prepared. Interim, preliminary or provisional reports typically contain condensed financial statements that are to be prepared in accordance containing the minimum financial information required in terms of with the Listings Requirements¹³.

- g) Date the financial statements are issued - The date that the auditor's report and audited or reviewed financial statements are made available to third parties¹⁴.
- h) IFRS – International Financial Reporting Standards.
- i) Interim period – A financial period that is shorter than a full financial year¹⁵.
- j) Interim report -- A financial report for an interim period containing that is extracted from one of either:
- i) A set of condensed financial statements;
 - ii) A set of summary financial statements; or
 - iii) A complete set of financial statements.
- k) Issuer – A juristic person, wherever incorporated or established, including any undertaking, association of persons or entities any trust or similar device, wherever established, whose issued securities have been admitted to the list maintained by the JSE Limited of securities admitted to listing.
- l) Listings Requirements – The JSE Limited Listings Requirements, as amended from time to time by the JSE Limited.
- l)m) [KPMG: I suggest the inclusion of a definition for "modified auditor's report" as per the proposed amendments to the JSE LR]

¹¹ As and when the Companies Act is amended to empower the FRSC to issue Financial Reporting Pronouncements

¹² IAS 34, paragraph 8(a) to (e)

¹³ Listings Requirements paragraphs 8.57 and 8.58

¹⁴ ISA 560, paragraph 5(d)

¹⁵ IAS 34, paragraph 4

- ~~m)n)~~ No change report – An announcement published on SENS, containing details of an issuer’s annual general meeting and stating that the issuer has issued its audited annual financial statements and that it is not publishing an abridged report there is no change between such audited annual financial statements and as the information previously published in a preliminary or provisional report is unchanged¹⁶.
- ~~m)o)~~ Preliminary report - A financial report for a full financial year, published voluntarily by an issuer in advance of being required to do so the annual financial statements being distributed to securityholders or a provisional report being published on SENS (i.e. within three months after an issuer’s financial year-end)¹⁷. A preliminary report must, at a minimum, be reviewed by the issuer’s auditors. The report is published on SENS and contains either the financial information contained therein is extracted from one of:
- i) A set of condensed financial statements;
 - ii) A set of summary financial statements; or
 - iii) A complete set of financial statements.
- ~~m)p)~~ Provisional report - A compulsory financial report for a full financial year, published on SENS by no later than the end of the third month after the issuer’s financial year-end if the issuer has not distributed the published audited annual financial statements to all shareholders and the JSE within that three-month period¹⁸. A provisional report must, at a minimum, be reviewed by the issuer’s auditors. A provisional report contains either is extracted from one of:
- i) A set of condensed financial statements;
 - ii) A set of summary financial statements; or
 - iii) A complete set of financial statements.
- ~~m)q)~~ SENS – The Securities Exchange News Service.
- ~~m)r)~~ Short-form announcement - An announcement published in the press that contains the minimum information required by paragraph 3.46(A) of the Listings Requirements.
- ~~m)s)~~ Summary financial statements - Historical financial information that is derived from a complete set of financial statements but that contains less detail than the complete set of financial statements while still providing a structured representation consistent with that provided by the complete set of financial statements of the issuer’s economic resources or obligations at a point in time or the changes therein for a period of time¹⁹.

Applied criteria and financial reporting framework

10. The Listings Requirements require financial information contained in interim, preliminary, provisional and abridged reports “to be presented on a consolidated basis and to be prepared in accordance with paragraph 8.57”²⁰.

¹⁶ Listings Requirements, paragraph 3.22

¹⁷ Listings Requirements, paragraph 3.22

¹⁸ Listings Requirements, paragraphs 3.16 and 3.20

¹⁹ ISA 810 paragraph 4(c)

²⁰ Listings Requirements, paragraph 8.61

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

11. Paragraph 8.57 of the Listings Requirements²¹ specifies the basis of preparation and minimum contents of interim, preliminary, provisional and abridged reports that comprise the “applicable criteria” and “financial reporting framework” envisaged in ISA 810²² and ISRE 2410²³ respectively. Consequently paragraph 8.57 comprises the “applied criteria” and “financial reporting framework” that is deemed to be acceptable to the JSE and the auditor (refer Appendix 4 for a summary of the requirements).
12. Paragraph 8.57(a) of the Listings Requirements specifies that “interim reports must be prepared in accordance with and containing the information required by the IAS 34: *Interim Financial Reporting* as well as the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee or *Financial Reporting Pronouncements* as issued by the Financial Reporting Standards Council, ..”.

The basis of preparation note in an issuer’s interim report will contain similar wording, for example, as “being prepared in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA *Financial Reporting Guides*²⁴ as issued by the Accounting Practices Committee and the requirements of the Companies Act of South Africa”.

13. Preliminary, provisional or abridged reports that contain condensed or summary financial statements, as applicable in the circumstances, do not comply with all the requirements of IFRS. Accordingly the framework is described in the auditor’s report with reference to the relevant requirements of the Listings Requirements, as opposed to “International Financial Reporting Standards”, and the requirements of the Companies Act of South Africa. The full description of the financial reporting framework is given in the notes to the preliminary, provisional or abridged financial statements, which reflect the requirements of paragraph 8.57 of the Listings Requirements.

The reference in the audit or review report to the applied criteria or financial reporting framework respectively is summarised as follows: “being prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*²⁵ as issued by the Accounting Practices Committee, and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*”.

14. The reference in the auditor’s audit or review report to the applied criteria, or financial reporting framework, respectively is summarised as follows:

	Description of the “applied criteria” in an audit report on summary financial statements	Description of the “financial reporting framework” in a review report on condensed financial statements
Interim report	“International Financial Reporting Standards, the SAICA <i>Financial Reporting Guides</i> as issued by the Accounting Practices Committee and the requirements of the Companies Act” (if applicable to the issuer). [KPMG: No reference to the requirements of the JSE Listings	“International Financial Reporting Standards (IAS) 34 <i>Interim Financial Reporting</i> , the SAICA <i>Financial Reporting Guides</i> as issued by the Accounting Practices Committee and the requirements of the Companies Act of South Africa ” (if applicable to the issuer).

Comment [h2]: This should be updated depending on what option has been decided on for the financial reporting framework in Specific comment 2. Whichever option is used, should flow through the table in paragraph 14 below and the illustrative examples, which currently it doesn’t.

Comment [h3]: Why is there no example for this situation?

Comment [h4]: This has been updated to tie up to illustrative example 1. However this wording doesn’t tie up to what is been said in paragraph 12.

²¹ Listings Requirements, paragraph 8.57

²² ISA 810 paragraph 6

²³ ISRE 2410 paragraphs 6, 10 and 11

²⁴ Formerly the AC 500 Standards issued by the Accounting Practices Board.

²⁵ Formerly AC 500 Standards

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

	Requirements for interim reports – is it not better to be consistent – the JSE LR refer to the relevant standard?	
Preliminary or Provisional report	“the requirements of the JSE Limited Listings Requirements for [preliminary / provisional] reports, set out in the notes to the financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements” (if applicable to the issuer).	“the requirements of the JSE Limited Listings Requirements for [preliminary / provisional reports], set out in the notes to the financial statements, and the requirements of the Companies Act of South Africa” (if applicable to the issuer).
Abridged report	“the requirements of the JSE Limited Listings Requirements for abridged reports, set out in the notes to the financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements” (if applicable to the issuer).	N/A

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Inclusion of the auditor’s report on summary or condensed financial statements

15. When accepting an engagement to report on summary financial statements, the auditor is required by ISA 810 to obtain the agreement of management that it acknowledges and understands its responsibility to include the auditor’s report on the summary financial statements in any document that contains those summary financial statements and indicates the auditor has reported on them²⁶. ISRE 2410 similarly requires an auditor to agree on the terms of the review engagement, ordinarily recorded in an engagement letter, that includes management’s agreement that where any document containing interim or other financial information indicates that the interim or other financial information has been reviewed by the issuer’s auditor, the review report will also be included in that document²⁷. ISA 810 or ISRE 2410 may apply to the financial information contained in an interim, preliminary, provisional, or abridged report whether published in printed media or in electronic format for example on an issuer’s website, and that same information published on SENS or in the press²⁸.
16. The JSE does not require the auditor’s report on the financial information contained in an interim, preliminary, provisional or abridged report to be included with the applicable report published on SENS or in the press. Instead the JSE requires that the information published on SENS indicates that the auditor’s report, accompanied by the financial statements identified in the auditor’s report, is available for inspection at the issuer’s registered office. **A signed copy of the auditor’s report must be submitted to the JSE within 24 hours of the publication of the SENS report²⁹.** [\[KPMG: Please note that the JSE never required the auditor’s report in respect of AUDITED results to be submitted to the JSE. Para 3.18\(i\) of](#)

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²⁶ ISA 810 paragraph 6(b)(iii)

²⁷ ISRE 2410 paragraph 11

²⁸ JSE Guidance Letter: Audit report matters, issued 20 September 2012

²⁹ JSE Guidance Letter: Audit report matters, issued 20 September 2012

the JSE LR requires that in circumstances where periodic financial reports are required to be reviewed by the auditor, a copy of the auditor's review opinion must be submitted to the JSE within 24 hours. However, the JSE is proposing to change this and the new proposed LR reads that in circumstances where an auditor issues a modified auditor's report, a signed copy of the modified auditor's report must be issued to the JSE within 24 hours].

17. The audit firm and individual auditor have a further responsibility to advise the JSE of any instance where an issuer misrepresents the content of their auditor's report³⁰.

18. The Listings Requirements require information published on SENS to identify the auditor and to contain an exact extract of a qualified opinion, a disclaimer of opinion or an adverse opinion, and details of any emphasis of matter paragraph or a paragraph regarding reportable irregularities³¹ expressed by the auditor on the underlying financial information. The JSE does not require details of an "other matter" paragraph including the disclosures required by the Companies Act applicable to annual financial statements. Appendix 2 to this proposed Guide contains illustrative wording regarding the auditor and the auditor's report on the financial information for inclusion in information published on SENS. [KPMG: This JSE LR relates only to interim, preliminary or provisional reports (refer para 3.18(f)). The proposed changes to the JSE LR include a differentiation between a review/audit conclusion reached in respect of the interim or provisional report itself or, in circumstances where the preliminary/provisional report itself is not reviewed/audited, the conclusion that was reached on the underlying AFS. In addition, disclosure of a material inconsistency in information included in a document that contains the audited financial statements is being proposed.]

19. With regards to abridged reports, the name of the auditor must be included as well as details of the nature of any modification to the auditor's report issued in respect of the AFS. Suggest the inclusion of the proposed wording required in terms of the new JSE LR in circumstances where the abridged report itself is not audited and relating to the directors responsibility for the preparation of the abridged report [amended 3.21].]

~~18-20.~~ [KPMG: Suggest the inclusion of the proposed wording required in terms of the new JSE LR in circumstances where the demarcation between the audited/reviewed information and the any unaudited/unreviewed information is not clear [amended 3.18(j)].]

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Planning and performing a review engagement

~~19-21.~~ The Listings Requirements³² require an auditor to apply ISRE 2410 in performing a review of an issuer's interim, preliminary or provisional reports. ISRE 2410 recognises that "through performing the audit of the annual financial statements, the auditor obtains an understanding of the entity and its environment, including the internal control of the issuer that the auditor updates in the course of the review which assists in focusing the inquiries to be made and analytical and other review procedures to be applied"³³. ISRE 2410 also requires that: "in order to plan and conduct a review of interim financial information, a recently appointed auditor, who has not yet performed an audit of the annual

³⁰ Listings Requirements paragraph 22.6(b) and JSE Guidance Letter: Audit report matters, issued 20 September 2012.

³¹ Listings Requirements paragraph 3.18(f), 3.21, 3.22 and 8.60

³² Listings Requirements, paragraph 3.18(e)

³³ ISRE 2410 paragraph 3

financial statements in accordance with ISAs, should obtain an understanding of the entity and its environment, including its internal control, as it relates to the preparation of interim financial information³⁴.

- ~~20-22.~~ If a recently appointed auditor is unable to meet the requirements of ISRE 2410, that auditor may not, as an alternative, elect to perform the review in accordance with ISRE 2400, *Engagements to Review Financial Statements*.
- ~~21-23.~~ An auditor who accepts an engagement to review the financial information contained in an issuer's interim, preliminary or provisional reports on the basis of ISRE 2400³⁵, and consequently provides the incorrect auditor's review report thereon, contravenes both the Listings Requirements and ISRE 2410.

Forming an opinion and reporting on the financial statements

Unaudited or un-reviewed supplementary information

~~22-24.~~ The Listings Requirements require disclosure of supplementary information in interim, preliminary, provisional and abridged reports in addition to the requirements of IFRS and the Companies Act³⁶ (refer Appendix 4). If the supplementary information required by the Listings Requirements cannot be differentiated from the audited or reviewed information due to its nature or how it is presented, which occurs frequently, such information is assumed to be covered by the auditor's opinion or conclusion. [\[KPMG: Please refer to proposed changes to the JSE LR in this regard mentioned above\]](#)

~~23-25.~~ The audited or reviewed information of an issuer is often accompanied by commentary by management or the directors which may include information that was not subject to the audit or review of the auditor. The auditor evaluates whether unaudited or un-reviewed supplementary information is presented in a manner that could be construed as being covered by the auditor's opinion including, for example, where that information is presented in relation to the financial statements and any audited supplementary information, or whether it is clearly differentiated and labelled as "unaudited" or "un-reviewed" as applicable.

- a) If an auditor concludes that the entity's presentation of the unaudited supplementary information is not clearly differentiated from the **condensed or** summary financial statements, the auditor shall ask management to change the presentation of the unaudited supplementary information.
- b) If management refuses to do so, the auditor shall explain in the auditor's report on the summary financial statements that such information is not covered by that report³⁷. The auditor may include the following wording in the audit or review report as an "Other Matter" paragraph where unaudited/un-reviewed commentary by the directors is not sufficiently differentiated from the audited or reviewed information:

*"We have not [reviewed/audited] future financial performance and expectations expressed by management included in the commentary in the accompanying financial statements and accordingly do not express an opinion thereon."*³⁸

³⁴ ISRE 2410, paragraph 17, which applies adapted as necessary to other financial information.

³⁵ ISRE 2400 *Engagements to Review Financial Statements* or ISRE 2400 (Revised) *Engagements to Review Historical Financial Statements*

³⁶ Listings Requirements, paragraph 8.58

³⁷ ISA 810 paragraph 23

³⁸ ISA 810, paragraph 23

[\[KPMG: Again, please refer to the proposed amendments to the JSE LR which propose to amend this issue\]](#)

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~~24-26.~~ The JSE has recognised that it may be confusing and misleading if an investor does not understand exactly what information is covered by, the auditor's report (for example in financial results published on SENS). Where the demarcation between the audited / reviewed information and the unaudited / un-reviewed information is not clear, the JSE has advised issuers to include the following statement in their results announcement:

"The auditor's report does not necessarily cover all of the information contained in this announcement/financial report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company."

If a results publication does not contain the above wording, the assumption will be made that all of the information is in fact covered by the auditor's report³⁹.

[\[KPMG: The guidance letter issued by the JSE in this regard has been supplemented by the proposed amendments to the JSE LR. This wording has been amended slightly refer amended para 3.18\(j\)\]](#)

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Other information in documents containing audited or reviewed financial statements

~~25-27.~~ The auditor is required by ISA 810⁴⁰ and ISRE 2410⁴¹ to read other information included in a document containing audited or reviewed financial statements to identify material inconsistencies with the audited or reviewed financial statements, irrespective of whether or not the auditor's report included a paragraph explaining that certain information was not audited or reviewed (see paragraph 24 above).

Date of the auditor's report

~~26-28.~~ The date of the auditor's report on financial statements contained in an interim, preliminary, provisional or abridged report may be either on, or prior to, the date the financial statements are published on SENS, in the press or on the issuer's website, but not after the date the financial statements are issued.

~~27-29.~~ Where the auditor is engaged to audit summary financial statements contained in a preliminary, provisional or abridged report, the date of the auditor's report on the summary financial statements may not be prior to the date of the auditor's report on the audited financial statements⁴² and the date on which the auditor has obtained sufficient appropriate evidence on which to base the opinion, including evidence that the complete set of financial statements, the Directors' Report, the Audit Committee Report, the Company Secretary Certificate and the summary financial statements were approved by their respective preparers.

~~28-30.~~ Where the auditor is engaged to review condensed financial statements, the date of the auditor's review report on the condensed financial statements may not be prior to the date that the condensed financial statements were approved by the directors. Appendix 3 to this proposed Guide provides guidance regarding the financial statements (i.e. condensed financial statements, complete set of

³⁹ JSE Guidance Letter: Audit report matters, issued 20 September 2012

⁴⁰ ISA 810, paragraph 24

⁴¹ ISRE 2410, paragraphs 36 and 37

⁴² ISA 810, paragraph 16(a) and (b)

financial statements and/or summary financial statements) that the auditor obtains from management, and that need to be approved by their respective preparers, prior to the date of the auditor's report.

Form of auditor's opinion on summary financial statements

- ~~29-31.~~ ISA 810, paragraph 9 requires that: "when the auditor has concluded that an unmodified opinion on the summary financial statements is appropriate, the auditor's opinion shall, unless otherwise required by law or regulation, use one of the following phrases:
- (a) The summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with [the applied criteria]; or
 - (b) The summary financial statements are a fair summary of the audited financial statements, in accordance with [the applied criteria]."
- ~~30-32.~~ In South Africa the auditor's opinion on summary financial statements ordinarily describes the summary financial statements as "being consistent, in all material respects, with the audited financial statements, in accordance with [the applied criteria]".⁴³

Effect of a modified auditor's report on the complete set of financial statements on the auditor's report on the summary financial statements

- ~~31-33.~~ When the auditor's report on the complete set of financial statements from which the summary financial statements are derived, contains a modified opinion, and an emphasis of matter, a reportable irregularity, and/or an "other matter" paragraph, the auditor's report on the summary financial statements states that the auditor's report on the complete set of financial statements contains such a modification, and explains the basis for the modification and effect on the auditor's report on the summary financial information (refer illustrative report 11 in Appendix 1). Modifications of the auditor's opinion, an emphasis of matter or a reportable irregularity in the auditor's report (other than an "other matter" paragraph) will result in an annotation of the issuer on the JSE⁴⁴.
- ~~32-34.~~ The Directors' Report⁴⁵, the Audit Committee's Report⁴⁶ (when applicable) and the Company Secretary's Certificate⁴⁷ (when applicable), form part of the annual financial statements prescribed by the Companies Act that must be audited or reviewed, as and when applicable. These reports are not required to be included in the SENS Announcement, of an issuer. Where an auditor's report on the complete set of an issuer's annual financial statements, contains an "other matters" paragraph relating to the: "*Other reports required by the Companies Act*"⁴⁸ the auditor's report on the issuer's summary financial statements is required to describe the basis for an "other matters" paragraph, and the effect thereof on the summary financial statements, if any⁴⁹. Accordingly, this paragraph

Comment [h5]: This is not the only example in ISA 810, suggest maybe including reference to ISA 810 for additional examples when it comes to the auditor's report on the audited financial statements contained a adverse or disclaimer of opinion.

Comment [h6]: Suggest including guidance here, when the auditor's report on the audited financial statements contained a adverse or disclaimer of opinion, ISA 810 states that it inappropriate to express an opinion on the summary financial statements.

⁴³ ISA 810, paragraph 9, the "applied criteria" is specified in the particular circumstances refer Appendix 1 for illustrative reports.

⁴⁴ JSE Guidance Letter: Audit report matters, issued 20 September 2012 and Listings Requirements 3.18 and 3.25

⁴⁵ Companies Act, 2008, section 30(b)

⁴⁶ Companies Act, 2008, section 94(7)(f)

⁴⁷ Companies Act, 2008, section 88(2)(e)

⁴⁸ Refer to Note N9 in SAAPS 3 (Revised) *Illustrative Reports* for a detailed explanation of the other matters paragraph "*Other reports required by the Companies Act*" included in the auditor's report on audited or reviewed annual financial statements of companies.

⁴⁹ ISA 810 paragraph 17(b)(i) and (ii)

is included in the illustrative auditor's reports on an issuer's summary financial statements (refer Appendix 1), but is not required to be included in the issuer's SENS Announcement. [\[KPMG: Please refer to the proposed amendment to para 3.18\(g\)\(iii\) in this regard\]](#)

Auditor association

~~33-~~35. ISA 810 contains requirements regarding an auditor's association with information contained in summary financial statements, for example, when an auditor has reported on the complete set of audited financial statements of an entity, but is not engaged to provide an auditor's report on summary financial statements contained in an issuer's interim, preliminary, provisional or abridged report. If, in such circumstances, the auditor becomes aware that the issuer plans to make a statement in a SENS announcement of results, that refers to audited summary financial statements the auditor takes steps to establish that:

- a) "The reference to audited is made in the context of the auditor's report on the complete set of financial statements; and
- b) The statement does not give the impression that the auditor has reported on unaudited summary financial statements contained in the SENS announcement⁵⁰."

If the auditor is not satisfied that a) and b) are met the auditor brings this to the attention of management and requests the amendment of the interim, preliminary, provisional or abridged report, to refer to the auditor and the auditor's report in the manner required by the Listings Requirements including a statement that the auditor's audit or review report is available for inspection at the issuers registered office⁵¹. [\[KPMG: Please consider the proposed wording in amended para's 3.18 \(c\) relating to provisional/preliminary reports 3.21 relating to abridged reports\]](#)

~~34-~~36. The Listings Requirements impose a number of obligations on an issuer's auditor⁵². This includes advising the JSE of any instances where the issuer misrepresents the content of the auditor's report as it relates to the issuer⁵³.

~~35-~~37. Appendix 2 provides illustrative wording regarding the auditor and the auditor's report to be included on the financial information contained in an issuer's SENS announcement when the report of the auditor on the issuer's interim, preliminary, provisional or abridged reports is not included in the SENS announcement.

Comment [h7]: Other Reports required by the Companies Act may be relevant for the annual financial statements of the company but is completely irrelevant for the summary financial statements, particularly because the Director's report, Audit committee report and company secretary certificate is not presented in the summary financial statements. Should a user request the auditor's report on the summary financial statements, this paragraph will be highly confusing.

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⁵⁰ ISA 810 paragraph 26

⁵¹ ISA 810 paragraph 26 and Listings Requirements, paragraph 8.60

⁵² Listings Requirements 22.5 to 22.8

⁵³ Listings Requirement 22.6(b)

Appendix 1

Illustrative auditor's reports on financial statements contained in interim, preliminary, provisional and abridged reports

Illustration 1: Auditor's review report on interim financial statements

Circumstances include the following:

- The issuer is a company
- The interim report contains condensed consolidated interim financial statements
- Un-reviewed information presented with the interim financial statements is sufficiently differentiated from the reviewed information
- Unmodified conclusion (ISRE 2410, paragraph 43(j))

Independent auditor's review report on **condensed consolidated** interim financial statements

To the shareholders of ABC Limited

We have reviewed the accompanying **condensed consolidated** interim financial statements of ABC Limited, which comprise the condensed consolidated statement of financial position as at 31 December 20x1 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months/period then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides,⁵⁴ as issued by the Accounting Practices Committee,⁵⁵ and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements 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 interim financial statements in accordance with this standard consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor

⁵⁴ Formerly the AC 500 Standards issued by the Accounting Practices Board.

⁵⁵ Where applicable

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of ABC Limited for the six months/period ended 31 December 20x1 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides⁵⁶ as issued by the Accounting Practices Committee⁵⁷ and the requirements of the Companies Act of South Africa

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

Suggested note in the interim financial statements on basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides⁵⁸ as issued by the Accounting Practices Committee and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are consistent with those applied in the previous annual financial statements⁵⁹.

⁵⁶ Formerly the AC 500 Standards issued by the Accounting Practices Board.

⁵⁷ Where applicable

⁵⁸ Formerly the AC 500 Standards issued by the Accounting Practices Board.

⁵⁹ Listings Requirements, paragraph 8.57(c)

Illustration 2: Auditor's review report on preliminary financial statements

Circumstances include the following:

- The issuer is a company
- Preliminary report contains condensed consolidated financial statements
- Un-reviewed information presented with the financial statements is sufficiently differentiated from the reviewed information
- Unmodified conclusion (ISRE 2410, paragraph 43(j))

Independent auditor's review report on condensed consolidated preliminary financial statements

To the shareholders of ABC Limited

We have reviewed the accompanying condensed consolidated preliminary financial statements of ABC Limited, which comprise the condensed consolidated statement of financial position as at 31 December 20x1 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Preliminary Financial Statements

The directors are responsible for the preparation and presentation of these preliminary financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note x to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements 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 this standard consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

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

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the preliminary financial statements of ABC Limited for the year ended 31 December 20x1 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note x to the financial statements, and the requirements of the Companies Act of South Africa.

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

Suggested note in the financial statements on basis of preparation

The condensed consolidated preliminary financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements are for the preliminary financial statements to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides⁶⁰ as issued by the Accounting Practices Committee and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial statements⁶¹.

⁶⁰ Formerly the AC 500 Standards issued by the Accounting Practices Board

⁶¹ Listings Requirements, paragraph 8.57(c)

Illustration 3: Auditor's review report on provisional financial statements

Circumstances include the following:

- The issuer is a company as defined in the Companies Act, 2008
- Review report contains condensed consolidated financial statements
- Un-reviewed information presented with the financial statements is sufficiently differentiated from the reviewed information
- Unmodified conclusion (ISRE 2410, paragraph 43(j))

Independent auditor's review report on condensed consolidated provisional financial statements

To the shareholders of ABC Limited

We have reviewed the accompanying condensed consolidated provisional financial statements of ABC Limited, which comprise the condensed consolidated statement of financial position as at 31 December 20x1 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Provisional Financial Statements

The directors are responsible for the preparation and presentation of these provisional financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note x to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. This standard 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 this standard consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

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

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the provisional financial statements of ABC Limited for the year ended 31 December 20x1 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note x to the financial statements, and the requirements of the Companies Act of South Africa.

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

Suggested note in the financial statements on basis of preparation

The condensed consolidated provisional financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional financial statements to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁶² as issued by the Accounting Practices Committee and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial statements⁶³.

⁶² Formerly the AC 500 Standards issued by the Accounting Practices Board

⁶³ Listings Requirements, paragraph 8.57(b) and (c)

Illustration 4: Auditor's report on summary financial statements contained in an abridged report (report dated later than the auditor's report on the complete set of financial statements) [KPMG: Is this report necessary – in terms of the proposed JSE LR there is no requirement for the auditor to issue a separate report on an abridged report (refer amended para 3.21)]

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Circumstances include the following:

- The issuer is a company
- An unmodified opinion was expressed on the complete set of financial statements from which the summary financial statements are derived
- The auditor's report on the abridged report is dated later than the date of the auditor's report on the financial statements from which the summary financial statements are derived
- Unaudited information presented with the summary financial statements is sufficiently differentiated from the audited information
- Unmodified opinion (ISA 810, paragraph 9)

Independent auditor's report on abridged financial statements

To the Shareholders of ABC Limited

The accompanying abridged financial statements of ABC Limited, which comprise the summary consolidated statement of financial position as at 31 December 20x1, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 12 February 20x2. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: "*Other reports required by the Companies Act*" (included below). Those consolidated financial statements and the summary consolidated financial statements do not reflect the effect of events that occurred subsequent to the date of our report on those financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of ABC Limited.

Director's Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the abridged financial statements derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

*Other reports required by the Companies Act*⁶⁴

The “other reports required by the Companies Act” paragraph in our audit report dated 12 February 20x2 states that as part of our audit of the consolidated financial statements for the year ended 31 December 20x1, we have read the Directors’ Report, the Audit Committee’s Report and the Company Secretary’s Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Auditor’s Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor’s report

Auditor’s address

Suggested note in the summary financial statements on basis of preparation

The abridged financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require the abridged financial statements to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁶⁵ as issued by the Accounting Practices Committee, and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with the accounting

⁶⁴ The paragraph “*Other reports required by the Companies Act*”, in an auditor’s report on a complete set of audited financial statements, is regarded as an “other matters paragraph”. ISA 810.17 requires such paragraphs to be included in the auditor’s report on an entity’s summary financial statements.

⁶⁵ Formerly the AC 500 Standards issued by the Accounting Practices Board

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

policies applied in the preparation of the previous consolidated annual financial statements.

Illustration 5: Auditor's report on the summary financial statements contained in an abridged report (report dated the same as the auditor's report on the complete set of financial statements) [\[KPMG: Please see previous comment on Illustration 4\]](#)

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Circumstances include the following:

- The issuer is a company
- An unmodified opinion was expressed on the annual financial statements from which the summary financial statements are derived
- The auditor's report on the summary financial statements is dated the same as the date of the auditor's report on the financial statements from which the summary financial statements are derived
- Unaudited information presented with the summary financial statements is sufficiently differentiated from the audited information
- Unmodified opinion (ISA 810, paragraph 9)

Independent auditor's report on abridged financial statements

To the Shareholders of ABC Limited

The accompanying abridged financial statements of ABC Limited, which comprise the summary consolidated statement of financial position as at 31 December 20x1, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 12 February 20x2. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph "Other reports required by the Companies Act" (included below).

The abridged summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of ABC Limited.

Director's Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the abridged financial statements derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The “*other reports required by the Companies Act*” paragraph in our audit report dated 12 February 20x2 states that as part of our audit of the consolidated financial statements for the year ended 31 December 20x1, we have read the Directors’ Report, the Audit Committee’s Report and the Company Secretary’s Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Auditor’s Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor’s report

Auditor’s address

Suggested note in the summary financial statements on basis of preparation

The abridged financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements are for the abridged financial statements to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁶⁶ as issued by the Accounting Practices Committee, and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

⁶⁶ Formerly the AC 500 Standards issued by the Accounting Practices Board

Illustration 6: Auditor's report on summary financial statements contained in a preliminary report (report dated later than the auditor's report on the complete set of financial statements) [\[KPMG: Please see previous comment on Illustration 4\]](#)

Circumstances include the following:

- The issuer is a company
- An unmodified opinion was expressed on the complete set of consolidated financial statements from which the summary financial statements are derived
- The auditor's report on the summary financial statements is dated later than the date of the auditor's report on the financial statements from which the summary financial statements were derived
- Unaudited information presented with the summary financial statements is sufficiently differentiated from the audited information
- Unmodified opinion (ISA 810, paragraph 9)

Independent auditor's report on preliminary financial statements

To the Shareholders of ABC Limited

The accompanying preliminary financial statements of ABC Limited, which comprise the summary consolidated statement of financial position as at 31 December 20x1, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 12 February 20x2. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: *Other reports required by the Companies Act* (included below). Those consolidated financial statements and the summary consolidated financial statements do not reflect the effect of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements.

Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of these summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the preliminary financial statements derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note x to the summary financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The *Other reports required by the Companies Act* paragraph in our audit report dated 12 February 20x2 states that as part of our audit of the consolidated financial statements for the year ended 31 December 20X1, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

Suggested note in the summary financial statements on basis of preparation

The preliminary financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements are for the preliminary financial statements to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁶⁷ as issued by the Accounting Practices Committee, and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

⁶⁷ Formerly the AC 500 Standards issued by the Accounting Practices Board

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

Illustration 7: Auditor's report on summary financial statements contained in a preliminary report (report dated the same as the auditor's report on the complete set of financial statements) [\[KPMG: Please see previous comment on Illustration 4\]](#)

Circumstances include the following:

- The issuer is a company
- An unmodified opinion was expressed on the complete set of consolidated financial statements from which the summary financial statements are derived
- The auditor's report on the summary financial statements is dated the same as the auditor's report on the financial statements from which the summary financial statements were derived
- Unaudited information presented with the summary financial statements is sufficiently differentiated from the audited information
- Unmodified opinion (ISA 810, paragraph 9)

Independent auditor's report on preliminary financial statements

To the Shareholders of ABC Limited

The accompanying preliminary financial statements of ABC Limited, which comprise the summary consolidated statement of financial position as at 31 December 20x1, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 12 February 20x2. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: *Other reports required by the Companies Act* (included below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements.

Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the preliminary financial statements derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note x to the summary financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The *Other reports required by the Companies Act* paragraph in our audit report dated 12 February 20x2 states that as part of our audit of the consolidated financial statements for the year ended 31 December 20X1, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

Suggested note in the summary financial statements on basis of preparation

The preliminary financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements are for the preliminary financial statements to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁶⁸ as issued by the Accounting Practices Committee and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

⁶⁸ Formerly the AC 500 Standards issued by the Accounting Practices Board

Illustration 8: Auditor's report on summary financial statements contained in a provisional report (report dated later than the auditor's report on the complete set of financial statements) [\[KPMG: Please see previous comment on Illustration 4\]](#)

Circumstances include the following:

- The issuer is a company
- An unmodified opinion was expressed on the consolidated financial statements from which the summary financial statements are derived
- The auditor's report on the summary financial statements is dated later than the date of the auditor's report on the financial statements from which the summary financial statements were derived
- Unaudited information presented with the summary financial statements is sufficiently differentiated from the audited information
- Unmodified opinion (ISA 810, paragraph 9)

Independent auditor's report on provisional financial statements

To the Shareholders of ABC Limited

The accompanying provisional financial statements of ABC Limited, which comprise the summary consolidated statement of financial position as at 31 December 20x1, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 12 February 20x2. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: *Other reports required by the Companies Act* (included below). Those consolidated financial statements and the summary consolidated financial statements do not reflect the effect of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements.

Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with

International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the provisional financial statements derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note x to the summary financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The *Other reports required by the Companies Act* paragraph in our audit report dated 12 February 20x2 states that as part of our audit of the consolidated financial statements for the year ended 31 December 20X1, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

Suggested note in the summary financial statements on basis of preparation

The provisional financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements are for the provisional financial statements to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁶⁹ as issued by the Accounting Practices Committee and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

⁶⁹ Formerly the AC 500 Standards issued by the Accounting Practices Board

Illustration 9: Auditor's report on summary financial statements contained in a provisional report (report dated the same as the auditor's report on the complete set of financial statements) [\[KPMG: Please see previous comment on Illustration 4\]](#)

Circumstances include the following:

- The issuer is a company
- An unmodified opinion was expressed on the consolidated financial statements from which the summary financial statements are derived
- The auditor's report on the summary financial statements is dated the same as the auditor's report on the financial statements from which the summary financial statements were derived
- Unaudited information presented with the summary financial statements is sufficiently differentiated from the audited information
- Unmodified opinion (ISA 810, paragraph 9)

Independent auditor's report on provisional financial statements

To the Shareholders of ABC Limited

The accompanying provisional financial statements of ABC Limited, which comprise the summary consolidated statement of financial position as at 31 December 20x1, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 12 February 20x2. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: *Other reports required by the Companies Act* (included below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements.

Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the provisional financial statements derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note x to the summary financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The *Other reports required by the Companies Act* paragraph in our audit report dated 12 February 20x2 states that as part of our audit of the consolidated financial statements for the year ended 31 December 20X1, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

Suggested note in the summary financial statements on basis of preparation

The provisional financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements are for the provisional financial statements to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁷⁰ as issued by the Accounting Practices Committee, and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

⁷⁰ Formerly the AC 500 Standards issued by the Accounting Practices Board

Illustration 10: Auditor's report on summary financial statements contained in a preliminary report in which the unaudited supplementary information is not sufficiently differentiated from the audited information (report dated the same as the auditor's report on the complete set of financial statements) [\[KPMG: Is this report required? Please see proposed amendments to para 3.18\(i\)\]](#)

Circumstances include the following:

- The issuer is a company
- An unmodified opinion was expressed on the consolidated financial statements from which the summary financial statements are derived
- The auditor's report on the summary financial statements is dated the same as the auditor's report on the financial statements from which the summary financial statements were derived
- Unaudited information presented with the summary financial statements is not sufficiently differentiated from the audited information
- Unmodified opinion (ISA 810, paragraph 9)

Independent auditor's report on preliminary financial statements

To the Shareholders of ABC Limited

The accompanying preliminary financial statements of ABC Limited, which comprise the summary consolidated statement of financial position as at 31 December 20x1, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 12 February 20x2. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: *Other reports required by the Companies Act* (included below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements.

Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

Opinion

In our opinion, the preliminary financial statements derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note x to the summary financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The *Other reports required by the Companies Act* paragraph in our audit report dated 12 February 20x2 states that as part of our audit of the consolidated financial statements for the year ended 31 December 20X1, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Other Matter

We have not audited future financial performance and expectations by management included in the accompanying summary consolidated financial statements and accordingly do not express any opinion thereon.

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

Suggested note in the summary financial statements on basis of preparation

The preliminary financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements are for the preliminary financial statements to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁷¹ as issued by the Accounting Practices Committee and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

⁷¹ Formerly the AC 500 Standards issued by the Accounting Practices Board

Illustration 11: Auditor's report on summary financial statements contained in a preliminary report – qualified opinion expressed on the complete set of financial statements (report dated the same as the auditor's report on the complete set of financial statements) [KPMG – consider whether this example is required?]

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Circumstances include the following:

- The issuer is a company
- A qualified opinion was expressed on the consolidated financial statements from which the summary financial statements are derived
- The auditor's report on the summary financial statements is dated the same as the auditor's report on the financial statements from which the summary financial statements were derived
- Unaudited information presented with the summary financial statements is sufficiently differentiated from the audited information
- Unmodified opinion on the summary financial statements (ISA 810, paragraph 9)

Independent auditor's report on preliminary financial statements

To the Shareholders of ABC Limited

The accompanying preliminary financial statements of ABC Limited, which comprise the summary consolidated statement of financial position as at 31 December 20x1, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1. We expressed a qualified audit opinion on those consolidated financial statements in our report dated 12 February 20x2 and our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: *Other reports required by the Companies Act* (included below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements.

Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of these summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note x to the summary financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the preliminary financial statements derived from the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note x to the summary financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements. However, the summary financial statements are misstated to the equivalent extent as the audited consolidated financial statements of ABC Limited for the year ended 31 December 20x1.

The misstatement of the audited consolidated financial statements is described in our qualified audit opinion in our report dated 12 February 20x2. Our qualified audit opinion is based on the fact that the group's inventories are carried in the statement of financial position in those consolidated financial statements at Rxxx. The directors have not stated the inventories at the lower of cost and net realizable value but have stated them solely at cost, which constitutes a departure from International Financial Reporting Standards. The group's records indicate that had the directors stated the inventories at the lower of cost and net realizable value, an amount of Rxxx would have been required to write the inventories down to their net realizable value. Accordingly, cost of sales would have been increased by xxx, and income tax, net income and shareholders' equity would have been reduced by xxx, xxx and xxx respectively. Our qualified audit opinion states that, except for the effects of the described matter, those consolidated financial statements present fairly, in all material respects, the consolidated financial position of ABC Limited as at 31 December 20x1 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

The *Other reports required by the Companies Act* paragraph in our audit report dated 12 February 20x2 states that as part of our audit of the consolidated financial statements for the year ended 31 December 20x1, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Auditor's Signature

Name of individual registered auditor

Capacity if not a sole practitioner: e.g. Director or Partner

Registered Auditor

Date of auditor's report

Auditor's address

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

Suggested note in the summary financial statements on basis of preparation

The preliminary financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements are for the preliminary financial statements to be prepared in accordance with the conceptual framework and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA *Financial Reporting Guides*⁷² as issued by the Accounting Practices Committee, and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

⁷² Formerly the AC 500 Standards issued by the Accounting Practices Board

Appendix 2

Illustrative wording regarding the auditor and the auditor's report on financial information to be included in an issuer's SENS announcement where the auditor's report is not included therein

1. Condensed financial statements have been reviewed and the auditor's report contains:

(a) An unmodified conclusion

"The review report of the independent auditor, *[insert name of the auditor]* on the interim / preliminary / provisional condensed [consolidated] financial statements for the period / year ended *[insert date]* contains an unmodified review conclusion, and is available for inspection at the company's registered office together with the financial statements identified in the auditor's report."

(b) A modified conclusion

"The review report of the independent auditor, *[insert name of the auditor]* on the [interim / preliminary / provisional]⁷³ condensed [consolidated] financial statements for the [period / year]⁷⁴ ended *[insert date]* contains a modified review conclusion, and is available for inspection at the company's registered office together with the financial statements identified in the auditor's report.

The basis for modification paragraph of the auditor's report is extracted as follows: '*[insert modification paragraph]*'."

(c) An unmodified conclusion with an Emphasis of Matter

"The review report of the independent auditor, *[insert name of the auditor]* on the [interim / preliminary / provisional] condensed [consolidated] financial statements for the [period / year] ended *[insert date]* contains an unmodified review conclusion and an Emphasis of Matter paragraph, and is available for inspection at the company's registered office together with the financial statements identified in the auditor's report.

The Emphasis of Matter paragraph contained in the auditor's report is extracted as follows: '*[insert exact wording of Emphasis of Matter paragraph]*'."

(d) An unmodified conclusion with a reportable irregularity paragraph

"The review report of the independent auditor, *[insert name of the auditor]* on the [interim / preliminary / provisional] condensed [consolidated] financial statements for the [period / year] ended *[insert date]* contains an unmodified review conclusion and a paragraph with respect to a reportable irregularity identified during the review⁷⁵, and is available for inspection at the company's

⁷³ Delete whichever is not applicable – similarly for the other examples in this Appendix

⁷⁴ Delete whichever is not applicable — similarly for the other examples in this Appendix

⁷⁵ Or insert "audit" where a reportable irregularity has been identified during the course of the audit not yet completed, but that will be included in the auditor's report on the audited annual financial statements.

registered office together with the financial statements identified in the auditor's report.

The auditor's report with respect to reportable irregularities is extracted as follows: '[insert exact wording of paragraph]'."

2. Summary financial statements included in an abridged report: [\[KPMG: consider the need for this in light of proposed amendments to para 3.21 of the JSE LR\]](#)

- (a) When the summary financial statements have been audited and an unmodified opinion expressed on the summary financial statements derived from the audited financial statements from which the summary financial statements were derived:

"The audit report of the independent auditor on the abridged [consolidated] financial statements, which were derived from the audited consolidated financial statements, on which an unmodified opinion was expressed, is available for inspection at the company's registered office together with the summary [consolidated] financial statements identified in the auditor's report"

- (b) The auditor was not engaged to report on the abridged financial statements derived from the audited [consolidated] financial statements:

"These abridged [consolidated] financial statements, which were derived from the audited [consolidated] financial statements, have not been audited.

- (c) The financial statements published in the abridged report are identified as:

- i) "Audited summary financial statements" where the abridged financial statements are audited, or
- ii) "Summarised audited financial statements" when the abridged financial statements are not audited.

3. Summary financial statements included in a preliminary or provisional report: [\[KPMG: consider the need for this in light of proposed amendments to para 3.18\(c\) of the JSE LR\]](#)

- (a) When the summary financial statements have been audited and an unmodified opinion expressed on the summary financial statements derived from the audited financial statements:

"The report of the independent auditor, on the summary [consolidated] financial statements which were derived from the audited consolidated financial statements, on which an unmodified opinion was expressed, is available for inspection at the company's registered office together with the summary [consolidated] financial statements identified in the auditor's report".

4. Additional voluntary information is published by an issuer with their financial results [\[KPMG: consider the need for this in light of proposed amendments to para 3.18\(j\) of the JSE LR\]](#)

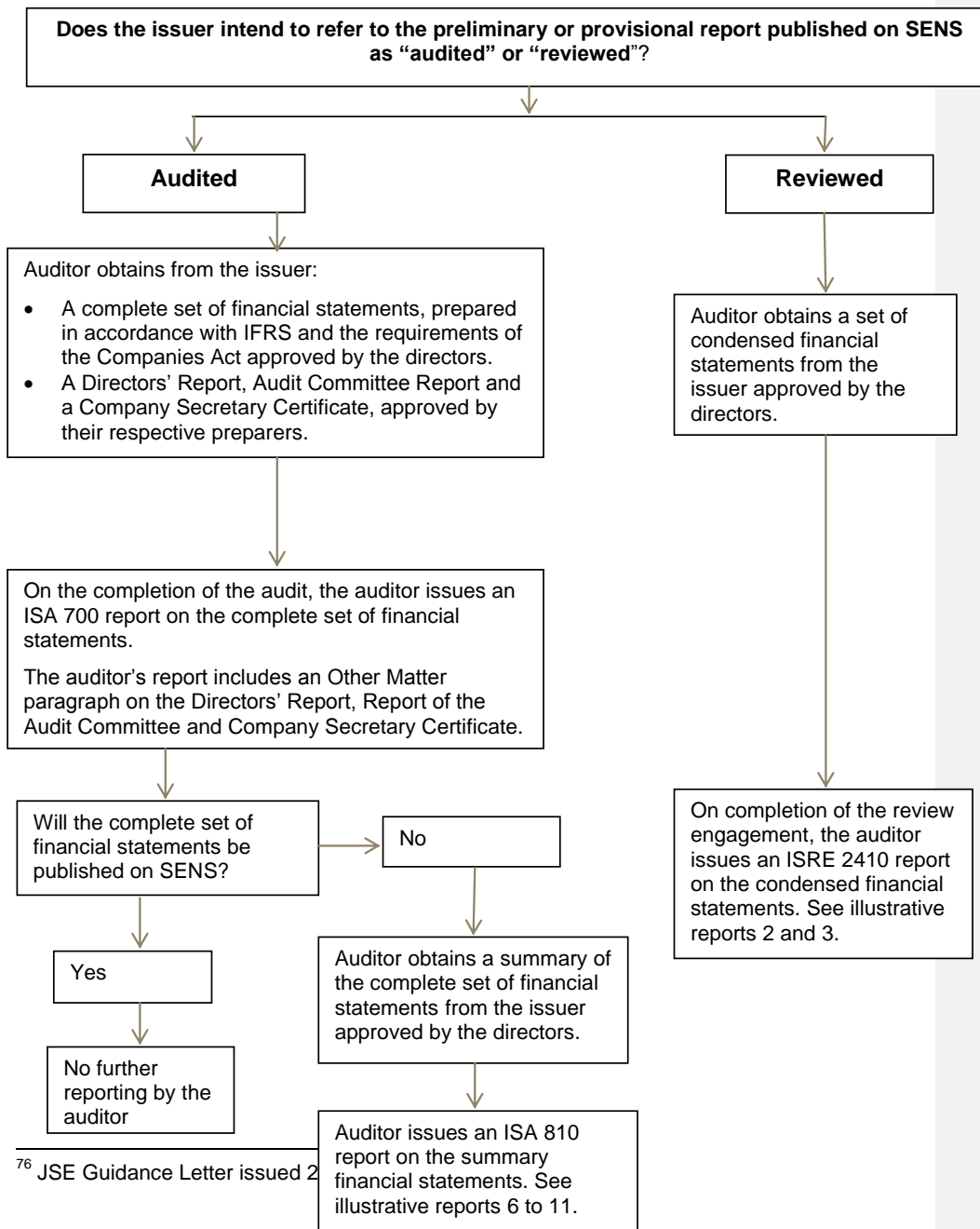
- (a) "The auditor's report does not necessarily cover all of the information contained in this announcement. Shareholders are therefore advised that in

order to obtain a full understanding of the nature of the auditor’s work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company⁷⁶.”

Appendix 3

Comment [h8]: Why is no reference been made to illustration 1, 4 and 5 here?

Explanatory diagram on the application of ISA 810 to summary financial statements, and ISRE 2410 to condensed financial statements, and the applicable auditor’s report



⁷⁶ JSE Guidance Letter issued 2

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM,
PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

Appendix 4

Summary of Listings Requirements that apply to issuers' interim, preliminary, provisional and abridged reports

	Interim reports	Preliminary reports	Provisional reports	Abridged reports
Requirement to publish	<p>To be published within three months after the expiration of the first six-month period of a financial year.</p> <p>Where a change in year-end results in the financial period being longer than twelve months, interim financial statements shall be published and distributed in respect of both:</p> <p>(a) The six-month period commencing on the first day of the financial period; and</p> <p>(b) A twelve month period commencing on the first day of such financial period. Which second interim report must also comply with paragraph 3.18(h) JSE Listings</p>	<p>The JSE does not require the publication of a preliminary report – this is a voluntary report⁷⁸.</p>	<p>If an issuer has not distributed annual financial statements to all shareholders within three months of its financial year-end, it must publish and distribute to all holders of securities provisional annual financial statements within the three months as specified⁷⁹.</p>	<p>An abridged report is required to be published at the same time that an issuer's annual financial statements are distributed to its holders of securities and the JSE⁸⁰.</p> <p>If an issuer has published a preliminary or provisional report and the information so published hasn't changed, an issuer may elect not to publish an abridged report when it distributes its annual financial statements to its holders or securities and the JSE the abridged report may take the form of a "no change" statement. In such cases the issuer must publish an announcement that it is not publishing an</p>

⁷⁸ Listings Requirements, paragraph 3.22

⁷⁹ Listings Requirements, paragraph 3.16

⁸⁰ Listings Requirements, paragraph 3.21

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

	Interim reports	Preliminary reports	Provisional reports	Abridged reports
	Requirements 3.18(h) ; (c) By no later than three months after the expiration of the first six months and the second twelve months respectively ⁷⁷ .			abridged report as the information previously published in its preliminary report is unchanged.
Basis of presentation	Interim reports must be presented on a consolidated basis if the company has subsidiaries ⁸¹ .	Preliminary reports must be presented on a consolidated basis if the company has subsidiaries ⁸² .	Provisional reports must be presented on a consolidated basis if the company has subsidiaries ⁸³ .	Abridged reports must be presented on a consolidated basis if the company has subsidiaries ⁸⁴ .
Basis of preparation	Interim reports must be prepared in accordance with IAS 34 <i>Interim Financial Reporting</i> as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ⁸⁵ .	Preliminary reports must be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial	Provisional reports must be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial	Abridged reports must be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial

⁷⁷ Listings Requirements, paragraph 3.15

⁸¹ Listings Requirements, paragraph 8.61

⁸² Listings Requirements, paragraph 8.61

⁸³ Listings Requirements, paragraph 8.61

⁸⁴ Listings Requirements, paragraph 8.61

⁸⁵ Listings Requirements, paragraph 8.57(a) and JSE Guidance Letter issued 13 December 2013

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

	Interim reports	Preliminary reports	Provisional reports	Abridged reports
	<p>A statement that it has been prepared as described above must be included in the financial statements⁸⁶.</p> <p>A statement must be included confirming that the accounting policies are in terms of IFRS and are consistent with those of the previous annual financial statements (or include details of the changes)⁸⁷.</p>	<p>Reporting Standards Council, and must also, as a minimum contain the information required by IAS 34 <i>Interim Financial Reporting</i>⁸⁸.</p> <p>A statement that it has been prepared as described above must be included in the financial statements⁸⁹.</p> <p>A statement must be included confirming that the accounting policies are in terms of IFRS and are consistent with those of the previous annual financial statements (or include details of the changes)⁹⁰.</p>	<p>Reporting Standards Council, and must also, as a minimum contain the information required by IAS 34 <i>Interim Financial Reporting</i>⁹¹.</p> <p>A statement that it has been prepared as described above must be included in the financial statements⁹².</p> <p>A statement must be included confirming that the accounting policies are in terms of IFRS and are consistent with those of the previous annual financial statements (or include details of the changes)⁹³.</p>	<p>Reporting Standards Council, and must also, as a minimum contain the information required by IAS 34 <i>Interim Financial Reporting</i>⁹⁴.</p> <p>A statement that it has been prepared as described above must be included in the financial statements⁹⁵.</p> <p>A statement must be included confirming that the accounting policies are in terms of IFRS and are consistent with those of the previous annual financial statements (or include details of the changes)⁹⁶.</p>
Disclosure required by the Listings	In respect of the period under review and the	In respect of the period under review and the	In respect of the period under review and the	In respect of the period under review and the

⁸⁶ Listings Requirements, paragraph 8.57(a)

⁸⁷ Listings Requirements, paragraph 8.57(c)

⁸⁸ Listings Requirements, paragraph 8.57(b) and JSE Guidance Letter issued 13 December 2013

⁸⁹ Listings Requirements, paragraph 8.57(b)

⁹⁰ Listings Requirements, paragraph 8.57(c)

⁹¹ Listings Requirements, paragraph 8.57(b) and JSE Guidance Letter issued 13 December 2013

⁹² Listings Requirements, paragraphs 8.57(b) and 3.18(c)

⁹³ Listings Requirements, paragraph 8.57(c)

⁹⁴ Listings Requirements, paragraph 8.57(b) and JSE Guidance Letter issued 13 December 2013

⁹⁵ Listings Requirements, paragraph 8.57(b)

⁹⁶ Listings Requirements, paragraph 8.57(c)

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

	Interim reports	Preliminary reports	Provisional reports	Abridged reports
Requirements in addition to IFRS disclosures	immediately preceding comparable period, a headline earnings per share and a diluted headline earnings per share figure must be disclosed, together with an itemised reconciliation between headline earnings and the earnings used in the calculation of earnings per share ⁹⁷ . With respect to Mineral Companies, summary information must be provided in the interim financial statements disclosing any material change to the information disclosed in compliance with 8.63(l) for the prior year/period ended, or an appropriate negative statement where there have been no material changes ⁹⁸ .	immediately preceding comparable period, a headline earnings per share and a diluted headline earnings per share figure must be disclosed, together with an itemised reconciliation between headline earnings and the earnings used in the calculation of earnings per share ¹⁰⁰ . Disclosure where there is a material change to the initial estimates of a contingent consideration payable or receivable in terms of an acquisition or disposal, as used in the pro forma financial effects calculations ¹⁰¹ .	immediately preceding comparable period, a headline earnings per share and a diluted headline earnings per share figure must be disclosed, together with an itemised reconciliation between headline earnings and the earnings used in the calculation of earnings per share ¹⁰² . Disclosure where there is a material change to the initial estimates of a contingent consideration payable or receivable in terms of an acquisition or disposal, as used in the pro forma financial effects calculations ¹⁰³ .	immediately preceding comparable period, a headline earnings per share and a diluted headline earnings per share figure must be disclosed, together with an itemised reconciliation between headline earnings and the earnings used in the calculation of earnings per share ¹⁰⁴ . Disclosure where there is a material change to the initial estimates of a contingent consideration payable or receivable in terms of an acquisition or disposal, as used in the pro forma financial effects calculations ¹⁰⁵ .

⁹⁷ Listings Requirements, paragraph 8.58(a)

⁹⁸ Listings Requirements, paragraph 8.58(b)

¹⁰⁰ Listings Requirements, paragraph 8.58(a)

¹⁰¹ Listings Requirements, paragraph 8.58(c)

¹⁰² Listings Requirements, paragraph 8.58(a)

¹⁰³ Listings Requirements, paragraph 8.58(c)

¹⁰⁴ Listings Requirements, paragraph 8.58(a)

¹⁰⁵ Listings Requirements, paragraph 8.58(c)

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

	Interim reports	Preliminary reports	Provisional reports	Abridged reports
	Disclosure where there is a material change to the initial estimates of a contingent consideration payable or receivable in terms of an acquisition or disposal, as used in the pro forma financial effects calculations ⁹⁹ .			
Disclosure required by the Listings Requirements regarding the auditor and auditor's report	If an interim report has been audited or reviewed by an auditor, this fact and the name of the auditor shall be stated in such published report. If the report of the auditor is not included in the published report, it shall state that the report of the auditor is available for inspection at the company's registered office. If such report has not been audited or reviewed by an auditor, an appropriate negative statement must appear in such published report ¹⁰⁶ . The published report must state the type of review/audit conclusion,	The name of the auditor shall be stated in the published report. Although the review/audit report of the auditor need not be included in the published report, the published report must state the type of review conclusion / audit opinion, i.e. unqualified, qualified, disclaimer or adverse and should contain an extract of the exact modification paragraph from the auditor's report. The published report must also mention and contain details of any emphasis of matter paragraph or paragraphs	The name of the auditor shall be stated in the published report. Although the review/audit report of the auditor need not be included in the published report, the published report must state the type of review conclusion/audit opinion, i.e. unqualified, qualified, disclaimer or adverse and should contain an extract of the exact modification paragraph from the auditor's report. The published report must also mention and contain details of any emphasis of matter paragraph or paragraphs regarding reportable	If the abridged report has been audited, this fact and the name of the auditor shall be stated in the published report. Although the audit report of the auditor need not be included in the published report, the published report must state the type of audit opinion, i.e. unqualified, qualified, disclaimer or adverse and should contain an extract of the exact modification paragraph from the auditor's report. The published report must also mention and contain details of any emphasis of matter paragraph or

⁹⁹ Listings Requirements, paragraph 8.58(c)

¹⁰⁶ Listings Requirements, paragraph 8.60

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

	Interim reports	Preliminary reports	Provisional reports	Abridged reports
	i.e. unqualified, qualified, disclaimer or adverse, and should contain an extract of the exact modification paragraph from the auditor's report. The published report must also mention and contain details of any emphasis of matter paragraph or paragraphs regarding reportable irregularities contained in the auditor's report. If the report of the auditor is not included in the published report, it shall state that the report of the auditor is available for inspection at the issuer's registered office ¹⁰⁷ .	regarding reportable irregularities contained in the auditor's report. If the report of the auditor is not included in the published report, it must state that the report of the auditor is available for inspection at the issuer's registered office ¹⁰⁸ . [KPMG: need to include reference to disclosure of a material inconsistency in information included in a document that contains the audited AFS]	irregularities contained in the auditor's report. If the report of the auditor is not included in the published report, it must state that the report of the auditor is available for inspection at the issuer's registered office ¹⁰⁹ . [KPMG: need to include reference to disclosure of a material inconsistency in information included in a document that contains the audited AFS]	paragraphs regarding reportable irregularities contained in the auditor's report. If the report of the auditor is not included in the published report, it must state that the report of the auditor is available for inspection at the issuer's registered office ¹¹⁰ . [KPMG: need to include reference to disclosure of a material inconsistency in information included in a document that contains the audited AFS]
Audit/review requirement	Interim reports are not required to be audited ¹¹¹ . Unaudited interim reports are required to be reviewed if the issuer's auditor disclaimed, qualified or gave an	Preliminary reports must, at a minimum, be reviewed by the issuer's auditor ¹¹³ .	Unaudited provisional reports shall be reviewed by an issuer's auditor ¹¹⁴ .	There is no requirement in the Listings Requirements for abridged reports to be audited as the underlying information would have been audited by the time

¹⁰⁷ Listings Requirements, paragraph 3.18(f)

¹⁰⁸ Listings Requirements, paragraph 3.22

¹⁰⁹ Listings Requirements, paragraph 3.22

¹¹⁰ Listings Requirements, paragraphs 3.21 and 8.60

¹¹¹ Listings Requirements paragraph 3.18(a)

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

	Interim reports	Preliminary reports		Provisional reports		Abridged reports
	adverse opinion in the issuer's last annual financial statements, unless the JSE otherwise decides ¹¹² . An issuer may voluntarily engage its auditor to audit or review its interim report.					the abridged report is published ¹¹⁵ .
Applicable audit/review standard	When an interim report is reviewed by the issuer's auditor, such a review is performed in accordance with ISRE 2410 ¹¹⁶ .	Audited ISA 700, regarding the complete set of financial statements. ISA 810 regarding the summary financial statements	Reviewed ISRE 2410 on the condensed financial statements	Audited ISA 700 regarding the complete set of financial statements ISA 810 regarding the summary financial statements	Reviewed ISRE 2410 on the condensed financial statements	ISA 810 regarding the summary financial statements.

¹¹³ Listings Requirements, paragraph 3.22

¹¹⁴ Listings Requirements, paragraph 3.18(f)

¹¹² Listings Requirements, paragraph 3.18(b)

¹¹⁵ Listings Requirements, paragraph 3.21

¹¹⁶ Listings Requirements, paragraph 3.18(e)

PROPOSED GUIDE: REPORTING ON FINANCIAL INFORMATION CONTAINED IN INTERIM, PRELIMINARY, PROVISIONAL OR ABRIDGED REPORTS

	Interim reports		Preliminary reports		Provisional reports		Abridged reports
Type of opinion/conclusion	Complete set of interim financial statements <i>“presents fairly, in all material respects”</i> ¹¹⁷	Condensed interim financial statements <i>“prepared, in all material respects”</i> ¹¹⁸	Audited “presents fairly” on the complete set of financial statements. “consistent, in all material respects” on the preliminary financial statements.	Reviewed “prepared, in all material respects”	Audited “presents fairly” on the complete set of financial statements. “consistent, in all material respects” on the provisional report.	Reviewed “prepared, in all material respects”	“consistent, in all material respects”

¹¹⁷ ISRE 2410, paragraph 43(i)

¹¹⁸ ISRE 2410, paragraph 43(j)