

ILLUSTRATIVE INDEPENDENT AUDITOR'S REPORT
to be read with ISAs for SOEs formed under the specific statute other than under section 505
of the Companies Act 2017

To the members of [Name of SOE]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements (or revised financial statements, if applicable)ⁱ of (name of SOE), which comprise the statement of financial position as at, and the statement of profit or lossⁱⁱ and other comprehensive income^{iv} or the income and expenditure statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at, and (of) its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) *(or the current basis of accounting for the time being used)*.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as adopted by the Institute of Chartered Accountants of Pakistan / Institute of Cost and management Accountants (the Code)^v and we have fulfilled our other ethical responsibilities in accordance with the Code.. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information [or another title if appropriate such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

[Reporting in accordance with the reporting requirements in ISA 720 (Revised)]

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, the requirements of the *(Title of the statute under which SOE is formed)* and the State-Owned Enterprises (Governance And Operations) Act, 2023 (SOE Act, 2023), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (*or name the appropriate body charged with the governance responsibility*) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements and notes to the financial statements comply with the requirements of the SOE Act 2023.

Other Matter(s)

Prior Year Financial Statements Audited by Predecessor Auditor ^{vi}

The engagement partner on the audit resulting in this independent auditor's report is [name].

[Signature]

[Place/ location]

[Date]

[UDIN]

Notes:

¹ Where due to events occurring after the issuance of audit report an audit report is required to be revised, this fact along with specific justification and impact shall be conspicuously stated in the title and text of the report. For this, the following paragraph shall be included in an Emphasis of Matter Paragraph or Other Matter paragraph

Reasons for Revision of Financial Statements and the Audit Report (If Applicable)

We have issued the previous Audit Report to the members for audit of the financial statements for the year ended on ----- . The previous Audit Report was unqualified. Those financial statements were approved by the board of directors on----- . Subsequent to issuing of the audit report, material changes in the reported value of-----were discovered due to which the reported amount of -----and the profit is reduced/ increased by Rs. ----- . As a result the financial statements were revised and the board of directors approved it on -----

ⁱⁱ Wherever applicable, substitute "income and expenditure statement" and "surplus or deficit" in case of association not for profit.

ⁱⁱⁱ Omit that component of financial statements which is not applicable in case of a particular SOE.

^{iv} Terms "statement of profit or loss and other comprehensive income" or "statement of comprehensive income" can be used interchangeably.

^v To use the name of the relevant Institute.

^{vi} The paragraph is not required in cases where the auditor of the SOE is same in the previous year.

^{vii} The section of Key Audit Matter(s) is required in the auditor's report for the listed company only.

^{viii} In case of modified auditor's opinion, the modification(s) will be in accordance with the requirements of ISA 705, (Revised), *Modifications to the Opinion in the Independent Auditor's Report*.