

Independent Auditor's Report

To the Board of Directors and Shareholders of XYZ Company

Date: March 31, 2024

We have audited the accompanying financial statements of XYZ Company, which comprise the balance sheet as of December 31, 2023, and the related statements of income, changes in equity, and cash flows for the year then ended, and the related notes to the financial statements, including a summary of significant accounting policies. The financial statements have been prepared by management, who is responsible for ensuring that they present fairly, in all material respects, the financial position of the company in accordance with International Financial Reporting Standards (IFRS).

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Auditing Standards (GAAS). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the accounting principles used and significant estimates made by management.

During our audit, we identified no significant concerns with the overall presentation of the company's financial records. However, we noted areas for improvement in internal control processes, specifically in inventory management and cash reconciliation procedures. Our recommendations have been communicated to management for further action.

In our opinion, the financial statements present fairly, in all material respects, the financial position of XYZ Company as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS). Furthermore, the accounting policies adopted by the company are consistent with applicable standards and practices.

John Doe, CPA

Audit Partner

ABC Auditing Firm

March 31, 2024