

## **Auditor's report with a disclaimer of opinion due to the auditor's inability to obtain sufficient appropriate audit evidence about a single matter pertaining to the financial statements**

(Financial statements Part 9 of Book 2 of the Netherlands Civil Code)

To: appropriate addressee

### **AUDITOR'S REPORT**

#### **Report on the financial statements<sup>1</sup>**

We were engaged to audit the accompanying<sup>2</sup> financial statements XXXX<sup>3</sup> of ... (name), ... (statutory seat), which comprise the balance sheet as at ..., XXXX, the profit and loss account for the year then ended and the notes<sup>4</sup>.

#### *Management's responsibility*

Management<sup>5</sup> is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report<sup>6</sup>, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code<sup>7</sup>. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law. Because of the matter described in the Basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### *Basis for disclaimer of opinion*

The company's investment in its joint venture XYZ in ... (country) is carried at € ... on the company's balance sheet, which represents over 90% of the company's net assets as at ..., XXXX. We were not allowed access to the management and the auditors of XYZ, including XYZ's auditors' audit documentation. As a result, we were unable to determine whether any adjustments were necessary in respect of the company's proportional share of XYZ's assets that it controls jointly, its proportional share of XYZ's liabilities for which it is jointly responsible and its proportional share of XYZ's income and expenses for the year.

#### *Disclaimer of opinion*

Because of the significance of the matter described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

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- 1 The subheading "Report on the financial statements" is unnecessary in circumstances when the second subheading "Report on other legal and regulatory requirements" is not applicable.
  - 2 Referencing is possible through the use of page numbers.
  - 3 Or: "for the year ended xxxx" (fiscal year not coinciding with calendar year).
  - 4 The enumerated parts of the financial statements should be aligned with the index of the financial statements.
  - 5 Depending on the nature of the entity to be changed to more suitable terminology such as "management of the company" (B.V. / N.V.), "union", "foundation" etc.
  - 6 Align terminology with the term applied by the entity.
  - 7 Or the applicable legislation and/or standards.

## **Report on other legal and regulatory requirements<sup>8</sup>**

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code<sup>9</sup>.

*[Place, date]*

*[Name audit firm]*

*[Name external auditor and his signature]*

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<sup>8</sup> This paragraph is not applicable if there are no other legal and regulatory requirements for the auditor to issue such a separate report.

<sup>9</sup> When the entity applies a legal exemption allowing it not to prepare a management board report (section 396 of the Netherlands Civil Code and the 'Wet op de ondernemingsraden'), this excerpt can be omitted. Footnote 8 is also applicable.