

Adverse Audit Opinion

To the Board of Directors

[Company Name]

We have audited the accompanying financial statements of [Company Name], which comprise the statement of financial position as at [Date], and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Adverse Opinion

As described in the Basis for Adverse Opinion section, the financial statements do not present fairly, in all material respects, the financial position of the company as at [Date], and its financial performance and cash flows for the year then ended in accordance with [applicable financial reporting framework, e.g., International Financial Reporting Standards (IFRS)/Generally Accepted Accounting Principles (GAAP)].

The company has not [describe the nature of material misstatement or departure from the applicable financial reporting framework, e.g., properly recognized certain expenses, misstated inventory values, failed to consolidate subsidiaries, etc.]. In our opinion, the magnitude of these misstatements is so material and pervasive that the financial statements as a whole are misleading.

Adverse Opinion

In our opinion, because of the significance of the matter(s) described in the Basis for Adverse Opinion section, the accompanying financial statements do not present fairly, in all material respects, the financial position of [Company Name] as at [Date], and its financial performance and cash flows for the year then ended in accordance with [applicable financial reporting framework].

Other Matters

[Include any other matters as required or deemed appropriate, such as emphasis of matter paragraphs, other legal or regulatory requirements.]

[Auditor's Firm Name]

[Auditor's Name], [Auditor's Designation]

[City], [Country]

[Date]

Important Notes about Adverse Audit Opinion:

- An adverse opinion is the most serious type of auditor's opinion, indicating that the financial statements are materially misstated and do not present a true and fair view.
- It can have significant legal, regulatory, and reputational consequences for the entity.
- Users of financial statements should exercise caution, as the financial information may not be reliable for decision-making purposes.

- The underlying cause(s) of the adverse opinion typically require management's urgent attention and correction.
- This type of opinion is rarely issued and is generally considered when misstatements are both material and pervasive.