

**Auditor Reporting—Updated Wording for Going Concern (GC)  
As of April 18, 2013**

1. ISA 700<sup>1</sup> Drafting Team (DT-700) has considered the IAASB's feedback on the updated proposed revised illustrative wording for the GC section of the auditor's report and presents the following revised text for the IAASB's consideration.
2. For purposes of illustration, the following illustrative text has been prepared assuming IFRS is the applicable financial reporting framework. It is expected that this text would be tailored to reflect the application of other applicable financial reporting frameworks. Additionally, the IFRS accounting standards that apply to going concern are evolving, are subject to change, and are being closely monitored by DT-700. Accordingly, the wording suggested below describing the accounting for going concern under the application of IFRS is subject to change.

*When a MU Is Not Identified*

**Going Concern**

The Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.

Management has not identified any material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we have not identified such material uncertainties. However, it is not possible for management or an auditor to guarantee the Company's ability to continue as a going concern.

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<sup>1</sup> ISA 700, *Forming an Opinion and Reporting on Financial Statements*

*When a MU Is Identified*

**Going Concern**

*Disclosures about Material Uncertainties Identified*

We draw attention to Note X in the financial statements, which indicates that that the Company incurred a net loss of ZZZ during the year ended December 31, 20X1 and, as of that date, the Company's current liabilities exceeded its total assets by YYY. These conditions, along with other matters set forth in Note X, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified with respect to this matter.

*Going Concern Basis of Accounting*

The Company's financial statements have been prepared using the going concern basis of accounting. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The material uncertainty identified above does not indicate that the going concern basis of accounting is inappropriate. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Company's financial statements is appropriate.