

**INDEPENDENT AUDITORS’ REPORT**

**TO THE FINANCIAL SECRETARY**

**THE MINISTRY OF FINANCE**

**NASSAU, BAHAMAS**

**Report on the audit of the Business Licence Return**

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**Our opinion**

In our opinion, the Business Licence Return of [Name of Entity] (the Taxpayer) for the calendar year then ended 31 December 20XX, is prepared, in all material respects, in accordance with the accounting policies described in note 7 to the Business Licence Return and with the financial reporting provisions of the Business Licence Act, 2023.

***What we have audited***

The Taxpayer’s Return comprises:

1. Reconciliation to the Financial Statements for the calendar year then ended;
2. Statement of Revenue for the for the calendar year then ended;
3. Revenue Exclusions for the calendar year then ended;
4. Calculation of Turnover for the calendar year then ended;
5. VAT Reconciliation for the calendar year then ended;
6. Final Reconciliation for the calendar year then ended;
7. Notes & Accounting Policies for the calendar year then ended.

References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued under the Business Licence Act, 2023.

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**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the Certified Statement of Turnover* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Independence***

We are independent of the Taxpayer in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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**Emphasis of Matter - Basis of accounting and restriction on distribution and use**

We draw attention to Note 7, which describes the basis of accounting. The Return is prepared to report to the Financial Secretary of the Ministry of Finance (the Secretary) and the Department of Inland Revenue (DIR) under the Business Licence Act, 2023. As a result, the Return may not be suitable for another purpose.

Our report is intended solely for the Taxpayer, the Secretary and the DIR and should not be distributed to or used by parties other than the Taxpayer, the Secretary and the DIR.

The Return does not comprise a full set of financial statements prepared in accordance with [IFRS, US GAAP, IFRS for SMEs). A separate opinion is provided in respect of the Taxpayer's financial statements.

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**Responsibilities of management and those charged with governance for the Return**

The Taxpayer is responsible for the preparation of the Return in accordance with the accounting policies described in Note 7 to the Business Licence Return and the financial reporting provisions of the Business Licence Act, 2023 and for such internal control as the Taxpayer determines is necessary to enable the preparation of the Return that is free from material misstatement, whether due to fraud or error

The Return is prepared for the purpose of determining the turnover of the Taxpayer as defined in the Business Licence Act, 2023 and as such the applicable tax payable by the Taxpayer for the calendar year ended 20XX. The Taxpayer does not have a choice of financial reporting frameworks in the preparation of the Business Licence Return, and must report the information therein in accordance with the provisions of the Business Licence Act, 2023.

In preparing the Return, the Taxpayer is responsible for assessing their 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 Taxpayer or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Taxpayer's financial reporting process.

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**Auditor's responsibilities for the audit of the Business Licence Return**

Our objectives are to obtain reasonable assurance about whether the Return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 the Return.

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

- Identify and assess the risks of material misstatement of the Return, 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, if any, 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 Return 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.

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.

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### **Report on Other Legal and Regulatory Requirements**

We also have the following responsibilities under the Business Licence Act, 2023. If we conclude that the Business Licence Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023, our responsibility is to express an opinion on the correct turnover of the Business in accordance with the Business Licence Act, 2023 and to explain what adjustments were made to determine the correct turnover.

We have complied with the audit requirements detailed in the Business Licence Act, 2023 including conducting the minimum procedures set out in the Guidelines issued by the DIR.

#### ***Records examined***

In conducting our audit, we have examined the following financial records:

**[Insert list of records examined]**

[Name]

[Signature]

[Auditor Address]

Bahamas Institute of Chartered Accountants Licence [# XXX]

[Date]