

Exhibit 2 – Audit completion

As part of the firm's completion procedures, you are also reviewing the audit senior's recommendations in relation to the proposed auditor's report for Visean Co. Two issues have been highlighted for your attention:

Issue (i)

The Chairman's statement states that property rent now forms a major part of operating income. From the trading profit note in the financial statements, property rental income represents only 0.4% of total revenue. The audit senior is satisfied that the revenue figure in the financial statements is not misstated. She has noted the discrepancy but states that, since the opinion in the auditor's report does not extend to the Chairman's statement, an unmodified opinion should be expressed.

Issue (ii)

During the year Visean Co had entered into the following transactions.

- (1) A loan of \$2,000 to Mr Wright, a director
- (2) A loan of \$15,000 to Mr Oldfield, a director

Neither of these has been disclosed in the financial statements. The audit senior suggests that, as the amounts are small, an unmodified opinion should be expressed.