

# APES 345 Reporting on Prospective Financial Information prepared in connection with a Public Document

[Supersedes APES 345 Reporting on Prospective Financial Information prepared in connection with a Public Document issued in March 2023]

REVISED: January 2025

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## 1. Scope and application

- 1.1 The objectives of APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document* are to specify a **Member in Public Practice's** professional and ethical obligations in respect of:
- fundamental responsibilities of the **Member** who performs a **Reporting Service Engagement**;
  - compliance with applicable **Independence** requirements;
  - consideration of relationships and the provision of other **Professional Services** that create threats to the **Member's** ability to comply with the fundamental principles;
  - reporting and documentation;
  - communication with **Those Charged with Governance**; and
  - the impact of any litigation between the **Client** or its related entities and the **Firm**.
- 1.2 Accounting Professional & Ethical Standards Board Limited (APESB) has revised professional standard APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document (the Standard)*, which is effective for **Engagements** commencing on or after 1 April 2025 and supersedes APES 345 issued in March 2023. Earlier adoption of this Standard is permitted.
- 1.3 APES 345 sets the standards for **Members in Public Practice** in the provision of quality and ethical **Professional Services** in respect of **Reporting Service Engagements**. The mandatory requirements of this Standard are in **bold-type**, preceded or followed by discussion or explanations in normal type. APES 345 should be read in conjunction with other professional duties of **Members**, and any legal obligations that may apply.
- 1.4 **Members in Public Practice in Australia shall follow the mandatory requirements of APES 345 when they undertake Reporting Service Engagements for Clients.**
- 1.5 **Members in Public Practice practising outside of Australia shall follow the mandatory requirements of APES 345 to the extent to which they are not prevented from so doing by specific requirements of local laws and/or regulations.**
- 1.6 The compilation of **Prospective Financial Information** does not, in itself, constitute a **Reporting Service Engagement**. APES 315 *Compilation of Financial Information* applies in these circumstances.
- 1.7 **Members in Public Practice shall comply with other applicable Professional Standards and be familiar with relevant guidance notes when providing Professional Services. All Members shall comply with the fundamental principles outlined in the Code.**
- 1.8 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.
- 1.9 All references to **Professional Standards**, guidance notes and legislation are references to those provisions as amended from time to time.
- 1.10 In applying the requirements outlined in APES 345, **Members in Public Practice** should be guided not merely by the words but also by the spirit of this Standard and the **Code**.
- 1.11 In this Standard, unless otherwise specified, words in the singular include the plural and vice versa, words of one gender include another gender, and words referring to persons include corporations or organisations, whether incorporated or not.

## 2. Definitions

Defined terms are shown in the body of the Standard in title case.

For the purpose of this Standard:

**Acceptable Level** means a level at which a [Member in Public Practice](#) using the reasonable and informed third party test would likely conclude that the [Member](#) complies with the fundamental principles.

**APES 320** means APES 320 *Quality Management for Firms that provide Non-Assurance Services* issued by Accounting Professional & Ethical Standards Board Limited.

**ASQM 1** means Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* issued by the [AUASB](#).

**Assurance Engagement** means an [Engagement](#) in which a [Member in Public Practice](#) aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information.

This includes an [Engagement](#) in accordance with the *Framework for Assurance Engagements* issued by the [AUASB](#) or in accordance with specific relevant standards, such as International Standards on Auditing, for Assurance Engagements.

(For guidance on Assurance Engagements, see the *Framework for Assurance Engagements* issued by the [AUASB](#). The *Framework for Assurance Engagements* describes the elements and objectives of an Assurance Engagement and identifies [Engagements](#) to which *Australian Auditing Standards* (ASAs), *Standards on Review Engagements* (ASREs) and *Standards on Assurance Engagements* (SAEs) apply.)

**AUASB** means the Australian statutory body called the Auditing and Assurance Standards Board established under section 227A of the *Australian Securities and Investments Commission Act 2001*.

**Client** means an individual, firm, entity or organisation to whom or to which [Professional Activities](#) are provided by a [Member in Public Practice](#) in respect of [Engagements](#) of either a recurring or demand nature.

**Code** means APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

**Confidential Information** means any information, data or other material in whatever form or medium (including written, electronic, visual or oral) that is not publicly available.

**Contingent Fee** means a fee calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed by the [Firm](#). A fee that is established by a court or other public authority is not a Contingent Fee.

**Disclosure Document** means a disclosure document as defined in the *Corporations Act 2001*.

**Engagement** means an agreement, whether written or otherwise, between a [Member in Public Practice](#) and a [Client](#) relating to the provision of [Professional Services](#) by a [Member in Public Practice](#). However, consultations with a prospective [Client](#) prior to such agreement are not part of an Engagement.

**Engagement Document** means the document (i.e. letter, agreement or any other appropriate means) in which the [Terms of Engagement](#) are specified in [Writing](#).

**Engagement Partner** means the **Partner** or other person in the **Firm** who is responsible for the **Engagement** and its performance, and for the report that is issued on behalf of the **Firm**, and who, where required, has the appropriate authority from a professional, legal or regulatory body.

**Engagement Period** starts when the **Firm** accepts the **Reporting Service Engagement** and ends on the day the securities are allotted.

**Engagement Team** means all **Partners** and staff performing the **Engagement**, and any other individuals who perform procedures on the **Engagement**, excluding an **External Expert**.

*Engagement Teams include any other individuals who perform procedures on the **Engagement** who are from a **Network Firm** or a service provider.*

**External Expert** means an individual (who is not a **Partner** or a member of the professional staff, including temporary staff, of the **Firm** or a **Network Firm**) or organisation possessing skills, knowledge and experience in a field other than accounting or auditing, whose work in that field is used to assist the **Member** in obtaining sufficient appropriate evidence.

**Financial Interest** means an interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.

**Firm** means:

- (a) A sole practitioner, partnership, corporation or other entity of professional accountants;
- (b) An entity that controls such parties, through ownership, management or other means;
- (c) An entity controlled by such parties, through ownership, management or other means; or
- (d) An Auditor-General's office or department.

**Independence** comprises:

- (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgement, thereby allowing an individual to act with integrity, and exercise objectivity and professional scepticism.
- (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a **Firm's**, or an **Engagement Team** member's, integrity, objectivity or professional scepticism has been compromised.

**Member** means a member of a **Professional Body** that has adopted this Standard as applicable to their membership, as defined by that **Professional Body**.

**Member in Public Practice** means a **Member**, irrespective of functional classification (for example, audit, tax or consulting) in a **Firm** that provides **Professional Services**. This term is also used to refer to a **Firm** of Members in Public Practice and means a practice entity and a participant in that practice entity as defined by the applicable **Professional Body**.

**Network** means a larger structure:

- (a) That is aimed at cooperation; and
- (b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality management policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.

**Network Firm** means a [Firm](#) or entity that belongs to a [Network](#).

**Partner** means any individual with authority to bind the [Firm](#) with respect to the performance of a [Professional Services Engagement](#).

**Product Disclosure Statement** means a statement as defined in Chapter 7 of the *Corporations Act 2001*.

**Professional Activity** means an activity requiring accountancy or related skills undertaken by a [Member](#), including accounting, auditing, tax, management consulting, and financial management.

**Professional Bodies** means Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants.

**Professional Services** means [Professional Activities](#) performed for [Clients](#).

**Professional Standards** means all standards issued by Accounting Professional & Ethical Standards Board Limited and all professional and ethical requirements of the applicable [Professional Body](#).

**Prospective Financial Information** means financial information of a predictive character based on assumptions about events that may occur in the future and on possible actions by an entity.

**Prospectus** means a prospectus as defined in the *Corporations Act 2001*.

**Public Document** means a [Disclosure Document](#), [Product Disclosure Statement](#) or other documentation provided to shareholders, unit holders or holders of a relevant interest in an entity (or which is provided to management of an entity) in relation to a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* or a takeover or compulsory acquisition under Chapter 6 of the *Corporations Act 2001*.

**Reporting Service Engagement** means an [Engagement](#) in which a [Member in Public Practice](#) prepares a report on or in connection with [Prospective Financial Information](#) where such [Prospective Financial Information](#) or part thereof and the related report are included in a [Public Document](#).

**Terms of Engagement** means the terms and conditions that are agreed between the [Client](#) and the [Member in Public Practice](#) for the [Engagement](#).

**Those Charged with Governance** means the person(s) or organisation(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, Those Charged with Governance might include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner-manager.

**Writing** means a mode of representing or reproducing words in a visible form and includes words in an electronic format capable of being converted to printed text.

### 3. Fundamental responsibilities of Members in Public Practice

3.1 **A [Member in Public Practice](#) undertaking a [Reporting Service Engagement](#) shall comply with Part 1 *Complying with the Code, Fundamental Principles and Conceptual Framework* of the [Code](#) and relevant laws and regulations.**

3.2 **[Members in Public Practice](#) shall comply with Section 310 *Conflicts of Interest* of the [Code](#).**

## Public interest

- 3.3 In accordance with Section 100 *Complying with the Code* of the Code, a Member in Public Practice shall observe and comply with the Member's public interest obligations when providing a Professional Service in respect of a Reporting Service Engagement.

## Professional Independence

- 3.4 When a Member in Public Practice is engaged to perform a Reporting Service Engagement which requires Independence or purports to be independent, the Member shall comply with Independence as defined in this Standard.
- 3.5 A Member in Public Practice shall consider whether the circumstances of the Reporting Service Engagement make the Engagement an Assurance Engagement under the Framework for Assurance Engagements issued by the AUASB.
- 3.6 Where a Reporting Service Engagement is an Assurance Engagement, the Member in Public Practice shall comply with Part 4A *Independence for Audit and Review Engagements* or Part 4B *Independence for Assurance Engagements Other than Audit and Review Engagements* of the Code, as applicable.
- 3.7 A Member in Public Practice shall not act as an advocate in respect of a Reporting Service Engagement which requires Independence or purports to be independent.

## Professional competence and due care

- 3.8 A Member in Public Practice performing a Reporting Service Engagement shall maintain professional competence and take due care in the performance of the Member's work in accordance with Subsection 113 *Professional Competence and Due Care* of the Code.
- 3.9 Where a Reporting Service Engagement requires the consideration of matters that are outside the professional expertise of the Member in Public Practice, the Member shall seek expert assistance or advice from a suitably qualified third party or decline the Reporting Service Engagement. Where the Member relies upon the advice of a third party, the Member shall disclose in the Member's report the name and qualifications of the third party and the area in the report where the third party advice has been obtained.
- 3.10 When planning to use the work of a suitably qualified third party, a Member in Public Practice shall assess the professional competence and objectivity of the third party, the engagement terms of the third party, and on completion the appropriateness and adequacy of the work performed.
- 3.11 In undertaking a Reporting Service Engagement, a Member in Public Practice should consider any guidance in respect of such services issued by the Professional Bodies and appropriate regulatory authorities.

## Confidentiality

- 3.12 A Member in Public Practice who acquires Confidential Information in the course of performing a Reporting Service Engagement for a Client shall comply with Subsection 114 *Confidentiality* of the Code.
- 3.13 Unless a Member in Public Practice has a legal, regulatory or professional duty or right to disclose, the Member shall not convey any information relating to a Client's affairs to a third party without the Client's permission.

- 3.14 Where a **Client** has given a **Member in Public Practice** permission to disclose **Confidential Information** to a third party, it is preferable that this permission is in **Writing**. Where oral permission is obtained, a contemporaneous note should be made and kept on file by the **Member** recording the relevant details of the **Client's** approval.
- 3.15 Where a **Member in Public Practice** provides **Confidential Information** in accordance with a legal, regulatory or professional duty or right to disclose, the **Member** shall consider whether it is appropriate to inform the **Client** or the relevant third party, either before disclosing the **Confidential Information**, or as soon as practicable thereafter, provided that there is no legal prohibition against such notification.

#### 4. Professional Engagement and other matters

- 4.1 A **Member in Public Practice** shall document and communicate the **Terms of Engagement** to provide the **Reporting Service Engagement** to a **Client** in an **Engagement Document** in accordance with APES 305 *Terms of Engagement*.
- 4.2 A **Member in Public Practice** who is approached by a potential **Client** to undertake a **Reporting Service Engagement** shall comply with the requirements of Section 320 *Professional Appointments* of the **Code**.
- 4.3 A **Member in Public Practice** who utilises the services of a suitably qualified third party in connection with the performance of a **Reporting Service Engagement** shall not disclose the opinion or the name of the third party without the prior consent of that party unless the **Member** has a legal obligation of disclosure.
- 4.4 A **Member in Public Practice** shall gather sufficient and appropriate evidence by such means as inspection, inquiry, computation and analysis to ensure that the conclusions, for which the **Member** is responsible, are properly supported. When determining the extent and quality of evidence necessary, the **Member** shall exercise professional judgement, considering the nature of the **Reporting Service Engagement**, the **Terms of Engagement** and the use to which the **Public Document** will be put.

#### 5. Relationships that create threats to the fundamental principles

- 5.1 This section describes specific circumstances arising out of relationships with the **Client**, which may create threats to the fundamental principles in the **Code**. Consideration should always be given to what a reasonable and informed third party<sup>1</sup> would reasonably conclude to be unacceptable. In situations where threats are not at an **Acceptable Level**, the only possible actions are to eliminate the circumstances, including interests or relationships that are creating the threat, apply safeguards, where available and capable of being applied, or refuse to accept or continue the **Reporting Service Engagement**.
- 5.2 Threats to the fundamental principles may be created by any of the following interests or relationships:
- **Financial Interests**;
  - Loans and guarantees;
  - Close business relationships with the **Client**;
  - Employment relationships with the **Client**; or
  - Family and personal relationships.

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<sup>1</sup> The term 'reasonable and informed third party' is explained in paragraph 120.5 A9 of the **Code**.



## 6. The provision of other Professional Services

- 6.1 Where a **Member in Public Practice** is providing a **Reporting Service Engagement** to a **Client**, the provision of other **Professional Services** by the **Member** to the **Client** may create threats to compliance with the fundamental principles in the **Code**.

In this Standard “other **Professional Services**” comprise any **Engagement** in which a **Member** provides **Professional Services** to a **Client** other than pursuant to a **Reporting Service Engagement**.

- 6.2 Prior to accepting an **Engagement** to provide other **Professional Services**, the **Member in Public Practice** shall consider and evaluate whether any threats to compliance with the fundamental principles in the **Code** are created. If the threats identified are not at an **Acceptable Level**, the **Member** shall eliminate or reduce the threats to an **Acceptable Level** by:
- (a) Eliminating the circumstances, including interests or relationships, that are creating the threats;
  - (b) Applying safeguards, where available and capable of being applied, to reduce the threats to an **Acceptable Level**; or
  - (c) Declining or ending the specific **Professional Activity** (for example, either the **Reporting Service Engagement** or the other **Professional Services** should not be carried out).
- 6.3 A **Member in Public Practice** shall refuse an **Engagement** to provide other **Professional Services** in circumstances where the **Engagement Partner** responsible for the **Reporting Service Engagement** considers it probable that a reasonable and informed third party<sup>2</sup> would regard the objectives of the **Engagement** to provide the other **Professional Service**, proposed to be undertaken during the **Engagement Period**, as being inconsistent with the objectives of the **Reporting Service Engagement**.

## 7. Documentation

- 7.1 A **Member in Public Practice** shall prepare working papers in accordance with this Standard that appropriately document the work performed, including aspects of the **Engagement** that have been provided in **Writing**. The documentation prepared by the **Member** shall:
- (a) provide a sufficient and appropriate record of the procedures performed for the **Reporting Service Engagement**;
  - (b) identify the source of significant information the **Member** has used in the conduct of the **Reporting Service Engagement**; and
  - (c) demonstrate that the **Reporting Service Engagement** was carried out in accordance with this Standard and all other **Professional Standards** applicable to the **Reporting Service Engagement**, including:
    - (i) policies and procedures established in accordance with **APES 320**; or
    - (ii) where the **Engagement** is determined to be an **Assurance Engagement**, responses, which are policies or procedures to address one or more quality risk(s), designed and implemented in accordance with **ASQM 1**; and
    - (iii) any applicable ethical, legal and regulatory requirements.

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<sup>2</sup> The term ‘reasonable and informed third party’ is explained in paragraph 120.5 A9 of the **Code**.

## 8. Reporting

- 8.1 A **Member in Public Practice** shall take all reasonable steps in accordance with the **Terms of Engagement** to ensure that the **Prospective Financial Information** that is the subject of the **Reporting Service Engagement** does not contain false or misleading information, or omit material information.
- 8.2 A **Member in Public Practice** shall take all reasonable steps in accordance with the **Terms of Engagement**, to ensure that the **Public Document** clearly states the basis(es) and key assumptions used in forecasting the **Prospective Financial Information**.
- 8.3 If, subsequent to the issue of a **Public Document**, the **Member in Public Practice** finds that information on which the **Reporting Service Engagement** is based contains false or misleading information or omits material information, the **Member** shall take all reasonable steps to ensure that the **Client** takes appropriate action to inform anyone who received the previously issued **Public Document** of the situation.
- 8.4 If the **Member in Public Practice** becomes aware that the **Client** has not taken appropriate action in terms of paragraph 8.3, the **Member** shall notify **Those Charged with Governance** of the **Client**.
- 8.5 If the **Member in Public Practice** becomes aware that **Those Charged with Governance** have not taken appropriate action in relation to the circumstances described in paragraph 8.4, the **Member** shall consider the **Firm's** policies and procedures established in accordance with *Acceptance and Continuance of Client Relationships and Specific Engagements* of **APES 320**, or **ASQM 1** where the **Engagement** is determined to be an **Assurance Engagement**, in determining whether to continue acting for the **Client** in a professional capacity.
- 8.6 A **Member in Public Practice** shall not knowingly or recklessly make a statement or cause another to make a statement in or in connection with a **Reporting Service Engagement** that, by its content or by an omission, is false or misleading in a material manner.
- 8.7 A **Member in Public Practice** who becomes aware of instances of non-compliance or suspected non-compliance with laws and regulations when providing a **Reporting Service Engagement** shall comply with Section 360 *Responding to Non-Compliance with Laws and Regulations* of the **Code**.

## 9. Communication with Those Charged with Governance

- 9.1 The **Member in Public Practice** shall ensure that **Those Charged with Governance** of the **Client**, and any other persons or entities the **Member** is instructed to advise, are appropriately informed on a timely basis of all significant matters arising from the **Reporting Service Engagement**.
- 9.2 Matters communicated will generally include the key elements of the **Member in Public Practice's** consideration of significant matters such as:
- The principal threats, if any, to objectivity and **Independence** identified by the **Member**, including consideration of relationships between the **Firm** and the **Client**, its related entities and directors and any other entities directly involved in the transaction which is the subject of the **Public Document**;
  - The overall assessment of threats to compliance with the fundamental principles;
  - The approach adopted in ensuring threats, if any, are at an **Acceptable Level**; and

- Information about the general policies and processes within the Firm for maintaining objectivity and Independence.

## 10. Professional fees

- 10.1 A Member in Public Practice undertaking a Reporting Service Engagement shall be remunerated for such Professional Services by way of professional fees computed in accordance with Section 330 Fees and Other Types of Remuneration of the Code.
- 10.2 A Member in Public Practice shall not enter into a Contingent Fee arrangement or receive a Contingent Fee for a Reporting Service Engagement which requires Independence or which purports to be independent.

## 11. Threatened and actual litigation

- 11.1 Where litigation between the Client or its related entities and the Firm, which is other than insignificant, is already in progress, or where the Member in Public Practice considers such litigation to be probable, the Member shall consider the Firm's policies and procedures established in accordance with Acceptance and Continuance of Client Relationships and Specific Engagements of APES 320, or ASQM 1 where the Engagement is determined to be an Assurance Engagement, in determining whether to continue acting for the Client in a professional capacity.

### **Conformity with International Pronouncements**

The International Ethics Standards Board for Accountants (IESBA) has not issued a pronouncement equivalent to APES 345.

## Appendix 1 – Summary of revisions to the previous APES 345 (Issued in March 2023)

APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document* was originally issued in November 2008 and revised in October 2015, November 2019 and March 2023 (extant APES 345). APES 345 has been revised by APESB in January 2025. A summary of the revisions is given in the table below.

### Table of revisions\*

Paragraph affected	How affected
1.2	Amended
2 – Definition of Confidential Information	Added
3.12	Amended
3.14	Amended
3.15	Amended
5.1 - Footnote 1	Amended
6.3 - Footnote 2	Amended

\* Refer Technical Update 2025/2