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| --- | --- | --- |
| **Client Name:** Cosmopolitan Industries Pvt. Ltd. (CIPL) | | |
| **Accounting period:** 01 July 2020 to 30 June 2021 | | |
| **Prepared by:** Mahdi Mohammad Mehrab |  | **Date:** 18 July 2021 |
| **Reviewed by:** Humaun Ahamed |  | **Date:** 19 July 2021 |
| **Subject:** MABCOTD Memo for the financial statements of CIPL | | |

**Objective:**

The objective of this memo is to document the procedure performed for MABCOTD on basis of which accounts head were scoped in for testing.

**Background:**

Cosmopolitan Industries Private Limited ("the Company” or "CIPL") was incorporated in Bangladesh on 26 June 2005 as a private limited company under the Companies Act, 1994. The Company is engaged in the production and export of readymade garments. The Company is in operation with two units namely Washing and Garments unit. The Washing unit commenced its commercial operations from 31 August 2006 for automatic washing of all kinds of garments and the Garments unit commenced its commercial operation from 1 November 2006 for the production of ready-made garments. The Company is a subsidiary of Epic Designers Ltd., Hong Kong. The Company is a 100% export oriented garments manufacturing industry, engaged in the production and export of its products to the international markets.

**Scope of Audit:**

Financial statement of Cosmopolitan Industries Pvt. Ltd. for the year ended 30 June 2021.

**Approach followed by the Engagement Team:**

The engagement team has determined MABCOTD by performing following procedures which are as follows:

First we have collected the trial balance from the accounts department as at 30 June 2021.

Second we made a mapping table (work ref: [13210 Mapping for MABCOTD](../03%20Mapping%20for%20MABCOTD/13210%20Mapping%20for%20MABCOTD-CIPL%20Final.xlsx)) on which we have categorize those accounts heads into balance sheet items & profit and loss items.

Third, we have posted the cumulative figure, as shown in mapping table under the heading “Amount as per MABCOTD” against the particular name given under “At the appropriate level from the financial statements/TB function MABCOTD”, in the “[Annexure A - Determine MABCOTD CIPL](Annexure%20A%20-%20Determine%20MABCOTD_CIPL%20Final.xlsx)”.

Fourth in the steps we have posted qualitative information from our understanding the entity and the nature of business and finally selected accounts for testing.

**Conclusion:**

On basis of our workings we have selected following head of accounts for testing:

|  |  |
| --- | --- |
| **SL No.** | **Accounts name** |
|  | Property, plant and equipment – net |
|  | Inventories |
|  | Intercompany receivables |
|  | Other receivables |
|  | Advances, deposits & prepayments |
|  | Cash and cash equivalents |
|  | Share Capital |
|  | Revaluation reserve |
|  | Bangladesh Bank Stimulus Loan net of current portion |
|  | Loan from Promoter-EDL-HK |
|  | Accounts payable |
|  | Intercompany payables |
|  | Short term loan-Import /Export/Working capital |
|  | Advance from Buyer |
|  | Accrued expenses and other liabilities |
|  | Export Sales |
|  | Production materials consumed |
|  | Direct Expenses-Wages |
|  | Factory overhead |
|  | Export incentive |
|  | Admin-Salary and allowance |
|  | Admin-Other Expenses |
|  | Selling & distribution expenses |
|  | Exchange gain or loss |
|  | Tax Expense |