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| **Client Name:** Cosmopolitan Industries (Pvt.) Limited | | |
| **Accounting period:** 01 July 2020 to 30 June 2021 | | |
| **Prepared by:**  Md. Nahid Hasan Badhan  **Reviewed by:** Rounak Rayhan Shuban |  | **Date:** 17 August 2021  **Date:** 18 August 2021 |
| **Further Reviewed by:** Humaun Ahamed |  | **Date:** 18 August 2021 |
| **Subject:** Memo of test of details on Inter Company Receivable | | |

**Objective**

The objective of the Memo is to document the work procedures performed on Inter Company Receivable.

**Background**

Cosmopolitan Industries (Pvt.) Limited (here-in-after referred to as the "Company" or "(CIPL") was incorporated in Dhaka, Bangladesh on 26 June 2005 as a private limited company under the Companies Act, 1994. The registered office of the Company is situated at House # 17, Road # 15, Sector # 03, Rabindra Swarani, Uttara, Dhaka. The Company is a subsidiary of Epic Designers Ltd., Hong Kong.

**Audit coverage**

1. To obtain the population of Inter Company Receivable at the year-end and tie out the same with financial statement;
2. To obtain commercial invoice, bill of lading, Bank Advice ;
3. To perform test of details from selected sample;

**About on Inter Company Receivable:**

Inter Company Receivable amount reflected at the accounts consists of following items:

1. Trade Receivable;
2. Non- Trade Receivable

**Approach followed by the Engagement Team**

We (Engagement Team) have performed following procedures for on Inter Company Receivable balances:

1. We have obtained **Inter Company Receivable,** balances from the draft financial statements of current period and tied out the balance with trial balance as well as general ledger balances. In addition, we have checked whether adequate disclosures are given for the amount on the draft financial statements. Work ref: IR 090;
2. We have obtained commercial invoice, bill of lading which is maintained by the company and performed Test of details. Work ref: IR 300;

**From the above documents we have checked:**

* Commercial Invoice: Confirm the balance of commercial invoice with Bank Statements.
* Bill of Lading: Checking that the revenue recognized and posted on the GL complying with the date of boarding in the Bill of lading.

**Conclusion:**

On the above procedures, we have confirmed the balances of **Inter-company Receivable,** shown on Financial Statement and noted that everything is presented accordingly.