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| **Client Name:** Cosmopolitan Industries Pvt. Ltd (CIPL) | | |
| **Accounting period:** 01 July 2020 to 30 June 2021 | | |
| **Prepared by:** Syed Muhammad Ali  **Reviewed by:** Mahdi Mohammad Mehrab |  | **Date:** 19 August 2021  **Date:** 19 August 2021 |
| **Further Reviewed by:** Humaun Ahamed |  | **Date:** 19 August 2021 |
| **Subject:** Memo of test of details on Advance Deposits and Prepayments | | |

**Objective**

The objective of the Memo is to document the work procedures performed on Advance from buyer.

**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 Advance Deposits and Prepayments ledger at the year-end and tie out the same with financial statement;
2. To obtain sales contract and other supporting documents relevant to that advance;
3. To obtain Bank statement and check whether the addition/adjustment of advance from buyers are reflected in the bank account;
4. To send confirmation letter of credit for the balance confirmation;
5. To perform test of details from selected sample.

**About Advance Deposits and Prepayments**

The Advance Deposits and Prepayments amount consists of the advance paid to the supplier of goods by EPIC.

**Approach followed by the Engagement Team**

We (Engagement Team) have performed following procedures for Advance Deposits and Prepayments balances:

1. We have obtained Advance Deposits and Prepayments 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: ADP 100;
2. We have sales contract and other supporting documents relevant to that advance, related bank statement and performed Test of details. Work ref: ADP 250;

**Conclusion:**

On the above procedures, we have confirmed the balances of **Advance Deposits and Prepayments,** shown on Financial Statement and noted that everything is presented accordingly.