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| **Client Name:** Cosmopolitan Industries Pvt. Ltd | | |
| **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:** |
| **Subject:** Memo of test of details on Advance from buyer | | |

**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 from buyer 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 to buyer for the balance confirmation;
5. To perform test of details from selected sample.

**About Advance from buyer**

The Advance from buyer amount consists of the advance from following entities:

1. Epic Designers Ltd., Hong Kong
2. Epic Garments DWC - LLC

**Approach followed by the Engagement Team**

We (Engagement Team) have performed following procedures for Advance from buyer balances:

1. We have obtained Advance from buyer 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: AB 100;
2. We have sent confirmation letter to buyer for the balance confirmation and obtained, preserved and reconciled the outstanding balance matched with that in draft financial statements. Work ref: AB 200.
3. We have sales contract and other supporting documents relevant to that advance, related bank statement and performed Test of details. Work ref: AB 250;

**Conclusion:**

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