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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:** 20 August 2021 |
| **Subject:** Memo of test of details on Accrued expenses and other liabilities | | |

**Objective**

The objective of the Memo is to document the work procedures performed on Accrued expenses and other liabilities

**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 Accrued expenses and other liabilities ledger at the year-end and tie out the same with financial statement;
2. To obtain Bank statement and check whether the reduction/adjustment of accrued expenses and other liabilities are reflected in the Current Account in bank Check every provision amount posted in the FS and take the calculation sheet for that provision. Check whether the estimates used to calculate that provision is reasonable or not
3. To perform test of details from selected sample;

**About Accrued expenses and other liabilities**

The Accrued expenses and other liabilities amount reflected at the accounts consists of following material:

a. Audit & Prof. Fees

b. Employee income tax

c. Interest payable on loan

d. TDS payable

e. Provision payable

f. Salaries and allowances

g. VAT Payable

h. End Service Benefit

i. Tax provision on interest income

j. Interest Payable-Import Loan

**Approach followed by the Engagement Team**

We (Engagement Team) have performed following procedures for Accrued expenses and other liabilities balances:

1. We have obtained Accrued expenses and other liabilities 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: AEOL 100;
2. We have obtained sample contracts, workers recruitment and termination documents, supporting's documents related to other Accrued expenses and other liabilities. Work ref: AEOL 145;

**Conclusion:**

On the above procedures, we have confirmed the balances of Accrued expenses and other liabilities balances**,** shown on Financial Statement and noted that everything is presented accordingly.