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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:** 19 August 2021 |
| **Subject:** Memo of test of details on Factory Overhead | | |

**Objective**

The objective of the Memo is to document the work procedures performed on Factory Overhead.

**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 Factory Overhead 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 of the factory overhead expense;
3. To obtain Bank statement and check whether the expense has actually occurred and whether it was material;
4. To perform test of details from selected sample.

**About Factory Overhead**

The Factory Overhead amount consists of the amount that EPIC incurred during its accounting period for the overall operation of their factories situated at different location throughout the country.

**Approach followed by the Engagement Team**

We (Engagement Team) have performed following procedures for Export Revenue balances:

1. We have obtained Factory Overhead 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: FO 090;
2. We have sales contract and other supporting documents relevant to that of the expense, related bank statement and performed Test of details. Work ref: FO 250;

**Conclusion:**

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