

**PRIVATE & CONFIDENTIAL**

**Audit Report and Financial Statement  
Of**

**Coppertech Industries LTD**

House: 214 (4<sup>th</sup> floor), Road:13,  
Mohakhali DOHS,Dhaka-1206

For the year ended June 30, 2019



INDEPENDENT MEMBER OF  
**A B A C U S**  
WORLDWIDE

শফিক বসাক এন্ড কোং  
**SHAFIQ BASAK & CO.**  
CHARTERED ACCOUNTANTS



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# শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

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## Independent Auditor's Report Coppertech Industries Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Coppertech Industries Ltd.** which comprise the statement of financial position as at 30 June 2019, statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the statement of financial position of **Coppertech Industries Ltd.** as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditors' Responsibilities of the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



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Description of key audit matters	Our Response to the key audit matters
<p><b>1. Appropriateness of revenue recognition and disclosure on the impact of the initial application of IFRS 15.</b></p> <p>Revenue of BDT 666,906,760 is recognized in the statement of profit or loss and other comprehensive income of the Company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of the new standard on revenue recognition, International Financial Reporting Standard 15 “Revenue from Contracts with Customers”. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the invoices, discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>In light of the fact that the high degree of complexity and estimates and assumptions give rise to an increased risk of accounting misstatements, we assessed the Company’s processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> <li>• Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</li> <li>• Assessing controls for systems and procedures supporting revenue recognition.</li> <li>• Assessing the invoicing and measurement system up to entries in the general ledger.</li> <li>• Examining customer invoices and receipts of payment on a test basis.</li> <li>• Testing the revenue charging model against the regulatory guidelines on a sample basis</li> </ul> <p>Furthermore, we assessed the accounting effects of new business and price models. We assured ourselves of the appropriateness of the systems, processes, and controls in place and that the estimates and assumptions made by management are sufficiently documented and substantiated to ensure that revenue is properly recognized.</p> <p>With regard to the impact of the initial application of IFRS 15 from the financial year 2018 onward, we assessed the impact determined after the implementation of the new standard. Our audit approach included, among other items:</p> <ul style="list-style-type: none"> <li>• Assessing the accounting estimates made of the different business models of the company.</li> <li>• Assessing the design of the processes set up to account for the transaction in accordance with the new standard.</li> </ul> <p><b>Please refer to the note 18.00 to the financial statements.</b></p>



