

**FISHERIES DEVELOPMENT
BOARD**

FINANCIAL STATEMENTS

**FOR THE PERIOD
AUGUST 2, 2007 TO JUNE 30, 2008**

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November 7, 2008
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The Board of Directors
Fisheries Development Board
Islamabad

Dear Sirs

FINANCIAL STATEMENTS FOR THE PERIOD AUGUST 2, 2007 TO JUNE 30, 2008

We enclose six copies of the financial statements of Fisheries Development Board (FDB) for the period August 2, 2007 to June 30, 2008 along with our report thereon initialled by us for identification purposes. We shall be pleased to sign our report after:

- i) the financial statements have been approved by the board of directors and signed by the Chairman and Chief Executive;
- ii) we have received direct confirmation from National Bank of Pakistan for bank balance of Rs 28,353,015 as at June 30, 2008;
- iii) we have received direct confirmation from Government of Pakistan for grants received during the period August 2, 2007 to June 30, 2008; and
- iv) we have received representation letter, on the lines of the enclosed draft, duly signed by the Chief Executive and Company Secretary.

2. The Company has not yet applied for approval of Commissioner Income Tax for exemption from income tax under section 2(36) of the Income Tax Ordinance, 2001. We recommend that approval of Commissioner Income Tax under section 2(36) of the Income Tax Ordinance, 2001 is obtained on priority basis.

3. We wish to place on record our appreciation of the cooperation and courtesy extended to us by all concerned during the course of the audit.

Yours truly



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A.F. FERGUSON & CO.

CHARTERED ACCOUNTANTS
KARACHI-LAHORE-ISLAMABAD

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Fisheries Development Board (the Company) as at June 30, 2008 and the related income and expenditure account, cash flow statement and statement of changes in accumulated surplus together with the notes forming part thereof, for the period August 2, 2007 to June 30, 2008 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Board's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion
 - i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies described in note 2 to the financial statements;
 - ii) the expenditure incurred during the period was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the Company;
- (c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of changes in accumulated surplus together with the notes thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2008 and of the surplus and its cash flows for the period then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Chartered Accountants



Islamabad

FISHERIES DEVELOPMENT BOARD

(A Company incorporated under section 42 of the Companies Ordinance, 1984)

BALANCE SHEET AS AT JUNE 30, 2008

	Note	Rupees	Note	Rupees
Accumulated surplus		311,000	5	17,000,000
Deferred grants	3	64,871,183		
Current liabilities				
Creditors, accrued and other liabilities	4	491,371	6	48,673,554
		<u>65,673,554</u>		<u>65,673,554</u>

The annexed notes 1 to 9 form an integral part of these financial statements.

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Chairman

Chief Executive

FISHERIES DEVELOPMENT BOARD

(A Company incorporated under section 42 of the Companies Ordinance, 1984)

INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD AUGUST 2, 2007 TO JUNE 30, 2008

	Note	Rupees
Income		
Grants income recognised	3	1,611,817
Income on bank deposits		311,000
		<u>1,922,817</u>
Expenditure	7	1,611,817
Surplus for the period		<u><u>311,000</u></u>

The annexed notes 1 to 9 form an integral part of these financial statements.

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Chairman

Chief Executive

FISHERIES DEVELOPMENT BOARD

(A Company incorporated under section 42 of the Companies Ordinance, 1984)

CASH FLOW STATEMENT**FOR THE PERIOD AUGUST 2, 2007 TO JUNE 30, 2008**

	Rupees
CASH FLOW FROM OPERATING ACTIVITIES	
Surplus for the period	311,000
Less: Income on bank deposits	(311,000)
	<u>-</u>
Changes in working capital	
Increase in creditors, accrued and other liabilities	491,371
	<u>491,371</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Capital work in progress	(17,000,000)
Income received on bank deposits	311,000
Cash flow from investing activities	(16,689,000)
CASH FLOW FROM FINANCING ACTIVITIES	
Increase in deferred grants	64,871,183
INCREASE IN CASH AND CASH EQUIVALENTS	<u>48,673,554</u>
Cash and cash equivalents at beginning of the period	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>48,673,554</u></u>

The annexed notes 1 to 9 form an integral part of these financial statements.



Chairman

Chief Executive

FISHERIES DEVELOPMENT BOARD

(A Company incorporated under section 42 of the Companies Ordinance, 1984)

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE PERIOD AUGUST 2, 2007 TO JUNE 30, 2008**

	Rupees
Balance at August 2, 2007	-
Surplus for the period	311,000
Balance at June 30, 2008	<u>311,000</u>

The annexed notes 1 to 9 form an integral part of these financial statements.

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Chairman

Chief Executive

FISHERIES DEVELOPMENT BOARD

(A Company incorporated under section 42 of the Companies Ordinance, 1984)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD AUGUST 2, 2007 TO JUNE 30, 2008

1. THE COMPANY AND ITS OPERATIONS

Fisheries Development Board (the Company) was incorporated in Pakistan as a Guarantee Limited Company on August 02, 2007 and is registered under section 42 of the Companies Ordinance, 1984 as a non profit organisation. The membership structure of the Company consist of 6 members from public sector and 9 members from private sector.

The Company has been set up to provide and maintain a platform for enhancing and promoting fisheries sector in Pakistan, where the participants, professionals and intermediaries may discuss issues of common interest, identify new solutions that enhance the efficiency of that sector, initiate development programs, promote regional and global integration and to undertake activities in Pakistan and/or abroad for any or all of the purposes for which the Company has been established.

The Aquaculture and Shrimp Farming Project is sponsored by Ministry of Food, Agriculture and Livestock (MINFAL). The project will be executed largely through Fisheries Development Board (FDB). However the following will also be its executing authorities:

- Ministry of Food, Agriculture and Livestock (MINFAL):
 - Fisheries Management Wing (FMW)
 - Marine Fisheries Department (MFD)
 - Pakistan Agricultural Research Council (PARC)
- Line department of provinces and Special Areas
- Private sector / NGOs

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies notes.

2.3 Income recognition

Grants received are deferred and recognised as income over the periods necessary to match them with the related costs they are intended to compensate. Grants utilised for fixed assets are deferred and recognised as income equivalent to depreciation charge of the related assets.

Income on bank deposits is recognised using the effective yield method.

2.4 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and reliable estimates can be made of the amount of obligation.

2.5 Property, plant and equipment

These are stated at cost less accumulated depreciation and any identified impairment loss except for capital work in progress which is stated at cost. Depreciation is charged to income using the straight line method so as to write off the cost of assets over their estimated useful lives.

Major renewals and improvements are capitalised. Minor repairs and renewals are charged to income. Gain and loss, if any, on disposal of property, plant and equipment is included in income currently.

2.6 Taxation

The Company being a non-profit organisation is exempt from income tax under the Second Schedule to the Income Tax Ordinance 2001.

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3. Deferred grants

Aquaculture and Shrimp Farming Project						
Hatchery component	FDB	Model shrimp / fish farm component	Model cage culture component	Technical backstopping and strengthening training capabilities	Contingencies	Total
13,000,000	29,000,000	12,000,000	5,000,000	3,000,000	4,483,000	66,483,000
-	854,242	-	-	-	757,575	1,611,817
<u>13,000,000</u>	<u>28,145,758</u>	<u>12,000,000</u>	<u>5,000,000</u>	<u>3,000,000</u>	<u>3,725,425</u>	<u>64,871,183</u>

-----Rupees-----

Grants received during the period from Government of Pakistan

Less: Grants recognised as income

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	Rupees
4. Creditors, accrued and other liabilities	
Payable to employees	271,745
Payable to others	218,548
Income tax withheld	1,078
	<u>491,371</u>
5. Capital work in progress	
Hatchery Component - advances given to Pak PWD for:	
Construction of new hatchery at D.I. Khan	3,000,000
Renovation of existing hatchery at Hawks bay, Karachi	14,000,000
	<u>17,000,000</u>
6. Cash and bank balances	
Cash at bank	
- on deposit account	20,311,000
- on current account	28,353,015
	<u>48,664,015</u>
Cash in hand	9,539
	<u>48,673,554</u>
7. Expenditure	
Aquaculture and Shrimp Farming Project	
FDB component - note 7.1	854,242
Contingencies component - note 7.2	757,575
	<u>1,611,817</u>
7.1 FDB component	
Salaries and allowances	669,031
Travel and boarding	63,361
Legal and professional charges	55,850
Auditor's remuneration	
Statutory audit	60,000
Out of pocket expenses	6,000
	<u>66,000</u>
	<u>854,242</u>

7.2	Contingencies component	Rupees
	Refurbishment of building	125,976
	Stationery and consumables	68,203
	Travel and boarding	366,944
	Vehicle operating and running cost	59,889
	Communication and utilities	109,406
	Fuel and gas	26,309
	Postage	848
		<u>757,575</u>

8.	Remuneration of Chief Executive and Directors	Rupees
	Chief Executive	596,773
	Directors	-

9. Date of authorisation for issue

These financial statements were authorised for issue by the Board of Directors of the Company on _____.



Chairman

Chief Executive