

**FISHERIES DEVELOPMENT BOARD  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2013**

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the accompanying financial statements of Fisheries Development Board ("the Company") which comprises the statement of financial position as at June 30, 2013 and the related income and expenditure account, statement of cash flows and statement of changes in accumulated surplus together with the notes forming part thereof, for the year then ended 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.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud and error: selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement.

An audit involves performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement whether due to fraud or error. In making those risk assessment, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion these financial statements present fairly, in all material respects the financial position of Fisheries Development Board as at June 30, 2013 and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

  
Chartered Accountants  
Audit Engagement Partner: Mohammad Saleem

Date: 30 SEP 2013  
Islamabad

**FISHERIES DEVELOPMENT BOARD  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2013**

	Note	2013 (Rupees)	2012
<b>NON CURRENT ASSETS</b>			
Property and equipment	4	3,721,697	3,761,290
<b>CURRENT ASSETS</b>			
Inventory	10	528,229	-
Advances	5	332,040	544,040
Deposits and prepayments	6	395,092	178,150
Loan and other receivables	7	692,160	200,000
Advance tax - net		576,298	547,739
Investments - held to maturity	8	68,118,423	83,606,739
Cash and bank balances	9	11,259,410	93,028
		<b>81,901,652</b>	<b>85,169,696</b>
		<b><u>85,623,349</u></b>	<b><u>88,930,986</u></b>
<b>EQUITY AND LIABILITIES</b>			
Accumulated surplus		43,426,578	34,086,822
<b>NON CURRENT LIABILITIES</b>			
Deferred grants	10	42,035,063	53,268,788
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	161,708	1,575,376
		<b><u>85,623,349</u></b>	<b><u>88,930,986</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		

The annexed notes 1 to 19 form an integral part of these financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013	2012
		(Rupees)	
<b>INCOME</b>			
Grant income		11,233,725	12,885,467
Other operating income	13	<u>9,339,756</u>	<u>9,525,758</u>
		<u>20,573,481</u>	<u>22,411,225</u>
<b>EXPENDITURE</b>			
Programme expenses		(564,654)	(1,505,836)
Administrative expenses		<u>(10,669,071)</u>	<u>(11,379,631)</u>
	10	<u>(11,233,725)</u>	<u>(12,885,467)</u>
<b>Surplus for the year</b>		<u><u>9,339,756</u></u>	<u><u>9,525,758</u></u>

The annexed notes 1 to 19 form an integral part of these financial statements.

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CHAIRMAN

  
CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
	(Rupees)	
Surplus for the year	9,339,756	9,525,758
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u><u>9,339,756</u></u>	<u><u>9,525,758</u></u>

The annexed notes 1 to 19 form an integral part of these financial statements.

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CHAIRMAN

  
CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD  
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS  
FOR THE YEAR ENDED JUNE 30, 2013**

(Rupees)

<b>Balance as at July 01, 2011</b>	24,561,064
<b>Total comprehensive income for the year</b>	
Surplus for the year	9,525,758
Other comprehensive income for the year	-
Total comprehensive income for the year	9,525,758
<b>Balance as at June 30, 2012</b>	<b>34,086,822</b>
<b>Balance as at July 01, 2012</b>	34,086,822
<b>Total comprehensive income for the year</b>	
Surplus for the year	9,339,756
Other comprehensive income for the year	-
Total comprehensive income for the year	9,339,756
<b>Balance as at June 30, 2013</b>	<b>43,426,578</b>

The annexed notes 1 to 19 form an integral part of these financial statements.

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CHAIRMAN

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CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013	2012
		(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		9,339,756	9,525,758
Adjustments for:			
Profit on investments and bank deposits		(7,659,126)	(9,458,209)
Liabilities written back		(507,804)	(67,549)
Depreciation		653,040	633,669
Amortisation of grant		(11,233,725)	(12,885,467)
		(9,407,859)	(12,251,798)
Working capital changes:			
(Increase)/decrease in current assets:			
Inventory		(528,229)	-
Advances		212,000	1,463,000
Deposits and prepayments		(216,942)	289,925
Loan and other receivables		(492,160)	302,030
Decrease in trade and other payables		(905,865)	(411,467)
Cash used in operations		(11,339,055)	(10,608,310)
Income tax paid		(28,559)	(48,344)
Net cash used in operating activities		(11,367,614)	(10,656,654)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of profit on investments and bank deposits		7,659,126	9,877,184
Purchase of property and equipment		(613,447)	(32,070)
Net cash from investing activities		7,045,679	9,845,114
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Deferred grants received		-	-
Net cash from financing activities		-	-
<b>Decrease in cash and cash equivalents</b>		(4,321,935)	(811,540)
<b>Cash and cash equivalents at beginning of year</b>		83,699,767	84,511,307
<b>Cash and cash equivalents at end of year</b>	14	79,377,833	83,699,767

The annexed notes 1 to 19 form an integral part of these financial statements.

  
CHAIRMAN



  
CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**1 STATUS AND NATURE OF BUSINESS**

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 organization. The membership structure of the Company consist of six members from public sector and nine members from private sector.

The Company applies income towards its objectives and the payment of any dividend to its members is prohibited under the memorandum and articles of association of the Company.

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 program, 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 objective of setting up the Company was envisioned under PC-1 of the Aquaculture and shrimp Farming Project ("the Project") dated April 2007. The Project was originally sponsored by Ministry of Food, Agricultural and Livestock (MINFAL) and is being executed through the following agencies.

- Ministry of Food, Agricultural 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

Further, after devolution of Ministry of Livestock and Dairy Development, the Company has now been placed under the administrative authority of Ministry of National Food Security and Research.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except in investment held to maturity are measured at their fair values.

**2.3 Functional and presentation currency**

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.



## 2.4 Significant estimates

The preparation of financial statements in conformity with IASs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affect both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed in the ensuing paragraphs.

### 2.4.1 Property and equipment

The Company reviews the useful lives of property and equipment on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment losses, if any.

### 2.4.2 Other receivables

The carrying amounts of other receivables are assessed on a regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of provision is made.

### 2.4.3 Provisions and contingencies

The Company reviews the status of all the legal cases on a regular basis. Based on the expected outcome and lawyers' judgments, appropriate disclosure of provision is made.

## 2.5 New accounting standards, amendments and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards, effective for accounting periods beginning as mentioned there against are either not relevant to the Company's current operations or are not expected to have a significant impact on the Company's financial statements other than certain additional disclosures:

- Amendments to IAS 19 Employee Benefits	1st January, 2013
- Amendments to IFRS 7 Financial Instrument Disclosures	1st January 2013
- IFRS 9 Financial Instruments - Classification and Measurement	1st January, 2013
- IFRS 10 Consolidated Financial Statements	1st January, 2013
- IFRS 11 Joint Arrangements	1st January, 2013
- IFRS 12 Disclosure of Interest in Other Entities	1st January, 2013
- IFRS 13 Fair Value Measurement	1st January, 2013
- IFRIC 20 Stripping Cost in the Production Phase of a Surface Mine	1st January, 2013
- IFRIC 21 Levies	1st January, 2014
- IAS 32 Financial Instruments: Presentation	1st January, 2014
- IAS 39 Financial Instruments: Recognition and Measurement	1st January, 2014
- IAS 36 Impairment of Assets	1st January, 2014

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### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment in value, if any. Depreciation is charged to income and expenditure account applying the straight line method over estimated useful life of the assets at the rates specified in the note 4 to the financial statements. Full month's depreciation is charged on additions, while no depreciation is charged in the month of disposal of the assets.

In respect of additions and disposals during the year, depreciation is charged when the asset is available for use and up to the month preceding the asset's classification as held for sale or derecognition, whichever is earlier, respectively.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. Carrying amount of the replaced asset is derecognized. All other repair and maintenance costs are charged to the income during the year. The gain or loss on disposal or retirement of assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

All expenditure connected with the specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when available for use.

#### 3.2 Impairment

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income and expenditure account. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined ( net of depreciation ) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized as income.

#### 3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks and highly liquid short term investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value with maturity of three months or less from the date of acquisition.

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### **3.4 Investments - held to maturity**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. Held to maturity investments are initially recognized at cost inclusive of transaction cost and are subsequently carried at amortized cost using effective interest rate method less impairment loss, if any. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the investment to its net carrying amount. Gains and losses are recognized in the income and expenditure account when the investments are de-recognized or impaired, as well as through the amortization process.

All investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

### **3.5 Financial instruments**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more event have had a negative effect on the estimated future cash flows of that asset. Individual significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in group that share similar credit risk characteristics.

### **3.6 Off-setting**

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet, if the Company has a legal enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability, simultaneously.

### **3.7 Trade and other payables**

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

### **3.8 Provisions**

Provisions are recognized when the Company has 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 a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

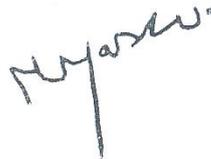
### **3.9 Grant Income**

Grants received are deferred and recognized as income over the periods necessary to match them with the related costs they are intended to compensate. Grants utilized for property and equipment are deferred and recognized as income equivalent to depreciation charge of the related assets.

### **3.10 Profit on bank deposits and investments**

Profit on investments - held to maturity and bank deposits are recognized on a time proportion basis.

Interest income on loans to employees is recognized on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable for held to maturity investments.



### 3.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods provided in the normal course of business. Revenue is recognised in the accounting period in which goods are delivered and it is probable that the economic benefits associated with the transactions will flow to the company and the amount of the revenue can be measured reliably.

### 3.12 Taxation

The income of the Company is exempt from tax as per clause 58 and 59 of the part I of the second schedule of Income Tax Ordinance 2001.

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4 PROPERTY AND EQUIPMENT

	FDB			Technical Backstopping			Contingencies		MDP		Total
	Furniture and Fixtures	Office Equipment	Vehicles	Office Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Scientific and Other Equipments	Vehicles		

Cost	Rupees										
Balance at July 01, 2011	509,177	1,249,388	2,489,918	435,696	134,000	394,811	181,424	-	-	-	5,394,414
Additions	-	32,070	-	-	-	-	-	-	-	-	32,070
Balance at June 30, 2012	509,177	1,281,458	2,489,918	435,696	134,000	394,811	181,424	-	-	-	5,426,484
Balance at July 01, 2012	509,177	1,281,458	2,489,918	435,696	134,000	394,811	181,424	-	-	-	5,426,484
Additions	68,440	65,500	-	-	-	-	-	411,507	68,000	-	613,447
Balance at June 30, 2013	577,617	1,346,958	2,489,918	435,696	134,000	394,811	181,424	411,507	68,000	-	6,039,931

Depreciation

Balance at July 01, 2011	68,765	296,254	247,461	181,440	18,411	101,460	117,734	-	-	-	1,031,525
Charge for the year	50,918	188,310	248,992	65,354	13,400	39,481	27,214	-	-	-	633,669
Balance at June 30, 2012	119,683	484,564	496,453	246,794	31,811	140,941	144,948	-	-	-	1,665,194
Balance at July 01, 2012	119,683	484,564	496,453	246,794	31,811	140,941	144,948	-	-	-	1,665,194
Charge for the year	51,488	197,800	248,992	65,354	13,400	39,481	27,214	8,178	1,133	-	653,040
Balance at 30 June, 2013	171,171	682,364	745,445	312,148	45,211	180,422	172,162	8,178	1,133	-	2,318,234
Carrying value - 2012	389,494	796,894	1,993,465	188,902	102,189	253,870	36,476	-	-	-	3,761,290
Carrying value - 2013	406,446	664,594	1,744,473	123,548	88,789	214,389	9,262	403,329	66,867	-	3,721,697

Rates of depreciation per annum

10%	15%	10%	15%	10%	10%	15%	20%	10%
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4.1 Depreciation charge for the year has been allocated as follows:

Note	2013 (Rupees)	2012
FDB	498,280	488,220
Contingencies	66,695	66,695
Technical Backstopping	78,754	78,754
MDP	9,311	-
	10	653,040
		633,669

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5	ADVANCES	Note	2013	2012
			(Rupees)	
	Advances to employees - considered good	5.1	332,040	544,040
			<u>332,040</u>	<u>544,040</u>

5.1 This includes an amount of Rs. 228,310 given as advance to Mr. Arif Aslam (Ex Chief Executive Officer).

6	DEPOSITS AND PREPAYMENTS	Note	2013	2012
			(Rupees)	
	Security deposits		150,000	150,000
	Prepayments-FDB		240,092	28,150
	Prepayments-MDP		5,000	-
			<u>395,092</u>	<u>178,150</u>

#### 7 LOAN AND OTHER RECEIVABLES

Loan receivables		488,368	-
Other receivables		203,792	-
		<u>692,160</u>	<u>-</u>

7.1 Loan Receivables represent loan provided to employees at interest rate of 9.5%.

#### 8 INVESTMENTS - HELD TO MATURITY

National Bank of Pakistan	8.1	-	70,515,392
National Bank of Pakistan	8.2	-	13,091,347
National Bank of Pakistan	8.3	68,118,423	-
		<u>68,118,423</u>	<u>83,606,739</u>

8.1 This represented a term deposit receipt (TDR) having face value Rs. 70 million (2012: Rs. 70 million) of six month maturity. The TDR was matured on December 06, 2012 and carries markup at the rate of 11.23 % (2012: 11.23%) per annum.

8.2 This represented a term deposit receipt (TDR) having face value Rs. 13 million (2012: Rs. 13 million) of one month maturity. The TDR was matured on July 07, 2012 and carries markup at the rate of 11.18 % (2012: 11.18%) per annum.

8.3 This represents a term deposit receipt (TDR) having face value Rs. 65 million (2012: Nil) of twelve month maturity on December 27, 2013. TDR carries effective markup rate of 9.50% (2012: Nil) per annum.

9	CASH AND BANK BALANCES	Note	2013	2012
			(Rupees)	
	<b>Cash at bank on</b>			
	Current account		10,125,662	10,083
	Saving account	9.1	1,133,748	82,945
			<u>11,259,410</u>	<u>93,028</u>
	<b>Cash in hand</b>		-	-
			<u>11,259,410</u>	<u>93,028</u>

9.1 Effective mark up rates in respect of deposit accounts range from 8 % to 9 % per annum (2012: 10.20% to 11.25% per annum).

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10 DEFERRED GRANT

Note	Programme Expenses					Total Quality Management	Total
	Administrative	Technical Backstopping	Contingencies	Research and Development	Business Development Support		

Opening balance at July 01, 2011

Grants received during the year

Transferred to income and expenditure account

Salaries and allowances	43,985,116	6,847,848	3,816,291	1,505,000	4,000,000	6,000,000	66,154,255
Daily Wages	3,872,723	-	522,800	-	-	-	4,395,523
Travel and boarding	1,488,531	35,096	-	617,249	-	-	2,140,876
Legal and professional charges	487,000	140,000	-	13,000	-	-	640,000
Vehicle running expenses	427,291	-	-	2,801	-	-	430,092
Postage telegram and telephone	38,040	-	-	-	-	-	38,040
Printing and stationery	100,955	-	-	1,440	-	-	102,395
Utilities	318,186	-	-	-	-	-	318,186
Rent, rate and taxes	297,000	-	-	-	-	-	297,000
Entertainment	117,485	-	1,000	27,001	-	-	145,486
Audit fee	100,000	-	-	-	-	-	100,000
Depreciation	488,220	78,754	66,695	-	-	-	633,669
Repair and maintenance	200,543	-	-	-	-	-	200,543
Bank charges	4,643	-	-	-	-	-	4,643
Others	107,861	-	-	-	-	-	107,861
Mirpur Hatchery	2,970,998	-	-	-	-	-	2,970,998
Brai Dam Project	31,505	-	-	-	-	-	31,505
Transferred to income and expenditure account	11,379,631	253,850	590,495	661,491	4,000,000	6,000,000	12,885,467
Closing balance at June 30, 2012	32,605,485	6,593,998	3,225,796	843,509	4,000,000	6,000,000	53,268,788

Opening balance at July 01, 2012

Grants received during the year

Transferred to income and expenditure account

Salaries and allowances	32,605,485	6,593,998	3,225,796	843,509	4,000,000	6,000,000	53,268,788
Daily Wages	4,375,616	-	203,600	-	-	-	4,579,216
Fish feed	662,400	450	-	-	-	-	662,850
Travel and boarding	1,607,383	16,995	-	119,103	-	-	1,743,481
Legal and professional charges	146,130	-	-	36,000	-	-	182,130
Vehicle running expenses	500,994	-	-	21,463	-	-	522,457
Postage telegram and telephone	45,386	-	-	-	-	-	45,386
Printing and stationery	161,011	-	-	5,539	-	-	166,550
Utilities	294,534	-	-	-	-	-	294,534
Rent, rate and taxes	320,000	-	-	-	-	-	320,000
Insurance	87,500	-	-	-	-	-	87,500
Entertainment	200,360	2,705	-	13,800	-	-	216,865
Audit fee	100,000	-	-	-	-	-	100,000
Depreciation	498,280	78,754	66,695	-	-	-	643,729
Repair and maintenance	557,745	-	-	-	-	-	557,745
Bank charges	2,900	-	-	-	-	-	2,900
Consumables	34,412	-	-	-	-	-	34,412
Promotional Fish Sampling	263,905	-	-	-	-	-	263,905
Demurrage Charges	190,299	-	-	-	-	-	190,299
Mirpur Hatchery	66,037	-	-	-	-	-	66,037
Brai Dam Project	42,903	-	-	-	-	-	42,903
Mangla Dam Project	524,776	-	-	-	-	-	524,776
Alipour Chatha Farm	86,050	-	-	-	-	-	86,050
Transferred to income and expenditure account	10,669,071	98,454	270,295	195,905	4,000,000	6,000,000	11,233,725
Closing balance at June 30, 2013	21,936,414	6,495,544	2,955,501	647,604	4,000,000	6,000,000	42,035,063

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10.1 Deferred grants		Note	2013	2012
			(Rupees)	
Grant related to:				
	Assets	10.2	4,249,926	3,761,290
	Income	10.2	37,785,137	49,507,498
			<u>42,035,063</u>	<u>53,268,788</u>

#### 10.2 Movement in Deferred grants

	Related to Assets		Related to Income	
	2013	2012	2013	2012
	(Rupees)		(Rupees)	
Balance as at July 01	3,761,290	4,362,889	49,507,498	61,791,366
Grant received	-	-	-	-
Transfers	1,141,676	32,070	(1,141,676)	(32,070)
Amortization/ Depreciation	(653,040)	(633,669)	(10,580,685)	(12,251,798)
Balance as at June 30	<u>4,249,926</u>	<u>3,761,290</u>	<u>37,785,137</u>	<u>49,507,498</u>

10.3 Audit Fee		2013	2012
		(Rupees)	
Audit fee		100,000	100,000
Out of pocket expenses		-	-
		<u>100,000</u>	<u>100,000</u>

#### 10.4 Mirpur Hatchery

Travel and boarding	14,500	-	
Consumables	37,832	-	
Vehicle running expenses	705	1,050	
Repair and maintenance	13,000	1,918,921	
Entertainment	-	82,501	
Others	-	968,526	
		<u>66,037</u>	<u>2,970,998</u>

#### 10.5 Bral Dam Project

Daily wages	18,000	6,000	
Travel and boarding	24,903	20,885	
Others	-	4,620	
		<u>42,903</u>	<u>31,505</u>

#### 10.6 Mangla Dam Project

Daily wages	119,950	-	
Fish feed	78,640	-	
Travel and boarding	99,000	-	
Consumables	187,775	-	
Vehicle running expenses	400	-	
Rent, rate and taxes	25,000	-	
Depreciation	9,311	-	
Repair and maintenance	450	-	
Entertainment	4,250	-	
		<u>524,776</u>	<u>-</u>

*M. Y. Khan*

	2013	2012
	(Rupees)	
<b>10.7 Alipur Chatta Farm</b>		
Daily wages	36,600	-
Fish feed	33,000	-
Travel and boarding	16,450	-
	<u>86,050</u>	<u>-</u>

#### 11 TRADE AND OTHER PAYABLES

Accrued liabilities	47,175	1,034,680
Withholding tax payable	12,533	520,341
Payable to employees	2,000	20,355
Audit fee payable	100,000	-
	<u>161,708</u>	<u>1,575,376</u>

#### 12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at year end (2012: Nil).

	Note	2013	2012
		(Rupees)	
<b>13 OTHER OPERATING INCOME</b>			
Project Income-ASA		1,114,344	-
Other Income		58,482	-
Interest Income on Loans		18,236	-
Income from financial assets			
Profit on investments and bank deposits		7,640,890	9,458,209
Income from other than financial assets:			
Liabilities written back		507,804	67,549
		<u>9,339,756</u>	<u>9,525,758</u>

#### 14 CASH AND CASH EQUIVALENTS

Cash and bank balances	9	11,259,410	93,028
Investments-held to maturity	8	68,118,423	83,606,739
		<u>79,377,833</u>	<u>83,699,767</u>

#### 15 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The Company has not paid any remuneration or other benefits to its Chief Executive and Directors. However, expenses relating to meetings of the Board of Directors held during the year amounted to Rs. 1,323,862 (2012: Rs. 1,048,323).

#### 16 FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

*M. Y. Arora*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### 16.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2013	2012
	Rupees	
Deposits	150,000	150,000
Other receivables	692,160	200,000
Investments - held to maturity	68,118,423	83,606,739
Bank balances	11,259,410	93,028
	<u>80,219,993</u>	<u>84,049,767</u>

The maximum exposure to credit risk for financial assets at the reporting date is with a public sector Bank.

Geographically there is no concentration of credit risk.

### 16.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

	Carrying amount	Contractual cash flows	Within six months	Six to twelve months
	Rupees			
<b>2013</b>				
<b>Financial liabilities</b>				
Trade and other payables	161,708	161,708	161,708	-
	<u>161,708</u>	<u>161,708</u>	<u>161,708</u>	<u>-</u>
<b>2012</b>				
<b>Financial liabilities</b>				
Trade and other payables	1,575,376	1,575,376	1,575,376	-
	<u>1,575,376</u>	<u>1,575,376</u>	<u>1,575,376</u>	<u>-</u>

### 16.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to interest risk only.

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### 16.3.1 Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from bank deposit account. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments is as follows:

	Carrying Amount	
	2013	2012
	Rupees	
<b>Fixed rate instruments</b>		
Investments - held to maturity	68,118,423	83,606,739
	<u>68,118,423</u>	<u>83,606,739</u>
<b>Variable rate instruments</b>		
Bank Balance	1,133,748	82,945
	<u>1,133,748</u>	<u>82,945</u>

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates through out the year would have increased / (decreased) income or expenditure by the amounts shown below. This analysis assumes that all other variables remain constant.

Cash flow sensitivity (net)	Profit or loss	
	100 basis points increase	100 basis points decrease
	Rupees	
Variable rate instruments	11,337	(11,337)
June 30, 2013	<u>11,337</u>	<u>(11,337)</u>
Variable rate instruments	829	(829)
June 30, 2012	<u>829</u>	<u>(829)</u>

### 16.4 Fair value of financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Note	2013		2012	
		Carrying amount	Fair value	Carrying amount	Fair value
		Rupees		Rupees	
<b>Assets carried at amortized cost</b>					
Deposits		150,000	150,000	150,000	150,000
Loan and other receivables		692,160	692,160	200,000	200,000
Investments - held to maturity	8	68,118,423	68,118,423	83,606,739	83,606,739
Bank balances	9	11,259,410	11,259,410	93,028	93,028
		<u>80,219,993</u>	<u>80,219,993</u>	<u>84,049,767</u>	<u>84,049,767</u>
<b>Liabilities carried at amortized cost</b>					
Trade and other payables	11	161,708	161,708	1,575,376	1,575,376
		<u>161,708</u>	<u>161,708</u>	<u>1,575,376</u>	<u>1,575,376</u>

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### Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

### Non - derivative financial assets

The fair value of non - derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

### Non - derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### 16.5 Fund management

Currently Company is partially dependent on the funding from Government of Pakistan for its operational expenses. Company is engaged in new revenue generating activities of investing in fixed maturity TDRs and new joint venture projects.

### 17 FIGURES

Corresponding figures, whereas necessary, have been rearranged and reclassified for the purposes of comparison. However, these are not considered material enough to be disclosed separately.

### 18 GENERAL

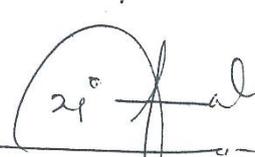
Figures have been rounded off to the nearest Pak Rupee.

### 19 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on 30 SEP 2013.

*M. Yousuf*

  
CHAIRMAN

  
CHIEF EXECUTIVE