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FISHERIES DEVELOPMENT BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2016

EY Ford Rhodes
Chartered Accountants
Eagle Plaza 75-West, Fazlul-Haq Road
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Fisheries Development Board** ("the Company") as at 30 June, 2016 and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in fund 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.

It is the responsibility of the Company'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 the auditing standards 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 consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year 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, statement of cash flow and statement of changes in fund together with the notes forming part 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 30 June, 2016 and of the deficit and other comprehensive income, its cash flows and changes in fund for the year then ended; and



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- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Er Farid Rana

Chartered Accountants

Audit Engagement Partner's Name: Khayyam Mushir

Date: 14 March, 2017

Place: Islamabad

FISHERIES DEVELOPMENT BOARD
(A Company registered under Section 42 of the Companies Ordinance, 1984)
BALANCE SHEET
AS AT 30 JUNE, 2016

| | Note | 2016 -----Pak Rupees----- | 2015 |
|--------------------------------------|------|------------------------------|--------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property and equipment | 4 | 46,322,034 | 43,270,233 |
| Intangible asset | 5 | 1,949,997 | - |
| | | 48,272,031 | 43,270,233 |
| CURRENT ASSETS | | | |
| Inventory <i>total EDF</i> | 6 | 3,118,647 | 3,690,000 |
| Grant receivable | | 9,976,251 | - |
| Advances | 7 | 411,441 | 6,377,200 |
| Deposits and short-term prepayments | 8 | 753,973 | 355,500 |
| Interest accrued | | 6,302 | 84,578 |
| Other receivables | 9 | 721,024 | - |
| Tax refund due from the Government | | - | 617,785 |
| Short-term investments | 10 | 40,000,000 | 66,500,000 |
| Cash and bank balances | 11 | 33,594,017 | 118,836,198 |
| | | 88,581,655 | 196,461,261 |
| TOTAL ASSETS | | 136,853,686 | 239,731,494 |
| FUND AND LIABILITIES | | | |
| FUND | | | |
| Accumulated surplus | | 53,883,537 | 63,835,542 |
| NON-CURRENT LIABILITIES | | | |
| Deferred grants | 12 | 68,448,370 | 133,893,751 |
| CURRENT LIABILITIES | | | |
| Accrued and other liabilities | 13 | 14,521,779 | 42,002,201 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 14 | - | - |
| TOTAL FUND AND LIABILITIES | | 136,853,686 | 239,731,494 |

The annexed notes, from 1 to 27, form an integral part of these financial statements.

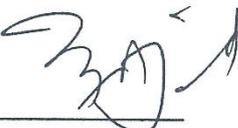

CHAIRMAN


CHIEF EXECUTIVE

FISHERIES DEVELOPMENT BOARD
(A Company registered under Section 42 of the Companies Ordinance, 1984)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE, 2016

| INCOME | Note | 2016 -----Pak Rupees----- | 2015 |
|---|------|----------------------------------|---------------------------------|
| Grant income | 15 | 112,879,342 | 63,966,521 |
| Other operating income | 16 | <u>4,081,580</u> | <u>11,584,393</u> |
| | | 116,960,922 | 75,550,914 |
| EXPENDITURE | | | |
| Programme expenses | | | |
| Direct costs | 17 | <u>94,721,365</u> | <u>49,261,727</u> |
| Indirect costs | 18 | <u>1,421,184</u> | <u>7,823,428</u> |
| | | 96,142,549 | 57,085,155 |
| Administrative expenses | 19 | <u>30,770,378</u> | <u>6,881,366</u> |
| | | 126,912,927 | 63,966,521 |
| NET (DEFICIT)/SURPLUS FOR THE YEAR | | <u><u>(9,952,005)</u></u> | <u><u>11,584,393</u></u> |

The annexed notes, from 1 to 27, form an integral part of these financial statements.



CHAIRMAN



CHIEF EXECUTIVE

FISHERIES DEVELOPMENT BOARD
(A Company registered under Section 42 of the Companies Ordinance, 1984)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2016

| | 2016 | 2015 |
|--|---------------------------|--------------------------|
| | -----Pak Rupees----- | |
| NET (DEFICIT)/SURPLUS FOR THE YEAR | (9,952,005) | 11,584,393 |
| Other comprehensive income for the year | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u><u>(9,952,005)</u></u> | <u><u>11,584,393</u></u> |

The annexed notes, from 1 to 27, form an integral part of these financial statements.

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CHAIRMAN



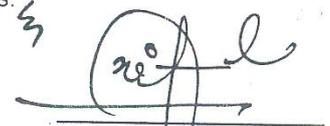
CHIEF EXECUTIVE

FISHERIES DEVELOPMENT BOARD
(A Company registered under Section 42 of the Companies Ordinance, 1984)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2016

| | Note | 2016 -----Pak Rupees----- | 2015 |
|--|------|------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net (deficit)/surplus for the year | | (9,952,005) | 11,584,393 |
| Adjustments for: | | | |
| Depreciation | | 10,577,396 | 1,752,485 |
| Amortization | | 49,999 | - |
| Grant income | | (112,879,342) | (63,966,521) |
| Profit on investments and bank deposits | | (3,893,498) | (11,526,893) |
| Advance tax written-off | | 617,785 | - |
| | | <u>(105,527,660)</u> | <u>(73,740,929)</u> |
| | | (115,479,665) | (62,156,536) |
| Working capital changes: | | | |
| Decrease / (increase) in current assets | | | |
| Inventory | | 571,353 | (3,690,000) |
| Advances | | 5,965,759 | (6,145,160) |
| Deposits and prepayments | | (398,473) | 352,192 |
| Loans and other receivables | | (721,024) | 412,265 |
| (Decrease) / increase in current liabilities | | | |
| Increase in trade and other payables | | (27,480,422) | 41,233,340 |
| Cash used in operations | | (137,542,470) | (29,993,899) |
| Income tax refunded | | - | 16,788 |
| Grant received | | 21,087,600 | 81,170,798 |
| Income in Project from Shrimp Farming Cluster Development | | 16,370,110 | - |
| Net cash (used in) /generated from operating activities | | <u>(100,084,760)</u> | <u>51,193,687</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions in property and equipment | | (13,629,195) | (41,236,830) |
| Additions in intangible assets | | (1,999,996) | - |
| Receipt of profit on investments and bank deposits | | 3,971,770 | 14,610,862 |
| Net cash used in investing activities | | <u>(11,657,421)</u> | <u>(26,625,968)</u> |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | | <u>(111,742,180)</u> | <u>24,567,719</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 185,336,198 | 160,768,479 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 20 | <u>73,594,017</u> | <u>185,336,198</u> |

The annexed notes, from 1 to 27, form an integral part of these financial statements.


CHAIRMAN


CHIEF EXECUTIVE

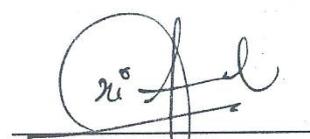
FISHERIES DEVELOPMENT BOARD
(A Company registered under Section 42 of the Companies Ordinance, 1984)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 30 JUNE, 2016

| | Fund Accumulated Surplus -----Pak Rupees----- |
|---|--|
| Balance at 01 July, 2014 | 52,251,149 |
| Surplus for the year | 11,584,393 |
| Other Comprehensive Income for the year | - |
| Total Comprehensive Income for the year | 11,584,393 |
| Balance at 30 June, 2015 | 63,835,542 |
| Deficit for the year | (9,952,005) |
| Other comprehensive income for the year | - |
| Total comprehensive income for the year | (9,952,005) |
| Balance at 30 June, 2016 | 53,883,537 |

The annexed notes, from 1 to 27, form an integral part of these financial statements.



CHAIRMAN



CHIEF EXECUTIVE

FISHERIES DEVELOPMENT BOARD**(A Company registered under Section 42 of the Companies Ordinance, 1984)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE, 2016****1 LEGAL STATUS AND OPERATIONS**

Fisheries Development Board (FDB/ the Company), was incorporated on 02 August, 2007 under Section 42 of the Companies Ordinance, 1984, as a company limited by guarantee, having its registered office in Islamabad. The registered office of the Company is situated at 12, Orchard Scheme, Murree Road, Islamabad, with a branch office in Karachi.

The Company has been set up to provide and maintain a platform for enhancing and promoting the fisheries sector in Pakistan, where the participants, professionals and intermediaries may discuss issues of common interest, identify new solutions that enhance the efficiency of the sector, initiate development programs, promote regional and global integration, and 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 the Ministry of Food, Agriculture and Livestock (MINFAL) and is being executed through the following agencies.

- 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

Further, after the 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.

- 1.1 FDB entered into an agreement with Reliance Aqua Farm (Private) Limited (RAFPL), to form a Joint Venture (JV) to execute a project of shrimp farming on commercial basis. Under the terms of the JV agreement RAFPL shall contribute all of its existing infrastructure to FDB for the term of JV, which is for five years. As per the agreement FDB shall invest in repair of ponds, farm inputs, procurement and installation of equipment and hiring of staff for the farm, in the first year of operations; from the second year of operations RAFPL will invest in operational costs like fish seed and feed etc., and utilize the machinery, equipment and ponds renovated by FDB. The net profit shall be disbursed as 60% to FDB and 40% to RAFPL for the first year, and 30% to FDB and 70% to RAFPL in subsequent years. In case of a loss during the first financial year, this will be borne by FDB entirely. Out of the total fourteen ponds owned by RAFPL, FDB shall utilize ten ponds and may sublet the remaining four ponds to any private sector entrepreneur. For sublet ponds, FDB shall finance the repair of the ponds and installation of equipment, and the lessee shall incur the operational costs of farming, and will payback 30% of the net profit, to be shared equally between FDB and RAFPL.

On 06 March, 2015 FDB sublet four ponds to Sinora Prime Limited (SPL or the partner), for establishing a mutually beneficial joint shrimp farming business, under the terms of the agreement that stipulate that SPL will invest Rs. 10 million for the startup and smooth operation of the business. SPL is entitled to receive 70% of the net income of the joint venture, with the balance 30% of the net income representing FDB's share. As per the agreement, FDB is to provide SPL with all the available infrastructure and equipment installed at the ponds. Under Clause 2 "Management and Control" of the agreement between SPL and FDB, the participants have agreed that the possession of the four ponds, the stock in the ponds (shrimps), allocated feed and associated infrastructure, for the duration of agreement, will vest with SPL.

2 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.

3 BASIS OF PREPARATION

These financial statements have been prepared under the 'historical cost convention', except investments held-to-maturity, which are measured at their fair values.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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 affects both future and current periods.

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

In the process of applying the Company's accounting policies management has made the following estimate and judgment which is significant to the financial statements:

Property and equipment

The Company reviews the appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation on an annual basis. Further, where applicable, an estimate of the recoverable amount of assets is also made for possible impairment, on an annual basis. Any change in the estimates in the future might affect the carrying amount of the respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

3.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations to approved accounting standards as applicable in Pakistan, would be effective from the dates mentioned below against the respective standard or interpretation.

| Standard and amendments | Effective date (annual periods beginning on or after) |
|--|--|
| IFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendment) | 01 January, 2018 |
| IFRS 10 Consolidated Financial Statements, IFRS 12: Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements Investment Entities: Applying the Consolidation Exception (Amendment) | Not yet finalized |
| IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) | 01 January, 2016 |
| IFRS 11 Joint Arrangements Accounting for Acquisition of Interest in Joint Operation (Amendment) | 01 January, 2016 |
| IAS 1 Presentation of Financial Statements Disclosure Initiative (Amendment) | 01 January, 2016 |

3

| Standard and amendments | Effective date (annual periods beginning on or after) |
|--|--|
| IAS 7 Statement of Cash Flows Disclosure Initiative (Amendments) | 01 January, 2017 |
| IAS 12 Recognition of Deferred | 01 January, 2017 |
| IAS 16 of Acceptable Method of Depreciation and Amortization (Amendment) | 01 January, 2016 |
| IAS 16 (Amendment) | 01 January, 2016 |
| IAS 27 Statements (Amendment) | 01 January, 2016 |
| IFRS 10 Consolidated Financial Statements | 01 January, 2015 |
| IFRS 10 of interests in other Entities and IAS 27 Separate Financial statements Investment Entities (Amendment) | 01 January, 2015 |
| IFRS Consolidated financial statements, IFRS 12 Disclosure of interest in other entities and IAS 27 Separate Financial statements Investment entities: Applying the consolidation Exception (Amendment) | 01 January, 2015 |
| IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of assets between investor and its Associate or Joint Venture (Amendment) | 01 January, 2015 |
| IFRS-11 Joint Arrangements | 01 January, 2015 |
| IFRS-11 Joint Arrangements - Accounting for Acquisition of interest in joint Joint Operation (Amendment) | 01 January, 2015 |
| IFRS 12 Disclosure of interest in Other entities | 01 January, 2015 |
| IFRS 13 Fair value Measurement | 01 January, 2015 |
| IAS 1 Presentation of financial statements - Disclosure Initiative (Amendment) | 01 January, 2015 |
| IAS-16 Property plant and equipment and IAS 38 intangible assets- Clarification of Acceptable method of Depreciation and Amortization Amendment | 01 January, 2015 |
| IAS-16 Property plant and equipment and IAS 41 - Agricultural Bearer Plants (Amendment) | 01 January, 2015 |
| IAS 27 Separate Financial Statements - Equity Method in Separate Financial statements (Amendment) | 01 January, 2015 |

The above amendments are not expected to have a material impact on the Company's financial statements in the period of their initial application.

In addition to the above amendments, improvements to various accounting standards (under the Annual Improvements 2012-14 cycle) have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January, 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements, in the period of initial application.

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

| Standard | IASB Effective date |
|---|------------------------|
| IFRS 1 First-time Adoption of International Financial Reporting Standards | 01 July, 2009 |
| IFRS 9 Financial Instruments: Classification and measurement | 01 January, 2018 |
| IFRS 14 Regulatory Deferral Accounts | 01 January, 2016 |
| IFRS 15 Revenue from Contract with Customers | 01 January, 2018 |
| IFRS 16 Leases | 01 January, 2019 |

3.11 Grant Income

Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants against operating activities

Grants of a non-capital nature are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the income and expenditure account to the extent of expenditure incurred.

Grants against purchase of fixed assets

Grants received for the purchase of fixed assets, are initially recorded as deferred income upon receipt. Subsequently, these are recognized in the income and expenditure account, on a systematic basis, over the periods necessary to match them with the carrying value of the related assets.

3.12 Taxation

The Company being a non-profit organization, is eligible to obtain a tax credit equal to one hundred percent of the tax payable against any income arising from its activities, upon the fulfillment of certain conditions. Accordingly, owing to the available tax credit under clause 100 C, no provision for taxation has been recognised by the Company.

3.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based

- i) In the principal market for the asset or liability; or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Head of Finance determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External values may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the

£y

| | | 2016 | 2015 |
|------------|---|----------------------|------------|
| | | -----Pak Rupees----- | |
| 5 | INTANGIBLE ASSET | | |
| | Cost | | |
| | Balance as at 01 July | - | - |
| | Additions during the year | 1,999,996 | - |
| | | 1,999,996 | - |
| | Accumulated amortization | | |
| | Balance as at 01 July | - | - |
| | Charge for the year | (49,999) | - |
| | | (49,999) | - |
| | Balance as at 30 July | 1,949,997 | - |
| 5.1 | This represents the SAP accounting software implemented during the year, which is being amortized over a period of ten years. | | |
| | | 2016 | 2015 |
| | | -----Pak Rupees----- | |
| 6 | INVENTORY | | |
| | Balance as at 01 July | 3,690,000 | - |
| | Additions during the year | 26,435,182 | 3,690,000 |
| | Consumed during the year | | |
| | Shrimp feed | (10,700,335) | - |
| | Shrimp farm fertilizer | (16,306,200) | - |
| | | 3,118,647 | 3,690,000 |
| 6.1 | The break-up of closing balance is as follows: | | |
| | Shrimp feed | 2,327,200 | - |
| | Shrimp farm fertilizer | 791,447 | 3,690,000 |
| | | 3,118,647 | 3,690,000 |
| 7 | ADVANCES | | |
| | Considered good | | |
| | To employees: | | |
| | against expenses | 17,307 | 6,377,200 |
| | against salaries | 394,134 | - |
| | | 411,441 | 6,377,200 |
| 8 | DEPOSITS AND SHORT-TERM PREPAYMENTS | | |
| | Security deposits | 250,000 | 250,000 |
| | Prepayment | 503,973 | 105,500 |
| | | 753,973 | 355,500 |
| 9 | OTHER RECEIVABLES | | |
| | Other receivables | 721,024 | - |
| 9.1 | This includes an amount of Rs. 500,000 paid to an employee of the Punjab Fisheries Department for incidental expenses, incurred in relation to a training at the Asian Institute of Technology, during the month of March 2016, held in Thailand. | | |
| | | 2016 | 2015 |
| | | -----Pak Rupees----- | |
| 10 | SHORT-TERM INVESTMENTS | | |
| | Held-to-maturity | | |
| | Cost | 40,000,000 | 66,500,000 |
| | Accrued interest | 6,302 | 84,578 |
| | | 40,006,302 | 66,584,578 |
| | Shown as part of interest accrued | (6,302) | (84,578) |
| | | 40,000,000 | 66,500,000 |

- 10.1 This represents a TDR, placed with the National Bank of Pakistan, having a face value of Rs. 40 million (2015: Rs. 50 million and Rs. 16.5 million). The TDR carries mark-up at the rate of 5.75% (2015: 6.5% and 6.2%) per annum, with a maturity period of 1 month.

| Name of financial institution | Rate of Mark-up | Maturity date | 2016 | 2015 |
|-------------------------------|-----------------|---------------|----------------------|-------------------|
| | | | -----Pak Rupees----- | |
| National Bank of Pakistan | 5.75% | 30 Sep, 2016 | 40,000,000 | - |
| National Bank of Pakistan | 6.50% | 29 Jun, 2016 | - | 50,000,000 |
| National Bank of Pakistan | 6.20% | 10 Sep, 2015 | - | 16,500,000 |
| | | | <u>40,000,000</u> | <u>66,500,000</u> |

11 CASH AND BANK BALANCES

Note

Cash in hand

25,184

51,588

At banks in

- Current accounts
- Savings accounts

11.1

| | |
|-------------------|--------------------|
| 7,014,495 | 113,350,084 |
| 26,554,338 | 5,434,526 |
| 33,568,833 | 118,784,610 |
| <u>33,594,017</u> | <u>118,836,198</u> |

- 11.i These carry mark-up at the rates ranging from 4% to 5% (2015: 5% to 6%) per annum.

12 DEFERRED GRANTS

Note

2016

2015

-----Pak Rupees-----

- Against purchase of fixed assets
- Against operating activities

12.1

48,272,031

43,270,233

12.2

20,176,339

90,623,518

68,448,370

133,893,751

12.1 Against purchase of fixed assets

- Opening balance as at 01 July, 2015
- Capital grants received during the year
- Recognized in income during the year

12.2

43,270,233

3,785,888

15

15,629,193

41,236,830

(10,627,395)

(1,752,485)

48,272,031

43,270,233

12.2 Against operating activities

- Opening balance as at 01 July, 2015
- Grant received during the year
- Income from Shrimp Farming Project
- Amortization during the year
- Transferred to deferred capital grant

12.2.1

90,623,518

112,903,586

12.2.1

21,087,600

81,170,798

15

16,370,110

-

12.1

(102,251,947)

(62,214,036)

(15,629,193)

(41,236,830)

10,200,088

90,623,518

12.2.1

9,976,251

-

20,176,339

90,623,518

- Transferred to grant receivable

3

12.2.1 Project wise movement in grants against operating activities

| Project Name | Opening Balance as at 01 July, 2015 | | | | | | | Closing balance break-up at 30 June, 2016 | | |
|--|-------------------------------------|--------------------------------|------------------------------------|--------------------------------------|---|-------------------|---------------------------|---|---|--|
| | Unspent grants | Grant received during the year | Income from Shrimp Farming Project | Grant recognized in income statement | Transferred to deferred grants against purchase of fixed assets | Closing balance | Grants receivable - gross | Unspent grants | Total unspent grants/ (grants receivable) | |
| Head Office (FDB Component) | 9,830,482 | - | - | (7,530,582) | (2,299,900) | - | - | - | - | |
| Shrimp Farming Cluster Development to enhance supply of raw material for sea food industry of Pakistan (SCDP) | 65,581,180 | - | 16,370,110 | (61,068,224) | (13,329,293) | 7,553,773 | - | 7,553,773 | 7,553,773 | |
| Technology transfer through training and technical backstopping in the fisheries and aqua culture sector (GIZ Project) | 4,208,053 | 12,942,600 | - | (27,126,904) | - | (9,976,251) | (9,976,251) | - | (9,976,251) | |
| Human Resource Development through Research and Training in Fisheries Department (HRRT) | 11,003,803 | 7,000,000 | - | (6,493,200) | - | 11,510,603 | - | 11,510,603 | 11,510,603 | |
| Promotion of Shrimp, Tilapia Polyculture in Pond Conditions (PSTPC) | - | 1,145,000 | - | (33,037) | - | 1,111,963 | - | 1,111,963 | 1,111,963 | |
| | <u>90,623,518</u> | <u>21,087,600</u> | <u>16,370,110</u> | <u>(102,251,947)</u> | <u>(15,629,193)</u> | <u>10,200,088</u> | <u>(9,976,251)</u> | <u>20,176,339</u> | <u>10,200,088</u> | |

| | Note | 2016 -----Pak Rupees----- | 2015 |
|---|------|------------------------------|-------------------|
| 13 ACCRUED AND OTHER LIABILITIES | | | |
| Accrued liabilities | | 396,857 | 1,148,526 |
| Other liabilities | | | |
| Payable to suppliers | 13.1 | 13,508,865 | 39,095,629 |
| Withholding tax payable | | 68,125 | 18,923 |
| Payable to employees | | 547,932 | 1,739,123 |
| | | <u>14,124,922</u> | <u>40,853,675</u> |
| | | <u>14,521,779</u> | <u>42,002,201</u> |

13.1 This includes amounts payables to Abacus Consultants, for the implementation of the SAP accounting software, and Green Max Private Limited, against purchase of the shrimp farm fertilizer.

14 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at the end of the current and prior year.

| | Note | 2016 -----Pak Rupees----- | 2015 |
|--|------|------------------------------|-------------------|
| 15 GRANT INCOME | | | |
| Recognized against deferred grants for: | | | |
| Purchase of fixed assets | 12.1 | 10,627,395 | 1,752,485 |
| Operating activities | 12.2 | 102,251,947 | 62,214,036 |
| | | <u>112,879,342</u> | <u>63,966,521</u> |
| 16 OTHER OPERATING INCOME | | | |
| Income from financial assets | | | |
| Profit on investments and bank deposits | 16.1 | 3,893,498 | 11,526,893 |
| Income from non-financial assets | | | |
| Others | | 188,082 | 57,500 |
| | | <u>4,081,580</u> | <u>11,584,393</u> |

16.1 This amount represents interest accrued and interest earned on TDRs placed with National Bank of Pakistan and interest earned on the savings account.

| | Note | 2016 -----Pak Rupees----- | 2015 |
|--|------|------------------------------|-------------------|
| 17 PROGRAM EXPENSES - DIRECT COSTS | | | |
| GIZ project | 17.1 | 27,126,904 | 42,876,637 |
| Shrimp farming cluster development | 17.2 | 61,068,224 | 6,385,090 |
| Human resource development through research and training in fisheries department | 17.3 | 6,493,200 | - |
| Promotion of shrimp tilapia poly-culture in pond conditions | 17.4 | 33,037 | - |
| | | <u>94,721,365</u> | <u>49,261,727</u> |

17.1 The break-up of expenses for GIZ project, is as follows:

| | | |
|----------------------------------|-------------------|-------------------|
| Salaries, wages and allowances | - | 1,692,598 |
| Consumables | 73,835 | 779,804 |
| Travelling and boarding | 3,942,298 | 9,103,499 |
| Vehicle running expenses | 511,963 | 1,798,340 |
| Printing, postage and stationery | 1,451,655 | 1,643,641 |
| Rent, rate and taxes | 200,000 | 1,100,000 |
| Entertainment | 1,443,111 | 2,078,894 |
| Trainings | 18,707,216 | 23,880,660 |
| Communication | 2,500 | 249,813 |
| Utilities | 1,447 | - |
| Bank charges | 93,993 | - |
| Advertisement | 698,886 | 549,388 |
| | <u>27,126,904</u> | <u>42,876,637</u> |

17.2 The break-up of expenses for shrimp farming cluster development, is as follows:

| | 2016 -----Pak Rupees----- | 2015 |
|----------------------------------|------------------------------|------------------|
| Salaries, wages and allowances | 6,181,173 | 2,677,129 |
| Legal and professional | 3,203,023 | 1,306,803 |
| Travelling and boarding | 197,471 | 324,370 |
| Vehicle running expenses | 625,660 | 1,390,673 |
| Printing, postage and stationery | 21,266 | 290,062 |
| Communication | 365,092 | - |
| Utilities | 694,154 | 138,717 |
| Rent and taxes | 984,000 | 100,000 |
| Trainings | - | 157,336 |
| Repair and maintenance | 15,350 | - |
| Bank charges | 128,517 | - |
| Consumables | 6,360,078 | - |
| Shrimp pond fertilizer | 10,700,335 | - |
| Shrimp feed | 16,306,200 | - |
| Shrimp seed | 5,257,900 | - |
| Generator fuel | 4,039,774 | - |
| Generator rental | 2,663,812 | - |
| Shrimp processing charges | 3,259,237 | - |
| Advertisement | 65,182 | - |
| | <u>61,068,224</u> | <u>6,385,090</u> |

17.3 The break-up of expenses for human resource development through research and training in fisheries department is as follows:

| | 2016 | 2015 |
|-------------------------|----------------------|----------|
| | -----Pak Rupees----- | |
| Travelling and boarding | 1,478,200 | - |
| Rent, rate and taxes | 15,000 | - |
| Trainings | 5,000,000 | - |
| | <u>6,493,200</u> | <u>-</u> |

17.4 The break-up of expenses for promotion of shrimp tilapia poly-culture in pond conditions, is as follows:

| | | 2016 | 2015 |
|--------------------------------|------|----------------------|----------|
| | Note | -----Pak Rupees----- | |
| Salaries, wages and allowances | | 32,000 | - |
| Bank charges | | 1,037 | - |
| | | <u>33,037</u> | <u>-</u> |

18 INDIRECT COST

| | | | |
|---------------------------------|------|------------------|------------------|
| GIZ Project - FDB indirect cost | | | |
| Business development support | 18.1 | 1,421,184 | 5,801,542 |
| Research and development | | - | 369,320 |
| Technical back stopping | 18.2 | - | 143,540 |
| | | - | 1,509,026 |
| | | <u>1,421,184</u> | <u>7,823,428</u> |

18.1 GIZ Project-FDB indirect cost

| | | | |
|----------------------------------|--|------------------|------------------|
| Salaries, wages and allowances | | | |
| Printing, postage and stationery | | 1,337,220 | 4,537,537 |
| Utilities | | 25,971 | 443,848 |
| Rent and taxes | | 57,993 | 372,107 |
| Legal and professional charges | | - | 420,000 |
| Others | | - | 27,025 |
| | | - | 1,025 |
| | | <u>1,421,184</u> | <u>5,801,542</u> |

18.2 Technical back stopping

| | | | |
|----------------------------------|--|----------|------------------|
| Salaries, wages and allowances | | | |
| Travel and boarding | | - | 769,749 |
| Vehicle running expenses | | - | 233,855 |
| Printing, postage and stationery | | - | 427,193 |
| Utilities | | - | 5,430 |
| Printing, postage and stationery | | - | 10,550 |
| | | - | 62,249 |
| | | - | 1,509,026 |
| | | <u>-</u> | <u>1,509,026</u> |

| | Note | 2016 -----Pak Rupees----- | 2015 |
|---|------|------------------------------|--------------------|
| 19 ADMINISTRATIVE EXPENSES | | | |
| Salaries and allowances | | 8,659,155 | 2,321,321 |
| Daily wages | | 986,800 | 188,400 |
| Travelling and boarding | | 5,334,491 | 793,321 |
| Legal and professional charges | | 164,700 | 207,275 |
| Vehicle running expenses | | 995,301 | 298,170 |
| Postage, telegram and telephone | | 447,311 | - |
| Printing, postage and stationery | | 24,868 | 29,764 |
| Utilities | | 309,153 | - |
| Rent, rate and taxes | | 716,123 | - |
| Entertainment | | 179,692 | 45,045 |
| Fish feed | | 25,125 | - |
| Auditor's remuneration | | 359,500 | 300,000 |
| Depreciation | 4.1 | 10,577,396 | 1,752,485 |
| Amortization | 5 | 49,999 | - |
| Repair and maintenance | | 258,909 | 57,433 |
| Consumables | | 330,285 | 84,170 |
| Bank charges | | 30,094 | 5,315 |
| Medical insurance | | 485,881 | 337,591 |
| Advertisement | | 23,798 | 28,974 |
| Transportation charges | | 160,405 | - |
| Trainings | | 26,000 | - |
| Advance tax written-off | | 625,392 | - |
| Advances written-off | | - | 432,102 |
| | | <u>30,770,378</u> | <u>6,881,366</u> |
| 20 CASH AND CASH EQUIVALENTS | | | |
| Short-term investments | 10 | 40,000,000 | 66,500,000 |
| Cash and bank balances | 11 | <u>33,594,017</u> | <u>118,836,198</u> |
| | | <u>73,594,017</u> | <u>185,336,198</u> |
| 21 TRANSACTIONS WITH RELATED PARTIES | | | |

The related parties of the Company comprise the Government of Pakistan, directors and key management personnel. Transactions with related parties and amounts due from/(to) related parties are disclosed in the relevant notes to the financial statements. The Company in the normal course of business pays for electricity, gas and telephone (utility bills) to entities controlled by the Government of Pakistan, which are not material, and hence not disclosed in these financial statements.

22 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk

The Board of Directors has the 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 analyze 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 the 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.

22.1 Concentration of credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities.

The Company's credit risk is primarily attributable to its grant receivable against operating activities, deposits, advances to employees, receivable from subsidiary company, other receivables and investments and balances with banks. The credit risk on balances with banks is very minimal. The Company attempts to control credit risk by keeping track of its expenditure in respect of various projects and obtaining advance funding for project activity from the donor. The Company is not materially exposed to credit risk.

The Company establishes an allowance for impairment that represents its estimates of incurred losses in respect of grants and other receivables.

22.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was against:

| | Note | 2016 -----Pak Rupees----- | 2015 |
|--------------------------|------|------------------------------|--------------------|
| Deposits and prepayments | 8 | 250,000 | 250,000 |
| Other receivables | | 721,024 | - |
| Short-term investments | 10 | 40,000,000 | 66,584,578 |
| Bank balances | 11 | 33,568,833 | 118,784,610 |
| | | <u>74,539,857</u> | <u>185,619,188</u> |

22.3 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 risk is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | 2016 | 2015 |
|-------------------------------|------------------|------|
| | -----Rupees----- | |
| Accrued and other liabilities | | |
| Within one year | 14,453,654 | - |
| Between one and five years | - | - |
| | 14,453,654 | - |

22.4 Market risk

Market risk is the risk that results from changes in market prices such as foreign exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures with in acceptable parameters, while optimizing returns.

22.4.1 Interest rate risk

The interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to 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:

| | 2016 | 2015 |
|----------------------------------|----------------------|------------|
| | -----Pak Rupees----- | |
| Fixed rate instruments | | |
| Short-term investments | 40,000,000 | 66,500,000 |
| Variable rate instruments | | |
| Bank balance - saving account | 26,554,338 | 5,434,526 |

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) the surplus by the following amounts, assuming that all other variables remain constant.

| | impact on | |
|------------------------------------|------------------------------|------------------------------|
| | 100 basis points increase | 100 basis points decrease |
| | -----Pak Rupees----- | |
| Cash flow sensitivity (net) | | |
| Variable rate instruments | | |
| 30 June, 2016 | 265,543 | (265,543) |
| Variable rate instruments | | |
| 30 June, 2015 | 54,345 | (54,345) |

3

22.5 Fair value of financial assets and liabilities

The carrying values of financial assets and liabilities approximate their fair values.

22.6 Fund Management

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

23 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND DIRECTORS

23.1 The Company has not paid any remuneration to its Chief Executive and directors. However, expenses relating to the meetings of the Board of Directors, held during the year, amounted to Rs. 397,530 (2015: Rs. 346,675).

24 NUMBER OF EMPLOYEES

Number of persons employed at the period end
Average number of employees during the period

| -----2016----- | -----2015----- |
|----------------|----------------|
| 28 | 46 |
| 31 | 33 |

25 RE-ARRANGEMENTS AND RE-CLASSIFICATIONS

Corresponding figures have been re-classified and re-arranged where necessary for more appropriate presentation of transactions and events, for the purpose of comparison. The major reclassification is as follows:

| From | To | Pak Rupees |
|--------------------------|-----------|------------|
| Capital work-in-progress | Inventory | 3,690,000 |

Above reclassification had no impact on the opening balances for the comparative period. Accordingly, no balance sheet as at that date has been included in these financial statements.

26 DATE OF AUTHORIZATION

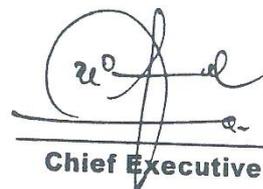
These financial statements were authorized for issue on 14 MAR 2017 by the Board of Directors of the Company.

27 GENERAL

The amounts presented in these financial statements have been rounded-off to the nearest Pak Rupee.



Chairman



Chief Executive