BDO

FISHERIES DEVELOPMENT BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2020

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3rd Floor,
Saeed Plaza,
22-East Blue Area,
Islamabad-44000,
Pakistan.

The Board of Directors,
Fisheries development Board,
Islamabad.

February 09, 2021
BDO/AUD/182/2020

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Gentlemen,

We have completed the audit of your Company's financial statements for the above referred period and are pleased to enclose herewith two copies of the draft financial statements together with our draft audit report thereon duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the financial statements are approved by the Board and signed on their behalf by the Chief Executive and at least one other Director and on receipt/ review of the following:

a) Letter of representation addressed to us on behalf of the Board of Directors and signed by the Chief Executive and Chief Financial Officer as per draft provided by us;

b) Board of Directors' resolution in respect of the following:

- Additions to property, plant and equipment amounting to Rs. 48.565 million;
- Amortization of deferred grant amounting to Rs. 44.045 million;
- Provision/write-off against receivables amounting to Rs. 757,742;
- Deferred grant written back amounting to Rs. 14.412 million;
- Directors' remunerations; and
- Transactions with related parties as stated in the notes to the financial statements.

c) Confirmations from legal advisors;

d) Form A and Form 29; and

e) Directors' report for the year ended June 30, 2020.

our comments and observations on this set of financial statements are as follows:

1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in section 249 of the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Company's management.

The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

2. PROPERTY, PLANT AND EQUIPMENT

2.1 We have observed that fixed asset register has been maintained in MS excel having no description of location and custody of fixed asset items in accordance with the TR-6 of Institute of Chartered Accountants of Pakistan (ICAP) in order to provide itemized control over the fixed assets of the Company. Moreover, depreciation calculation is not calculated in a systemized manner resulting in the risk of overstatement or understatement of fixed assets. We recommend that fixed asset register should be maintained in systemized manner in compliance with the TR-6 of the Institute of Chartered Accountants of Pakistan (ICAP).

2.2 As per clause 19.1 of policy and procedures manual;

"The organization distinguishes between inventory assets (acquisition cost less then 5,000) and capitalized assets. Both category of assets are recorded in organization's fixed assets system."

However, we noted that some fixed assets above Rs 5,000 were expensed out during the year. Moreover, no record of inventory assets was kept by the Company because of which there is a risk of misappropriation of assets.

We recommend that all expenditures pertaining to fixed assets should be strictly checked and should be capitalized immediately in case of any non-compliance.

3. INTERNAL CONTROL DEFICIENCY IN MONITORING PROCESS OF JOINT VENTURE

On 6th March 2015 FDB entered into an agreement with Reliance Aqua Farm (Pvt.) Limited. (RAFPL) to execute a project of shrimp farming on commercial basis. Under the terms of arrangement, RAFPL shall contribute all of its existing infrastructure to the joint arrangement for the term of five years which was subsequently extended for two more years. As per the agreement, in the first year of operations FDB shall invest in repair of pounds, farm inputs, procurement, installation of equipment and hiring of staff for the farm. In the second year of operations, RAFPL will invest in operational cost like fish seed and feed etc. and utilize the machinery, equipment and ponds renovated by FDB. The net profit shall be disbursed between FDB and RAFPL at 60:40 in the first year, and 30:70 in subsequent years. Any loss during the first financial year will however, be borne by FDB entirely. Management interprets that any loss in subsequent years is to be borne by RAFPL and FDB will not bear any liability in this respect.

We noted that proper accounts are not being maintained by the Joint Venture (JV), which should form basis of the income sharing. Absence of audited accounts poses a risk of weak control of the financial affairs of the JV. Therefore, we recommend that necessary steps should be taken to ensure proper preparation of accounts by the JV and be audited by the firm of Chartered Accountants.

4. FISH STOCK

Fisheries Development Board (FDB) has undertaken various projects related to fish and shrimps whereas, the cost incurred with respect to these program activities have been expensed out in their related financial year. However, the management has not carried out independent valuation to ensure the accuracy of the closing stock at year end.

We recommend that independent valuation of all fish and shrimp stock at fair value should be carried out to accurately disclose in the financial statements.

5. FEED STOCK

Fisheries Development Board (FDB) procured fish feed to undertake various project activities with the prospects of gaining new scientific or technical knowledge and understanding. As per management the feed stock is procured to support the research activity therefore it falls in the ambit of IAS 38 intangible assets. Whereas, this may result in weak control of stock and lead to the risk of misappropriation.

We recommend that the Company should maintain a systemized procedure for maintaining stock record and expense out the cost on consumption basis instead of time when the cost is incurred.

6. CASH AND BANK BALANCES

We have not physically verified cash in hand as at the reporting date. However, custody certificate of cash was furnished to us by the management, please confirm the cash in hand balance presented by the management. Further, we recommend that physical cash count should be carried out at the year end to verify the existence of cash in hand.

7. DEFERRED GRANT

7.1 We observed that management has written back an amount of Rs. 14.078 million from deferred grant of project "Shrimp Farming Cluster Development to enhance supply of raw material for sea food industry of Pakistan (SCDP)" to other income. As per management the amount was utilized to meet the expenditure of FDB in previous periods however, respective transactions of amortization of restricted grant were not reflected in the financials in relevant year.

We recommend that management should obtain necessary approvals and give due attention to financial reporting closing process.

7.2 We noted that the balance of restricted grant related to "Human Resource Development through Research and Training in Fisheries Department (HRRT)" amounting to Rs. 1.181 million and grant related to "Promotion of Shrimp, Tilapia Polyculture in Pond Conditions (PSTPC)" amounting to Rs. 0.193 million remained unchanged during the year. We recommend management that after the approval of the donor such balance should either be utilized against other projects or be duly adjusted as per the agreement.

8. DEFERRED LIABILITY (GRATUITY / PROVIDENT FUND)

We have observed that the Company does not account for staff retirement benefits. Sub clause (6) of clause (12) of Schedule to The Industrial & Commercial Employment (Standing Orders) Ordinance, 1968 provides that where a workman, who works for more than six months, resigns from his service or where his services are terminated, then he is entitled to the staff retirement benefits which is either gratuity or provident fund or both. Workman is defined under the above said Order as a person employed in any industrial or commercial establishment to do any skilled or unskilled, manual or clerical work for hire or reward.

As per management salary structure of Fisheries Development board (FDB) was presented in 14th Human Resource Nomination Committee (HRN) meeting held on September 17, 2019. The committee, after detailed deliberations recommended salary structure to the board of directors (BOD) along with allowances for the approval of BOD. BOD approved the recommended salary structure in its 29th meeting but the workings on allowances (gratuity/provident fund) is pending on behalf of the management. Management is of view that these benefits will be properly accounted for from July 1, 2020. Kindly confirm that this is in order.

9. EXPENSES

9.1 Fisheries Development board head office and four of its projects operate from the same location whereas common expenses like utilities and telecommunication of head office and projects are charged to different project grants. Which may cause overutilization of project expenses that are not related to the specific project.

We recommend that combined expenses should be apportioned proportionately between projects and head office.

9.2 According to EOBI rules "Contributions, falling due, at the end of the month, to which they relate, shall be paid not later than the 15th of the next following month". However, we noted late payments of contribution during the year.

10. SEGREGATION OF DUITIES

Entity uses SAP for its financial reporting purposes. However, during the course of audit, we observed that manager accounts and finance possesses admin rights of SAP who is also responsible for review and rectification of posted entries. This possesses a risk of deletion, amendment and posting of back dated entries without formal authorizations.

We recommend that the admin rights should be segregated outside of the accounts department and formal procedures should be introduced and be followed for any of the amendment.

11. ADOPTION OF IFRS 16 - LEASES

IFRS 16 'Leases' was issued in January 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 434 (I)/2018 and is effective for accounting period / year beginning on or after January 01, 2019.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies on adoption of IFRS 16 are detailed in respective notes to the financial statements of the Company.

12. CONTINGENCIES AND COMMITMENTS

We have been informed by the management that there are no contingent liabilities and commitments of the Company as on the date of the financial statements other than those disclosed in the notes to the financial statements. Kindly confirm the representations made by management.

13. IMPACT OF COVID-19

The spread of COVID-19 during the year has had a material adverse effect on the economy. In this regard measures taken to combat the spread of the virus have caused material economic downturn. However, as per the management, Covid-19 has no significant impact on the Company's financial performance during the year as the Company continued its operations after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees in order to maintain business performance despite slowed down economic activity. Please confirm the management representation.

14. RELATED PARTY TRANSACTIONS

We have been informed by the management that there were no transactions with the related parties other than those disclosed in the notes to the financial statements. Kindly confirm the representations made by management.

15. FRAUD AND ERROR

We have been informed by the management that no case of fraud and error has been brought to their knowledge during the year. Kindly confirm the representations made by management.

We wish to place on record our appreciation for the courtesy and cooperation extended to us during course of our audit.

Yours faithfully,

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
Enclosed as above

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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF FISHERIES DEVELOPMENT BOARD

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **FISHERIES DEVELOPMENT BOARD COMPANY LIMITED BY GUARANTEE** (the Company), which comprise the statement of financial position as at June 30, 2020 and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2020 and of the surplus and other comprehensive income, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

Other Matter

The financial statements of Fisheries development Board for the year ended June 30, 2019 were audited by another firm of chartered accountants, who had expressed an unqualified opinion vide their report dated March 13, 2020.

The engagement partner on the audit resulting in this independent auditors report is Abdul Qadeer.

ISLAMABAD

DATED: 0 5 MAY 2021

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

FISHERIES DEVELOPMENT BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	60,170,869	17,449,866
Intangible asset	6	1,470,567	1,650,708
Long term investments	7	300,000,000	-
		361,641,436	19,100,574
CURRENT ASSETS			
Grant receivable	13	5,731,596	-
Advances	8	50,000	100,949
Deposits and short-term prepayments	9	785,970	898,712
Interest accrued	7	38,420,111	214,024
Other receivables	10	2,670,745	340,652
Cash and bank balances	11	9,551,333	334,415,761
		57,209,755	335,970,098
TOTAL ASSETS		418,851,191	355,070,672
FUND AND LIABILITIES			
FUND			
Endowment Fund	12	300,000,000	300,000,000
Accumulated surplus / (deficit)		42,293,802	(5,659,455)
		342,293,802	294,340,545
NON-CURRENT LIABILITIES			
Deferred grants	13	68,097,685	56,124,401
CURRENT LIABILITIES			
Accrued and other liabilities	14	8,459,704	4,605,726
CONTINGENCIES AND COMMITMENTS	15	-	-
TOTAL FUND AND LIABILITIES		418,851,191	355,070,672

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHAIRMAN **CHIEF EXECUTIVE**

FISHERIES DEVELOPMENT BOARD
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Grant income	16	70,127,329	46,310,996
Other operating income	17	41,094,562	1,324,177
Other income	18	18,676,987	20,000
		129,898,878	47,655,173
EXPENDITURE			
Programme expenses - direct costs	19	44,044,809	23,933,837
Other operating expense	20	-	15,511,905
Administrative expenses	21	37,900,812	32,540,954
		81,945,621	71,986,696
SURPLUS / (DEFICIT) FOR THE YEAR		47,953,257	(24,331,523)

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHAIRMAN **CHIEF EXECUTIVE**

FISHERIES DEVELOPMENT BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020 Rupees	2019 Rupees
Surplus / (deficit) for the year	47,953,257	(24,331,523)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	47,953,257	(24,331,523)

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHAIRMAN **CHIEF EXECUTIVE**

FISHERIES DEVELOPMENT BOARD
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Fund Rupees
Balance at 01 July 2018	18,672,068
Deficit for the year	(24,331,523)
Balance at 30 June 2019	(5,659,455)
Surplus for the year	47,953,257
Balance at 30 June 2020	42,293,802

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHAIRMAN **CHIEF EXECUTIVE**

FISHERIES DEVELOPMENT BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/ (deficit) for the year		47,953,257	(24,331,523)
Adjustments for non-cash and other items:			
Depreciation	5	5,844,376	6,629,526
Amortization	6	238,144	235,728
Grant income	16	(70,127,329)	(46,310,996)
Other operating expense (impairment loss)	20	-	15,511,905
Profit on investments and bank deposits	17	(41,094,562)	(1,324,177)
		(105,139,371)	(25,258,014)
		(57,186,114)	(49,589,537)
Working capital changes			
Decrease / (increase) in current assets			
Inventory		-	368,647
Grant receivable		(5,731,596)	213,210
Advances		50,949	11,450
Deposits and short- term prepayments		112,742	109,321
Other receivables		(2,330,093)	117,500
Increase/ (decrease) in current liabilities			
Increase in trade and other payables		3,853,978	1,235,043
		(4,044,020)	2,055,171
Cash used in operations		(61,230,134)	(47,534,366)
Grant received		82,100,613	316,952,000
Net cash generated from operating activities		20,870,479	269,417,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(48,565,379)	(13,085,361)
(Increase) / Decrease in short-term investments		(300,000,000)	20,000,000
Acquisition of intangible assets		(58,003)	-
Interest Received		2,888,475	1,328,868
Net cash (used in) / generated from investing activities		(345,734,907)	8,243,507
Net (decrease) / increase in cash and cash equivalents		(324,864,428)	277,661,141
Cash and cash equivalents at the beginning of the year		334,415,761	56,754,620
Cash and cash equivalents at the end of the year	11	9,551,333	334,415,761

The annexed notes from 1 to 32 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, 2020

1 LEGAL STATUS AND OPERATIONS

Fisheries Development Board (FDB the Company), was incorporated on August 02, 2007 under Section 42 of the Companies Ordinance, 1984 (replaced by the Companies Act, 2017 with effect from May 30, 2017), as a company limited by guarantee. The registered office of the Company is situated at Plot 12, Orchard Scheme, Murree Road, Islamabad.

Locations	Purpose
(a) Plot 12, Orchard Scheme, Murree Road, Islamabad	Head Office
(b) B-111 13D/2 Gulshan Iqbal, Karachi	Regional Office
(c) Agha Rizvi house, division road Alamdar chowk, Skardu	Regional Office

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 operations of the Company are being run and administered by Ministry of National Food Security and Research (formerly Ministry of Food, Agriculture and Livestock).

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 National Food Security and Research (formerly MINFAL)
  - Fisheries Management Wing (FMW)
  - Marine Fisheries Department (MFD)
  - Pakistan Agricultural Research Council (PARC)
- Line department of provinces and special areas
- Private sector / NGOs

1.1 Projects

a) Pilot Shrimp Farming Cluster Development Project

The project was started from September 17, 2019 with an expected cost of Rs. 1,350 million which will take an expected duration of 5 years under the "Ministry of National food security and research" the purpose of which is to built multipurpose hatchery to provide shrimp seed to private fish farms along the coast of Baluchistan. A Research and Development Centre will also be established in the cluster areas to provide R&D support to the farming community. Trainings will be imparted to 1570 people, interested in shrimp farming.

b) Establishment Of Trout Cage Farming In Gilgit Baltistan Areas

The project was started in July 2017 funded by the "Ministry of National food security and research" and was completed on June 30, 2020. The purpose of the project was to promote the culture of trout production in cages by establishing a model cage site in Skardu. Project was completed on accomplishment of purpose by producing 11 tons of fish and providing training to 15 persons.

c) Cage Culture Cluster Development Project

The project was started from December 6, 2019 with an expected cost of Rs. 680 million which will take an expected duration of 5 years under the "Ministry of National food security and research" the purpose of which is to develop a cage culture technology in Pakistan by establishing modern cage farms and facilitation units. Training to stakeholders will also be provided in order to develop the human resource.

d) Shrimp Farming Cluster Development to enhance supply of raw material for sea food industry of Pakistan

The project was started in April 2, 2014 and was designed to supply raw material to fish processing industry of Pakistan to realize export potential. Expected cost at the time of initiation of project was 96 million and was carried out under the "Ministry of Commerce." Purpose of the project is to establish model shrimp farm along with the laboratory and also to provide training to stakeholders. Project was completed in December 2019 on achievement of its purposes.

e) Establishment of Pen Fish Farm of Sea Bass and Groupers along with Coastal Belt of Sindh

The project was started in July 2017 and was designed to promote sea farming near coastal area of Pakistan which is 1100 km in length. Expected cost at the time of initiation of project was 96 million and was carried out under the "Ministry of Commerce". Purpose of the project is to establish pen fish farms and designing and manufacturing of pens for culture. Pen/cage culture is a technology of fish production in which an enclosure is established in shallow sea water or in creek area outside sea.

f) Promotion of Trout Farming in Northern Areas of Pakistan

The project was started from September 4, 2019, with an expected cost of Rs. 1,515 million which will take an expected duration of 5 years under the "Ministry of National food security and research", the purpose of which is to build and renovate hatcheries in Azad Jamu & kashmir, Gilgit Biltistan and Khyber pakhtunkhwa and to build trout farms with public private partnership in all the three regions. Under the project fish markets will be established along with the processing plants. Training and capacity building will also be provided to public as well as private stakeholders.

g) **Joint Ventures**

On March 06, 2015, FDB entered into an agreement with Reliance Aqua Farm (Private) Limited (RAFPL), to execute a project of shrimp farming on commercial basis. Under the terms of the arrangement, RAFPL shall contribute all of its existing infrastructure to the joint arrangement for the term of the agreement; i.e. 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 between FDB and RAFPL at 60:40 in the first year, and 30:70 in subsequent years, respectively. Any loss during the first financial year will however, be borne by FDB entirely. Management interprets that any loss in subsequent years is to be borne by RAFPL and FDB will not bear any liability in this respect.

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. The contract have been extended for 2 more years on expiry of project on March 5, 2020.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards / IFRS for SMEs or the Accounting Standard for NPO, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention and on accrual basis of accounting except for the cash flow statement or as otherwise stated, in the respective policies and notes given hereunder.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and rounded off to the nearest rupee.

3 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED STANDARDS

3.1 IFRS 16 - Leases

IFRS 16 'Leases' was issued on January 01, 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after January 1, 2019. IFRS 16 replaced IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease' The Company applied IFRS 16 on July 01, 2019.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained.

The Company does not have significant leasing activities acting as a lessee or lessor. Therefore there is no impact of adoption of IFRS-16 on the financial statements of the company.

3.2 Standards / amendments that are effective in current year and relevant to the Company

The Company has adopted the standards / amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 16	Leases - Original issue	January 01, 2019
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates	January 01, 2019
IAS 19	Employee benefits - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

		Effective date (annual periods beginning on or after)
Annual improvements to IFRSs (2015 – 2017) Cycle:		
IFRS 3	Business Combinations	January 01, 2019
IFRS 11	Joint Arrangements	January 01, 2019
IAS 12	Income Taxes	January 01, 2019
IAS 23	Borrowing Costs	January 01, 2019

3.3 Amendments that are effective in current year and not relevant to the Company

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

		Effective date (annual periods beginning on or after)
IFRS 8	Operating Segments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 14	Regulatory Deferral Accounts - Original issue	July 01, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019

3.4 Amendments not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

		Effective date (annual periods beginning on or after)
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38,IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.		January 01, 2020
IFRS 3	Business Combinations - amendments to clarify the definition of a business	January 01, 2020
IFRS 3	Business Combinations - amendments updating a reference to the Conceptual Framework	January 01, 2022
IFRS 4	Insurance Contracts - Amendments regarding the expiry date of the deferral approach	January 01, 2023
IFRS 7	Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020
IFRS 9	Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform	
IFRS 9	Financial Instruments - Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2023
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	January 01, 2020
IFRS 17	Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	January 01, 2023
IAS 1	Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities	January 01, 2022

		Effective date (annual periods beginning on or after)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous	January 01, 2022
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual improvements to IFRSs (2018 – 2020) Cycle:

		Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2022
IFRS 9	Financial Instruments	January 01, 2022
IFRS 41	Agriculture	January 01, 2020

3.5 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting
IFRS 17	Insurance Contracts

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property and equipment

These are stated at written down value less accumulated depreciation and impairment, if any. Depreciation is charged to income, applying the written down value method to write off the cost of an asset over its estimated useful life at the rates specified in note 5 of operating fixed assets. A full month's depreciation is charged in the month of addition, while no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to the income and expenditure account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that the respective future economic benefits will flow to the Company. Gains and losses on disposals are determined by comparing sale proceeds with the carrying amount of the relevant assets. These are included in the income and expenditure account.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the income and expenditure account.

Operating fixed assets are reviewed at each statement of financial statement date to determine whether there is any indication of impairment. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in income to that extent.

4.2 Intangible

These are stated at cost less accumulated amortization and impairment losses, if any. Major computer software licenses are capitalized on the basis of cost incurred to acquire and bring to use the specific software. Amortization is provided on reducing balance method at the rates disclosed in note 6 to the financial statements.

Cost associated with maintaining computer software are recognized as an expense as and when incurred.

4.3 Investments

Amortized cost investments

Amortized cost investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold up to the maturity. If the Company wants to sell other than an insignificant amount of amortized cost financial assets, the whole category would be tainted.

Amortized cost investments are initially recognized at fair value plus transaction costs. Such investments are carried at amortized cost, using the effective interest rate method, less impairment, if any.

4.4 Receivables

Receivables originated by the Company are recognized and carried at original billed amounts less any estimated allowance made for doubtful receivables, if any.

An estimate for doubtful receivables is made when collection of the full amount is no longer probable based on a review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when determined to be uncollectable.

4.5 Financial instruments

4.5.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

(i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity Investments at FVOCI

These assets are initially measured at cost plus transaction cost that are directly attributable to its acquisition. Subsequently, these are measured at fair value. Dividends are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets at FVPL

These assets are initially recognized at cost. Subsequently, these are measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in statement of profit or loss.

Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition

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

4.5.2 Financial liabilities

Financial liabilities are measured at amortized cost or 'at fair value through profit or loss' (FVPL). A financial liability is classified as at FVPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

4.6 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

4.7 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash in hand, cash at bank and investments having original maturity of less than three months which are part of the cash management policy of the Company.

Projects are funded through National Bank's Lapsable Assignment Account (LAA). LAA is a special type of Account for which the sanction of expenditure is given by AGPR and all the sanctions appearing as at June 30 will expire.

4.8 Endowment fund

Endowment contributions are recognized as direct increase in fund. Terms and conditions of the fund has been explained in Note 12.

4.9 Trade and other payables

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

4.10 Taxation

The Company is registered as not for profit organization under section 2(36) of the Income Tax Ordinance, 2001. The company is eligible for tax credit under Section 100C of the Income Tax Ordinance 2001 from grants, voluntary contributions, profits on term deposit receipts, profits on saving bank accounts, investments in the securities of the Federal Government and so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purposes of carrying out welfare activities. Accordingly, provision for taxation has not been made in these financial statements.

4.11 Provision

A provision is recognized in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of that application can be measured reliably. Provisions are determined by discounting future cash flows at appropriate discount rates wherever required. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

4.12 Income recognition

a) Grants income

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

b) 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 statement on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

c) 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 statement, on a systematic basis, over the periods and in the proportions in which depreciation expense on those assets is recognised.

d) Return on bank deposits and investments

Return on bank deposits and investments is recognized using the effective interest rate method.

4.13 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to:-

- exercise its judgment in process of applying the Corporation's accounting policies; and
- use of certain critical accounting estimates and assumptions concerning the future.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:-

a) Property and equipment

Management has made estimates of fair value, residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment loss.

b) Provision for doubtful receivables

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

5 PROPERTY AND EQUIPMENT

Description	Fish farming properties	Furniture and fixtures	Office equipment	Vehicles	Scientific and other equipment	Trout fish cages and containers	Total
	-----Rupees-----						
Year ended June 30, 2020							
Net carrying value basis							
Opening net book value (NBV)	-	679,883	402,638	2,726,025	1,358,824	12,282,496	17,449,866
Additions (at cost)	-	6,007,578	7,308,267	-	2,809,034	32,440,500	48,565,379
Depreciation charge	-	(281,632)	(564,484)	(412,505)	(1,374,884)	(3,210,871)	(5,844,376)
Closing net book value (NBV)	-	6,405,829	7,146,421	2,313,520	2,792,974	41,512,125	60,170,869
Gross carrying value basis							
Cost	28,697,926	10,022,310	18,987,434	6,175,533	60,044,613	47,721,066	171,648,882
Accumulated depreciation	(28,697,926)	(3,616,481)	(11,841,013)	(3,862,013)	(57,251,639)	(6,208,941)	(111,478,013)
Net book value (NBV)	-	6,405,829	7,146,421	2,313,520	2,792,974	41,512,125	60,170,869
Year ended June 30, 2019							
Net carrying value basis							
Opening net book value (NBV)	530,347	861,152	1,782,328	3,550,343	9,718,966	10,062,800	26,505,936
Additions (at cost)	1,739,519	948,541	410,650	259,900	4,822,038	4,904,713	13,085,361
Impairment	(2,113,513)	(893,541)	(1,452,643)	(490,454)	(10,561,754)	-	(15,511,905)
Depreciation charge	(156,353)	(236,269)	(337,697)	(593,764)	(2,620,426)	(2,685,017)	(6,629,526)
Closing net book value (NBV)	-	679,883	402,638	2,726,025	1,358,824	12,282,496	17,449,866
Gross carrying value basis							
Cost	28,697,926	4,014,732	11,679,167	6,175,533	57,235,579	15,280,566	123,083,503
Accumulated depreciation	(28,697,926)	(3,334,849)	(11,276,529)	(3,449,508)	(55,876,755)	(2,998,070)	(105,633,637)
Net book value (NBV)	-	679,883	402,638	2,726,025	1,358,824	12,282,496	17,449,866
Depreciation rate per annum	20%	10%	15%	10%	20%	20%	

5.1 Depreciation has been allocated to the operating expenses.

		Note	2020 Rupees	2019 Rupees
6	**INTANGIBLE ASSET**			
	Computer software	6.1	1,470,567	1,650,708
6.1	**Net carrying value basis**			
	Opening net book value (NBV)		1,650,708	1,886,436
	Additions during the year		58,003	-
			1,708,711	1,886,436
	Amortization during the year		(238,144)	(235,728)
	Closing net book value (NBV)		1,470,567	1,650,708
6.2	**Gross carrying value basis**			
	Cost		2,357,276	2,357,276
	Additions		58,003	-
	Accumulated amortization		(944,712)	(706,568)
	Net book value (NBV)		1,470,567	1,650,708
	Amortization rate per annum		10%	10%
7	**LONG TERM INVESTMENTS**			
	-At amortized cost			
	Cost	7.1	300,000,000	-
	Accrued interest		38,420,111	-
			338,420,111	-
	Shown as part of interest accrued		(38,420,111)	
			300,000,000	-

7.1 This represents a TDR, placed with the National Bank of Pakistan, having a face value of Rs. 300 million. The TDR carries mark-up at the rate of 13.40 % per annum, with a term of 3 years maturing on July 18, 2022.

		Note	2020 Rupees	2019 Rupees
8	**ADVANCES**			
	Unsecured - considered good			
	To employees against expenses		50,000	100,949
9	**DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Security deposits		551,400	250,000
	Prepayments	9.1	234,570	648,712
			785,970	898,712

9.1 This represents prepayments against the medical insurance.

		Note	2020 Rupees	2019 Rupees
10	**OTHER RECEIVABLES**	10.1	2,670,745	340,652

10.1 Other receivables includes an amount of Rs. 2,500,200 receivable against sale of fish from M/S Ali Bhai and Sons Pvt. Ltd.

		Note	2020 Rupees	2019 Rupees
11	**CASH AND BANK BALANCES**			
	Cash in hand		49,457	33,198
	Cash at bank - local currency			
	Current accounts		5,763,148	25,233,188
	Saving accounts	11.1	3,738,728	309,149,375
			9,501,876	334,382,563
			9,551,333	334,415,761

11.1 These carry mark-up at the rates ranging from 6.5% to 11.5% (2019: 3.5% to 4%) per annum.

12 ENDOWMENT FUND

The amount of Rs. 300,000,000 has been provided by Government of Pakistan to fisheries development board in order invest and utilize the return to meet the administrative expenses of the entity. Fisheries development board is prohibitted to use the principle amount for any purpose.

		Note	2020 Rupees	2019 Rupees
13	**DEFERRED GRANTS**			
	Deferred capital grant	13.1	61,587,196	19,104,337
	Against operating activities	13.2	6,510,489	37,020,064
			68,097,685	56,124,401

13.1 Deferred capital grant

	Note	2020 Rupees	2019 Rupees
Balance as at July 01,		19,104,337	28,396,135
Addition in deferred capital grant	13.2.1	48,565,379	13,085,361
Recognized in income during the year			
- Due to depreciation and amortization	5 & 6	(6,082,520)	(6,865,254)
- Due to impairment of property and equipment		-	(15,511,905)
	16	(6,082,520)	(22,377,159)
		61,587,196	19,104,337

	Note	2020 Rupees	2019 Rupees
13.2 Against operating activities			
Balance as at July 01,		37,020,064	57,087,262
Grant received during the year		308,464,799	21,582,000
Grant surrendered during the year		(232,265,484)	-
Grant lapsed during the year		(3,716,990)	(4,630,000)
Grant recognised during the year - net			
Amortization during the year		(44,044,809)	(23,933,837)
Adjustments during the year		(16,113,308)	-
Transferred to deferred capital grant		(48,565,379)	(13,085,361)
Balance as at June 30,	13.2.1	778,893	37,020,064
Transferred to grant receivable		5,731,596	-
		6,510,489	37,020,064

		2020 Rupees	2019 Rupees
13.3 Employees related expenses			
Balance as at July 01,		-	-
Grant received during the year		20,000,000	-
Grant recognised during the year		(20,000,000)	-
		-	-

13.2.1 **Project wise movement in grants against operating activities is as follows:**

Project Name	Balance as at July 01, 2019	Grant received during the year	Unspent Grant: Surrendered grant	Unspent Grant: Lapsed grant	Grant recognized in income and expenditure statement	Transferred to deferred capital grant	Adjustments	Closing balance	Grants receivable - gross
	A	*B*	*C*	*D*	*E*	*F*	*G*	*G=A+B+C+D+E +F+G*	
Local sources:									
Head Office (FDB Component)	175,009	-	-	-	-	(325,694)	a)	(150,685)	(150,685)
Shrimp farming cluster development to enhance supply of raw material for sea food industry of Pakistan	15,669,596	-	-	-	(1,592,077)	-	(14,077,519)	-	-
Human resource development through research and training in fisheries department	1,180,562	-	-	-	-	-	-	1,180,562	-
Promotion of shrimp, tilapia polyculture in pond conditions	193,133	-	-	-	-	-	-	193,133	-
Establishment of pen fish farm of sea bass and groupers along with coastal belt of Sindh	19,801,764	-	-	-	(10,745,111)	(3,919,859)	-	5,136,794	-
Establishment of trout cage farming in Gilgit Baltistan area	-	20,800,996	(808,699)	(367,776)	(16,677,552)	(911,180)	b) (2,035,789)	-	-
Promotion of trout farming in northern areas of Pakistan	-	9,742,803	(2,143,457)	(281,327)	(4,872,807)	(2,497,458)	-	(52,246)	(52,246)
Pilot shrimp farming cluster development project	-	202,507,000	(193,963,017)	(1,428,486)	(6,302,576)	(1,948,605)	-	(1,135,684)	(1,135,684)
Cage culture cluster development project	-	75,414,000	(35,350,311)	(1,639,401)	(3,854,686)	(38,962,583)	-	(4,392,981)	(4,392,981)
	37,020,064	**308,464,799**	**(232,265,484)**	**(3,716,990)**	**(44,044,809)**	**(48,565,379)**	**(16,113,308)**	**778,893**	**(5,731,596)**

a) In financial year ending July 2016 shrimp sale amounting to Rs. 16 million was made on project named "Shrimp farming cluster development to enhance supply of raw material for sea food industry of Pakistan" and was treated as restricted grant of the mentioned project. However in subsequent years Fisheries Development Board uses the funds to meet head office expenditures but the grant was not recognised as and when the expenditure takes place. In current year the remining amount of the grant have been written back as other income.

b) In the year ending June 30, 2019 an amount of Rs. 1,701,224 was lapsed on project named "Establishment of trout cage farming in Gilgit Baltistan area" but the amount was not properly accounted for by deducting it from deferred grant. More over an amount of Rs. 334,565, against which expenditures were taken place on above mentioned project, was also not recognized as grant income in prior period. Both of these amounts have been adjusted in current period.

		2020 Rupees	2019 Rupees
14	**ACCRUED AND OTHER LIABILITIES**		
	Accrued liabilities	550,876	330,000
	Other liabilities		
	Payable to suppliers	7,808,736	4,149,832
	Withholding tax payable	100,092	125,894
		7,908,828	4,275,726
		8,459,704	4,605,726

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

M/S Ali Bhai & Sons Pvt. Ltd have filed case in court of senior civil Judge, Islamabad against Fisheries Development Board to reimburse Rs. 420,666 in respect of advance payment for the purchase of trout fish and Rs.180,000 bid money cash deposit receipt. M/S Ali Bhai and Sons is a distributor of fish and are in agreement with FDB to purchase fresh fish for distribution. However they are of view that FDB supplied approximately 1836 KG spoiled fish which was against the agreement. FDB have also filed case against Ali Bhai and Sons for the recovery of remaining amounts and FIR have been filed against Ali Bhai and Sons on direction of court.

15.2 Commitments

There are no commitments as at June 30, 2020 (June 30, 2019 : Rs. Nil).

		Note	2020 Rupees	2019 Rupees
16	**GRANT INCOME**			
	Amortisation of deferred capital grant	13.1	6,082,520	22,377,159
	Amortisation of restricted grant	13.2	44,044,809	23,933,837
	Amortisation of restricted grant - Against employee related expenses	13.3	20,000,000	-
			70,127,329	46,310,996
17	**OTHER OPERATING INCOME**			
	Profit on bank deposits		2,877,028	1,324,177
	Interest on TDRs	17.1	38,217,534	-
			41,094,562	1,324,177

17.1 This amount represents interest earned on TDRs placed with National Bank of Pakistan.

		Note	2020 Rupees	2019 Rupees
18	**OTHER INCOME**			
	Sale of fish		4,253,903	-
	Tender income		11,000	20,000
	Write off of deferred grant- prior period	18.1	14,412,084	-
			18,676,987	20,000

18.1 This mainly includes an amount of Rs. 14.078 million from deferred grant of project "Shrimp Farming Cluster Development to enhance supply of raw material for sea food industry of Pakistan (SCDP)" that has been utilized in prior periods to meet the expenditures of fisheries development board however, respective transactions of amortization was not recorded. The accumulated amount has been amortised in current year by recognising as other income.

		Note	2020 Rupees	2019 Rupees
19	**PROGRAMME EXPENSES - DIRECT COSTS**			
	Shrimp farming cluster development to enhance supply of raw material for sea food industry of Pakistan	19.1	1,592,077	4,641,624
	Establishment of pen fish farm of sea bass and groupers along with coastal belt of Sindh	19.2	10,745,111	7,394,335
	Establishment of trout cage farming in Gilgit Baltistan area	19.3	16,677,552	11,897,878
	Promotion of trout farming in northern areas of Pakistan	19.4	4,872,807	-
	Pilot shrimp farming cluster development project	19.5	6,302,576	-
	Cage culture cluster development project	19.6	3,854,686	-
			44,044,809	23,933,837

19.1 Shrimp Farming Cluster Development to enhance supply of raw material for sea food industry of Pakistan

	2020	2019
Salaries and allowances	-	1,736,958
Daily wages	1,313,700	1,090,200
Repair and maintenance	190,000	1,338,960
Bank charges	6,585	3,051
Advertisement	81,792	85,808
Miscellaneous expenses	-	386,647
	1,592,077	4,641,624

	2020 Rupees	2019 Rupees

19.2 Establishment of Pen Fish Farm of Sea Bass and Groupers along with Coastal Belt of Sindh

	2020 Rupees	2019 Rupees
Salaries and allowances	770,000	1,649,951
Daily wages	712,300	81,600
Consultancy charges	-	80,000
Utilities	352,603	282,139
Rent, rate and taxes	816,990	828,850
Vehicle running expenses	1,049,385	587,448
Printing and stationery	19,250	55,984
Repair and maintenance	3,352,795	95,622
Fish feed	2,872,180	57,000
Postage, telegram and telephone	130,241	135,582
Travelling and boarding	440,171	1,437,016
Bank charges	1,039	-
Advertisement	138,895	97,971
Miscellaneous expenses	89,262	2,005,172
	10,745,111	7,394,335

19.3 Establishment of Trout Cage Farming in Gilgit Baltistan area

	2020 Rupees	2019 Rupees
Salaries and allowances	2,842,348	216,000
Daily wages	-	1,460,000
Utilities	95,504	266,434
Vehicle rental	917,988	605,220
Rent, rate and taxes	193,600	254,000
Vehicle running expenses	271,785	300,214
Printing and stationery	152,924	214,623
Repair and maintenance	512,720	-
Fish feed	9,192,777	6,430,793
Postage, telegram and telephone	19,999	44,660
Travelling and boarding	1,080,537	1,215,450
Advertisement	233,594	281,934
Miscellaneous expenses	1,163,776	608,550
	16,677,552	11,897,878

19.4 Promotion of Trout Farming in Northern Areas of Pakistan

	2020 Rupees	2019 Rupees
Salaries and allowances	1,092,510	-
Consultancy charges	1,542,579	-
Utilities	234,980	-
Vehicle rental	400,000	-
Rent, rate and taxes	507,303	-
Vehicle running expenses	218,576	-

	2020 Rupees	2019 Rupees
Printing and stationery	399,998	-
Postage, telegram and telephone	91,196	-
Travelling and boarding	3,280	-
Advertisement	259,147	-
Miscellaneous expenses	123,238	-
	4,872,807	-

19.5 Pilot Shrimp Farming Cluster Development Project

Salaries and allowances	730,540	-
Consultancy charges	1,899,000	-
Utilities	471,821	-
Vehicle rental	213,800	-
Repair and maintenance	114,668	-
Rent, rate and taxes	647,200	-
Vehicle running expenses	84,781	-
Printing and stationery	199,856	-
Postage, telegram and telephone	31,072	-
Travelling and boarding	533,602	-
Advertisement	573,464	-
Miscellaneous expenses	802,772	-
	6,302,576	-

19.6 Cage Culture Cluster Development Project

Salaries and allowances	458,591	-
Utilities	13,263	-
Vehicle rental	398,600	-
Rent, rate and taxes	165,770	-
Vehicle running expenses	98,717	-
Printing and stationery	299,627	-
Fish feed	1,876,646	-
Postage, telegram and telephone	31,730	-
Travelling and boarding	285,013	-
Advertisement	156,729	-
Miscellaneous expenses	70,000	-
	3,854,686	-

19.7 Supplemental detail of fish feed and stock

Project Name	Fish feed			Fish stock		
	KGs.	Rs./kg	Rupees	Qty.	Rs. / Qty	Toal value
Establishment of trout cage farming in Gilgit Baltistan area				9,359	50	467,950
	24,441	300	7,332,300	98,881	10	988,810
Cage culture cluster development project	4,666	110	513,260	10,000	35	350,000
Establishment of pen fish farm of sea bass and groupers along with coastal belt of Sindh	2,200	517	1,137,400	-	-	-
Total			8,982,960			1,806,760

The supplemental information represents stock of fish feed and stock as at June 30, 2020. The stock is procured to undertake various project activities with the prospects of gaining new scientific or technical knowledge and understanding. Therefore, these are beyond the scope of IAS-41"Biological Assets" and expensed out in their respective financial year as research expense as per IAS-38 "Intangible Assets".

	Note	2020 Rupees	2019 Rupees
20 OTHER OPERATING EXPENSE			
Impairment loss		-	15,511,905
21 ADMINISTRATIVE EXPENSES			
Salaries and allowances		20,147,435	14,783,878
Rental celling		1,529,134	-
Daily wages		2,739,640	120,200
EOBI payable		222,750	881,800
Travelling and boarding		1,261,336	3,205,738
Legal and professional charges		618,935	932,434
Vehicle running expenses		874,633	991,535
Postage, telegram and telephone		512,451	241,974
Printing, postage and stationery		34,578	93,796
Utilities		153,351	847,765
Rent, rate and taxes		169,101	625,164
Auditor remuneration	21.1	410,000	330,000
Depreciation	5	5,844,376	6,629,526
Amortization	6	238,144	235,728
Repair and maintenance		887,359	604,180
Medical Insurance		661,114	782,562
Bad debt written off		757,742	221,024

	2020 Rupees	2019 Rupees
Bank charges	417,741	81,961
Entertainment	127,653	-
Miscellaneous expenses	293,339	931,689
	37,900,812	32,540,954

21.1 Auditor remuneration

Audit fee	310,000	300,000
Other services	100,000	-
Out of pocket expense	-	30,000
	410,000	330,000

22 REMUNERATION OF CHIEF EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year in respect of remuneration of the Chief Executive directors and executives of the Company are as follows:

Particulars	2020		2019	
	Chief Executive	Executives	Chief Executive	Executives
Remuneration (Rupees)	4,500,000	6,193,675	2,640,000	3,214,836
	4,500,000	6,193,675	2,640,000	3,214,836
No. of persons	1	3	1	2

23 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings of the Company comprise of subsidiaries, associated companies, directors and key management personnel. Transactions with related parties and associated undertaking involve long term finance, service charges and the movements in current account. These transactions and balances, including remuneration to key management personnel under the terms of their employment are as follows:

23.1 Transaction with key management personnel

There are no other transactions with key management personnel other than under their terms of employment and disclosed in note 22.

24 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.

25 FINANCIAL ASSETS AND LIABILITIES

The Company's exposure to interest rate risk on its financial assets and liabilities are summarized as follows:

2020	Total	Interest/mark up bearing			Not interest / mark up bearing
		Maturity up to one year	Maturity after one year	Sub-total	
			Rupees		
Financial assets					
Grant receivable	5,731,596	-	-	-	5,731,596
Other receivables	2,670,745	-	-	-	2,670,745
Long term investments	300,000,000	-	300,000,000	300,000,000	-
Cash and bank balances	9,551,333	3,738,728	-	3,738,728	5,812,605
	317,953,674	3,738,728	300,000,000	303,738,728	14,214,946
Financial liabilities					
Deferred grants	68,097,685	-	-	-	68,097,685
Accrued and other liabilities	8,459,704	-	-	-	8,459,704
	76,557,389	-	-	-	76,557,389
On SOFP gap	241,396,285	3,738,728	300,000,000	303,738,728	(62,342,443)

2019	Total	Interest/mark up bearing			Not interest / mark up bearing
		Maturity up to one year	Maturity after one year	Sub-total	
			Rupees		
Financial assets					
Interest accrued	898,712	-	-	-	898,712
Other receivables	214,024	-	-	-	214,024
Short-term investments	-	-	-	-	-
Cash and bank balances	334,415,761	309,149,375	-	309,149,375	25,266,386
	335,528,497	309,149,375	-	309,149,375	26,379,122
Financial liabilities					
Deferred grants	56,124,401	-	-	-	56,124,401
Accrued and other liabilities	4,605,726	-	-	-	4,605,726
	60,730,127	-	-	-	60,730,127
On SOFP gap	274,798,370	309,149,375	-	309,149,375	(34,351,005)

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

-Credit risk
-Liquidity risk
-Market Risk

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

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

The Board's risk management policies are established to identify and analyze the risks faced by the Board, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Board's activities. The Board, 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 Board oversees how management monitors compliance with the Board's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Board.

26.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company’s policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2020 Rupees	2019 Rupees
Deposits	551,400	-
Other receivables	2,670,745	214,024
Long term investments	300,000,000	-
Cash and bank balances	9,501,876	334,382,563
	312,724,021	334,596,587

To manage exposure to credit risk in respect of other receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

Impaired assets

During the year, no assets have been impaired.

26.2 Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Board's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years
	--------------------------	Rupees	--------------------------		
June 30, 2020					
Deferred grants	68,097,685	68,097,685	34,048,843	34,048,842	-
Accrued and other liabilities	8,459,704	8,459,704	4,229,852	4,229,852	-
	76,557,389	76,557,389	38,278,695	38,278,694	-

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years
	--------------------------	Rupees	--------------------------		
June 30, 2019					
Deferred grants	56,124,401	56,124,401	28,062,201	28,062,200	-
Accrued and other liabilities	4,605,726	4,605,726	2,302,863	2,302,863	-
	60,730,127	60,730,127	30,365,064	30,365,063	-

The Board believes that it is not exposed to any significant level of liquidity risk.

26.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Board's income or the value of its holdings of financial instruments.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arise in financial instruments that are denominated in foreign currencies i.e. in a currency other then the functional currency in which they are measured.

Presently, the board is not exposed to foreign currency risk.

b) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks and short term advances (receivable and payables) from related parties. At the statement of financial position date the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2020	2019	2020	2019
	Effective rate		Carrying amount	
	In percent		Rupees	
Variable rate instruments				
Financial assets				
Long term investments	13.40%	-	300,000,000	-
Cash and bank balances	6.5% to 11.5%	3.5% to 4%	3,738,728	309,149,375
			303,738,728	309,149,375

27 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 carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IAS 39. The carrying amount of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments, if relevant.

	June 30, 2020		June 30, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	---------------------Rupees---------------------			
Assets carried at amortised cost				
Cash and bank balances	9,551,333	9,551,333	334,415,761	334,415,761
Long term investments	300,000,000	300,000,000	-	-
Other receivables	2,670,745	2,670,745	340,652	340,652
Interest accrued	38,420,111	38,420,111	214,024	214,024
Advances	50,000	50,000	100,949	100,949
	350,692,189	350,692,189	335,071,386	335,071,386
Liabilities carried at amortized cost				
Accrued and other liabilities	8,459,704	8,459,704	4,605,726	4,605,726
	8,459,704	8,459,704	4,605,726	4,605,726

Interest rate used for determining fair

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

Fair value hierarchy

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by valuation method. The different values have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change occurred.

27.1 Determination of fair values

A number of the Company's accounting polices 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-derivate financial asset

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

Non-derivate 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.

28 FUNDS MANAGEMENT

The Board of Directors of the company monitors the performance along with the fund required for the sustainable operations and the company is not subject to externally imposed fund requirements.

29 IMPACT OF COVID-19

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. In March, 2020, the Government of the Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID–19. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth continued its operations in order to maintain business performance despite slowed down economic activity. According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

30 NUMBER OF EMPLOYEES

	-------2020------	------2019-------
The number of employees as at year end	22	22
Average number of employees during the year	22	22

31 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Fisheries Development Board on 0 5 MAY 2021.

32 GENERAL

Figures have been rounded - off to the nearest rupee.

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