



**J.A.S.B. & Associates**  
Chartered Accountants

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Other Location: Karachi

JASB/Audit/21/53  
17 August 2020

Dr. M. Fatah Ullah Khan  
Chief Executive Officer  
Livestock and Dairy Development Board

**Subject: Annual Audit Fee – Year Ended 30 June 2019**

Dear Sir,

Reference abovementioned subject and Additional Agenda-1 in the 32<sup>nd</sup> Meeting of the Board of Directors held on 23<sup>rd</sup> July 2020.

We had stated in the said meeting and also reiterate in this letter that ICAP's directive is applicable from the date of the directive. We are also of the view that although our firm was appointed as auditor during 29<sup>th</sup> Meeting of the Board of Directors dated 15<sup>th</sup> October 2018, however, we had not yet initiated the audit at the date of the directive (March 2019), which is normally initiated after the end of the financial year (i.e. after June).

However, as stated in the said meeting and reconfirmed through this letter that considering our long relationship with the LDDDB, we would be pleased to agree to the already approved audit fee of PKR 130,000 excluding Out of Pocket Expenses and Sales Tax on Services, as per industry practice and applicable tax laws.

We have already issued initial audit report and would be pleased to issue final audit report once financial statements have been approved and signed by the management.

Best regards,

Arsalan Vardag, FCA  
Partner



**Morison KSi**  
Independent member

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2019**

<u>ASSETS</u>	NOTE	<u>2019 RUPEES</u>	<u>2018 RUPEES</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	213,752	157,511
<b>CURRENT ASSETS</b>			
Biological Assets	6	1,955,226	947,656
Advances, deposits and other receivables	7	379,505	499,764
Accrued Interest	8	2,042,251	1,203,981
Short term investments	9	-	190,000,000
Tax refunds due from government	10	8,430,990	7,667,368
Cash and bank balances	11	231,019,578	41,083,266
		243,827,550	241,402,035
<b>TOTAL ASSETS</b>		<b><u>244,041,302</u></b>	<b><u>241,559,546</u></b>
<b><u>FUNDS &amp; LIABILITIES</u></b>			
<b>ACCUMULATED FUND</b>			
Accumulated fund	SCE	242,441,410	224,879,653
<b>NON-CURRENT LIABILITIES</b>			
Deferred grants	12	629,366	16,398,251
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	970,526	281,642
<b>TOTAL FUNDS &amp; LIABILITIES</b>		<b><u>244,041,302</u></b>	<b><u>241,559,546</u></b>
Contingencies and commitments	14	-	-

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

  
 CHAIRMAN

  
 CHIEF EXECUTIVE

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2019**

	NOTE	2019 RUPEES	2018 RUPEES
<b>INCOME</b>			
Grant income recognised	15	27,048,885	27,755,716
Income on investments and bank deposits	16	16,979,349	12,595,767
Other income	17	818,066	371,656
		<b>44,846,300</b>	40,723,139
<b>EXPENDITURE</b>			
Program expenses	18	11,515,658	10,572,284
Administrative expenses	19	15,768,885	17,183,432
		<b>27,284,543</b>	27,755,716
<b>SURPLUS BEFORE TAXATION</b>		<b>17,561,757</b>	12,967,423
Provision for taxation		-	-
<b>SURPLUS AFTER TAXATION</b>		<b>17,561,757</b>	12,967,423

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

  
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**CHAIRMAN**


  
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**CHIEF EXECUTIVE**

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	NOTE	2019 RUPEES	2018 RUPEES
<b>SURPLUS AFTER TAXATION</b>		17,561,757	12,967,423
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>17,561,757</u></u>	<u><u>12,967,423</u></u>

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

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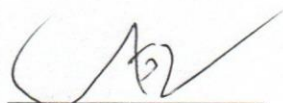




**LIVESTOCK AND DAIRY DEVELOPMENT BOARD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	NOTE	2019 RUPEES	2018 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		17,561,757	12,967,423
Adjustments for:			
Depreciation		62,259	44,758
Fair value gain on biological assets		(620,929)	(241,656)
Gain on sale of biological Asset		(98,141)	-
Income on investment and bank deposits		(16,979,349)	(12,595,767)
Deferred grant recognized		(15,768,885)	(27,755,716)
		<u>(15,843,288)</u>	<u>(27,580,958)</u>
(Increase) / Decrease in working capital:			
Decrease in Advances, deposits and other receivables		120,259	10,280,020
Increase / (Decrease) in Trade and other payables		688,884	(261,109)
Cash flows generated from operations		<b>809,143</b>	10,018,911
Income taxes paid		(763,622)	(2,513,079)
<b>Net cash flows (used in) operating activities</b>		<b>(15,797,767)</b>	<b>(20,075,126)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(118,500)	(105,505)
Purchase of biological assets		(1,515,500)	(706,000)
Receipt from sale of biological asset		1,227,000	-
Maturity of TDR's		190,000,000	-
Income received on investment and bank deposits		16,141,079	12,633,054
<b>Net cash flows generated from investing activities</b>		<b>205,734,079</b>	<b>11,821,549</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		-	-
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>		<b>189,936,312</b>	<b>(8,253,577)</b>
Cash & cash equivalents at the beginning of year		41,083,266	49,336,843
Cash & cash equivalents at the end of year		<b><u>231,019,578</u></b>	<b><u>41,083,266</u></b>

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



**CHAIRMAN**



**CHIEF EXECUTIVE**

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD  
STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>ACCUMULATED FUND RUPEES</u>
Balance as at July 01, 2017	211,912,230
Total comprehensive income for the year	12,967,423
<b>Balance as at June 30, 2018</b>	<b><u>224,879,653</u></b>
Total comprehensive income for the year	17,561,757
<b>Balance as at June 30, 2019</b>	<b><u><u>242,441,410</u></u></b>

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

  
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CHAIRMAN

  
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CHIEF EXECUTIVE

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**1 Legal status and operations**

Livestock and Dairy Development Board (the Company) was incorporated in Pakistan as a Guarantee Limited Company on October 27, 2005 and is registered under section 42 of the Companies Ordinance, 1984 (now Companies Act 2017) as a Non-Profit Organization. The Company's registered office is located at Ex-Milk Plant Building, Gate No. 2, National Agriculture Research Centre, Main Park Road, Islamabad.

The principal activity of the company is to promote and facilitate livestock development (including dairy, meat poultry and allied areas) in Pakistan.

**2 Significant transactions and events affecting the company's financial position and performance**

The financial position and performance of the Company was affected by the following events and transactions during the year:

- i) The Company has started "Development of Yak at high Altitude of Pakistan (GB)" project for which grant of Rs. 11,351,000 received during the year.
- ii) The balance of tax refund due from government has increase by Rs. 763,622 as referred in Note-10.
- iii) Deferred grant has decreased by Rs.15,768,885 and has been recognised as income as referred in Note-12.

**3 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved 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;

Provisions of and Directives issued under the Companies Act, 2017.

Where provisions and directives issued under Companies Act 2017 differ from the IFRS standards , the provisions and directives issued under the Companies Act 2017 have been followed.

**3.1 Adoption of approved reporting standards**

The Company has adopted all standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as notified by the Securities and Exchange Commission of Pakistan (SECP) that are relevant to its operations.

**3.2 Basis of preparation**

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies notes. These accounts have been prepared under accrual basis of accounting except for cash flow information.

**4 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of these financial statements of the company are consistent with pervious year except described in note 4.1.

**4.1 New, amended standards and interpretations which become effective**

**4.1.1 IFRS - 9 Financial Instruments**

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**4.1.1.1 Classification and measurement of financial instruments**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through Other Comprehensive Income (FVOCI),
- those to be measured subsequently at fair value through profit or loss (FVTPL); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss. Equity investments at fair value through profit or loss are measured at fair value. Net gains and losses and dividend income is recognised in Income and Expenditure account.

**4.1.1.2 Impact of change in classification and measurement of financial instrument due to adoption of IFRS 9**

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets at July 01, 2018:

Particulars	Original Classification as per IAS 39	New Classification as per IFRS 9	Original Carrying amount as per IAS 39	New carrying amount as per IFRS 9
			RUPEES	RUPEES
Advances, Deposits, and Other receivable	Loans and receivable	Amortized cost	499,764	499,764
Accrued Interest	Loans and receivable	Amortized cost	1,203,981	1,203,981
Tax refunds due from government	Loans and receivable	Amortized cost	7,667,368	7,667,368
Short term investments	Loans and receivable	Amortized cost	190,000,000	190,000,000
Cash at Bank	Loans and receivable	Amortized cost	41,083,266	41,083,266
<b>Total financial assets</b>			<b>240,454,379</b>	<b>240,454,379</b>
Deferred grants	Other Financial Liabilities	Amortized cost	16,398,251	16,398,251
Trade and other payables	Other Financial Liabilities	Amortized cost	281,642	281,642
<b>Total financial liabilities</b>			<b>16,679,893</b>	<b>16,679,893</b>



**LIVESTOCK AND DAIRY DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**4.1.1.3 Impairment**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model, IFRS 9 introduces a forward looking expected credit loss model, rather than the current incurred loss model, when assessing the impairment of financial asset in the scope IFRS 9, The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The entity applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets.

**4.1.2 IFRS - 15 Revenue from contract from customers**

- IFRS - 15 'Revenue from contracts with customers' IFRS 15 replaces the pervious revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.
- IFRS - 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The management has assessed that the changes laid down by the above standard do not have effect on these financial statements.

**4.2 Property, plant and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost in relation to Property and equipment comprises acquisition and other directly attributable costs.

Repairs and maintenance are charged to Income and Expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are written off. Gains and losses on disposal of assets, if any, are included in Income and Expenditure account currently.

Gains or losses arising from the retirement or the disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and recognized in Income and Expenditure on the date of retirement or disposal.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of asset and its residual value if any, are reviewed annually.

**4.3 Biological assets**

Biological assets are measured at fair value less estimated point of sale costs. Fair value is measured based on market prices in the local market. Gains or losses arising from changes in fair value less estimated point of sale costs are recognized in income and expenditure account.

**4.4 Financial assets**

**4.4.1 Initial measurement of financial asset**

The entity classifies its financial assets into following three categories.

- fair value through other comprehensive income (FVOCI);
- fair value through Profit or Loss (FVTPL);
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that directly attributable to its acquisition.

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**4.4.2 Debt instrument at fair value through other comprehensive income**

These assets are subsequently measured at fair value, interest / mark-up income calculated using the effective interest method, and impairment are recognized in the income and expenditure account, other net gains and losses are recognized in other comprehensive income, On de-recognition, gains and losses accumulated in other comprehensive income and are never reclassified to the income and expenditure account.

**4.4.3 Equity investment at fair value through other comprehensive income**

These assets are subsequently measured at fair value. Dividends are recognized as income in the income and expenditure account 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 income and expenditure account.

**4.4.4 Financial assets at fair value through profit and loss**

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in the income and expenditure account.

**4.4.5 Financial assets at amortized cost**

These assets are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest mark-up income, and impairment are recognized in the income and expenditure account.

**4.4.6 Non-derivative financial assets**

Non-derivate financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments, that are intended to be held-to-maturity, are subsequently measured at amortized cost.

**4.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash with banks on current or saving and deposit accounts, with maturities of three months or less from acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

**4.6 Revenue recognition**

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

Grants from Government of Pakistan relating to the capital expenditure are deferred and are recognized as income on a straight line basis over the expected lives of the related assets.

Income on investments and bank deposits is recognized using the effective yield method.

**4.7 Taxation**

Income tax arising on surplus for the year, charged by other parties or deducted by third parties from payments to Company is allowed 100% tax credit under the Income Tax Ordinance, 2001.

**4.8 Functional and presentation currency**

These financial statements are presented in local currency i.e. Pak Rupees (PKR) which is the Company's functional currency.

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**LIVESTOCK AND DAIRY DEVELOPMENT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**4.9 Foreign currency transactions and balances**

Foreign currency transactions are converted into Pak Rupees at the exchange rate ruling on the date of transaction. Monetary assets and liabilities in foreign currencies at the year end are converted at the rates of exchange prevailing at the balance sheet date. Exchange differences are included in the income for the year.

**4.10 Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

**4.11 Related party transactions**

Transaction involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

**4.12 Loans & receivables**

Loans and receivables comprises deposits, advances, and other receivables. Loans and receivables are stated at their fair value.

**4.13 Accrued and other payables**

Liabilities for trade and other accounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

**4.14 Intangible assets**

Intangible assets acquired from the market are carried at cost less accumulated amortization and any impairment losses.

**4.15 Significant accounting estimates**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities that are not 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 estimates are recognized in the period in which estimates are revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the following paragraphs.

**4.15.1 Property, plant and equipment**

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



**LIVESTOCK AND DAIRY DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**4.15.2 Depreciation**

Depreciation is charged to Income and Expenditure account on reducing balance method . Depreciation on additions to property, plant and equipment is charged from the month in which an item is put to use while no depreciation is charged for the month in which the item is derecognized / disposed off.

For assets purchased for project, depreciation is charged to Income and Expenditure account on straight line basis so as to write off the cost of an asset over the estimated project life. Depreciation on additions is charged from the month in which the item is put to use while no depreciation is charged for the month in which the item is derecognized / disposed off.

**4.15.3 Impairment**

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indications exists, recoverable amount is estimated using criteria given in respective accounting standards to determine extent of impairment loss, if any.

**4.15.4 Contingencies**

The assessment of contingencies inherently involves the exercise of significant judgments as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

**4.15.5 Provision for trade debts, advances and other receivables**

The Company reviews the recoverability of its trade debts, advances and other receivables to assess the amount of bad debts and provisions recognized there against, on accrual basis for doubtful. Trade debts, advances and other receivables considered irrecoverable are written off. No provision is made in respect of active customers which are considered good.

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**LIVESTOCK AND DAIRY DEVELOPMENT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**4.16 Accounting standards not yet effective**

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

<b>Standard or Interpretation</b>	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 9 'Financial Instrument' amendment on prepayment features with negative compensation	January 01, 2019
IFRS 16 'Leases'	January 01, 2019
IFRS 17, 'Insurance contracts'	January 01, 2021
IFRIC 23 'Uncertainty over Income Tax Treatments'	January 01, 2019
Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures	January 01, 2019
Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures'	January 01, 2019
Amendments to IAS 1 'Presentation of Financial Statements'	January 01, 2020
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	January 01, 2020

The Company expects that the adoption of the above standards and interpretations will have no material impact on the Organization's financial statements in the period of initial application.



5 Property, Plant & Equipment

	LDD8					PROJECTS			Total
	Lease hold Improvement	Plant & Other Equipment	Office Equipment	Furniture & Fixture	Motor Vehicle	Computer Equipment	Plant & Other Equipment	Furniture & Fixtures	
Rupees									

As At June 30, 2017										
Cost	2,026,593	2,156,754	6,301,541	976,414	75,497,306	5,561,417	6,661,395	300,000	303,346	99,784,766
Accumulated Depreciation	(2,026,593)	(2,156,754)	(6,301,541)	(976,414)	(75,497,306)	(5,464,653)	(6,661,395)	(300,000)	(303,346)	(99,688,002)
Net Book Amount	-	-	-	-	-	96,764	-	-	-	96,764

Year Ended June 30, 2018										
Opening Net Book Amount	-	-	-	-	-	96,764	-	-	-	96,764
Additions	-	-	105,505	-	-	-	-	-	-	105,505
Disposals	-	-	-	-	-	-	-	-	-	-
-Cost	-	-	-	-	-	-	-	-	-	-
-Depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation-For The Year	-	-	12,826	-	-	31,932	-	-	-	44,758
Closing Net Book Amount	-	-	92,679	-	-	64,832	-	-	-	157,511

As At June 30, 2018										
Cost	2,026,593	2,156,754	6,407,046	976,414	75,497,306	5,561,417	6,661,395	300,000	303,346	99,890,271
Accumulated Depreciation	(2,026,593)	(2,156,754)	(6,314,367)	(976,414)	(75,497,306)	(5,496,585)	(6,661,395)	(300,000)	(303,346)	(99,732,760)
Net Book Amount	-	-	92,679	-	-	64,832	-	-	-	157,511

Year Ended June 30, 2019										
Opening Net Book Amount	-	-	92,679	-	-	64,832	-	-	-	157,511
Additions	-	-	13,500	-	-	-	-	25,000	80,000	118,500
Disposals	-	-	-	-	-	-	-	-	-	-
-Cost	-	-	-	-	-	-	-	-	-	-
-Depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation-For The Year	-	-	19,886	-	-	21,395	-	4,978	16,000	62,259
Closing Net Book Amount	-	-	86,293	-	-	43,437	-	20,022	64,000	213,752

As At June 30, 2019										
Cost	2,026,593	2,156,754	6,420,546	976,414	75,497,306	5,561,417	6,661,395	325,000	383,346	100,008,771
Accumulated Depreciation	(2,026,593)	(2,156,754)	(6,334,253)	(976,414)	(75,497,306)	(5,517,980)	(6,661,395)	(304,978)	(319,346)	(99,795,019)
Net Book Amount	-	-	86,293	-	-	43,437	-	20,022	64,000	213,752

Depreciation Rate

20%                  20%                  20%                  20%                  20%                  33%

5.1 The total carrying amount of Rs. 213,752 includes immaterial carrying amount of those items that have been transferred by the Company. Cost and accumulated depreciation of these assets are not known due to non-maintenance of fixed assets register.

5.2 Project assets carrying amount of Rs. 84,022 represent assets for Project "Development of Yak at High Altitude Areas of Pakistan (GB)". Project life is 36 months starting from July 1, 2019.

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		2019 RUPEES	2018 RUPEES
<b>6 BIOLOGICAL ASSETS</b>			
Opening balance		947,656	-
Assets acquired	6.1	1,515,500	706,000
Assets disposed off		(1,128,859)	-
Gain arising from changes in fair value		620,929	241,656
Closing balance		<u>1,955,226</u>	<u>947,656</u>
6.1 This represent 92 (2018: 45) goats acquired by the company as part goat fattening demonstration.			
		2019 RUPEES	2018 RUPEES
<b>7 ADVANCES, DEPOSITS &amp; OTHER RECEIVABLES</b>			
Advance to employees - considered good		54,505	174,764
Security deposits		325,000	325,000
		<u>379,505</u>	<u>499,764</u>
<b>8 ACCURED INTEREST</b>			
Accrued profit on saving account		2,042,251	907,269
Accrued income on short term investments		-	296,712
		<u>2,042,251</u>	<u>1,203,981</u>
<b>9 SHORT TERM INVESTMENTS</b>			
<b>Amortized Cost</b>			
Investment in TDR's	9.1	-	190,000,000
		<u>-</u>	<u>190,000,000</u>
9.1 This represented investments in three months term deposits with National Bank of Pakistan on roll-over basis and it has been matured/encashed in the month of June 2019. These investments carried mark-up @ of 5.85% to 9.25% (2018: 5.70% to 5.80%) per annum.			
		2019 RUPEES	2018 RUPEES
<b>10 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Balance as at July 01		7,667,368	5,154,289
Income tax paid during the year		763,622	2,513,079
Balance as at June 30		<u>8,430,990</u>	<u>7,667,368</u>
<b>11 CASH AND BANK BALANCES</b>			
Cash at bank in:			
- Saving account	11.1	230,516,340	40,650,993
- Current accounts		478,238	407,273
Cash in hand		25,000	25,000
		<u>231,019,578</u>	<u>41,083,266</u>
11.1 These carry mark-up at the rate ranging from 3.06% to 4.42% (2018: 3.76% to 3.88%) per annum.			
		2019 RUPEES	2018 RUPEES
<b>12 DEFERRED GRANTS</b>			
Opening balance		16,398,251	44,153,967
Grants received / (surrendered) during the year:			
- Government of Pakistan		-	-
- Grant surrendered/lapsed during the year		-	-
Total PSDP funds available		<u>16,398,251</u>	44,153,967
Less: Amortization of Grant		(15,768,885)	(27,755,716)
Closing balance		<u>629,366</u>	<u>16,398,251</u>

	2019 RUPEES	2018 RUPEES
<b>13 TRADE AND OTHER PAYABLES</b>		
Project payables	390,680	-
Audit fee payable	290,000	140,000
Other payables	162,166	42,508
Legal and professional fee payable	90,000	54,000
Salaries and wages payable	37,680	30,134
Office rent payable	-	15,000
	<b>970,526</b>	<b>281,642</b>

**14 CONTINGENCIES AND COMMITMENTS**

**14.1 Contingencies**

As per section 100C of the Income Tax Ordinance 2001, a taxpayer is required to deduct withholding tax on payment of expenses and purchases and deposit it in government treasury, file monthly withholding statements, file annual income tax return and administrative expenses are below 15% of total receipts to claim tax exemption available to not-for-profit entities and charitable organizations. The company has not filed withholding tax statements for the entire current year and administrative expenses also exceeds 15% of total receipts. Accordingly there is a risk that the company may not be allowed tax credit in case of assessment by the income tax authorities in addition to imposition of penalties. However, the effect of such penalties can not be quantified in monetary terms.

**14.2 Commitments**

There are no commitments as at June 30, 2019.

		2019 RUPEES	2018 RUPEES
<b>15 GRANT INCOME RECOGNISED</b>			
Relating to:			
- Revenue expenditure		15,727,604	27,710,958
- Fixed assets - depreciation		41,281	44,758
Grant for Yak Project		11,280,000	-
		<b>27,048,885</b>	<b>27,755,716</b>
<b>16 INCOME ON INVESTMENTS AND BANK DEPOSITS</b>			
Income on short term investment	9.1	13,706,288	10,802,767
Income on savings account	11.1	3,273,061	1,793,000
		<b>16,979,349</b>	<b>12,595,767</b>
<b>17 OTHER INCOME</b>			
Fair value gain on biological assets		620,929	241,656
Gain on sale of biological asset		98,141	-
Miscellaneous income		83,996	10,000
Rental income		15,000	60,000
Sale of trees		-	60,000
		<b>818,066</b>	<b>371,656</b>
<b>18 PROGRAM EXPENSES</b>			
Salaries and benefits		2,734,465	-
Grant/Subsidy to farmer		2,312,000	-
Purchase of livestock		2,080,000	-
Purchase of yak semen		1,440,000	-
Travelling expense		550,000	-
Repairs and maintenance		445,000	-
Training and seminars		380,000	-
Office rent		345,000	-
Purchase of medicine		300,000	-

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	2019 RUPEES	2018 RUPEES
Vehicle operating and running expenses	262,535	-
Communication and utilities	132,405	-
Security services	120,000	-
Office supplies	100,000	-
Miscellaneous expenses	88,275	-
Advertisement expense	70,000	-
Transportation of goods	60,000	-
Stationary expense	60,000	-
Depreciation	20,978	-
Publications and newspaper	15,000	-
Write-off of receivables from meat project	-	6,777,036
Write-off of receivables from milk project	-	2,464,173
Write-off of receivables from PSLDD project	-	1,331,075
	<b>11,515,658</b>	<b>10,572,284</b>
<b>19 ADMINISTRATIVE EXPENSES</b>		
Salaries and benefits	11,805,548	13,043,191
Repair and maintenance	626,804	444,410
Travelling expense	584,646	664,981
Communication and utilities	453,055	592,796
Vehicle operating and running expenses	496,840	578,867
Goat fattening expenses	450,851	99,080
Printing, postage and office supplies	300,533	314,716
Legal and professional charges	240,402	504,400
Auditor's remuneration	19.1 338,915	161,700
Miscellaneous expenses	248,577	274,199
Consultancy expense	150,000	40,000
Depreciation	41,281	44,758
Office rent	30,000	299,242
Bank charges	1,433	1,396
Advertisement	-	90,000
Seminars and training	-	29,696
	<b>15,768,885</b>	<b>17,183,432</b>
<b>19.1 Auditor's Remuneration</b>		
Audit Fee	290,000	130,000
Fee for limited assurance engagement	33,500	31,700
Out of pocket expenses	15,415	-
	<b>338,915</b>	<b>161,700</b>
<b>20 FINANCIAL RISK MANAGEMENT</b>		

The management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The company has exposure to following risks from its use of financial instruments.

- Credit Risk
- Liquidity Risk
- Market Risk

## 20.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Financial instruments subject to credit risk	2019	2018
	RUPEES	RUPEES
Short term investment	-	190,000,000
Bank Balance	231,019,578	41,083,266
Advances, deposits and other receivables	379,505	499,764
	<u>231,399,083</u>	<u>231,583,030</u>

## 20.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2019	2018
	RUPEES	RUPEES
Banking Companies	231,019,578	231,083,266
Security Deposit	325,000	325,000
Advances to employees	54,505	174,764
	<u>231,399,083</u>	<u>231,583,030</u>

## 20.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, employees, regulatory authorities and utility companies, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

### 20.3.1 Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, margin against bank guarantees, margin against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Bank	Rating		Agency	2019	2018
	Short term	Long term		RUPEES	RUPEES
NBP	A1+	AAA	JCR-VIS	230,652,599	230,812,252
HBL	A1+	AAA	JCR-VIS	271,014	271,014

### 20.3.2 Counterparties without external credit ratings

These mainly include security deposits and Advance to employees. The credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about counterparty default rate.

#### 20.4 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when due under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains sufficient cash and bank balances. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date. The amounts disclosed in the table are undiscounted cash flows:

##### 20.4.1 Exposure to liquidity risk

###### Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted.

	Carrying Amount	Contractual Cash flows	Less than 1 year	Between 1 to 5 years
Rupees				
<b>As at June 30, 2019</b>				
Trade and other payables	970,526	970,526	970,526	-
<b>As at June 30, 2018</b>				
Trade and other payables	281,642	281,642	281,642	-

#### 20.5 Market Risk

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

Market risk management is further categorized in two categories

##### a) Interest rate risk management

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate profile of the company's interest bearing financial instruments at the balance sheet date is as under.

Variable rate instruments	2019		2018	
	Carrying Amounts	Interest Rate	Carrying Amounts	Interest Rate
Short term Investment	-	-	190,000,000	5.80%
Bank Balances-Saving Accounts	230,516,340	3.06% to 4.42%	40,650,993	3.75% to 3.8%

##### b) Foreign currency risk

PKR is the functional currency of the Company and as a result currency exposure arises from transactions and balances in currencies other than PKR. Currently the company is not exposed to foreign currency risk as no foreign currency transactions were entered during the year & no foreign currency balance existed as at year end.

#### 20.6 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## 20.7 Financial instruments by category

	Cash and cash equivalents	Loans & Receivables	Total
	Rupees		
<b>As at June 30, 2019</b>			
<b>Financial assets as per balance sheet</b>			
Cash & Bank Balance	231,019,578	-	231,019,578
Advances, Deposits & Other Receivables	-	2,421,756	2,421,756
Short term Investments	-	-	-
	<b>231,019,578</b>	<b>2,421,756</b>	<b>233,441,334</b>
<b>As at June 30, 2018</b>			
<b>Financial assets as per balance sheet</b>			
Cash & Bank Balance	41,083,266	-	41,083,266
Advances, Deposits & Other Receivables	-	1,703,745	1,703,745
Short term Investments	190,000,000	-	190,000,000
	<b>61,332,895</b>	<b>1,703,745</b>	<b>232,787,011</b>
	<b>Financial Liabilities at fair value through P&amp;L</b>	<b>Other financial liabilities</b>	<b>Total</b>
	Rupees		
<b>As at June 30, 2019</b>			
<b>Financial liabilities as per balance sheet</b>			
Trade & other payables	-	970,526	970,526
	<b>-</b>	<b>970,526</b>	<b>970,526</b>
<b>As at June 30, 2018</b>			
<b>Financial liabilities as per balance sheet</b>			
Trade & other payables	-	281,642	281,642
	<b>-</b>	<b>281,642</b>	<b>281,642</b>

## 20.8 Capital risk management

Livestock and Dairy Development Board (the company) was incorporated in Pakistan as a Guarantee Limited Company and is registered under section 42 of the Companies Ordinance, 1984 as a non-profit organization. Therefore the company is not subject to externally imposed capital requirements.

## 21 POST BALANCE SHEET EVENTS

There have been no material event occurring after the balance sheet date that require adjustment or disclosure in the financial statements.

## 22 RELATED PARTY TRANSACTIONS

The Company is owned by the Government of Pakistan and therefore, all government departments / agencies are related parties of the company. Further, the related parties comprise of related directors of the company, companies considered related parties by the way of common directorships, associated companies, and key management personnel. Being a government owned entities, and other related parties are as follows:

	2019 RUPEES	2018 RUPEES
<b>Transactions during the year</b>		
<b>Government owned entities - Associates</b>		
National Bank of Pakistan Profit on short term investment	13,706,288	10,802,767
National Bank of Pakistan Profit on saving account	3,273,061	1,793,000
Ministry of National Food Security & Grant for "Development of yak at high altitude of Pakistan	11,351,000	-
Research-Government of Pakistan (GB)"		
	<b>28,330,349</b>	<b>12,595,767</b>

## 22.1 Other related party

During the pervious year, the company purchased 6 goats from Company Secretary Mr. Kabir Khan, as part of goat fattening demonstration undertaken by the company.

	2019 RUPEES	2018 RUPEES
Biological Assets purchased from related party	-	87,000
Fair value gain on asset purchased from related party	-	29,000
	-	116,000

## 23 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amount charged in the financial statements for the year on account of remuneration and allowances including all benefits to the Chief Executive and Directors of the company are as follows:

	CEO	Directors	2019 Total
Managerial remuneration	1,800,000	-	1,800,000
Other benefits	82,293	539,646	621,939
<b>Total</b>	<b>1,882,293</b>	<b>539,646</b>	<b>2,421,939</b>
Number of persons	<b>1</b>	<b>15</b>	<b>16</b>

	CEO	Directors	2018 Total
Managerial remuneration	1,307,421	-	1,307,421
Other benefits	-	-	-
<b>Total</b>	<b>1,307,421</b>	<b>-</b>	<b>1,307,421</b>
Number of persons	<b>1</b>	<b>15</b>	<b>16</b>

## 24 REARRANGEMENT & RECLASSIFICATION

The comparative figures have been re-arranged and reclassified wherever necessary, for better and fair presentation. The reclassifications made in the comparatives are as follows;

Head of Accounts	Amounts in Rs.	Previously Classified As	Reclassified As
Biological Asset	947,656	Non current Assets	Current asset
Accrued Profit	1,203,981	Advances, Deposits & Other receivables	Accrued Profit

## 25 NUMBER OF EMPLOYEES

	2019	2018
No of employees at the year end	23	26
Average number of employees during the year	23	25

## 26 GENERAL

Figures have been rounded off to the nearest rupee.

## 27 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 08 MAY 2020

  
CHAIRMAN

  
CHIEF EXECUTIVE