



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

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Date: November 5, 2018
Ref: Audit/19/248

Director
Livestock and Dairy Development Board
Ex-Malik Plant Building,
Gate # 2 NARC
Park Road, Islamabad

Dear Sir,

Subject: Livestock and Dairy Development Board- Audit for the year ended 30th June, 2018

Please refer to our letter no. Ref: Audit/19/198 dated October 31st, 2018 providing initialed audit report along with initialed financial statements for identification purposes of the Livestock and Dairy Development Board for the year ended 30th June, 2018.

As the financial statements have been approved and duly signed by the Board of Directors, we are pleased to sign the audit report. Please find enclosed signed audit report along with financial statements for your record.

Finally, we wish to express our appreciation for the co-operation and courtesy extended to us by the management in accomplishing our task.

Yours truly

J.A.S.B. Audit

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INDEPENDENT AUDITORS' REPORT

To the members of Livestock and Dairy Development Board

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Livestock and Dairy Development Board (the Company), which comprise the statement of financial position as at 30 June 2018, and the income and expenditure account, 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 and to the best of our information and according to the explanations given to us, the statement of financial position, income and expenditure account, the statement of changes in fund and 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 30 June 2018 and of the surplus, 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 *Auditor's 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.

Emphasis of Matter

1. We draw attention to note 12 to the financial statements which describes non-compliance with section 100C of Income Tax Ordinance 2001 by the Company. Our opinion is not qualified in respect of this matter.
2. We draw attention to note 6.1 to the financial statements which describes that in prior years the Company has transferred certain items of property, plant and equipment whose carrying amount is immaterial but is still included in property, plant and equipment. Cost and accumulated depreciation of these assets are not known due to non-maintenance of fixed assets register. Our opinion is not qualified in respect of this matter.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report, but does not include the financial statements of the Company and our auditor's 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, on other information obtained prior to the date of this auditor's report, 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 income and expenditure account, the statement of changes in fund and 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) In our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. **Arsalan Vardag (FCA)**

S.A.S.B. AAnt
J.A.S.B. & Associates
Chartered Accountants
Islamabad

Date: 05 NOV 2018



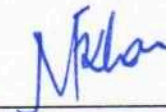
LIVESTOCK AND DAIRY DEVELOPMENT BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

<u>ASSETS</u>	NOTE	<u>2018 RUPEES</u>	<u>2017 RUPEES</u>
NON-CURRENT ASSETS			
Property, plant & equipment	6	157,511	96,764
Biological assets	7	947,656	-
		1,105,167	96,764
CURRENT ASSETS			
Advances, deposits and other receivables	8	1,703,745	12,021,052
Short term investments	9	190,000,000	190,000,000
Tax refunds due from government	10	7,667,368	5,154,289
Cash and bank balances	11	41,083,266	49,336,843
		240,454,379	256,512,184
TOTAL ASSETS		<u>241,559,546</u>	<u>256,608,948</u>
<u>FUNDS & LIABILITIES</u>			
ACCUMULATED FUND			
Accumulated fund	SCE	224,879,653	211,912,230
NON-CURRENT LIABILITIES			
Deferred grants	12	16,398,251	44,153,967
CURRENT LIABILITIES			
Trade and other payables	13	281,642	542,751
Contingencies and commitments	14	-	-
TOTAL FUNDS & LIABILITIES		<u>241,559,546</u>	<u>256,608,948</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.



CHAIRMAN



CHIEF EXECUTIVE OFFICER

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018**

	NOTE	2018 RUPEES	2017 RUPEES
INCOME			
Grant income recognized	15	27,755,716	37,528,630
Income on investments and bank deposits	16	12,595,767	10,936,702
Other income	17	371,656	60,000
		40,723,139	48,525,332
EXPENDITURE			
Administrative expenses	18	17,183,432	8,954,381
Program expenses	19	10,572,284	28,574,249
		27,755,716	37,528,630
SURPLUS FOR THE YEAR - BEFORE TAX		12,967,423	10,996,702
Taxation		-	-
SURPLUS FOR THE YEAR - AFTER TAX		12,967,423	10,996,702

The annexed notes from 1 to 26 form an integral part of these financial statements. *jsb*



CHAIRMAN



CHIEF EXECUTIVE OFFICER

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	NOTE	<u>2018 RUPEES</u>	<u>2017 RUPEES</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus before taxation		12,967,423	10,996,702
Adjustments for:			
Depreciation		44,758	7,067,164
Gain from changes in fair value of biological assets		(241,656)	-
Income on investment and bank deposits		(12,595,767)	(10,936,702)
		<u>174,758</u>	<u>7,127,164</u>
(Increase) / Decrease in working capital:			
Advances, deposits and other receivables		10,280,020	56,000
Trade and other payables		(261,109)	(311,506)
Cash Generated from Operations		10,018,911	(255,506)
Income Taxes Paid		(2,513,079)	(1,018,217)
Net cash flows from operating activities		<u>7,680,590</u>	<u>5,853,441</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(105,505)	(5,563,000)
Purchase of biological assets		(706,000)	-
Income received on investment and bank deposits		12,633,054	11,004,541
Net cash flows from investing activities		<u>11,821,549</u>	<u>5,441,541</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Deferred grant		(27,755,716)	(10,383,650)
Net cash flows from financing activities		<u>(27,755,716)</u>	<u>(10,383,650)</u>
Net increase / (decrease) in cash & cash equivalents		<u>(8,253,577)</u>	911,332
Cash & cash equivalents at the beginning of year		49,336,843	48,425,511
Cash & cash equivalents at the end of year	11	<u><u>41,083,266</u></u>	<u><u>49,336,843</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.



CHAIRMAN



CHIEF EXECUTIVE OFFICER

**LIVESTOCK AND DAIRY DEVELOPMENT BOARD
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2018**

PARTICULARS	NOTE	<u>2018 RUPEES</u>	<u>2017 RUPEES</u>
Opening accumulated fund		211,912,230	200,915,528
Surplus for the year		12,967,423	10,996,702
Closing accumulated surplus		<u>224,879,653</u>	<u>211,912,230</u>

The annexed notes from 1 to 26 form an integral part of these financial statements. j



CHAIRMAN



CHIEF EXECUTIVE OFFICER

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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 repealed Companies Ordinance, 1984 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 earned investment income of Rs. 12,595,767 as refereed in Note-14.
- ii) The balance of tax refund due from government has increase by Rs. 2,513,079 as referred in Note-8.
- iii) Deferred grant has decreased by Rs.17,144,303 and has been recognized as income as referred in Note-10.
- iv) Receivables of Rs. 10,572,284 were written off during the current year.

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 directives issued under the Companies Act, 2017.

According to Companies Act 2017, the Company is required to apply the requirements of International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) 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 the requirements of fifth schedule of Companies Act 2017.

Although the above requirements apply, but 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.

4 New and revised standards and interpretations

- 4.1 The fifth schedule to the Companies Act, 2017 (the Act) became applicable to the Company for the first time for the preparation of these financial statements. The Act (including its fifth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst other, prescribes the nature and content of disclosures in relation to various elements of the financial statements.
- 4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

		Effective from accounting periods beginning on or after
IAS 19	Employee benefits (Amendments)	1-Jan-19
IAS 28	Investment in Associates and Joint Ventures (Amendments)	1-Jan-19
IAS 40	Investment property (Amendments)	1-Jan-18
IFRS 2	Share-based Payment (Amendments)	1-Jan-18
IFRS 4	Insurance contracts (Amendments)	1-Jan-18
IFRS 9	Financial Instruments	1-Jul-18
IFRS 15	Revenue from Contracts with Customers	1-Jul-18
IFRS 16	Leases	1-Jan-19
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1-Jan-18
IFRIC 23	Uncertainty Over Income Tax	1-Jan-19

These above standards, interpretations and the amendments are either not relevant to the Company's operations or the management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 9 on its financial statements.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The following interpretations issued by the IASB have been waived of by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

5 Summary of significant accounting policies

5.1 Basis of measurement

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.

5.2 Significant accounting policies

The accounting policies set out below have been applied in preparation of these financial statements.

5.3 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.

3

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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.

5.4 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.

5.5 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. These are de-recognized when the Company ceases to be a party to the contractual provisions of the instrument.

Financial assets mainly comprise short term investments, long term receivables, advances, deposits, other receivables and cash and bank balances. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are creditors, accrued and other payables.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at cost, fair value or amortized cost, as the case may be.

5.6 Short term investments

5.6.1 Held to maturity investments

Investments with fixed or determinable payments and fixed maturity, which the management has the positive intent and ability to hold to maturity are classified as held to maturity and are stated at cost less impairment loss, if so determined.

5.6.2 Investments at fair value

Investments classified as investments at fair value through income and expenditure are initially measured at cost being fair value of consideration given. At subsequent dates, these investments are measured at fair value with any resulting gains or losses recognized directly in the income and expenditure account. The fair value of such investments is determined on the basis of prevailing market prices.

5

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

5.7 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.

5.8 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 held to maturity investment and bank deposits is recognized using the effective yield method.

5.9 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.

5.10 Functional and presentation currency

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

5.11 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 period.

5.12 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past events 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.

5.13 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.

5.14 Loans & receivables

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

5.15 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.

5.16 Intangible assets

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

53

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

5.17 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 judgment 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.

5.17.1 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.

5.17.2 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.

5.17.3 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.

5.17.4 Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment 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).

5.17.5 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.



6 Property, Plant & Equipment

	LDDB					PROJECTS			Total	
	Lease hold Improvement	Plant & Other Equipment	Office Equipment	Furniture & Fixture	Motor Vehicle	Computer Equipment	Plant & Other Equipment	Furniture & Fixtures		Computer Equipment
At June 30, 2016										
Cost	2,026,593	2,156,754	6,301,541	976,414	75,497,306	5,561,417	1,298,395	200,000	203,346	94,221,766
Accumulated Depreciation	(2,026,593)	(2,156,754)	(6,301,541)	(976,414)	(75,497,306)	(5,416,993)	(184,490)	(34,305)	(26,442)	(92,620,838)
Net Book Amount	-	-	-	-	-	144,424	1,113,905	165,695	176,904	1,600,928
Year Ended June 30, 2017										
Opening Net Book Amount	-	-	-	-	-	144,424	1,113,905	165,695	176,904	1,600,928
Additions	-	-	-	-	-	-	5,363,000	100,000	100,000	5,563,000
Disposals	-	-	-	-	-	-	-	-	-	-
-Cost	-	-	-	-	-	-	-	-	-	-
-Depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation-For The Year	-	-	-	-	-	(47,660)	(6,476,905)	(265,695)	(276,904)	(7,067,164)
Closing Net Book Amount	-	-	-	-	-	96,764	-	-	-	96,764
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
Depreciation Rate	20%	20%	20%	20%	20%	33%	-	-	-	-
Number of months (Project Life)	-	-	-	-	-	-	18	18	18	18

6.1 The total carrying amount of Rs. 157,511 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.

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
		Rupees	Rupees
7 Biological assets			
Opening balance		-	-
Assets acquired	7.1	706,000	-
Gain/(Loss) arising from changes in fair value		241,656	-
Closing Balance		947,656	-

7.1 These represent 45 goats acquired by the company as goat fattening demonstration.

		2018	2017
		Rupees	Rupees
8 Advances, deposits & other receivables			
Advance to employees against expenses			
- Considered good		174,764	170,000
Security deposits		325,000	30,000
Grant receivable from GOP against:			
- Meat project		-	6,777,036
- Milk project		-	2,464,173
- PRSLDD		-	1,331,075
		-	10,572,284
Other		-	7,500
Accrued income on investment		1,203,981	1,241,268
		1,703,745	12,021,052

9 Short term investments

Short term investment	9.1	190,000,000	190,000,000
		190,000,000	190,000,000

9.1 These represent held to maturity investments in three months term deposits with National Bank of Pakistan on roll-over basis at markup rates ranging between 5.70% to 5.80% . (2017: 5.55% to 5.80%) per annum.

		2018	2017
		Rupees	Rupees
10 Tax refunds due from government			
Balance as at 1st July		5,154,289	4,136,072
Income tax paid during the year		2,513,079	1,018,217
Balance as at 30 June		7,667,368	5,154,289

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LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
		Rupees	Rupees
11	Cash and bank balances		
	Cash at bank in:		
	- Saving account	40,650,993	48,040,594
	- Current accounts	407,273	1,271,249
		41,058,266	49,311,843
	Cash in hand	25,000	25,000
		41,083,266	49,336,843

11.1 These carry markup at the rate ranging from 3.76% to 3.88% (2017: 3.75% to 3.80%) per annum.

		2018	2017
		Rupees	Rupees
12	Deferred grants		
	Opening balance	44,153,967	54,537,617
	Grants received / (surrendered) during the year:		
	- Government of Pakistan	-	28,376,000
	- Grant surrendered/lapsed during the year	-	(1,231,020)
	Total PSDP funds available	44,153,967	81,682,597
	Less: Grants recognized as income	27,755,716	37,528,630
	Closing balance	16,398,251	44,153,967

13 Trade and other payables

Salaries & wages Payable	30,134	230,000
Audit Fee Payable	140,000	150,000
Other Payables	42,508	98,751
Legal & Professional fee payable	54,000	64,000
Office rent payable	15,000	-
	281,642	542,751

14 Contingencies and commitments

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 and annual income tax return 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. 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.

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LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
		Rupees	Rupees
15 Grant income recognised			
Relating to:			
- Revenue expenditure		27,710,958	30,461,466
- Fixed assets - depreciation		44,758	7,067,164
		27,755,716	37,528,630
16 Income on investments and bank deposits			
Income on held to maturity investments	9.1	10,802,767	9,206,029
Income on saving account	11.1	1,793,000	1,730,673
		12,595,767	10,936,702
17 Other income			
Rental income		60,000	
Sale of trees		60,000	-
Gain arising from changes in fair value of biological assets		241,656	-
Miscellaneous income		10,000	60,000
		371,656	60,000
18 Administrative expenses			
Salaries and benefits		13,043,191	6,488,131
Vehicle operating and running expenses		578,867	833,496
Travelling Expense		664,981	454,000
Communication and utilities		592,796	344,603
Legal and professional charges		504,400	282,450
Auditor's remuneration	18.1	161,700	150,000
Repair & Maintenance		444,410	127,564
Consultancy Expense		40,000	100,000
Printing, postage and office supplies		314,716	105,800
Depreciation		44,758	47,660
Seminars and training		29,696	19,745
Bank charges		1,396	932
Goat fattening expenses		99,080	-
Advertisement		90,000	-
Office rent		299,242	-
Miscellaneous expenses		274,199	-
		17,183,432	8,954,381
18.1 Auditor's remuneration			
Audit fee		130,000	130,000
Fee for limited Assurance engagement		31,700	-
Out of Pocket Expenses		-	20,000
		161,700	150,000

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LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

19 Program expenses	2018	2017
	Rupees	Rupees
Writeoff of receivables from meat project	6,777,036	-
Writeoff of receivables from milk project	2,464,173	-
Writeoff of receivables from PRSLDD	1,331,075	-
Support to farmers	-	9,641,000
Depreciation	-	7,019,504
Salaries and benefits	-	6,507,563
Office rent	-	1,165,800
Repairs and maintenance	-	860,000
Vehicle operating and running expenses	-	729,905
Training and seminars	-	647,874
Travelling Expense	-	622,323
Communication & utilities	-	363,044
Office Supplies	-	476,930
Stationary Expense	-	236,306
Advertisement Expense	-	200,000
Publications and newspaper	-	104,000
	10,572,284	28,574,249

20 Financial risk management

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

	2018	2017
	Rupees	Rupees
Short term investment	190,000,000	190,000,000
Bank Balance	41,058,266	49,311,843
Advances, deposits and other receivables	1,703,745	12,021,052
	232,762,011	251,332,895

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

The Company limits its exposure to credit risk by maintaining bank accounts and short term investments only with counterparties that have a credit rating of at least A1. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

Bank	Rating		Agency	2018	2017
	Short term	Long term		Rupees	Rupees
NBP	A1+	AAA	PACRA	230,787,252	239,040,829
HBL	A1+	AAA	JCR-VIS	271,014	271,014

20.2 Impairment losses

The company is not exposed to impairment losses.

20.3 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:

	Less than 1 year	Between 1 to 5 years
	Rupees	
<u>As at 30 June 2018</u>		
Trade and other payables	281,642	-
<u>As at 30 June 2017</u>		
Trade and other payables	542,751	-

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

20.4 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.

i) Fixed rate instruments

	2018		2017	
	Carrying Amounts	Interest Rate	Carrying Amounts	Interest Rate
Short term Investment	190,000,000	5.70%	190,000,000	5.80%

ii) Variable rate instruments

	2018		2017	
	Carrying Amounts	Interest Rate	Carrying Amounts	Interest Rate
Bank Balances-Saving Accounts	40,650,993	3.76% to 3.88%	48,040,594	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 period & no foreign currency balance existed as at period end.

20.5 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 repealed Companies Ordinance, 1984 as a non-profit organization. Therefore the company is not subject to externally imposed capital requirements.

20.6 Fair value of financial assets and liabilities

Carrying values of all financial instruments reflected in the financial statements approximate their fair values.

52

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

20.7 Financial instruments by category

	Held to Maturity	Loans & Receivables	Other financial assets	Total
As at June 30, 2018				
Financial assets as per balance sheet				
Bank Balances	-	41,058,266	-	41,058,266
Advances, Deposits & Receivables	-	1,703,745	-	1,703,745
Short term Investments	190,000,000	-	-	190,000,000
	190,000,000	42,762,011	-	232,762,011

As at June 30, 2017

Financial assets as per balance sheet

Bank Balances	-	49,311,843	-	49,311,843
Advances, Deposits & Receivables	-	12,021,052	-	12,021,052
Short term Investments	190,000,000	-	-	190,000,000
	190,000,000	61,332,895	-	251,332,895

	Financial Liabilities at fair value through P&L	Other financial liabilities	Total
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As at June 30, 2018

Financial liabilities as per balance sheet

Trade & other payables	-	281,642	281,642
	-	281,642	281,642

As at June 30, 2017

Financial liabilities as per balance sheet

Trade & other payables	-	542,751	542,751
	-	542,751	542,751

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.

5

LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

22 Remuneration of chief executive

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	2018 Total
Managerial remuneration	1,307,421	-	1,307,421
Other benefits	-	-	-
Number	1	14	1,307,421

	CEO	Directors	2017 Total
Managerial remuneration	-	-	-
Other benefits	265,867	-	265,867
Number	1	15	15

23 Related party transactions

Related parties comprise of directors and key management personnel. Transactions with related parties other than remuneration and benefits to directors and key management personnel are as follows:

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

23.1 Biological assets	2018 Rupees	2017 Rupees
Opening balance	-	-
Assets acquired from non related parties	619,000	-
Assets acquired from related parties	87,000	-
Gain/(Loss) arising from changes in fair value	241,656	-
Closing Balance	947,656	-

24 Number of employees

	2018	2017
At the end of the year	26	28
Average number of employees during the year	25	28

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LIVESTOCK AND DAIRY DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

25 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors on 31.10.2018

26 General

Figures have been rounded off to the nearest rupee.

vis



CHAIRMAN



CHIEF EXECUTIVE OFFICER