



Fisheries
Transparency
Initiative

**REPORT OF THE EXECUTIVE COMMITTEE
AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

Fisheries Transparency Initiative (FiTI)

Highway Complex Building, PO Box 6079

Providence, Mahé, Seychelles

Index

REPORT OF THE EXECUTIVE COMMITTEE	3
INDEPENDENT AUDITOR'S REPORT	6
STATEMENT OF FINANCIAL POSITION – PERIOD ENDED DECEMBER 31, 2021	8
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME – PERIOD ENDED DECEMBER 31, 2021.....	9
STATEMENT OF CHANGES IN EQUITY – PERIOD ENDED DECEMBER 31, 2021	10
STATEMENT OF CASH FLOWS – PERIOD ENDED DECEMBER 31, 2021	11
NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED DECEMBER 31, 2021	12

REPORT OF THE EXECUTIVE COMMITTEE

The Fisheries Transparency Initiative (FiTI) is a global multi-stakeholder partnership and is legally institutionalised as a non-profit, non-governmental association organised under the laws of the Republic of Seychelles (in the following referred to as 'FiTI'). The FiTI was incorporated on January 24, 2020 and started operating immediately.

The Executive Committee has pleasure in presenting its second report together with the financial statements of FiTI for the period ended December 31, 2021.

BACKGROUND

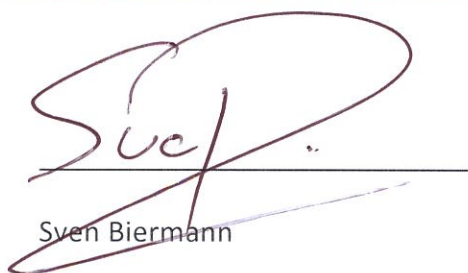
The FiTI is a global multi-stakeholder partnership that strengthens transparency and collaboration for a more sustainable management of marine fisheries.

It provides governments, the fishing industry (both large-scale and small-scale) and civil society with an internationally recognised framework to increase the credibility and quality of national fisheries information. By making fisheries management more transparent and inclusive, the FiTI promotes informed public debates on fisheries policies and supports the long-term contribution of the sector to national economies and the well-being of citizens and businesses that depend on a healthy marine environment.

PRINCIPAL ACTIVITIES

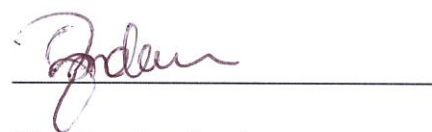
In accordance with its constitution, the charitable objective of the FiTI is to increase transparency and multi-stakeholder participation in fisheries governance for the benefit of a more sustainable management of marine fisheries, and this is pursued by:

- maintaining its internationally recognised standard (i.e. FiTI Standard) that defines what information on marine fisheries should be published online by public authorities;
- engaging with countries to implement this standard in order to achieve and maintain high levels of transparency on the management of the marine fisheries sector and the activities of fishers and fishing companies;
- promoting and institutionalising multi-stakeholder collaboration;
- stimulating public debates on how the fisheries sector is managed, enabling relevant stakeholders to support reforms towards better governance of their marine fisheries; and
- fostering the implementation of the United Nations Sustainable Development Goals, as well as other international treaties and covenants related to fisheries around the world.

A handwritten signature in dark ink, appearing to read 'Sven', is written over a horizontal line. The signature is stylized with a large loop at the end.

Sven Biermann

Executive Director and Treasurer

A handwritten signature in dark ink, appearing to read 'Christina', is written over a horizontal line. The signature is stylized with a large loop at the end.

Christina Fondamiere

Secretary

Dated: 16 June 2023

Mahé, Seychelles

INDEPENDENT AUDITOR'S REPORT

FISHERIES TRANSPARENCY INITIATIVE

Opinion

We have audited the financial statements of Fisheries Transparency Initiative, on pages 8 to 30 which comprise the statement of financial position as at December 31, 2021, the statement of income, the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Association are prepared, in all material respects, in accordance with the requirements of the Seychelles Association Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Going concern

We draw your attention to note 14 of the financial statements on going concern considerations and concur with the directors of the Association's ability to continue as a going concern.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the requirements of the Seychelles Association Act, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT (cont...)**FISHERIES TRANSPARENCY INITIATIVE**

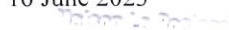
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, 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.

We communicate with those charged with governance 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.


POOL & PATEL
CHARTERED ACCOUNTANTS
16 June 2023







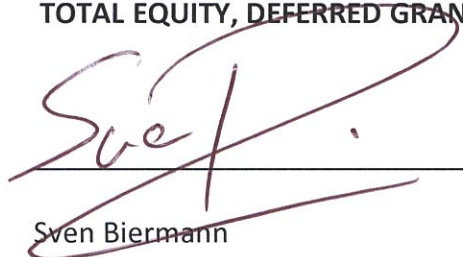






STATEMENT OF FINANCIAL POSITION – PERIOD ENDED DECEMBER 31, 2021

	Notes	2021 SCR	2020 SCR
ASSETS			
Non-current assets:			
Equipment	[5]	43,189	43,989
Current assets:			
Prepayments		3,259	1,141
Cash and bank balances	[6]	2,088,397	13,803,650
		2,091,655	13,804,791
TOTAL ASSETS		2,134,844	13,848,780
EQUITY, DEFERRED GRANTS AND LIABILITIES			
Deferred grants:			
Non-current	[7]	0	1,648,415
Current	[7]	3,018,119	7,009,491
		3,018,119	8,657,906
Current liabilities:			
Accounts payable	[8]	167,267	610,254
Accrued expenses & liabilities	[8]	178,372	607,916
Other liabilities	[8]	56,628	0
		402,268	1,218,170
Equity:			
Retained earnings		3,972,704	3,972,704
Net income	[13]	-5,258,248	0
		-1,285,543	3,972,704
TOTAL EQUITY, DEFERRED GRANTS AND LIABILITIES		2,134,844	13,848,780



Sven Biermann

Executive Director, Treasurer



Christina Fondamire

Secretary

The notes on pages 12 to 30 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME – PERIOD ENDED DECEMBER 31, 2021

	Notes	2021 SCR	2020 SCR
Income from grants	[9]	7,306,522	14,407,877
- Grants-related project costs	[9]	-6,704,051	-3,700,969
		602,471	10,706,908
Income from services	[10]	234,042	0
- Service-related project costs		-151,115	0
		82,926	0
GROSS PROFIT		685,398	10,706,908
Other income	[11]	0	278,005
Non-project administration costs	[12]	-272,824	-2,391,317
OPERATING PROFIT		412,574	8,593,596
Depreciation	[5], [13]	-21,800	-10,911
Exchange gain or loss	[13]	-5,653,922	4,047,925
Unrealised gain or loss	[13]	4,901	0
SURPLUS FOR THE PERIOD		-5,258,248	12,630,610

The notes on pages 12 to 30 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY – PERIOD ENDED DECEMBER 31, 2021

Retained earnings	Notes	Total	
		2021 (SCR)	2020 (SCR)
Opening balance, at 1 January		3,972,704	0
Net income for fiscal year	[13]	-5,258,248	3,972,704
<u>Closing balance, at 31 December</u>		<u>-1,285,543</u>	<u>3,972,704</u>

The notes on pages 12 to 30 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS – PERIOD ENDED DECEMBER 31, 2021

	Notes	2021 SCR	2020 SCR
OPERATING ACTIVITIES			
Surplus from operation for the period		-5,258,248	12,630,610
Adjustments for non-cash income and expenses:			
Depreciation of equipment	[5]	21,800	10,911
Prepayments		-2,118	-1,141
Accounts payable	[8]	-442,986	610,254
Accrued expenses & liabilities	[8]	-182,727	607,916
Other liabilities	[8]	-190,189	0
NET CASH FROM OPERATING ACTIVITIES		-6,054,467	13,858,550
INVESTING ACTIVITIES			
Acquisition of IT equipment		-21,000	-54,900
NET CASH FROM INVESTING ACTIVITIES		-21,000	-54,900
FINANCING ACTIVITIES			
Deferred grants: Moore Foundation	[9]	-4,388,291.00	0.00
Deferred grants: Irish Aid	[9]	-1,251,495.00	0.00
NET CASH FROM FINANCING ACTIVITIES		-5,639,786	0
NET CHANGE IN CASH AND CASH EQUIVALENTS		-11,715,253	13,803,650

The notes on pages 12 to 30 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION

The Fisheries Transparency Initiative (FiTI) is a global multi-stakeholder partnership and is legally institutionalised as a non-profit, non-governmental association organised under the laws of the Republic of Seychelles (in the following referred to as 'FiTI'). The registered office of the FiTI is located at the Highway Complex Building, Providence, Mahé, Seychelles.

The principal activities of the FiTI are as stated on Page 1 of the Report of the Executive Committee. In accordance with the constitution of the FiTI, these financial statements will be submitted for consideration and approval to the FiTI International Board, which is the global oversight body of the FiTI.

The FiTI is a fully self-funded and independent organisation. Two offices for the International Secretariat of the FiTI as well as the secondment of an administrative assistant are provided by the Government of Seychelles as institutional in-kind support.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

A summary of the significant accounting policies, which have been applied consistently (subject to para 2.1 (c)), are set out below:

2.1. Basis of preparation

These are the second annual financial statements of the FiTI. The financial statements of the FiTI have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Standards ("IFRS") Interpretations Committee (the "Committee"), and comply with the Registration of Association Act, 1976 (as amended).

a) Accounting convention

These financial statements have been prepared in accordance with the historical cost convention and the accruals basis.

b) Reporting and functional currency

The reporting and functional currency of the FiTI is Seychelles Rupee ('SCR'), the currency of the primary economic environment in which the FiTI operates.

c) Changes in accounting policies and disclosure notes

The accounting policies adopted are consistent with those applicable in the previous financial year, except for the following new standards and amendments to IFRS that are mandatorily effective for accounting periods beginning on or after January 1, 2021:

(i) New standards, improvements, interpretations and amendments issued

- Amendments to IFRS 3 Business combinations
- Amendments to IFRS 7 Financial Instruments: disclosures
- Amendments to IFRS 9 Financial Instruments
- Amendments to IFRS 16 Leases
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement

- Revisions to the Conceptual Framework: Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IAS 41, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3: Business combinations

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the FiTI, but may impact future periods should the FiTI enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the financial statements of the FiTI as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence

decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the FiTI.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the FiTI.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the FiTI.

(ii) New standards, improvements, interpretations and amendments issued but not yet effective

The following new accounting standards, improvements, interpretations and amendments have been issued, but are not mandatory until the dates shown, and hence have not been early adopted by the FiTI in preparing the financial statements for the year ended 31 December, 2021. The FiTI intends to apply these standards from the application date as indicated below.

▪ Amendments to IAS 1	Presentation of Financial Statements (January 1, 2023)
▪ Amendments to IAS 16	Property, Plant and Equipment (January 1, 2022)
▪ Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets (January 1, 2022)
▪ Amendments to IFRS 3	Business Combinations (January 1, 2022)
▪ Amendments to IFRS 4	Insurance Contracts (January 1, 2023)
▪ IFRS 17 & amendments thereto	Insurance Contracts (January 1, 2023)
▪ Annual improvements	IFRS Standards 2018-2020 Cycle (January 1, 2022)
	IFRS 1 First-time Adoption of International Financial Reporting Standards (January 1, 2022)
	IFRS 9 Financial Instruments (January 1, 2022)
	IFRS 16 Leases (January 1, 2022)
	IAS 41 Agriculture (January 1, 2022)

The Executive Committee anticipates that all of the above standards, improvements, interpretations and amendments will be adopted by the FiTI to the extent applicable from their effective dates. The adoption of these standards, improvements, interpretations and amendments is not expected to have a material impact on the financial statements of the FiTI in the year of their initial application.

2.2. Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition and bringing of the asset to its working condition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the FiTI and the cost of the item can be measured reliably. When a part is replaced, and the new part capitalised, the carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised in the statement of comprehensive income during the financial period in which they are incurred.

Depreciation of assets is calculated using the straight-line, monthly-prorated method to allocate their cost over their estimated useful lives as follows:

	Years
Computer equipment	<u>3</u>

Depreciation is charged from the date an asset is available for use up to the date the asset is disposed of.

2.3. Intangible assets

Intangible assets that are acquired by the FiTI and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

2.4. Financial instruments

Financial assets and financial liabilities are recognised when the FiTI becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The above classification is determined by both:

- (i) the FiTI's operating model for managing the financial asset, and
- (ii) the contractual cash flow characteristics of the financial asset.

Income and expenses relating to financial assets are recognised in profit or loss and included as finance costs or interest income, except for expected credit loss allowance

against trade receivables which is presented within general and administrative expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. The FiTI's cash and cash equivalents, trade receivables, other current assets (excluding prepaid expenses and advances), and due from related parties are classified as financial assets at amortised cost.

2.5. Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the expected credit loss (ECL) model. Instruments within the scope of the requirements include financial assets measured at amortised cost, such as trade receivables measured under IFRS 15.

The FiTI considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1");
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is now low ("Stage 2"); and
- financial assets that have objective evidence of impairment at the reporting date ("Stage 3").

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2.6. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position when the FiTI has a legally enforceable right to set off the recognised amounts and the FiTI intends either to settle on a net basis, or to realise the asset and liability simultaneously.

2.7. Impairment of non-financial assets

The FiTI assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the FiTI makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the cash-generating unit to which the asset belongs is used. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation method is used.

2.8. Related parties

The FiTI enters into transactions with companies and entities that fall within the definition of a related party as contained in IFRS. Related parties comprise associations and entities under joint or common management or control, their partners and key management personnel, subsidiaries, joint ventures, parent, associates and other related parties.

2.9. Trade and other receivables

Trade receivables are stated at original invoice amount less provision as per the expected credit loss model. Bad debts are written off when there is no possibility of recovery.

The FiTI makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the provision, the FiTI uses its

historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The FiTI assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due (refer to note 7 for a detailed analysis of how the impairment requirements of IFRS 9 are applied).

2.10. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at banks and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which the bank overdrafts, if any, are deducted. Overdrafts are shown within borrowings under current liabilities on the Statement of Financial Position.

2.11. Deferred Grants

Grants from governments, international organisations and third parties are recognised where there is reasonable assurance that the grant will be received and on compliance with all the attached conditions thereof. Grants are classified as current and non-current based on their expected utilisation pattern.

When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income in the Statement of Financial Position until it is complete for intended use and then recognised in the Income Statement as Grants Income.

2.12. Provisions

Provisions are recognised when the FiTI has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.13. Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether claimed by the supplier or not.

The carrying amounts of trade and other payables approximate their amortised cost.

2.14. Foreign currencies

Foreign currency transactions are translated into Seychelles Rupees ('SCR') using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into Seychelles Rupees using the exchange rate prevailing on the reporting date. Gains and losses from foreign exchange transactions are taken to the statement of comprehensive income.

As at year end, the main exchange rates against the Seychelles Rupees were as follows:

Currencies	<u>Exchange rates</u>		<u>Changes in %</u>
	<u>2021</u>	<u>2020</u>	<u>2021 → 2020</u>
United States Dollar	14.41	21.29	+67.7%
Euro	16.24	25.38	+64.0%

2.15. Contingent liabilities

A contingent liability is disclosed when the FiTI has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the FiTI; or when the FiTI has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

2.16. Revenue recognition

Revenue of the FiTI is mainly from grants, services or sponsorships. Revenues that are received for compensation of expenses or losses already incurred, or for the purpose of giving immediate financial support to the FiTI with no future related costs, are recognised in the Income Statement in the period in which reasonable assurance is established that the entity will comply with the conditions attached to the grant and that the grant will be received.

Grants that compensate the FiTI for expenses to be incurred are initially recognised in the statement of financial position as a deferred income. Subsequent to initial recognition, such grants are recognised in the Income Statement as grants income.

Other income, e.g. based on contractual services, is recognized on the accrual basis.

2.17. Expenses

Expenses specifically related to their projects (e.g. grant-related, service-related) are classified based on their technical nature. All other expenses are classified as either general and administrative expenses, or finance costs, as appropriate.

2.18. Current and deferred taxation

Income tax expense normally comprises current and deferred tax. Current tax is recognised in profit or loss. Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

As per the current tax regime, income of the FiTI is not liable to tax. Hence no provision is considered for current tax as on the reporting date and consequently no provision is required for deferred tax.

2.19. Fair value

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

3. RISK MANAGEMENT

3.1 Financial risk management objectives and policies

The activities of the FiTI expose it to different financial risks, market risks, credit and liquidity risk. The Executive Committee has the overall responsibility for the FiTI, which includes the designing, developing and monitoring the FiTI's risk management policies.

The FiTI's risk management policies are established to identify and analyse the risks faced by the FiTI, focusing on the unpredictability of financial markets, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the FiTI's activities and its role in the Republic of Seychelles. The FiTI, 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 following are the FiTI's exposures to each of the above risks, the FiTI's objectives, policies and processes for measuring and managing risk, and the FiTI's management of

capital. Further quantitative disclosures are included throughout these financial statements.

a) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and can arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The FiTI is exposed to currency risk arising from future commercial transactions and liabilities that are denominated in currencies other than the functional currency. The FiTI incurs expenditure for services from consultants from foreign countries and is exposed to foreign exchange risk arising from various currency exposures. The currencies in which these transactions are primarily denominated are Euro ('Euro') and United States Dollar ('USD'). The FiTI aims to aggregate a net position for each currency.

If the Seychelles Rupee had weakened/strengthened against the above currencies by 5% with all other variables remaining constant, the impact (increase/(decrease)) on the results for the year would have been as depicted in the table hereunder mainly as a result of foreign exchange gains/(losses).

	US Dollar		Euro	
	2021	2020	2021	2020
	SCR +/-	SCR +/-	SCR +/-	SCR +/-
<i>Impact on results:</i>				
- Cash and cash equivalents	52,530	52,530	547,255	547,255
- Trade and other payables	21,475	21,475	8,823	8,823

The currency portfolio of financial assets and liabilities is summarised as follows:

	Financial assets		Financial liabilities	
	2021 (SCR)	2020 (SCR)	2021 (SCR)	2020 (SCR)
Seychelles Rupees	519,250	1,807,959	0	4,285
US Dollar	186,016	1,050,594	46,531	429,501
Euro	1,383,131	10,945,097	120,736	176,467
	<u>2,088,397</u>	<u>13,803,650</u>	<u>167,267</u>	<u>610,253</u>

b) Cash flow and fair value interest rate risk

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.

The FiTI does not have any borrowings which exposes the FiTI to fair value interest rate risk.

c) Credit risk

The FiTI is not exposed to credit risk as it typically receives grants, sponsorships and donations in advance.

d) Liquidity risk

Liquidity risk is the risk that the FiTI will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The FiTI, through its monthly budget controlling and forecasts, manages liquidity to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the FiTI's reputation.

e) Fair value estimation

The face values less any estimated credit adjustments for financial assets and liabilities with maturities of less than and more than one year are assumed to approximate their fair values.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the FiTI's accounting policies. Estimates and judgments are continually evaluated and are based on expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to causing a material adjustment to the carrying amounts of assets and liabilities subsequent to the balance sheet date.

5. EQUIPMENT

	<u>2021 (SCR)</u>	<u>2020 (SCR)</u>
At Cost – Computer equipment	43,989	0
Additions during the year	21,000	54,900
Deprecation charge for the period	(22,384)	(10,911)
Net book value at December 31, 2021	<u>42,605</u>	<u>43,989</u>

6. CASH AND BANK BALANCES

Bank balance dominated in:

	<u>2021 (SCR)</u>	<u>2020 (SCR)</u>
Seychelles Rupees	519,250	1,807,959
US Dollar	186,016	1,050,594
Euro	1,383,131	10,945,097
	<u>2,088,397</u>	<u>13,803,650</u>

There were no liens on the bank balances held by the FiTI.

7. DEFERRED GRANTS

	<u>Grant: GBMF</u> (SCR)	<u>Grant: Irish Aid</u> (SCR)	<u>Total</u> (SCR)
Income recognised for the year	6,055,026	4,269,614	10,324,640
- Costs incurred during the year	(5,452,555)	(1,251,495)	(6,704,050)
= Net income	602,471	0	602,471
Deferred grant value	<u>0</u>	<u>3,018,119</u>	<u>3,018,119</u>

Analysed as:

Non-current	-	-	-
Current	-	3,018,119	3,018,119
	-	<u>3,018,119</u>	<u>3,018,119</u>

8. TRADE AND OTHER PAYABLES

	<u>2021 (SCR)</u>	<u>2020 (SCR)</u>
Trade payables	167,267	610,253
Other payables and accrued expenses	235,001	607,916
	<u>402,268</u>	<u>1,218,169</u>

- a) 'Trade payables' are denominated in the following currencies:

	<u>2021 (SCR)</u>	<u>2020 (SCR)</u>
Seychelles Rupees	0	4,285
US Dollar	46,531	429,501
Euro	120,736	176,467
	<u>167,267</u>	<u>610,253</u>

- b) The carrying amounts of 'Trade and other payables' approximate their amortized cost.

9. GRANTS

The FiTI executed activities under the following two grants during the financial year 2021:

- a) The FiTI's main source of income for 2021 came from a grant by the Gordon and Betty Moore Foundation [Grant: GBMF].¹ This grant ("Increasing Transparency in Fisheries Management in Africa and Latin America Grant ID: GBMF8722") was awarded to the Berlin Governance Platform gGmbH² in 2019. Despite the subsequent legal institutionalization of the FiTI, the ultimate responsibility for the grant's overall management and responsible use of funds remained with the original grant recipient, the Berlin Governance Platform in Germany. However, the association of the FiTI, and in particular its executive body, the FiTI International Secretariat, has assumed the financial management of the grant funds since March 2020. This was approved by the Moore Foundation. The FiTI and the Berlin Governance Platform worked closely to administer the funds and fulfil the reporting obligations towards the Moore Foundation.

¹ 'Grant: GBMF' refers to "'Gordon and Betty Moore Foundation (# Grant ID: GBMF8722)".

² Formerly known as HUMBOLDT-VIADRINA Governance Platform gGmbH

All grant-related activities were completed by 31 December 2021, and the entire grant amount of USD 779,000 was disbursed.

- b) The grant from Irish Aid [Grant: Irish Aid]³ is secured by a grant agreement with the FiTI for the project "Support for Increasing Transparency and multi-stakeholder collaboration in fisheries management amount four Small Island Developing States (SIDS)", Contract Number: IA-TAN/2020/102. The project started in October 2020 and has been completed in December 2022. As shown under Note 7, a grant value of SCR 3,018,119 has been deferred to financial year 2022.

	Grant: GBMF	Grant: Irish Aid	Total	Total
	2021 (SCR)	2021 (SCR)	2021 (SCR)	2020 (SCR)
Communication and Outreach				
Design	297,291	15,770	313,060	176,229
Editorial	26,766	0	26,766	13,159
Media placement	3,995	0	3,995	4,793
Printing	0	0	0	5,247
Translation	13,772	23,224	36,996	71,789
	341,824	38,994	380,817	271,217
Coordinators, Advisors, FiTI Chair				
Regional Coordinators	1,483,309	256,650	1,739,959	1,506,069
Advisors	285,866	49,258	335,125	380,812
FiTI Chair	651,271	125,269	776,540	878,757
	2,420,446	431,177	2,851,623	2,765,638
Implementation partners, Experts				
Implementation partners	552,618	177,822	730,441	431,787
Sub-Contractors	-67,073	47,928	-19,145	223,549
	485,545	225,750	711,296	655,336
Travel, meetings & workshops				
Travel	182,933	48,781	231,714	78,802
Meetings & workshops	78,707		78,707	0
Meals and entertainment	1,808		1,808	1,056
	263,448	48,781	312,229	79,858

³ 'Grant: Irish Aid' refers to "Irish Aid, Minister for Foreign Affairs (Contract No: IA-TAN/2020/102)".

DIRECT COSTS	3,511,263	744,702	4,255,965	3,772,049
Employee costs				
Salaries and allowances	1,902,119	505,812	2,407,931	1,905,772
Pension contributions - Employer	6,829	982	7,810	10,248
	1,908,948	506,794	2,415,741	1,916,020
Administrative costs				
IT & Communication	32,344		32,344	32,324
Bank charges	0	0	0	29,578
	32,344	0	32,344	61,902
TOTAL COSTS	5,452,555	1,251,496	6,704,051	5,749,971

10. SERVICES

During 2021, the FiTI developed the new complementary programme 'TAKING STOCK: Online Transparency of Fisheries Management Information'. This programme seeks to support countries in establishing a credible baseline of its transparency efforts, and deepen public understanding of how different governments around the world approach transparency in fisheries management. Upon request, the FiTI is offering such transparency assessments to customers as a fee-based, contractual service.

Furthermore, staff of the International Secretariat occasionally receive remunerations for their contributions as speakers, panellists or experts in workshops or conference.

	Total (SCR)	Total (SCR)
	2021	2020
Communication and Outreach		
Design	15,430	0
	15,430	0
Coordinators, Advisors, FiTI Chair		
Advisors	53,886	0
	53,886	0
Implementation partners, Experts		
Sub-Contractors	81,300	0
	81,300	0
Travel, meetings & workshops		

Travel	0	0
	0	0
DIRECT COSTS	151,115	0
Employee costs		
Salaries and allowances	0	0
Pension contributions - Employer	0	0
	0	0
Administrative costs		
IT & Communication	0	0
Bank charges	0	0
	0	0
TOTAL COSTS	151,115	0
Exchange Gain or Loss	16,448	0
	0	0
TOTAL OTHER COSTS	167,563	0

11. OTHER INCOME

No other income was materialised by the FiTI in 2021.

12. ADMINISTRATION EXPENSES

The FiTI International Secretariat is responsible for the day-to-day running of the FiTI. It provides the technical and administrative support to the FiTI International Board, to which it is also accountable. Furthermore, in order to pursue the FiTI's charitable objective to increase transparency and multi-stakeholder participation in fisheries governance, the FiTI International Secretariat is conducting activities, which are typically covered by grant agreements or service contracts.

In addition, the operation of the FiTI incurs administrative costs, which are not covered by specific grant agreements or service contract, such as accounting and auditing, insurances, rent, or office supplies.

	Total (SCR)	Total (SCR)
	2021	2020
Communication and Outreach		
Printing	3,665	728
Promotional material/accessories	3,000	8,050
	6,665	8,778
Travel, meetings & workshops		
Travel	39,592	1,350
Meals and entertainment	45,218	3,452
	84,810	4,802
DIRECT COSTS	91,475	13,580
Employee costs		
Other staff costs	1,523	19,360
	1,523	19,360
Administrative costs		
IT & Communication	73,637	69,829
Bank charges	1,168	1,169
Legal and professional services	0	10,417
Accounting and audit services	78,894	125,052
Office expenses	3,238	13,891
Other general expenses	22,890	89,017
	179,827	309,375
TOTAL COSTS	272,824	342,315
Unrealised Gain or Loss	-4,901	0
Depreciation	21,800	10,911
Exchange Gain or Loss	5,637,475	0
	5,654,374	10,911
TOTAL OTHER COSTS	5,927,198	353,226

13. RESULTS FROM TOTAL OPERATIONS

Balances for the period were allocated as follows:

	<i>Grants</i>	<i>Services</i>	<i>Administration</i>	<i>Total</i>	<i>Total</i>
	<i>SCR</i>	<i>SCR</i>	<i>SCR</i>	<i>SCR</i>	<i>SCR</i>
	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2020</i>
Operating income (Sales)	7,306,522	234,042		7,540,564	14,407,877
Other income				0	278,005
GROSS PROFIT	<u>7,306,522</u>	<u>234,042</u>	<u>0</u>	<u>7,540,564</u>	<u>14,685,882</u>
Operating costs	-6,704,051	-151,115	-272,824	-7,127,990	-6,092,285
OPERATING PROFIT	<u>602,471</u>	<u>82,927</u>	<u>-272,824</u>	<u>412,574</u>	<u>8,593,597</u>
Depreciation			-21,800	-21,800	-10,911
Exchange Gain or Loss		-16,448	-5,637,475	-5,653,923	2,554
Unrealised Gain or Loss			4,901	4,901	4,045,371
NET INCOME	<u>602,471</u>	<u>66,479</u>	<u>-5,927,198</u>	<u>-5,258,248</u>	<u>12,630,611</u>

14. SUBSEQUENT EVENTS

The Global pandemic COVID-19 has started to affect Seychelles from March, 2020 onwards before issuing these financial statements. The main sources of income of the country is from tourism and fisheries sector and the source of the country's consumption of food, beverage and consumables are imported. The FiTI Association was affected due to slow down and delayed project implementation.

The Government has taken measures to relieve and assist the private sector and civil society with some of its immediate financial burden.

The Executive Committee has considered the impact of the COVID-19 pandemic and are fully aware of its severity.

15. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2021.

16. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2021 other than the project schedules.