SWISS BUSINESS COUNCIL

Financial Statements

for the year ended June 30, 2017

Deloitte.

Deloitte Yousuf Adil
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Swiss Business Council** (the Council) as at **June 30, 2017** and the related income and expenditure account, statement of comprehensive income, statement of cash flows and statement of changes in reserves together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Council's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a. in our opinion, proper books of accounts have been kept by the Council as required by the Companies Ordinance, 1984;

b. in our opinion:

   i. the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii. the expenditure incurred during the year was for the purpose of the Council's business; and

   iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Council;

c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of comprehensive income, statement of cash flows and statement of changes in reserves together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Council's affairs as at June 30, 2017 and of the deficit, total comprehensive income its cash flows and reserves for the year then ended; and

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

Deloitte Yousuf Adil

Chartered Accountants

Engagement Partner
Naresh Kumar

Dated: October 28, 2017
Place: Karachi

SWISS BUSINESS COUNCIL
BALANCE SHEET
AS AT JUNE 30, 2017

	Note	June 30, 2017	June 30, 2016
		------------ Rupees ------------	
ASSETS			
Non-current assets			
Property and equipment	4	**171,988**	588,818
Advance against computer software		**65,900**	-
		237,888	588,818
Current assets			
Advance tax, prepayments and security deposit	5	**143,547**	81,776
Advance against expenses		**305,100**	-
Accrued interest on bank deposit		**13,192**	-
Fee receivable		**60,000**	413,571
Cash and bank balances	6	**3,572,944**	3,149,353
		4,094,783	3,644,700
TOTAL ASSETS		**4,332,671**	4,233,518
RESERVES AND LIABILITIES			
Revenue reserve			
Accumulated surplus		**2,652,325**	2,655,044
Current liabilities			
Accrued and other payables		**143,246**	129,224
Advance fee	7	**1,537,100**	1,449,250
		1,680,346	1,578,474
TOTAL RESERVES AND LIABILITIES		**4,332,671**	4,233,518

The annexed notes from 1 to 13 form an integral part of these financial statements.

PRESIDENT

DIRECTOR

SWISS BUSINESS COUNCIL
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	June 30, 2017	June 30, 2016
		------------ Rupees	--------------
INCOME			
Annual fee		**1,936,200**	1,839,600
Joining fee		**84,000**	222,000
Service fee		**1,875,340**	1,695,748
Advertisement income		**521,502**	316,295
Profit on term deposit	6.1	**121,024**	91,547
Exchange gain		**5,197**	939
		4,543,263	4,166,129
EXPENDITURE			
Salaries and allowances		**1,955,466**	1,788,490
Rent		**662,128**	662,705
Events and meetings		**276,511**	234,594
Audit fee		**185,000**	110,000
Depreciation	4.1	**86,019**	136,445
Loss on disposal		**211,211**	-
Website designing and maintenance		**29,185**	24,445
Advertisement		**220,000**	338,500
Repairs and maintenance		**6,760**	14,960
Legal and professional charges		**242,500**	235,945
Traveling		**276,824**	64,975
Utilities		**8,283**	125,690
Printing and stationery		**108,946**	99,530
Bank charges		**22,849**	10,481
Communication and internet		**99,047**	64,598
Postage and courier		**46,497**	53,483
Entertainment		**50,900**	6,492
Others		**57,856**	58,400
		4,545,982	4,029,733
(Deficit) / surplus for the year		**(2,719)**	136,396

The annexed notes from 1 to 13 form an integral part of these financial statements.

PRESIDENT

DIRECTOR

SWISS BUSINESS COUNCIL
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	--------- Rupees	**---------**
Accumulated surplus brought forward	**2,655,044**	2,518,648
Other comprehensive income for the year - (Deficit) / surplus for the year	**(2,719)**	136,396
Accumulated surplus carried forward to the balance sheet	**2,652,325**	2,655,044

The annexed notes from 1 to 13 form an integral part of these financial statements.

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PRESIDENT

DIRECTOR

SWISS BUSINESS COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	------- Rupees -------	
(Deficit) / surplus for the year	**(2,719)**	136,396
Other comprehensive income	-	-
Total comprehensive income for the year	**(2,719)**	136,396

The annexed notes from 1 to 13 form an integral part of these financial statements.

PRESIDENT

DIRECTOR

SWISS BUSINESS COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	-------- Rupees --------	
Cash flows from operating activities		
(Deficit) / surplus for the year	(2,719)	136,396
Adjustments for non-cash and other items		
Depreciation	86,019	136,445
Loss on disposal	211,211	-
Profit on term deposit	(121,024)	(91,547)
Surplus before working capital changes	173,487	181,294
Decrease / (increase) in current assets		
Prepayments and security deposit	(48,087)	(13,300)
Advance against expenses	(305,100)	-
Fee receivable	353,571	(413,571)
	384	(426,871)
Increase / (decrease) in current liabilities		
Accrued and other payables	14,022	7,317
Advance fee	87,850	(10,878)
	101,872	(3,561)
Tax deducted by withholding tax agents	(13,684)	(9,156)
Net cash from / (used in) operating activities	262,059	(258,294)
Cash flows from investing activities		
Proceeds from disposal of property and equipment	215,000	-
Payments for purchase of property and equipment	(95,400)	-
Advance against computer software	(65,900)	-
Profit received on term deposit	107,832	91,547
Net cash from investing activities	161,532	91,547
Net increase / (decrease) in cash and cash equivalents	423,591	(166,747)
Cash and cash equivalents at the beginning of the year	3,149,353	3,316,100
Cash and cash equivalents at the end of the year	3,572,944	3,149,353

The annexed notes from 1 to 13 form an integral part of these financial statements. PTO

PRESIDENT **DIRECTOR**

1. THE COUNCIL AND ITS OPERATIONS

Swiss Business Council (the Council) was incorporated on May 22, 2008 as a company limited by Guarantee, without having share capital under Section 42 of the Companies Ordinance, 1984. Pursuant to the said Section, the Securities and Exchange Commission of Pakistan granted a license to the Council to register as a company with limited liability without the addition of the words "(Guarantee) Limited" to its name.

The Council has been formed with the objective of encouraging, facilitating and promoting Swiss Investment in Pakistan to develop trade, commerce, economic, cultural and media co-operation between the two countries. The registered office of the Council is located at 20th Floor, B.R.R Tower, Hassan Ali Street, Off I.I Chundrigar Road, Karachi.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

The Council has voluntarily adopted this frame work.

During the year, the Companies Act, 2017 (the new Companies Act) was enacted and promulgated on May 30, 2017. However, SECP has notified through Circular No. 17 dated July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention.

3.2 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Council's functional and presentation currency.

3.3 NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS THAT ARE EFFECTIVE FOR THE YEAR ENDED JUNE 30, 2017

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	**Effective from accounting period beginning on or after January 01, 2016**

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities.

Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations

'Effective from accounting period beginning on or after January 01, 2016

The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

Entities should apply the amendments prospectively.

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative

'Effective from accounting period beginning on or after January 01, 2016

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgment. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

- An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.

- In the other comprehensive income, section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following terms:

- the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be 'reclassified subsequently to profit or loss; and

- the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.

Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization

Effective from accounting period beginning on or after January 01, 2016

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendment to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction (for example, a contract may allow the extraction of gold mine until the total cumulative revenue from the sale of goods reaches CU 2 billion) and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortization is to be determined, the revenue that is to be generated might be an appropriate basis for amortizing the intangible asset; or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible assets are highly correlated.

The amendments apply prospectively.

Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants

Effective from accounting period beginning on or after January 01, 2016

The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. In terms of the amendments, bearer plants can be measured using either the cost model or the revaluation model set out in IAS 16.

On the initial application of the amendments, entities are permitted to use the fair value of the items of bearer plants as their deemed cost as at the beginning of the earliest period presented. Any difference between the previous carrying amount and fair value should be recognized in opening retained earnings at the beginning of the earliest period presented.

Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements

Effective from accounting period beginning on or after January 01, 2016

The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost
- in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9); or
- Using the method as described in IAS 28 Investments in Associates and Joint ventures.

The same accounting must be applied to each category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs.

The amendments apply retrospectively.

Certain annual improvements have also been made to a number of IFRSs.

3.4 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions

Effective from accounting period beginning on or after January 01, 2018

The amendments relate to the following areas :

- The accounting for the effects of vesting conditions on cash-settled share-based payment transactions;
- The classification of share-based payment transactions with net settlement features for withholding tax obligations; and
- The accounting for A modification to The terms and conditions of A share-based payment that changes The transactions from cash-settled to equity-settled.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture

Effective from accounting period beginning on or after January 01, 2018

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:

- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.
- Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

- Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or join venture. similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associated or joint venture.

  The amendments apply prospectively to transactions occurring in annual periods beginning on or after 1 January 2016 with earlier application permitted.

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative

Effective from accounting period beginning on or after January 01, 2018

The amendments are part of the IASB's Disclosure Initiative project and introduce additional disclosure requirements intended to address investors' concerns that financial statements do not currently enable them to understand the entity's cash flows; particularly in respect of the management of financing activities.

The amendments require disclosure of information enabling users financial statements to evaluate changes in liabilities arising from financing activities. The amendments do not define financing activities, instead they clarify that financing activities are based on the existing definition used in IAS 7.

Although there is no specific format required to comply with the new requirements, the amendments include illustrative examples to show how an entity can meet the objective to these amendments.

The amendments are to be applied prospectively. Entities are not required to present comparative information for earlier periods.

Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses

Effective from accounting period beginning on or after January 01, 2018

The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

The amendments also clarify that: - The carrying amount of an assets does not limit the estimation of probable future taxable profits; and that - when comparing deductible temporary differences with future taxable profits, the future taxable profits exclude tax deductions resulting from the reversal of those deductible temporary differences.

The amendments are to be applied retrospectively.

Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property

Effective from accounting period beginning on or after January 01, 2018

The amendments clarify that a transfer to or from, investment property necessitates an assessment of whether a property meets or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred.

The amendments further clarify that situations listed in IAS 40 are not exhaustive and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

The amendments are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. Entities can apply the amendments either retrospectively (if this is possible without the use of hindsight) or prospectively.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.

Effective from accounting period beginning on or after January 01, 2018

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, a non-refundable deposit or deferred revenue).

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The amendments are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	**Effective from accounting period beginning on or after January 01, 2018**

The Interpretation sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

- If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

Transition: Either full retrospective application or modified retrospective application without restatement of comparatives.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts

3.5 Significant accounting judgments and estimates

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

The areas where various where various assumption and estimates are invlolved or where judgment was excersied in application of accounting policies includes depreciation rates of property & equipment (note 4)

3.6 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand, balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the balance sheet at cost.

3.7 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured which is the fair value of the consideration received or receivable. The specific criteria for each type of revenue is described below:

- Annual fee is recognised on accrual basis which coincides at the time of issuance of invoice to the existing members. Only those annual fees that are attributable to the current financial year are recognised as revenue. Annual fee that relate to future periods are shown in the balance sheet as advance fee under the heading of current liabilities.

- Joining fee from new members is recognized on receipt basis. Annual fee for the year in which member joins is exempt.

- Service fee is recognized when services are rendered.

- Advertisement income is recorded on accrual basis.

- Profit on term deposit is accounted for using the effective interest rate method.

3.8 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation on income. The charge for current tax is calculated using prevailing tax rates. The Council's income is taxable under the provisions of the Income Tax Ordinance, 2001 (the Ordinance), however, the Council, being a non-profit organization, is also entitled to a tax credit equal to one hundred percent of the tax payable under the Ordinance, in view of provisions contained in section 100C of the Ordinance.

Deferred

Full tax credit is available to the Council under section 100C of the Income Tax Ordinance, 2001. Hence, there are no temporary differences and therefore no deferred tax asset / liability is required to be recognised in these financial statements.

3.9 Fee receivable

Fee receivable, if any, is carried at original invoice amount less an estimate made for doubtful receivables based on review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written-off when identified.

3.10 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is charged to income and expenditure account by applying the straight line method at the rates specified in note 5.1 to the financial statements. Depreciation on additions to property and equipment is charged from the month in which an item is capitalized while no depreciation is charged for the month in which an item is disposed of.

The asset's useful life is reviewed, and adjusted, if appropriate at each balance sheet date.

Subsequent costs are included in the assets' carrying amount or are recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of an item can be measured reliably. All other repairs and maintenance are charged to the income and expenditure account as and when incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain and loss on disposal of fixed asset is included in income and expenditure account.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

3.11 Provisions

Provisions are recognized when the Council has the present legal or constructive obligation as a result of past events; it is probable that the outflow of the resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are reviewed at each balance sheet date to reflect the current best estimate.

3.12 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Council becomes a party to the contractual provisions of the instrument. Financial assets are derecognized at the time when the Council losses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished that is, when the obligation specified in the contract is discharged, canceled or expires.

3.13 Offsetting of the financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to offset the recognized amounts and the Council intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

	Note	June 30, 2017 Rupees	June 30, 2016 Rupees

4. PROPERTY AND EQUIPMENT

	Note	June 30, 2017 Rupees	June 30, 2016 Rupees
Operating fixed assets	4.1	**171,988**	588,818

4.1 Operating fixed assets

2017

	Cost			Accumulated Depreciation				Written down value	Depreciation rate per annum (%)
	As at July 01, 2016	Additions / (disposals)	As at June 30, 2017	As at July 01, 2016	Charge for the year	Disposals	As at June 30, 2017	As at June 30, 2017	
	Rupees								
Computers	88,400	95,400	183,800	48,463	52,375	-	100,838	82,962	30
Office equipment	409,526	(241,303)	168,223	99,101	33,644	(53,548)	79,197	89,026	20
Furniture and fixtures	280,200	(280,200)	-	41,744	-	(41,744)	-	-	10
	778,126	**(426,103)**	**352,023**	**189,308**	**86,019**	**(95,292)**	**180,035**	**171,988**	

2016

	Cost			Accumulated Depreciation				Written down value	Depreciation rate per annum (%)
	As at July 01, 2015	Additions	As at June 30, 2016	As at July 01, 2015	Charge for the year	Disposals	As at June 30, 2016	As at June 30, 2016	
	Rupees								
Computers	88,400	-	88,400	21,943	26,520	-	48,463	39,937	30
Office equipment	409,526	-	409,526	17,196	81,905	-	99,101	310,425	20
Furniture and fixtures	280,200	-	280,200	13,724	28,020	-	41,744	238,456	10
	778,126	-	778,126	52,863	136,445	-	189,308	588,818	

	Note	June 30, 2017 Rupees	June 30, 2016 Rupees

5. ADVANCE TAX , PREPAYMENTS AND SECURITY DEPOSIT

	Note	June 30, 2017 Rupees	June 30, 2016 Rupees
Advance tax		**33,547**	19,863
Prepayments		**55,000**	61,913
Security deposit		**55,000**	-
		143,547	81,776

6. CASH AND BANK BALANCES

	Note	June 30, 2017 Rupees	June 30, 2016 Rupees
Cash in hand		**23,096**	39,785
Cash at bank			
- Current account		**549,848**	609,568
- Term deposit	6.1	**3,000,000**	2,500,000
		3,572,944	3,149,353

6.1 The term deposit is for 3 months on roll forward basis. It carries profit @ 5.35% (2016: 5.5%) per annum.

7. ADVANCE FEE

	Note	June 30, 2017 Rupees	June 30, 2016 Rupees
Annual fee		**1,017,600**	918,600
Service fee	7.1	**519,500**	530,650
		1,537,100	1,449,250

7.1 The Council has an agreement with related party Switzerland Global Enterprise (the Enterprise) for the purpose of providing facilitation and consultation services to Swiss and Liechtenstein companies on behalf of the Enterprise.

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Council members, Managing Committee, Switzerland Global Enterprise and the Patron & Consulate General of Switzerland in Karachi. The Council carries out transactions with related parties at agreed terms.

		June 30, 2017 Rupees	June 30, 2016 Rupees
8.1	**Details of transactions with connected persons during the year are as follows:**		
	Annual Fee Received- Common Directorship	**504,000**	504,000
	Advertisement Income - Common Directorship	**190,000**	116,695
	Switzerland Global Enterprise - Partnership	**1,875,340**	1,696,482
	Proceeds from sale of office equipment - Council Members	**50,000**	-
8.2	**Details of balances payable with connected person at the year-end is as follows:**		
	Switzerland Global Enterprise - Partnership	-	413,571

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The managing committee of the Council reviews and agrees policies for managing each of the risks which are summarised below:

9.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of currency risk and interest rate risk.

9.1.1 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at the balance sheet date, the Council is not significantly exposed to currency risk.

9.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate exposure arises from term deposit. At the balance sheet date, the interest rate risk profile of the Council's interest bearing financial instrument is:

	June 30, 2017 Rupees	June 30, 2016 Rupees
Fixed rate instrument		
Financial asset	**3,000,000**	2,500,000

9.2 **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As of the balance sheet date, the Council is not materially exposed to such credit risk.

The Council's credit risk is primarily attributable to its bank balances. The credit risk on bank balances is limited because the counter parties are banks with reasonably high credit ratings. The credit quality of cash at bank as per credit rating agencies are as follows:

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2017 was as follows:

	June 30, 2017	June 30, 2016
	Balance as per balance sheet	Balance as per balance sheet
	---------- Rupees ----------	
Bank balance	**3,549,848**	3,109,568
Accrued interest on bank deposit	**13,192**	-
Fee receivable	**60,000**	413,571
Advance against expenses	**305,100**	-
Advance tax, prepayments and security deposit	**143,547**	81,776
	4,071,687	**3,604,915**

Credit rating	**Rating agency**	**Credit rating**	
		Long-term	**Short-term**
Habib Metropolitan Bank Limited	PACRA	AA+	A-1+

9.3 Liquidity risk management

Liquidity risk represents the risk that the Council will encounter difficulties in meeting obligations with the financial liabilities. The Council's objective is to maintain a balance in working capital management. The Council's financial liabilities are all current and due within one year. These will be settled at amounts as disclosed in the balance sheet.

9.4 Fair values of financial instruments

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

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair values.

10. NUMBER OF EMPLOYEES

The number of employees as at year end was 2 (2016: 2).

11. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

12. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 2 8 OCT 2017 by the Council Members.

13. GENERAL

Figures presented in these financial statements have been rounded off to the nearest Rupee.

PRESIDENT **DIRECTOR**