Swiss Business Council

Financial Statements
For the year ended June 30, 2019

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21- 3454 1314

www.deloitte.com

Independent auditor's report to members of Swiss Business Council

Opinion

We have audited the accompanying financial statements of Swiss Business Council (the Council), which comprise statement of final position as at June 30, 2019 and the related statement of income and expenditure account, statement of comprehensive income, statement of cash flow and statement of changes in reserves together with the notes forming part thereof, for the year then ended (hereafter referred to as "financial statements").

In our opinion, financial statements are prepared, in all material respects, the statement of financial position of the Council as at June 30, 2019, and the related statement of income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in reserves together with the notes forming part thereof for the year then ended in accordance with approved accounting and reporting standard as applicable in Pakistan.

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 Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and council members for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, 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 Council'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 Fund or to cease operations, or has no realistic alternative but to do so.

Council's members are responsible for overseeing the Council'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.

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 ISA's, we exercise professional judgement 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 expressing an opinion on the effectiveness of the 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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council'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 Council 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 Council's members 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.

Deloitte Yousuf Adil

Chartered Accountants

Engagement Partner:
Naresh Kumar

Dated: October 10, 2019
Place: Karachi

SWISS BUSINESS COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		---------------- Rupees	----------------
ASSETS			
Non-current assets			
Property and equipment	4	**34,044**	96,308
Intangible asset	5	**52,720**	59,310
		86,764	155,618
Current assets			
Advance tax, prepayments and security deposits	6	**216,601**	102,716
Accrued interest on bank deposit		**33,586**	22,981
Cash and bank balances	7	**5,628,987**	4,539,163
		5,879,174	4,664,860
TOTAL ASSETS		**5,965,938**	4,820,478
RESERVES AND LIABILITIES			
Revenue reserve			
Accumulated surplus		**3,567,498**	2,819,328
Current liabilities			
Accrued and other payables		**147,500**	118,000
Deferred revenue	8	**2,250,940**	1,883,150
		2,398,440	2,001,150
TOTAL RESERVES AND LIABILITIES		**5,965,938**	4,820,478

Contingencies and commitments

The annexed notes from 1 to 14 form an integral part of these financial statements.

PRESIDENT

DIRECTOR

SWISS BUSINESS COUNCIL
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		------------ Rupees	---------------
INCOME			
Annual fee		**2,526,000**	1,983,600
Joining fee		**-**	163,200
Service fee		**1,430,657**	1,103,117
Advertisement income		**729,850**	936,630
Profit on term deposit	7.1	**207,946**	151,477
Exchange gain		**3,492**	3,533
		4,897,945	4,341,557
EXPENDITURE			
Salaries and allowances		**1,820,700**	1,833,413
Rent		**693,000**	687,500
Events and meetings		**262,006**	240,965
Audit fee		**147,500**	118,000
Amortisation	5.1	**6,590**	6,590
Depreciation	4.1	**62,264**	75,680
Website designing and maintenance		**6,900**	36,250
Advertisement		**602,360**	399,332
Repairs and maintenance		**1,680**	10,000
Legal and professional charges		**160,035**	232,500
Travelling and conveyance		**196,305**	253,782
Printing and stationery		**25,061**	90,655
Bank charges		**4,651**	4,402
Communication and internet		**76,625**	78,550
Postage and courier		**27,010**	29,768
Entertainment expense		**29,785**	41,335
Others		**27,303**	35,832
		4,149,775	4,174,554
Surplus for the year		**748,170**	167,003

The annexed notes from 1 to 14 form an integral part of these financial statements.

PRESIDENT

DIRECTOR

SWISS BUSINESS COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
	---------- Rupees	----------
Surplus for the year	**748,170**	167,003
Other comprehensive income	-	-
Total comprehensive income for the year	**748,170**	167,003

The annexed notes from 1 to 14 form an integral part of these financial statements.

PRESIDENT

DIRECTOR

SWISS BUSINESS COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
	---------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	**748,170**	167,003
Adjustments for non-cash and other items		
Depreciation	**62,264**	75,680
Amortisation	**6,590**	6,590
Profit on term deposit	**(207,946)**	(151,477)
Surplus before working capital changes	**609,078**	97,796
(Increase) / decrease in current assets		
Prepayments and security deposits	**(57,750)**	55,000
Advance against expenses	**-**	305,100
Fee receivable	**-**	60,000
	(57,750)	420,100
Increase / (decrease) in current liabilities		
Accrued and other payables	**29,500**	(25,246)
Deferred revenue	**367,790**	346,050
	397,290	320,804
Tax deducted by withholding tax agents	**(56,135)**	(14,169)
Net cash from operating activities	**892,483**	824,531
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on term deposit	**197,341**	141,688
Net cash from investing activities	**197,341**	141,688
Net increase in cash and cash equivalents	**1,089,824**	966,219
Cash and cash equivalents at the beginning of the year	**4,539,163**	3,572,944
Cash and cash equivalents at the end of the year	**5,628,987**	4,539,163

The annexed notes from 1 to 14 form an integral part of these financial statements.

PRESIDENT

DIRECTOR

SWISS BUSINESS COUNCIL
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
	------------ Rupees	------------
Accumulated surplus brought forward	**2,819,328**	2,652,325
Other comprehensive income for the year - Surplus for the year	**748,170**	167,003
Accumulated surplus carried forward to the statement of financial position	**3,567,498**	2,819,328

The annexed notes from 1 to 14 form an integral part of these financial statements.

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 the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting applicable in Pakistan comprise of:

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

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

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

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

As per the requirements of the third schedule of the Act, the Council is require to follow Accounting and Financial Reporting Standards for Small Size Entities, however, by virtue of SRO, 1092 (I) / 2018, the Council has voluntarily adopted above mentioned framework.

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 APPLICATION OF NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

3.3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Council's operations or are not expected to have significant impact on the Council's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 01, 2018

	Effective from accounting period beginning on or after:
IFRS 9 'Financial Instruments' - This standard has superseded IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018
IFRS 15 'Revenue' - This standard has superseded IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
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.	January 01, 2018

Certain annual improvements have also been made to a number of IFRSs, which are not relevant for the Council.

3.3.2 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 amendments are either not relevant to the Council's operations or are not expected to have significant impact on the Council's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
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 a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
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'.	January 1, 2019

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

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 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

3.4 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards and reporting 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 area where judgement was exercised in application of accounting policies is as follows:

- Review of useful life and residual value of property and equipments (Note 4); and

- Review of useful life and residual value of intangibles (Note 5).

3.5 Cash and cash equivalents

These are carried at cost and comprise of cash in hand and bank balances.

3.6 Revenue recognition

Policy applicable from July 1, 2018

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for services to members. The specific criteria for each type of revenue is described below:

- Council's main income is derived from the annual fee obtained from members. As Council's subscription year is not coterminous with the financial year, annual fee is received in advance only that portion of annual fee which is attributable to current financial year is recognized as revenue and the remaining is deferred into the relevant period and is shown as "Deferred revenue" in the statement of finanacial position under the heading of current liabilities.

- Joining fee from new members is recognized from the date joining of member till the date of first annual fee. Annual fee for the year in which member joins is exempt.

- As Council's subscription year is not coterminous with the financial year, service fee is received in advance only that portion of service fee which is attributable to current financial year is recognized as revenue and the remaining is deferred into the relevant period and is shown as "Deferred revenue" in the statement of finanacial position under the heading of current liabilities.

- Advertisement income is recognized when performance obligation is satisfied at a point in time i.e. when the services are rendered.

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

Policy under IAS 18, applicable before July 1, 2018

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.

3.7 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.

3.8 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.

3.9 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 4.1 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 date of Statement of Financial Position.

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.

3.10 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 date of Statement of Financial Position to reflect the current best estimate.

3.11 Intangible assets - computer software

These are stated at cost less accumulated amortisation and accumulated impairment losses, if any.
Amortisation is charged using straight line method over a period of 10 years.
Gains and losses on disposal of software, if any, are taken to statement of income and expenditure.

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.

3.14 Adoption of IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 1, 2018, and consequently has been adopted by the Council. Accordingly, the Council has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

IFRS 9 introduces new requirements for:

1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

3.14.1 Classification and measurement

IFRS 9 contains three principal classification categories for financial assets:

- Measured at amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

Financial asset at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Council may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Council may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Council changes its business model for managing financial assets.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss

Recognition

The Council recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

Measurement

Under IFRS 9, a necessary condition for classifying a loan or receivable at amortized cost or FVOCI is whether the asset is part of a group or portfolio that is being managed within a business model whose objective is to collect contractual cash flows (Amortized Cost), or to both collect contractual cash flow and to sell (FVOCI). Otherwise, the asset is classified and measured at FVTPL.

Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Impairment of financial assets

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model rather than incurred credit loss model as previously required under IAS 39. Under IFRS 9, the Council is requires to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Council's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Council exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that there would be no impact on ECL and hence, the same has not been accounted for in these financial statements.

Impact of change in accounting policies due to adoption of IFRS 9

Financial assets and financial liabilities	Original classification as per old framework	New classification as per IFRS 9	Original carrying value as per old framework	New carrying as per IFRS 9
			-------------------------'Rupees'-------------------------	
Financial Assets				
Balance with banks	LR	AC	4,539,163	4,539,163
Accrued interest on bank depo	LR	AC	22,981	22,981
Financial Liabilities				
Accrued and other payables	OFL	AC	118,000	118,000
Advance fee	OFL	AC	1,883,150	1,883,150

"LR" is loans and receivables
"AC" is amortised cost
"OFL" is other financial liabilities

3.15 Adoption of IFRS 15

IFRS 15 "Revenue from contracts with customers", replaces the previous revenue standards IAS 18 "Revenue", IAS 11 "Construction Contracts", and the related interpretations on revenue recognition. It amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Under new IFRS Standard, revenue is recognised when control is transferred to the customer which replaced the notion of transfer of risks and rewards in IAS 18 "Revenue".

Resultantly, revenue recognition policy has been revised, as mentioned in note 3.6. The new policy has no impact on financial reporting of the Council

	Note	June 30, 2019	June 30, 2018
		----Rupees----	
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	**34,044**	96,308

4.1 Operating fixed assets

2019

	Cost			Accumulated Depreciation				Written down value	Depreciation rate per annum (%)
	As at July 01, 2018	Additions / (Disposals)	As at June 30, 2019	As at July 01, 2018	Charge for the year	Disposals	As at June 30, 2019	As at June 30, 2019	
	---- Rupees ----								
Computers	183,800	-	183,800	142,874	28,620	-	171,494	12,306	30
Office equipment	168,223	-	168,223	112,841	33,644	-	146,485	21,738	20
	352,023	**-**	**352,023**	**255,715**	**62,264**	**-**	**317,979**	**34,044**	

2018

	Cost			Accumulated Depreciation				Written down value	Depreciation rate per annum (%)
	As at July 01, 2017	Additions	As at June 30, 2018	As at July 01, 2017	Charge for the year	Disposals	As at June 30, 2018	As at June 30, 2018	
	---- Rupees ----								
Computers	183,800	-	183,800	100,838	42,036	-	142,874	40,926	30
Office equipment	168,223	-	168,223	79,197	33,644	-	112,841	55,382	20
	352,023	-	352,023	180,035	75,680	-	255,715	96,308	

	Note	June 30, 2019	June 30, 2018
		----Rupees----	
5. INTANGIBLE ASSET			
Computer software	5.1	**52,720**	59,310

5.1 Computer software

2019

Cost			**Accumulated Amortisation**				**Written down value**	**Amortisation rate per annum (%)**
As at July 01, 2018	**Additions / (Disposals)**	**As at June 30, 2019**	**As at July 01, 2018**	**Charge for the year**	**Disposals**	**As at June 30, 2019**	**As at June 30, 2019**	
----	----	----	----	**Rupees**	----	----	----	
65,900	-	65,900	6,590	6,590	-	13,180	52,720	10

2018

Cost			Accumulated Amortisation				Written down value	Amortisation rate per annum (%)
As at July 01, 2017	Additions / (Disposals)	As at June 30, 2018	As at July 01, 2017	Charge for the year	Disposals	As at June 30, 2018	As at June 30, 2018	
----	----	----	----	Rupees	----	----	----	
65,900	-	65,900	6,590	6,590	-	6,590	59,310	10

	Note	June 30, 2019	June 30, 2018
		----Rupees----	

6. ADVANCE TAX, PREPAYMENTS AND SECURITY DEPOSITS

Advance tax		**103,851**	47,716
Prepayments		**57,750**	-
Security deposits		**55,000**	55,000
		216,601	102,716

7. CASH AND BANK BALANCES

Cash in hand		**18,356**	20,390
Cash at bank			
- Current account		**410,631**	318,773
- Term deposit	7.1	**5,200,000**	4,200,000
		5,628,987	4,539,163

7.1 The term deposit has a maturity or 3 months on roll forward basis. Which carries profit @ 10.25% (2018: 6.00%) per annum. The short term rating of the Bank is A-1+ and long term rating is AA+. Therefore, no ECL provision has been recorded.

	Note	June 30, 2019	June 30, 2018
		----Rupees----	

8. DEFERRED REVENUE

Annual fee	8.1	**1,560,000**	966,000
Service fee	8.2	**690,940**	587,150
Advertisement fee		**-**	330,000
		2,250,940	1,883,150

8.1 Annual fee represents the membership fee obtained from the members of the Council. There are three categories of members, following are the annual fee for each category:

	June 30, 2019	June 30, 2018
	----Rupees----	
Category A	100,000	60,000
Category B	30,000	24,000
Category C	25,000	18,000

8.2 The Council has an agreement with related party Switzerland Global Enterprise (the Enterprise), incorporated in Switzerland, having registered address Stampfenbachstrasse 85, 8006 Zurich, for the purpose of providing facilitation and consultation services to Swiss and Liechtenstein companies on behalf of the Enterprise.

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Council members, Managing Committee, Switzerland Global Enterprise and the Patron-in-Chief and Embassy of Switzerland in Islamabad. The Council carries out transactions with related parties at agreed terms.

9.1 Details of transactions with related parties / connected persons during the year

	2019		2018	
	----Rupees----			
	Advertisement income	**Annual fee**	**Advertisement income**	**Annual fee**
Polygal N.V. - Common directorship	**10,000**	**100,000**	15,000	60,000

	2019		2018	
	---------- Rupees ----------			
	Advertisement income	Annual fee	Advertisement income	Annual fee
Archroma Pakistan Limited - Common directorship	10,000	100,000	60,000	60,000
Al Amin Trading - Common directorship	10,000	30,000	35,000	24,000
Novartis Pharmaceuticals (Pakistan) Limited - Common directorship **	-	-	65,000	60,000
Sika Pakistan (Private) Limited - Common directorship	10,000	100,000	75,000	60,000
SICPA Inks - Common directorship	10,000	100,000	75,000	60,000
Habib Metro Bank Limited - Common directorship	10,000	100,000	65,000	60,000
Philip Morris (Pakistan) Limited - Common directorship	10,000	100,000	35,000	60,000
Imtiaz Enterprises - Common directorship*	10,000	25,000	-	-
Roche Pakistan Limited - Common directorship*	10,000	100,000	-	-

*Prior year transactions with these parties have not been disclosed as they were not connected persons or related parties during prior years.

**Current year transactions with these parties have not been disclosed as they do not remain connected persons or related parties.

10. 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:

10.1 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.

10.1.1 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 date of Statement of Financial Position, the Council is not significantly exposed to currency risk.

10.1.2 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 date of Statement of Financial Position, the interest rate risk profile of the Council's interest bearing financial instrument is:

	June 30, 2019	June 30, 2018
	------Rupees------	
Fixed rate instrument		
Financial asset	**5,200,000**	4,200,000

10.2 **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 date of Statement of Financial Position, 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, 2019 was as follows:

	June 30, 2019	June 30, 2018
	------Rupees------	
	Balance as per Statement of Financial Position	Balance as per Statement of Financial Position
Bank balance	**5,610,631**	4,518,773
Accrued interest on bank deposit	**33,586**	22,981
Security deposit	**55,000**	55,000
	5,699,217	4,596,754

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

10.3 **Liquidity risk**

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 Statement of Financial Position.

10.4 **Fair values of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer 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.

11. **NUMBER OF EMPLOYEES**

The number of employees as at year end was 2 (2018: 1).

12. **CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at June 30, 2019. (2018:Nil)

13. **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 09 OCT 2019 by the Council Members.

14. **GENERAL**

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

PRESIDENT

DIRECTOR