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## INDEPENDENT AUDITOR'S REPORT

To the members of Swiss Business Council  
Report on Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Swiss Business Council** (the Company), which comprise the statement of financial position as at **June 30, 2023**, and the statement of income & expenditure, the statement other comprehensive income, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income & expenditure, the statement of other comprehensive income, the statement of changes in net assets and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **June 30, 2023** and of the surplus, other comprehensive income, the changes in net assets and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


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

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income & expenditure, the statement of other comprehensive income, the statement of changes in net assets and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

  
**Grant Thornton Anjum Rahman**  
*Chartered Accountants*

Karachi

Date: 20 October, 2023

UDIN: AR202310126BUq2S8oVe

Swiss Business Council  
Financial Statements  
For the year ended June 30, 2023

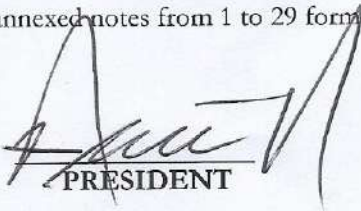
**SWISS BUSINESS COUNCIL**  
**(A COMPANY INCORPORATED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 ----- Rupees -----	2022 -----
<b>ASSETS</b>			
<b>Non-current assets</b>			
Office equipment	5	141,158	203,616
Intangible asset	6	26,360	32,950
Long term security deposit	7	43,039	39,748
Right of use asset	8	1,781,833	2,017,403
		<b>1,992,390</b>	<b>2,293,717</b>
<b>Current assets</b>			
Advances and prepayments	9	11,602	12,601
Accounts receivable		110,000	-
Advance tax	10	637,367	370,313
Loan to employee (unsecured)	11	1,300,000	-
Cash and bank balances	12	14,404,767	13,123,249
		<b>16,463,736</b>	<b>13,506,163</b>
<b>Total Assets</b>		<b>18,456,126</b>	<b>15,799,880</b>
<b>LIABILITIES AND RESERVES</b>			
<b>Non-current liabilities</b>			
Liability against subject to finance lease	13	1,377,739	1,635,187
<b>Current liabilities</b>			
Advance fee	14	3,128,930	2,498,010
Current maturity of liability against subject to finance lease	13	584,485	449,832
Accrued and other liabilities	15	157,500	170,614
		<b>3,870,915</b>	<b>3,118,456</b>
<b>Total Liabilities</b>		<b>5,248,654</b>	<b>4,753,643</b>
<b>Net Assets</b>		<b>13,207,472</b>	<b>11,046,237</b>
<b>REPRESENTED BY:</b>			
General Fund		<b>13,207,472</b>	<b>11,046,237</b>
		<b>13,207,472</b>	<b>11,046,237</b>

**CONTINGENCIES AND COMMITMENTS**

17

The annexed notes from 1 to 29 form an integral part of these financial statements.

  
**PRESIDENT**

  
**DIRECTOR**

SWISS BUSINESS COUNCIL  
(A COMPANY INCORPORATED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
<b>INCOME</b>			
Annual fee		3,275,000	2,975,000
Service fee		2,173,736	2,719,195
Advertisement income		300,000	225,000
Joining fee		302,895	86,754
Other income	18	1,727,124	1,196,167
		<u>7,778,755</u>	<u>7,202,116</u>
<b>EXPENDITURE</b>			
Administrative expenditure	19	(5,617,520)	(4,098,499)
Surplus before taxation		<u>2,161,235</u>	<u>3,103,617</u>
Taxation	4.10	-	-
Surplus after taxation		<u>2,161,235</u>	<u>3,103,617</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>2,161,235</u></u>	<u><u>3,103,617</u></u>

The annexed notes from 1 to 29 form an integral part of these financial statements. *em*

  
PRESIDENT

  
DIRECTOR

SWISS BUSINESS COUNCIL  
(A COMPANY INCORPORATED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2023

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	2023	2022
	----- Rupees -----	
Balance as at June 30, 2022	11,046,237	7,942,620
Total comprehensive income for the year	2,161,235	3,103,617
<b>Accumulated surplus carried forward to the statement of financial position</b>	<u>13,207,472</u>	<u>11,046,237</u>

The annexed notes from 1 to 29 form an integral part of these financial statements. *17*

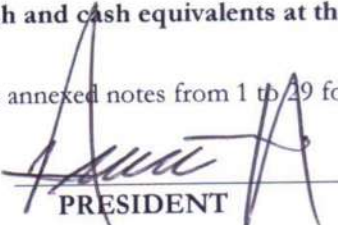
  
PRESIDENT

  
DIRECTOR

SWISS BUSINESS COUNCIL  
(A COMPANY INCORPORATED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 ----- Rupees -----	2022 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		2,161,235	3,103,617
<b>Adjustments for non-cash and other items</b>			
Depreciation on office equipment	5.1	82,458	61,250
Amortization on intangible asset	6	6,590	6,590
Unwinding of security deposit	7	(3,291)	(3,038)
Depreciation on ROUA	8	593,945	504,006
Profit on term deposit receipts	18	(1,358,383)	(510,880)
Interest expense on lease liability	13	178,830	233,906
Remeasurement of lease liability	13	-	(654,844)
<b>Surplus before working capital changes</b>		<b>1,661,384</b>	<b>2,740,607</b>
<b>Decrease / (increase) in current assets</b>			
Advances and prepayments		999	(2,374)
Accounts receivable		(110,000)	-
Loan to employee	11	(1,300,000)	-
		(1,409,001)	(2,374)
<b>Increase / (decrease) in current liabilities</b>			
Advance fee		630,920	88,606
Accrued and other liabilities		(13,114)	13,114
		617,806	101,720
<b>Cash generated from operations</b>		<b>870,189</b>	<b>2,839,953</b>
Tax paid	10	(267,054)	(108,462)
<b>Net cash generated from operating activities</b>		<b>603,135</b>	<b>2,731,491</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of office equipment	5.1	(20,000)	(264,862)
Profit received on term deposit receipts	18	1,358,383	536,565
<b>Net cash generated from investing activities</b>		<b>1,338,383</b>	<b>271,703</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rentals paid	13	(660,000)	(600,000)
<b>Net cash used in financing activities</b>		<b>(660,000)</b>	<b>(600,000)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,281,518</b>	<b>2,403,194</b>
Cash and cash equivalents at the beginning of the year		13,123,249	10,720,055
<b>Cash and cash equivalents at the end of the year</b>		<b>14,404,767</b>	<b>13,123,249</b>

The annexed notes from 1 to 29 form an integral part of these financial statements.

  
PRESIDENT

  
DIRECTOR



SWISS BUSINESS COUNCIL  
(A COMPANY INCORPORATED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT JUNE 30, 2023

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**1 THE COMPANY AND ITS OPERATIONS**

- 1.1 Swiss Business Council (the Company) 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 Company to register as a company with limited liability without the addition of the words “(Guarantee) Limited” to its name.
- 1.2 The Company 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 Company is located at 20th Floor, B.R.R Tower, Hassan Ali Street, Off I.I Chundrigar Road, Karachi.

**2 BASIS OF MEASUREMENT**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; 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.

**2.2 Accounting Concepts**

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

**2.3 Functional and presentation currency**

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

**2.4 Use of critical accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgements 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 estimates and underlying assumptions are reviewed on an going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision effects only that period, or in the period of the revision and the future periods if the revision effects both current and future periods. The areas involving a higher degree of judgment or complexity or area where assumptions and estimates are significant to the financial statements are as follows:

	<b>Notes</b>
a) Useful life of property and equipment	4.1
b) Useful life of intangible asset	4.2
c) Incremental borrowing rate of leased asset	4.3
d) Impairment of financial assets	4.13.1
e) Impairment of non financial assets	4.12
f) Taxation	4.10

### 3 NEW STANDARDS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

#### 3.1 Initial application of standards, amendments or interpretations to existing standards

The following amendments and interpretations to published accounting and reporting standards that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates.

#### 3.2 Amendments and interpretations to accounting and reporting standards that became effective in the current year

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on July 1, 2022 but does not have any significant impact on the Company's financial reporting and therefore, have not been disclosed in these financial statements.

#### 3.3 Standards and amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There is a standard and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 1, 2022. The standard and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Office equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to income and expenditure account by applying the straight line method. 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.

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 asset's useful life is reviewed and adjusted, if appropriate at each date of statement of financial position.

Maintenance and normal repairs are charged to income and expenditure account as and when incurred. Major repairs and improvements are capitalized.

#### 4.2 Intangible assets

These are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization is charged using straight line method over a period of 10 years. The Company charges amortization on additions from the date the asset became available for the intended use upto the date when it is derecognized.

Gains and losses on disposal of Intangible asset, if any, are taken to income and expenditure account.

#### 4.3 Right of use assets and lease liability

The company recognizes a right-of-use asset and lease liability at the lease commencement date. Asset and liabilities arising from lease are initially measured on a present value basis.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, if any, and adjusted for certain re-measurement of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of the assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

#### 4.4 Cash and cash equivalents

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

#### 4.5 Accrued and other payables

Accrued and other payables are stated at cost which is the fair value of the consideration to be paid in future for goods and services.

#### 4.6 Other receivable

Income on term deposit receipts and saving bank accounts are recognized on time proportioned basis taking into accrual the implicit rate of return on investments on accrual basis.

Other receivables are carried at cost which is the fair value of the consideration to be received or paid in future for goods or services.

#### 4.7 Revenue recognition

- Annual fee / Joining fee are received in advance and recognized as income when performance obligation is satisfied i.e when the services are rendered.
- Service fee is recognized as income when performance obligation is satisfied i.e when the services are rendered.
- Advertisement income is recognized when performance obligation is satisfied at a point in time.
- Profit on term deposit is accounted for using the effective interest rate method.

#### 4.8 Expenditure

All expenses are recognized in the income and expenditure account on accrual basis.

#### 4.9 Related party transactions

Transactions with related parties are based at arm's length at normal commercial rates on same terms and conditions as applicable to third party transactions.

#### 4.10 Taxation

The Company's income is taxable under the provisions of the Income Tax Ordinance, 2001 (the Ordinance), however, the Company, 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. Further, as there is no temporary differences and therefore no deferred tax asset / liability is required to be recognized in these financial statements. Accordingly, tax suffered not same is recognized as refundable.

#### 4.11 Provisions

Provisions are recognized when the Company 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.

#### 4.12 Impairment of non-financial assets

The carrying amounts of the Company's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists the assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in income and expenditure account.

#### 4.13 Financial instruments

The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognized when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and liabilities in the profit or loss account of the current period.

#### 4.13.1 Financial assets

For the purpose of subsequent measurement, financial assets are classified into three categories upon initial recognition; namely amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

##### **Amortized cost**

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) 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.

##### **Fair value through profit or loss (income or expenditure)**

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income

##### **Impairment of financial assets**

The Company holds annual accounts receivable with no financing component and have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company uses the provision matrix as a practical expedient to measuring ECLs on annual accounts receivable based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature.

#### 4.13.2 Financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for those which are designated at fair value through income and expenditure account, which are carried subsequently at fair value with remeasurement gains or losses recognized in income and expenditure.

All interest-related charges and, if applicable, changes in an instrument's fair value are reported in income and expenditure account are included within finance costs or finance income.

#### 4.13.3 Derecognition

Financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized at the time when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to the income and expenditure account immediately.

#### 4.13.4 Off setting

Financial assets and liabilities are off set and the net amount is reported in statement of financial position if the Company has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

SWISS BUSINESS COUNCIL  
(A COMPANY INCORPORATED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT JUNE 30, 2023

		2023	2022
	Note	-----Rupees-----	
<b>5 OFFICE EQUIPMENT</b>			
Operating office equipment	5.1	<u>141,158</u>	<u>203,616</u>

		2023					
	Remaining Useful life in years	Cost		Accumulated Depreciation		Written down value As at June 30, 2023	Depreciation rate per annum (%)
		As at July 01, 2022	As at June 30, 2023	As at July 01, 2022	As at June 30, 2023		
Computers	2.33	448,662	448,662	245,048	79,458	124,156	30%
Office equipment	Nil	168,223	168,223	168,221	-	2	20%
Furniture		-	20,000	-	3,000	17,000	20%
		<u>616,885</u>	<u>20,000</u>	<u>413,269</u>	<u>82,458</u>	<u>141,158</u>	

		2022					
	Remaining Useful life in years	Cost		Accumulated Depreciation		Written down value As at June 30, 2022	Depreciation rate per annum (%)
		As at July 01, 2021	As at June 30, 2022	As at July 01, 2021	As at June 30, 2022		
Computers	3.33	183,800	264,862	183,798	61,250	203,614	30%
Office equipment	Nil	168,223	168,223	168,221	-	2	20%
		<u>352,023</u>	<u>264,862</u>	<u>352,019</u>	<u>61,250</u>	<u>203,616</u>	

SWISS BUSINESS COUNCIL  
(A COMPANY INCORPORATED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT JUNE 30, 2023

	2023		2022							
	Note	Rupees	Rupees	Rupees						
<b>6 INTANGIBLE ASSETS</b>										
Computer software	6.1	26,360		32,950						
<b>6.1 Computer software</b>										
		<b>2023</b>								
	Cost	As at July 01, 2022	Additions	As at June 30, 2023	Remaining Useful life in years	Accumulated Amortization As at July 01, 2022	Charge for the year 2023	As at June 30, 2023	Written down value As at June 30, 2023	Amortization rate per annum (%)
		65,900	-	65,900	4	32,950	6,590	39,540	26,360	10%
		<b>2022</b>								
	Cost	As at July 01, 2021	Additions	As at June 30, 2022	Remaining Useful life in years	Accumulated Amortization As at July 01, 2021	Charge for the year 2022	As at June 30, 2022	Written down value As at June 30, 2022	Amortization rate per annum (%)
		65,900	-	65,900	5	26,360	6,590	32,950	32,950	10

SWISS BUSINESS COUNCIL  
(A COMPANY INCORPORATED UNDER SECTION 42 OF THE COMPANIES ACT, 2017)  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT JUNE 30, 2023

	Note	2023	2022
		-----Rupees-----	
<b>7 LONG TERM SECURITY DEPOSIT</b>			
Opening balance		39,748	36,710
Unwinding of security deposit		3,291	3,038
Closing balance	7.1	<u>43,039</u>	<u>39,748</u>
7.1 This represents security deposit against Right of use asset.			
<b>8 RIGHT OF USE ASSET</b>			
<b>Office Premises</b>			
Cost		5,358,386	5,000,011
Accumulated depreciation	8.1	<u>(3,576,553)</u>	<u>(2,982,608)</u>
Net book value		<u>1,781,833</u>	<u>2,017,403</u>
<b>8.1 Accumulated depreciation</b>			
Opening balance		2,982,608	2,478,602
Depreciation for the year		593,945	504,006
Closing balance		<u>3,576,553</u>	<u>2,982,608</u>
8.2 The Company has entered into lease arrangement with B.R.R Guardian Modaraba for lease of office premises. The remaining lease term (useful life) of the ROU is 3 years. (2022: 4 years)			
	Note	2023	2022
		-----Rupees-----	
<b>9 PREPAYMENTS</b>			
Opening balance		12,601	10,227
Amount paid during the year		22,545	24,687
Charge for the year		<u>(23,544)</u>	<u>(22,313)</u>
Closing balance		<u>11,602</u>	<u>12,601</u>
<b>10 ADVANCE TAX</b>			
Opening balance		370,313	261,851
Advance tax paid	10.1	<u>267,054</u>	<u>108,462</u>
Closing balance		<u>637,367</u>	<u>370,313</u>
10.1 The advance tax is paid as per section 151 and 154 of the Income Tax Ordinance, 2001.			
<b>11 LOAN TO EMPLOYEE - UNSECURED</b>			
The Company had granted a loan to its employee Mr. Fletcher P. Albert amounting to 1,300,000. The loan was granted as interest free for a period of one year with five months of gracious period. Moreover, the loan had been disbursed against no security.			
	Note	2023	2022
		-----Rupees-----	
<b>12 CASH AND BANK BALANCES</b>			
Cash in hand		6,657	4,547
Cash at bank			
- Current account		14,398,110	13,118,702
- Term deposit	12.1	-	-
		<u>14,404,767</u>	<u>13,123,249</u>
12.1 The term deposit is for one month on roll forward basis, which carries profit ranging between @ 14.50% and 19.25% (2022: 6.25% and 9.47%) per annum			

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	Note	2023 -----Rupees-----	2022
<b>13 LEASE LIABILITY AGAINST SUBJECT TO FINANCE LEASE</b>			
Current portion		584,485	449,832
Non-current portion		1,377,739	1,635,187
		<u>1,962,224</u>	<u>2,085,019</u>
<b>Present value of minimum lease payments</b>			
Opening balance		2,085,019	3,105,957
Interest expense		178,830	233,906
Remeasurement of lease liability		358,375	(654,844)
Payments made during the year		(660,000)	(600,000)
		<u>1,962,224</u>	<u>2,085,019</u>
Less: current maturity		(584,485)	(449,832)
Closing balance		<u>1,377,739</u>	<u>1,635,187</u>

The future payments of assets subject to finance lease are as follows:

	2023		
	Future minimum lease payments	Financial charges	Principal repayments
	-----Rupees-----		
Not later than one year	584,485	135,515	448,970
later than one year but not later than five years	1,377,739	122,262	1,255,477
	<u>1,962,224</u>	<u>257,777</u>	<u>1,704,447</u>

	Note	2023 -----Rupees-----	2022
<b>14 ADVANCE FEE</b>			
Annual fee		1,795,000	1,480,000
Service fee	14.1	1,211,275	962,460
Joining fee		122,655	55,550
		<u>3,128,930</u>	<u>2,498,010</u>
<b>14.1</b>	Represents amount due from Switzerland Global Enterprise, a related party.		
<b>15 ACCRUED AND OTHER LIABILITIES</b>			
Audit fee		157,500	157,500
Other accrual		-	13,114
		<u>157,500</u>	<u>170,614</u>

**16 MEMBERS' CONTRIBUTION**

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year afterwards, for payment of the debts or liabilities of the company, as per the clause VIII of memorandum of association, contracted before he ceases to be a member and the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves such amount as may be required but not exceeding Rs 50,000/- (Rupees Fifty Thousand Only).

The directors of the company are:

Mohsin Ali Nathani  
Khatri Muhammad Iqbal  
Hafsa Shamsie  
Farhat Ali  
Asif Ikram  
Mujtaba Rahim  
Shaikh Imtiaz Hussain  
Jason Avancena  
Zeeshan Hasib Baig

**17** There are no contingencies and commitments as of June 30, 2023 (2022: nil).

	Note	-----Rupees-----	
<b>18 OTHER INCOME</b>			
Unwinding of security deposit	7	3,291	3,038
Profit on term deposit receipts	12.1	1,358,383	510,880
Remeasurement of lease liability	13	-	654,844
Exchange gain		365,450	27,405
		<u>1,727,124</u>	<u>1,196,167</u>



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19 ADMINISTRATIVE EXPENSES

Salaries and allowances		2,943,450	2,539,750
Depreciation	19.1	676,403	565,256
Legal and professional charges		323,463	296,926
Interest expense on lease liability against ROUA	13	178,830	233,906
Audit fee	20	157,500	157,500
Communication and internet		81,134	79,060
Entertainment		76,637	54,372
Events and meetings		191,248	38,208
Travelling and conveyance		831,579	25,971
Others		27,841	23,310
Website designing and maintenance		23,544	22,313
Printing and stationery		41,640	18,933
Bank charges		8,364	14,568
Repairs and maintenance		26,860	14,500
Postage and courier		22,437	7,336
Amortization of intangible asset	6	6,590	6,590
		<u>5,617,520</u>	<u>4,098,499</u>

	Note	2023	2022
-----Rupees-----			
19.1 Depreciation			
Depreciation on ROUA	8.1	593,945	504,006
Depreciation of property and equipment	5.1	82,458	61,250
		<u>676,403</u>	<u>565,256</u>
20 AUDITOR'S REMUNERATION			
Audit fee		137,500	137,500
Out of pocket expenses		8,333	8,333
Sindh sales tax		11,667	11,667
		<u>157,500</u>	<u>157,500</u>

21 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Board of Directors, entities associated with Board of Directors, Switzerland Global Enterprise and the Patron & Consulate General of Switzerland in Islamabad.

21.1 Details of transactions with related parties during the year

	Relationship	Nature	2023	2022
-----Rupees-----				
Polygal AG	Common directorship	Annual fee	<u>110,000</u>	<u>100,000</u>
Archroma Pakistan Limited	Common directorship	Annual fee	<u>110,000</u>	<u>100,000</u>
		Advertisement Income	<u>20,000</u>	<u>20,000</u>
Al Ameen Trading Corporation (Private) Limited	Common directorship	Annual fee	<u>40,000</u>	<u>30,000</u>
		Advertisement Income	<u>20,000</u>	<u>20,000</u>
SICPA Inks Pakistan (Private) Limited	Common directorship	Annual fee	<u>110,000</u>	<u>100,000</u>
		Advertisement Income	<u>20,000</u>	<u>20,000</u>
Habib Metro Bank Limited	Common directorship	Annual fee	<u>110,000</u>	<u>100,000</u>
		Advertisement Income	<u>20,000</u>	<u>20,000</u>
Imtiaz Enterprises	Common directorship	Annual fee	<u>30,000</u>	<u>25,000</u>
Roche Pakistan Limited	Common directorship	Annual fee	<u>110,000</u>	<u>100,000</u>
Nestle Pakistan Limited	Common directorship	Annual fee	<u>110,000</u>	<u>100,000</u>
		Advertisement Income	<u>20,000</u>	<u>20,000</u>
Syngenta Pakistan Limited	Common directorship	Annual fee	<u>110,000</u>	-
		Advertisement Income	<u>10,000</u>	-
Switzerland Global Enterprise	Global Partner	Service Fee	<u>2,422,550</u>	<u>1,924,920</u>

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	Note	2023 -----Rupees-----	2022
<b>22 REMUNERATION TO KEY MANAGEMENT</b>			
<b>Executive:</b>			
Managerial Remuneration		2,674,800	1,715,400
Annual Bonus		202,000	135,900
Incentives		-	87,000
		<u>2,876,800</u>	<u>1,938,300</u>
Number		<u>2</u>	<u>1</u>

22.1 No remuneration has been paid to the members of the company.

**23 FINANCIAL INSTRUMENTS BY CATEGORY**

	Note	2023		2022	
		At amortised cost	Total	At amortised cost	Total
Note ----- (Rupees) -----					
<b>Financial Assets</b>					
Accounts receivable		110,000	110,000	-	-
Loan to employee	11	1,300,000	1,300,000	-	-
Cash and bank balances	12	14,404,767	14,404,767	13,123,249	13,123,249
<b>Total financial assets</b>		<u>15,814,767</u>	<u>15,814,767</u>	<u>13,123,249</u>	<u>13,123,249</u>
-----					
	Note	2023		2022	
		At amortised cost	Total	At amortised cost	Total
<b>Financial Liabilities</b>					
Liability against subject to finance lease	13	1,962,224	1,962,224	2,085,019	2,085,019
Accrued and other liabilities	15	157,500	157,500	170,614	170,614
<b>Total financial liabilities</b>		<u>2,119,724</u>	<u>2,119,724</u>	<u>2,255,633</u>	<u>2,255,633</u>

**24 FINANCIAL RISK MANAGEMENT**

The Board of Directors of the Company reviews and agrees policies for managing each of the risks which are summarized below:

**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. At the date of statement of financial position, the Company is expose to such risk in respect of bank balances.

**Currency risk**

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. The Company mainly has foreign currency exposure in CHF. At the end of the year, the company has no balances that is exposed to foreign currency risk.

**Credit risk management**

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.

The Company's credit risk is primarily attributable to its bank balances and loan to employee. However, the credit risk on bank balances is limited because the Company has only one bank i.e. Habib Metro Bank Limited bearing a credit ratings of A-1+ for short term and AA+ for long term by credit rating agency PACRA.

The Credit risk on loan granted to employee is higher because the Company had not secured anything against the loan. However, in order to mitigate the risk the Company had granted loan for a period of one year along with approved disbursement plan.

**Liquidity risk management**

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance in working capital management. These will be settled at amounts as disclosed in the Statement of Financial Position. The Company's financial liabilities have contractual maturities which are summarized below.

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The company has sufficient liquid assets including bank balance to meet its liabilities as at year end.

	Carrying amount	1 year or less	1 to 5 years
<b>As at June 30, 2023</b>			
Liability against subject to finance lease	1,962,224	584,485	1,377,739
Accrued and other liabilities	157,500	170,614	-
	<u>2,119,724</u>	<u>755,099</u>	<u>1,377,739</u>
<b>As at June 30, 2022</b>			
Liability against subject to finance lease	2,085,019	449,832	1,635,187
Accrued and other liabilities	170,614	170,614	-
	<u>2,255,633</u>	<u>620,446</u>	<u>1,635,187</u>

**Capital risk management**

The objective of the Company's capital management is to ensure the Company's ability to continue as going concern and maintain a basis for continuous growth in the Company. Total capital comprises of equity as reserves as shown in the statement of financial position.

**25 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. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market date (i.e. unobservable inputs).

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market/ quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques includes risk-free rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

	Level 1	Level 2	Level 3	Total
<b>June 30, 2023</b>				
<b>Financial Instrument</b>				
Cash and bank balances	14,404,767	-	-	14,404,767
Accounts receivable	110,000	-	-	110,000
Loan to employee	1,300,000	-	-	1,300,000
	<u>15,814,767</u>	<u>-</u>	<u>-</u>	<u>15,814,767</u>
<b>June 30, 2022</b>				
<b>Financial Instrument</b>				
Cash and bank balances	13,123,249	-	-	13,123,249
Accounts receivable	-	-	-	-
Loan to employee	-	-	-	-
	<u>13,123,249</u>	<u>-</u>	<u>-</u>	<u>13,123,249</u>

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26 NUMBER OF EMPLOYEES

	2023	2022
Employees at year end	<u>2</u>	<u>2</u>
Average number of employees	<u>2</u>	<u>2</u>

The number of employees as at year end was 2 (2021: 2).

27 SUBSEQUENT NON-ADJUSTING EVENTS

No such event or transaction has occurred subsequent to the reporting date, which may require adjustment and / or disclosure in these financial statements.

28 GENERAL

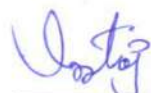
For better presentation, certain balances were reclassified where necessary

29 DATE OF AUTHORIZATION

22<sup>nd</sup> Sept. 2023

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors. *23/9*

  
\_\_\_\_\_  
PRESIDENT

  
\_\_\_\_\_  
DIRECTOR