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SWISS BUSINESS COUNCIL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
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Auditors' report to the members

We have audited the annexed balance sheet of Swiss Business Council (the Council) as at 30 June 2014 and the related income and expenditure account, 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 account 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 and income and expenditure account 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 30 June 2014 and of the surplus 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).


Chartered Accountants

Audit Engagement Partner's Name: Khurram Jameel

Date: 10 October 2014

Place: Karachi

SWISS BUSINESS COUNCIL

BALANCE SHEET AS AT 30 JUNE 2014

	Note	30 June 2014 Rupees	30 June 2013 Rupees
<u>ASSETS</u>			
CURRENT ASSETS			
Fee receivable		144,000	-
Prepayment – rent		47,500	42,400
Accrued profit on deposit account		-	5,736
Cash and bank balances	4	3,801,794	1,296,567
TOTAL ASSETS		3,993,294	1,344,703
<u>RESERVES AND LIABILITIES</u>			
REVENUE RESERVE			
Accumulated surplus		3,088,155	1,304,703
CURRENT LIABILITIES			
Other payables	5	350,000	40,000
Service fee received in advance	6	555,139	-
		905,139	40,000
TOTAL RESERVES AND LIABILITIES		3,993,294	1,344,703

The annexed notes 1 to 9 form an integral part of these financial statements.

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PRESIDENT


DIRECTOR

SWISS BUSINESS COUNCIL

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2014

	30 June 2014 Rupees	30 June 2013 Rupees
INCOME		
Annual fee	1,872,000	1,524,000
Joining fee	50,000	244,000
Service fee	555,139	-
6		
Advertisement income	1,842,000	477,600
Less: related expenses	(173,536)	(256,855)
	1,668,464	220,745
Profit on deposit account	51,739	31,681
	4,197,342	2,020,426
EXPENDITURE		
Salaries and allowances	913,000	699,410
Rent	547,400	706,309
Events and meetings expenses	478,058	81,988
Audit fee	57,900	40,000
Website designing and maintenance	24,780	21,380
Repairs and maintenance	30,115	12,820
Legal and professional charges	25,125	30,600
Travelling	139,890	76,935
Utilities	118,556	161,779
Others	79,066	35,209
	2,413,890	1,866,430
SURPLUS FOR THE YEAR	1,783,452	153,996
Accumulated surplus brought forward	1,304,703	1,150,707
ACCUMULATED SURPLUS CARRIED FORWARD TO THE BALANCE SHEET	3,088,155	1,304,703

The annexed notes 1 to 9 form an integral part of these financial statements.

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PRESIDENT


DIRECTOR

SWISS BUSINESS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. THE COUNCIL AND ITS OPERATIONS

Swiss Business Council (the Council) was incorporated on 22 May 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 additions of the word "(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 10 Sasi Town, Abdullah Haroon 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 Accounting and Financial Reporting Standard for Small-Sized Entities issued by the Institute of Chartered Accountants of Pakistan and 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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

3.2 Cash and cash equivalents

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

3.3 Revenue recognition

Annual fee from existing members is recognized on accrual basis.

Joining fee from new members is recognized on receipt basis.

Service fee is recognized when services are rendered.

Advertisement income net off related expenses is recorded on receipt basis.

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

3.4 Taxation

Being a non-profit organization, the Council is exempt from income tax under clause 58 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001. Accordingly, no provision is required in these financial statements.

4. CASH AND BANK BALANCES

Cash at banks

Current account
Deposit account

Cash in hand

	Note	30 June 2014 Rupees	30 June 2013 Rupees
2,299,153			790,429
1,500,000	4.1		500,000
3,799,153			1,290,429
2,641			6,138
3,801,794			1,296,567

4.1 This carries profit at the rate of 7% (2013: 6.25%) per annum.

EY/Amn

5. Includes amount payable to Institute of Business Administration, Karachi (IBA) in respect of a research project on "Detailed study of Investment Opportunities in the processing of Dairy, Mangoes and Red Chilli produce" amounting to Rs. 300,000/-. The total amount of the project was Rs. 1,200,000/- out of which Rs. 900,000/- was paid during the year as an advance against the project. The remaining balance had been paid to IBA subsequent to the year end on completion of the assignment.

	Note	30 June 2014 Rupees
6. SERVICE FEE RECEIVED IN ADVANCE		
Service fee received in advance	6.1	<u>555,139</u>
6.1 Amount received during the year		1,110,278
Less: income recognized during the year		<u>(555,139)</u>
	6.2	<u>555,139</u>

6.2 During the year the Council has entered into an agreement with Switzerland Global Enterprise (the Enterprise) for the purpose of providing free facilitation and consultation services to Swiss and Liechtenstein companies on behalf of the Enterprise. In accordance with the agreement a total of CHF 10,000/- is paid to the Council on an annual basis to compensate for services provided by the Council. Revenue is recognized in accordance with accounting policy mentioned note 3.3 to the financial statements as and when such services are rendered.

7. NUMBER OF EMPLOYEES

The number of employees as at year end was 4 (2013: 4).

8. DATE OF AUTHORISATION FOR ISSUE

10 OCT 2014

These financial statements were authorised for issue on _____ by the Council Members of the Council.

9. GENERAL

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

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PRESIDENT


DIRECTOR