



Annual Report for the Year ended 2023





COMPANY INFORMATION

Board of Directors

Independent Directors

Ahmad Ikram Lone
Chairman
Usman Nawaz Bajwa
Director

Executive Directors

Sajjad Azhar
Chief Executive Officer

Non-Executive Directors

Sajjad Azhar
Director
Raja Hussanien Javed
Director
Muhammad Javed Afzal
Director

Auditors

RSM AVAIS HYDER LIAQUAT
NAUMAN
Chartered Accountants

Committee

Audit Committee

Usman Nawaz Bajwa -Chairman
Muhammad Javed Afzal-Director

Human Resource Committee

Ahmad Ikram Lone -Chairman
Sajjad Azhar
Director
Raja Hassanien Javed-Director

Procurement Committee

Ahmad Ikram Lone-Chairman
Raja Hassanien Javed-Director

Nomination Committee

Sajjad Azhar- Chairman
Ahmad Ikram Lone-Director
Usman Nawaz Bajwa-Director

Registered Office

Gujranwala Business Centre
Opp.GCCI ,Aiwan-e Tijarat Raod
Gujranwala



DIRECTORS' REPORT TO THE MEMBERS

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DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of **Gujranwala Business Centre** (Your Company) is pleased to present the Annual Report along with the audited financial statements for the year ended June 30, 2023.

OVERVIEW

Introduction

Gujranwala Business Centre (GBC) is a public sector company registered under section 42 of Companies Act 2017 established with the aim to provide a promotional and shared display facility for the industry of Gujranwala.

Objectives

- To act as a platform for displaying variety of products of Gujranwala Industry to attract local and international buyers.
- To help the businessmen to find new markets, identification of weaker links in their products presentation to promote their local and export business.
- To provide facilitation and space for conducting one to one meetings for local and international buyers, sellers, vendors and delegations.
- To provide business information and business development resources for business counseling, networking liaising, management, technology support, ADR support through hiring experts/consultants/professionals.
- To provide space and facilities to the business community for product display, product marketing and exhibitors or any other activity to promote local business.
- To arrange and conduct capacity building programs including training programs/ seminars / workshops for entrepreneurs to build their capacities for starting and managing businesses.



Key Activities and Progress during 2022-23

1) GBC Facility outsource

GBC Hall was outsource to different organization to conduct their events

2) Providing space to SMEs/ Organization of Gujranwala

Space was provided to different organizations on annual basis

3) Home Economics, Fine Arts, Fashion & Textile Designing Expo

Home Economics, Fine Arts, Fashion & Textile Designing Expo was held at Gujranwala Business Centre from 4 October to 5 October, 2021 Total 50 stalls were displayed 21 on Ground Floor and 29 on 1st Floor. The students of Fashion Design and Fine Arts displayed hand made products in the stalls

4) TEVTA Job Fair

TEVTA Job Fair organized with the collaboration of TEVTA in Gujranwala Business Centre on January 4, 2023. 20. Different companies participated in this expo and display their stalls. They arranged job interview for students

Training programs/Capacity Building.

o Sales and Franchising /Distribution Network Management

A workshop on Sales and Franchising/Distribution Network Management was conducted on August 26, 2022 and 15 participants attend this workshop.

o Customer Relationship Management

A workshop on Selling on Customer Relationship Management was conducted on September 14, 2022 and 23 participants attend this workshop.

o E Commerce Business Start up and Management

A workshop on E-Commerce Business Start up and Management on September 22, 2022 and 15 participants attend this workshop.

o Supply Chain Management and Logistics



Seminar on Supply Chain Management and Logistics was conducted on October 24, 2022 and 32 participants attend this seminar by zoom link.

o **E filling of Income Tax and Sales Tax Returns**

A workshop on E filling of Income Tax and Sales Tax Returns was conducted on November 28, 2022 and 23 participants attend this helpdesk.

o **Starting and Media Retail and Distribution Business**

A workshop on Starting and Media Retail and Distribution was conducted on January 16, 2023 and 34 participants attend this workshop.

OPERATING RESULTS

Your Company has a net Surplus of Rs 0 918 million for the year 2022-23 as compared to net deficit of Rs 0 733 million in 2021-22

The key financial figures have been tabulated as follows

	Year Ended June 30, 2022	Year Ended June 30, 2023
	Rupees	Rupees
Surplus(Deficit) before Tax	733,828	918,258
Taxation	-	-
Surplus (Deficit) after Tax	733,828	918,258

EARNING PER SHARE

The company is registered u/s 42 of Companies Act 2017 without having share.

DIVIDEND

Your Company is a non-profit organization and all surplus earned would be employed by your Company to meet its objectives. The Securities and Exchange Commission Pakistan while granting license u/s 42 of the Companies Act 2017 has also required that no payment would be made to the members, therefore, your Company is not required to declare any dividends.



OUTSTANDING STATUTORY PAYMENTS

There are no outstanding payments due on account of taxes, duties, levies and charges except the current year tax liability and amounts of normal and routine nature.

GRATUITY

The company has a policy to recognize gratuity equals to the last month gross salary of employees in respect of each year of service.

MEETINGS OF BOARD OF DIRECTORS

During the year 4 meetings of the Board of Directors were held. Attendance by each Director at the board meeting is as under:

S.N	Name	Eligibility	Attended
Non-Executive Directors:			
1	Joint Secretary, Ministry of Industries and Production	4	4
2	GM, (Out Reach), SMEDA	4	3
3	Provincial Chief, SMEDA	4	4
Executive Directors:			
4	CEO	4	3
Independent Directors:			
5	Representative of Gujranwala Chamber of Commerce and Industry	4	4
6	Representative of Gujranwala Chamber of Commerce and Industry	4	4



FEE PAID TO BOARD MEMBERS FOR BOARD & COMMITTEE MEETINGS

S N	Name	Amount (Rs.)
Board Meeting		
1	Joint Secretary, Ministry of Industries and Production	60,000
2	GM, (Out Reach), SMEDA	45,000
3	Provincial Chief, SMEDA	60,000
4	Representative of Gujranwala Chamber of Commerce and Industry	60,000
5	Representative of Gujranwala Chamber of Commerce and Industry	60,000
Committee Meetings		
1	Provincial Chief, SMEDA	45,000
2	Representative of Gujranwala Chamber of Commerce and Industry	45,000
Annual General Meeting		
1	Joint Secretary, Ministry of Industries and Production	15,000
2	GM, (Out Reach), SMEDA	15,000
3	Provincial Chief, SMEDA	15,000
4	Representative of Gujranwala Chamber of Commerce and Industry	15,000
5	Representative of Gujranwala Chamber of Commerce and Industry	15,000



PATTERN OF SHAREHOLDING

The company is registered u/s 42 of Companies Ordinance 1984 without having share.

HOLDING COMPANY

Government of Pakistan holding of the company.

FINANCIAL REPORTING FRAMEWORK:

- The financial statements, prepared by the management of the Company present fairly its state of affairs, the result of its operations, its cash flows and its changes in equity.
- Proper books of account of the Company have been maintained
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Directors' Report
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The Board recognizes its responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored.
- The appointment of chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Public Sector Company as well as in line with the best practices.
- The Board has complied with the relevant principles of corporate governance, and has identified the rules that have not been complied with, the period in which such non-compliance continued, and reasons for such non-compliance.
- There are no significant doubts about the company's ability to continue as a going concern.
- Key operating and financial data of last six month has been summarized.



AUDITORS

The present auditors M/s RSM AVAIS HYDER LIAQUAT NAUMAN Chartered accountants

AUDIT COMMITTEE

The Audit is comprised of following Non-Executive Directors. The Chairman of the Committee being is an Independent Director

- Mr. Usman Nawaz Bajwa
- Mr. Muhammad Javed Afzal

KEY FINANCIAL DATA

Six year Financial data

	2018 (Rs.)	2019 (Rs.)	2020 (Rs.)	2021 (Rs.)	2022 (Rs.)	2023 (Rs.)
Assets						
Non-Current Assets	47,738,627	42,810,393	38,470,943	34,479,218	30,967,410	27,872,700
Current Assets	2,639,520	5,047,358	7,185,228	10,115,490	15,284,043	19,296,526
Total Assets	<u>50,378,147</u>	<u>47,857,751</u>	<u>45,656,171</u>	<u>44,594,708</u>	<u>46,251,453</u>	<u>47,169,226</u>
Capital & Liabilities						
Capital Fund	<u>49,785,858</u>	<u>46,699,288</u>	<u>44,217,000</u>	<u>42,641,764</u>	<u>43,375,592</u>	<u>44,293,850</u>
Non-Current Liabilities	9,138	1,140,242	1,194,863	1,419,696	1,749,157	2,055,784
Current Liabilities	583,151	9,37,714	244,308	533,248	1,126,704	819,592
Total Capital Fund and Liabilities	<u>50,378,147</u>	<u>47,857,751</u>	<u>45,656,171</u>	<u>44,594,708</u>	<u>46,251,453</u>	<u>47,169,226</u>

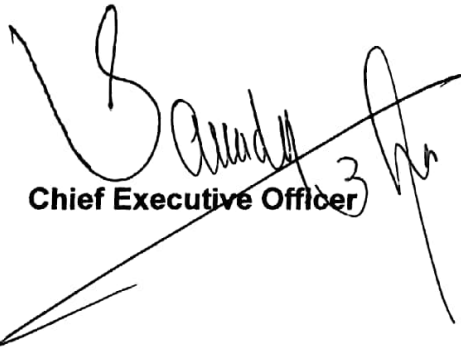


Revenue	5,414,359	6,644,281	6,855,174	7,008,986	11,006,439	10,426,501
Expenditure	10,535,693	9,730,851	9,337,462	8,584,222	10,272,611	9,508,243
Surplus/ (Deficit)	(5,121,334)	(3,086,570)	(2,482,288)	(1,575,236)	733,828	918,258

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation of the support of the members, Government agencies and other parties.

The Board would like to express their appreciation for the excellent services and the efforts being rendered by the executives and staff members of your Company.


Chief Executive Officer


Director

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GUJRANWALA BUSINESS CENTER
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **GUJRANWALA BUSINESS CENTER** (the Company set up under section 42 of the repealed companies ordinance, 1984), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure, and statement of comprehensive income, the statement of changes in funds, 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 purpose 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 and expenditure, statement of comprehensive income, the statement of changes in fund 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, its comprehensive income, the changes in funds and its cash flows for the year then ended.

Basis For Opinion

We conducted our audit in accordance with the 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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Avas Hyder Liaquat Nauman is a member of RSM Network and trades as RSM. RSM is the trading name used by the members of RSM network. Each member of RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the director report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. However, we have nothing to report in this regard.

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 the 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 misstatements, 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.

The 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 misstatements, 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 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 scepticism throughout the audit. We also:

- Identify and assess the risk 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 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 controls 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 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.

Report on other legal and Regulatory Requirements

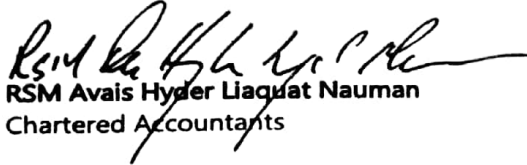
Based on our audit, we further report that in our opinion:

- 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 profit or loss and other comprehensive income, the statement of changes in equity 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 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended June 30, 2022, were audited by Shafaqat Hassan & Co. Chartered Accountants who expressed a unqualified opinion on those statements on October 26th, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Nauman Mehmood, FCA.

A handwritten signature in black ink, appearing to read 'RSM Avais Hyder Liaquat Nauman'.

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
PLACE: Islamabad
DATE: 25-10-2023
UDIN: AR2023103799n34gRde0

Gujranwala Business Centre
Statement of Financial Position
As at June 30, 2023


	Notes	2023 ---(Rupees)---	2022
Assets			
Non-current assets			
Operating Fixed Assets	4	24,538,678	27,633,388
Security Deposits	5	3,334,022	3,334,022
		<u>27,872,700</u>	<u>30,967,410</u>
Current assets			
Short term investment	6	12,206,275	7,500,000
Trade and other receivables	7	1,556,613	640,239
Advances, deposits and prepayments	8	2,216,341	1,682,430
Cash and bank balances	9	3,317,297	5,461,374
		<u>19,296,526</u>	<u>15,284,043</u>
Total Assets		<u><u>47,169,226</u></u>	<u><u>46,251,453</u></u>
Non-current liabilities			
Deferred Liabilities	10	775,115	614,012
Securities against rent	11	1,280,669	1,135,145
		<u>2,055,784</u>	<u>1,749,157</u>
Current liabilities			
Creditors, accrued and other liabilities	12	819,592	1,126,704
Total liabilities		<u><u>2,875,376</u></u>	<u><u>2,875,861</u></u>
Contingencies and commitments	13		
Net assets		<u><u>44,293,850</u></u>	<u><u>43,375,592</u></u>
Represented by:			
Capital fund		<u>44,293,850</u>	<u>43,375,592</u>
Net funds		<u>44,293,850</u>	<u>43,375,592</u>

RSM

The annexed notes from 1 to 23 form an integral part of these financial statements.



 Director



 Chief Executive

Gujranwala Business Centre
Statement of Income & Expenditure
For the year ended June 30, 2023

	Notes	2023 ---(Rupees)---	2022
Income			
Rental Income		8,158,575	7,274,120
Stalls booking Income		-	2,080,000
Events booking Income		1,045,000	1,140,864
Profit on debt	6	1,103,689	345,720
Other Income	14	119,237	165,735
		10,426,501	11,006,439
Expenditure			
Administrative and general expenses	15	9,505,360	10,257,504
Finance cost	16	2,883	15,107
		9,508,243	10,272,611
Surplus before tax		<u>918,258</u>	<u>733,828</u>
Taxation	17	-	-
Surplus after tax		<u><u>918,258</u></u>	<u><u>733,828</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements.

RSM


 Director


 Chief Executive

**Gujranwala Business Centre
Statement of Changes in Funds
As at June 30, 2023**

Particulars	Net Capital Fund ----(Rupees)----
Balance as on July 01, 2021	42,641,764
Surplus for the period ending june 30,2022	733,828
Balance as on June 30, 2022	43,375,592
Surplus for the period ending june 30,2023	918,258
Balance as on June 30, 2023	44,293,850

RSM

The annexed notes from 1 to 23 form an integral part of these financial statements.



Director



Chief Executive

**Gujranwala Business Centre
Statement of Cash Flows
For the year ended June 30, 2023**

	Note	2023	2022
---(Rupees)---			
Cash flows from operating activities			
Surplus for the year		918,258	733,828
Adjustments for non-cash income and expenses:			
Provision for gratuity	15	161,103	140,089
Depreciation of property and equipment	4	3,094,710	3,511,810
Finance costs		2,883	15,107
		<u>4,176,954</u>	<u>4,400,834</u>
Changes in working capital:			
Trade and other receivables	7	(916,374)	(356,093)
Advances, deposits & Other receivables	8	(137,500)	130,000
Trade and other payables	12	(307,112)	593,456
Cash generated from operations		<u>2,815,968</u>	<u>4,768,197</u>
Income taxes paid		(396,411)	(629,626)
Finance cost paid		(2,883)	(15,107)
Net cash inflow from operating activities		<u>2,416,674</u>	<u>4,123,462</u>
Cash flows from investing activities			
Investment in short term deposit		<u>(4,706,275)</u>	<u>(7,500,000)</u>
Net cash inflow from investing activities		<u>(4,706,275)</u>	<u>(7,500,000)</u>
Cash flows from financing activities			
Securities received against rent	11.1	246,918	189,372
Securities repaid		(101,394)	-
Prior Period Adjustment		-	-
Net cash inflow from financing activities		<u>145,524</u>	<u>189,372</u>
Net increase/(decrease) in cash and cash equivalents		(2,144,077)	(3,187,166)
Cash and cash equivalents at the beginning of the year		<u>5,461,374</u>	<u>8,648,540</u>
Cash and cash equivalents at the end of the year		<u>3,317,297</u>	<u>5,461,374</u>

The annexed notes from 1 to 23 form an integral part of these financial statements.



Director

 RSM
Chief Executive

Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

1 Status and nature of business

GBC was established in June 2006 as a Public Sector Development Program (PSDP) project jointly by Small & Medium Enterprises Development Authority (SMEDA) and Gujranwala Chamber of Commerce and Industry (GCCCI). Later, January 2017 GBC was registered under Section 42 of Companies Act, 2017 as a company limited by guarantee having registration no 0105343. It is engaged in business of providing space and facilities to the business community for product display, product marketing and exhibitors or any other activity to promote local business. The registered office of the company is situated opposite GCCCI, Awain-E-Tijarat Road, Gujranwala.

2 Basis of preparation

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 Standards 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
- Provision of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or the Accounting Standard for NPOs, the provisions of directives issued under the Companies Act, 2017 have been followed.

2.2 Changes in accounting standards, interpretations and pronouncements:

Standards and amendments to approved accounting standards that are effective:

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting.

Standards and amendments to approved accounting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.3 Accounting Convention

These Financial Statements have been prepared under the historical cost convention unless otherwise specifically stated.

2.4 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of (Rs. / Rupees), unless otherwise stated.

2.5 Key Judgments and Estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate

- Useful lives, residual values and depreciation method of property, plant and equipment	3.1
- Provision	3.7
- Taxation	3.1

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

These are stated at cost, which includes purchase price and directly attributable cost less accumulated depreciation and impairment loss, if any;

Normal repair and maintenance are charged to statement of income and expenditure as and when incurred whereas major improvements and modifications are capitalized.

Depreciation is charged by applying reducing balance method from the month assets is available for use and no depreciation is charged from the month asset disposed off. Rates of depreciations are available in Note 4.

Gains and loss on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with carrying amount of property and equipment and are recognized in the statement of income and expenditure

3.2 Impairment of non-financial assets

The carrying amount of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognized as expenses in the statement of income and expenditure.

An impairment loss is reversed if there is has been a change in the estimates used to determine the recoverable amount and loss is reversed only to the extent that the asset's carrying amount does not extend the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.3 Advances, deposits and prepayment

These are carried at their original amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

QSM

Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

3.4 Trade and other receivables

Trade and other receivables are stated initially at fair value, subsequently to initial recognition these are stated at their fair value as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful of recovery are fully provided for.

The allowance for doubtful accounts is based on the company's assessment of collectability of counterparty accounts. The company regularly review its debts and receivables that remain outstanding past their applicable payment terms and established allowance and potential write-offs by considering factors such as historical experience, credit quality, age of the accounts receivable balances and current economic conditions that may affect a customer's ability to

3.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise cash in hand and balances with banks.

3.6 Accrued and other liabilities

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

3.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.8 Income

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Income is measured at the fair value of consideration received or receivable.

Income from spaces and facilities provided are recognized when related services are rendered. Profit on deposit accounts or short term investment is recognized in the statement of income and expenditures on a time proportion basis.

3.9 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

3.10 Taxation

Provision for taxation is recognized based on taxable income, if any, for the year determined in accordance with prevailing Law and regulation. The organization has applied for registration as a non-profit organization under section 2(36) of the Income Tax Ordinance, 2001 to the Commissioner Inland Revenue as it is working as non-profit organization. The income of the organization is subject to 100% tax credit under section 100(C) of the Income Tax Ordinance, 2001.

3.11 Employee benefits - retirement benefits

The Company operates a unfunded gratuity scheme for all of its eligible employees. Provisions are made in the financial statements as per completed each year of service equal to one-month gross salary.

Amount recognized in statement of financial position represents the present value of defined benefit obligations in terms of gross value of gratuity payable at each year end based upon multiplying number of completed service year of each eligible employee with the one-month gross salary.

Gratuity becomes applicable when one year of service has been completed. If the time period worked before voluntary/involuntary termination in less than six months beyond one year, the employee will be only entitled to claim gratuity for one year. However, if the time period is six or more than six months, then the employee is entitled to claim two year's gratuity.

Advance against gratuity will be provided on approval by the CEO and finance and Admin department, when requested by the employee. This amount will not exceed 80% of the gratuity that the employee is entitled to.

The loan amount will be deducted from the employee's salary on a mutually agreed schedule. The total payment will be made within 1-2 calendar year from disbursement of loan.

3.12 Related Party Transactions

All transitions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions at third party transitions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the company to do so.

3.13 Financial Instruments

Financial Assets

Financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of cash flows.
The company classifies its financial assets at amortized cost.

Financial Assets at amortization cost

A financial assets shall be classified as financial assets at amortized cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

flows. Purchase and sales of financial assets are recognized on trade date, the date on which the company commits to purchase or sell the assets. After initial recognition, financial assets are carried at amortized cost.

Financial Liabilities

Financial liabilities are recognized at the time when the company becomes a party to the commercial provisions of the instruments. All financial liabilities are recognized initially at fair value less directly attributable transactions costs, if any, and subsequently measured at

De-recognition

Financial Assets

The company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another company.

On derecognition of financial assets measured at amortized cost, the differences between the asset's carrying value and the sum of consideration received and receivable is recognized in statement of income and expenditures.

Financial Liabilities

The company derecognizes financial liabilities only when its obligation under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in statement of income and

3.14 Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be

3.15 Off-setting of financial assets and Financial Liabilities

A financial asset and a financial liability is set off and the net amount is reported in the statement of financial position if the company has a legally enforceable right to set off the recognized amounts and also intends either to settle these on a net basis or to realize the assets and settle the liability simultaneously.

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

2022
 27,633,388
 -----(Rupees)-----
 2023
 24,538,678

Notes

4 Property and Equipment
 Operating fixed assets

Particulars	2023				2022				W.D.V Balance as at 30-06-2023	
	Cost		Accumulated depreciation		Cost		Accumulated depreciation			
	Balance as at 01-07-2022	Additions	Balance as at 30-06-2023	Balance as at 01-07-2022	Rate %	For the year	Balance as at 30-06-2023	Rate %		For the year
Land & Building	54,147,025	-	54,147,025	32,698,284	10%	2,144,874	34,843,158	10%	2,144,874	19,303,867
Office Equipments	11,042,618	-	11,042,618	7,465,441	15%	536,577	8,002,018	15%	536,577	3,040,600
Computers	1,323,560	-	1,323,560	1,175,969	30%	44,277	1,220,246	30%	44,277	103,314
Furniture & Fixtures	7,707,600	-	7,707,600	5,463,291	15%	336,646	5,799,937	15%	336,646	1,907,663
Vehicles	908,180	-	908,180	692,610	15%	32,336	724,946	15%	32,336	183,234
Total 2023	75,128,983	-	75,128,983	47,495,595		3,094,710	50,590,305		3,094,710	24,538,678

Particulars	2022				2021				W.D.V Balance as at 30-06-2022	
	Cost		Accumulated depreciation		Cost		Accumulated depreciation			
	Balance as at 01-07-2021	Additions	Balance as at 30-06-2022	Balance as at 01-07-2021	Rate %	For the year	Balance as at 30-06-2022	Rate %		For the year
Land & Building	54,147,025	-	54,147,025	30,315,091	10%	2,383,193	32,698,284	10%	2,383,193	21,448,741
Office Equipments	11,042,618	-	11,042,618	6,834,176	15%	631,265	7,465,441	15%	631,265	3,577,177
Computers	1,323,560	-	1,323,560	1,112,714	30%	63,255	1,175,969	30%	63,255	147,591
Furniture & Fixtures	7,707,600	-	7,707,600	5,067,236	15%	396,055	5,463,291	15%	396,055	2,244,309
Vehicles	908,180	-	908,180	654,568	15%	38,042	692,610	15%	38,042	215,570
Total 2022	75,128,983	-	75,128,983	43,983,785		3,511,810	47,495,595		3,511,810	27,633,388

4.1 Allocation of depreciation:
 Administrative expenses

3,094,710

3,511,810

5 Security Deposit
 GEPCO-Gujranwala Electric power company
 Security deposit for water dispenser

3,326,522

3,326,522

7,500

7,500

3,334,022

3,334,022

K.A.
 Director

05/06/23

[Signature]
 Chief Executive

Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

	Note	2023	2022
		---(Rupees)---	
6 Short term investment			
Term deposit receipt		-	7,500,000
IPS Account -Deposit		<u>12,206,275</u>	<u>7,500,000</u>
		<u>12,206,275</u>	<u>7,500,000</u>
7 Trade & other receivables			
Receivable against rent		1,147,604	338,026
Receivable against electricity		<u>409,009</u>	<u>302,213</u>
		<u>1,556,613</u>	<u>640,239</u>
8 Advances, deposits and prepayments			
Advance to employee		187,500	50,000
Advance income tax		<u>2,028,841</u>	<u>1,632,430</u>
		<u>2,216,341</u>	<u>1,682,430</u>
9 Cash and bank balances			
Cash at bank		-	-
Saving Account		<u>3,228,127</u>	<u>5,432,128</u>
Current Account		<u>3,228,127</u>	<u>5,432,128</u>
		<u>89,170</u>	<u>29,246</u>
Cash in Hand		<u>3,317,297</u>	<u>5,461,374</u>
10 Deferred Liabilities			
Gratuity payable	10.1	<u>775,115</u>	<u>614,012</u>
10.1	The company has a policy to recognize gratuity equals to the last month gross salary of employees in respect of each year of service.		
11 Securities			
Opening Balance		1,135,145	945,773
Add: Addition during the year	11.1	<u>246,918</u>	<u>189,372</u>
		<u>1,382,063</u>	<u>1,135,145</u>
Less: Paid during the year	11.1.1	<u>(101,394)</u>	<u>-</u>
		<u>1,280,669</u>	<u>1,135,145</u>
11.1 Addition in Securities			
Hashtronics		-	123,750
Trade Trends		-	65,622
Security- Sky Solar		<u>70,272</u>	-
Security- I T Skills		<u>176,646</u>	-
		<u>246,918</u>	<u>189,372</u>
11.1.1	These amounts are not kept in a separate bank account as required by section 217 of the Companies Act, 2017. Further, this represents advances received from tenants that are under short term contract which may be adjusted in case of default in payment by tenant. However the same is not utilized by the company.		

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

12 Creditors, accrued and other liabilities	Note	2023	2022
		---(Rupees)---	
Accrued liabilities	12.1	819,592	471,891
Advance Rent		-	654,813
		<u>819,592</u>	<u>1,126,704</u>

12.1 Accrued liabilities		2023	2022
Electricity Payable		426,415	359,008
Communication Charges Payable		5,824	-
Courier Charges Payable		1,250	3,037
Provision for Honorarium		236,103	
Audit Fee Payable		150,000	109,846
		<u>819,592</u>	<u>471,891</u>

13 Contingencies and commitments
There are no contingencies and commitments during the year ended June 30, 2023 (2022: Nil)

14 Other Income	Note	2023	2022
Electricity Collection Income	14.1	119,237	165,735
		<u>119,237</u>	<u>165,735</u>

14.1 This is extra amount collected from tenants against electricity charges.

15 Administrative and general expenses	Note	2023	2022
Key management personnel remuneration	15.1	498,000	603,200
Salaries, wages and other benefits	15.2	2,768,964	2,424,592
Gratuity Expense		161,103	140,089
Fee and subscription		7,175	28,060
Utilities	15.3	1,225,133	1,226,519
Communication	15.4	76,274	74,082
Travelling and conveyance		24,680	25,680
Honorarium		236,103	98,631
Printing and stationery		40,540	58,310
Entertainment		104,633	91,366
Postage and courier		15,685	28,321
Repair & Maintenance	15.5	926,610	456,751
Website		41,050	47,352
Promotional		-	4,073
Legal & Professional Charges		132,000	120,000
Auditor Remuneration	15.6	150,000	109,846
Exhibition		-	1,203,687
Depreciation	4	3,094,710	3,511,810
Miscellaneous		2,700	5,135
		<u>9,505,360</u>	<u>10,257,504</u>

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

	Note	2023	2022
15.1 Key management personnel remuneration		---(Rupees)---	
CEO compensation	15.1.1	48,000	153,200
BOD Remuneration	15.1.2	450,000	450,000
		<u>498,000</u>	<u>603,200</u>
15.1.1	This includes monthly compensation paid to CEO for additional charge.		
15.1.2	This includes participation fee paid to board members for attending board meetings during the year.		
15.2 Salaries, wages and other benefits			
Basic salary		1,095,270	942,820
House Rent		492,851	424,266
Medical Allowance		126,114	109,416
Conveyance Allowance		109,500	94,259
Utility Allowance		109,501	94,257
Janitorial Services		835,728	759,574
		<u>2,768,964</u>	<u>2,424,592</u>
15.3 Utilities			
Electricity Expense		1,095,727	1,122,732
Generator Fuel		90,376	67,497
Gas Charges		13,500	10,000
Water Charges		20,550	21,490
Wasa Sewerage		4,980	4,800
		<u>1,225,133</u>	<u>1,226,519</u>
15.4 Communication			
Telephone Charges		50,415	57,390
Internet Charges		25,859	16,692
		<u>76,274</u>	<u>74,082</u>
15.5 Repair & Maintenance			
Vehicle		17,790	12,940
Computer		19,150	9,100
Building		831,470	328,601
Generator		7,700	57,360
Lifts		50,500	48,750
		<u>926,610</u>	<u>456,751</u>
15.6 Auditor Remuneration			
Audit Fee		150,000	109,846
Out of pocket		-	-
		<u>150,000</u>	<u>109,846</u>
16 Finance cost			
Bank service charges		2,883	15,107
17 Taxation	17.1	-	-

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

17.1 The organization is Non-profit organization incorporated under section 42 of the Companies Act,

2017 and eligible for 100% tax credit under section 100(C) of the Income Tax Ordinance, 2001.

18 Financial assets and liabilities

The Fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	2023		2022	
(Rupees).....			
	Amortizes cost	Fair value through profit or loss	Amortizes cost	Fair value through profit or loss
Financial assets				
Security Deposits	3,334,022		3,334,022	
Short term investment	12,206,275		7,500,000	
Advances, deposits and prepayments	2,216,341		1,682,430	
Cash and bank balances	3,317,297		5,461,374	
	21,073,935		17,977,826	
Financial Liabilities				
Deferred Liabilities	775,115		614,012	
Securities against rent	1,280,669		1,135,145	
Creditors, accrued and other liabilities	819,592		1,126,704	
	2,875,376		2,875,861	

19 Remuneration of chief executive, directors and executives

	2023			2022		
	Executive	Directors	Executive	Chief Executive	Directors	Executive
- Managerial remuneration	48,000			153,200		
- Housing and utilities		450,000			450,000	
- Participation Fees						
	48,000	450,000	-	153,200	450,000	-
Number of persons	1	5			5	

20 Number of Employees

	2023	2022
	Number	Number
Total employees of the Company at the year end	6	6
Average employees of the Company during the year	6	6

21 Corresponding figures

Comparative figures are re-classified, wherever necessary, for the purpose of comparison and better presentation, the effect of which is not material.

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2023

22 General

-Figures have been rounded off to the nearest rupee.

23 Date of authorization

These financial statements were authorized for issue as on 25-10-2023 by the board of directors of the company.



Director


Chief Executive

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