



Annual Report for the Year ended 2024





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

ILYAS SAEED & CO.
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, 2024.

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 2023-24

1. GBC manages **Pakistan's largest permanent display facility**, the Made in Gujranwala Enclosure, which showcases the finest industrial products of Gujranwala to the world under one roof, year-round. The facility represents over **30 diverse industrial sectors of Gujranwala through 52 active displays**, offering a comprehensive view of the city's industrial strength.
2. Diplomats, international trade bodies, joint chambers of commerce and international trade delegations from **26 countries have visited GBC in the last 8 Months** to engage with Gujranwala's business community for B2B connectivity, enhancing international trade and economic cooperation.
3. GBC is actively working on establishing '**Made in Gujranwala' Display Centres in key international markets** to promote Gujranwala's products globally. We have successfully set up one centre in **South Sudan**, showcasing Gujranwala's diverse range of industrial products. Two more centres are to open soon in the UK and Sri Lanka.
4. This year, GBC organised the **ASEAN Business Forum**, a significant event that brought together 24 diplomats from 10 ASEAN and Southeast Asian countries. The forum provided a platform for these diplomats to engage with Gujranwala's business community, fostering connections and facilitating discussions on trade and investment opportunities.
5. GBC has played a key role in establishing the **regional headquarters of 4 prestigious international business councils** in Gujranwala, aimed at creating enhanced business opportunities for the local business community. These business councils include:
 - Pakistan Romania Business Council
 - Sri Lanka Pakistan Business Forum
 - Pakistan Indonesia Business Circle
 - Pakistan Philippines Business Forum
6. At GBC, we have established **8 Country-Specific Trade Facilitation Desks** to streamline B2B matchmaking with various countries. These desks play a crucial role in identifying international trade opportunities, facilitating B2B connections, and providing trade financing and market access support.



7. GBC is transforming Gujranwala into a **leading hub for industry-academia linkages** by partnering with top regional universities. Initiatives like GBC Talks, Meet The CEO, and The Mavericks connect students with industry leaders, fostering innovation and community growth. In collaboration with GIFT University, GBC has established a **Centre of Entrepreneurship** that empowers local youth by supporting aspiring entrepreneurs in transforming their innovative ideas into successful businesses. By linking international universities and research centres with local institutions, GBC is driving significant academic progress in the region. These partnerships focus on capacity building through **joint research programs**, student and faculty exchanges, language learning centres, and collaborative courses and newsletters, positioning Gujranwala as a hub of education and innovation.

Capacity Building:

- Customer Relationship management (24 October, 2023)
- Intellectual property rights (28 November, 2023)
- Sales & selling strategies for small businesses (29 October,2023)
- Import export documentation and procedure (6 December,2023)
- Export procedure & marketing for SMEs (28 December, 2023)
- Sales and marketing for distribution business (05 January, 2024)

OPERATING RESULTS

Your Company has a net Surplus of Rs. 1.585 million for the year 2023-24 as compared to net Surplus of Rs.0.918 million in 2022-23.

The key financial figures have been tabulated as follows



	Year Ended June 30, 2023	Year Ended June 30, 2024
	Rupees	Rupees
Surplus(Deficit) before Tax	918,258	1,584,697
Taxation	-	-
	-	-
Surplus (Deficit) after Tax	918,258	1,584,697

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	4
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	57,000
2	GM, (Out Reach), SMEDA	57,000

3	Provincial Chief, SMEDA	57,000
4	Representative of Gujranwala Chamber of Commerce and Industry	57,000
5	Representative of Gujranwala Chamber of Commerce and Industry	57,000
Committee Meetings		
1	Provincial Chief, SMEDA	57,000
2	Representative of Gujranwala Chamber of Commerce and Industry	57,000
3	Representative of Gujranwala Chamber of Commerce and Industry	15000
4	GM, (Out Reach), SMEDA	15000
Annual General Meeting		
1	Joint Secretary, Ministry of Industries and Production	12,000
2	GM, (Out Reach), SMEDA	12,000
3	Provincial Chief, SMEDA	12,000
4	Representative of Gujranwala Chamber of Commerce and Industry	12,000
5	Representative of Gujranwala Chamber of Commerce and Industry	12,000

PATTERN OF SHAREHOLDING

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

HOLDING COMPANY

Government of Pakistanis 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 auditor's M/s Ilyas Saeed & Co. 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 years Financial data

	2019	2020	2021	2022	2023	2024
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Assets						
Non-Current Assets	42,810,393	38,470,943	34,479,218	30,967,410	27,872,700	26,433,744
Current Assets	5,047,358	7,185,228	10,115,490	15,284,043	19,296,526	27,848,088
Total Assets	<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>	<u>54,281,832</u>
Capital & Liabilities						
Capital Fund	<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>	<u>45,878,547</u>
Non-Current Liabilities	1,140,242	1,194,863	1,419,696	1,749,157	2,055,784	2,241,052
Current Liabilities	9,37,714	244,308	533,248	1,126,704	819,592	6,162,233
Total Capital Fund and Liabilities	<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>	<u>54,281,832</u>
Revenue	6,644,281	6,855,174	7,008,986	11,006,439	10,426,501	15,913,351
Expenditure	9,730,851	9,337,462	8,584,222	10,272,611	9,508,243	14,328,654
Surplus/ (Deficit)	(3,086,570)	(2,482,288)	(1,575,236)	733,828	918,258	1,584,697

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 CENTRE
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of Gujranwala Business Centre (the Company), which comprise the statement of financial position as at June 30, 2024 and statement of income and expenditure, 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 material accounting policy information 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, statement of income and expenditure, statement of comprehensive income, the statement of changes in funds 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, 2024 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 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.

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

Management is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements of the company 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 there on.

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 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. We have nothing to report in this regard.

ISCO

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.

TSCC

- 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.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 and expenditure, statement of comprehensive income, the statement of changes in funds 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, 2023 were audited by another firm of chartered accountants who have expressed an unmodified opinion in their report dated October 25, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Bushra Sana.


Ilyas Saeed & Co. ISCO
Chartered Accountants
Lahore

UDIN: AR202410278kKZmHMnde

Date: 25 OCT 2024

GUJRANWALA BUSINESS CENTRE
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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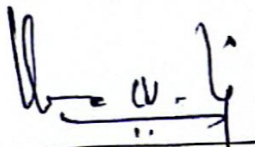
Gujranwala Business Centre
Statement of Financial Position
As at June 30, 2024

	Notes	2024 Rupees	2023 Rupees
Assets			
Non-current assets			
Property and equipment	4	23,099,722	24,538,678
Security deposits	5	3,334,022	3,334,022
		26,433,744	27,872,700
Current assets			
Short term investment	6	19,486,610	12,206,275
Trade and other receivables	7	975,339	1,556,613
Advances, deposits and prepayments	8	3,368,522	2,216,341
Cash and bank balances	9	4,017,617	3,317,297
		27,848,088	19,296,526
Total Assets		<u>54,281,832</u>	<u>47,169,226</u>
Non-current liabilities			
Deferred liabilities	10	960,383	775,115
Securities against rent	11	1,280,669	1,280,669
		2,241,052	2,055,784
Current liabilities			
Creditors, accrued and other liabilities	12	6,162,233	819,592
Total liabilities		<u>8,403,285</u>	<u>2,875,376</u>
Contingencies and commitments	13	-	-
Net assets		<u>45,878,547</u>	<u>44,293,850</u>
Represented by:			
Capital fund		45,878,547	44,293,850
Net funds		45,878,547	44,293,850

The annexed notes, from 1 to 25 form an integral part of these financial statements.

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 Chief Executive


 Director

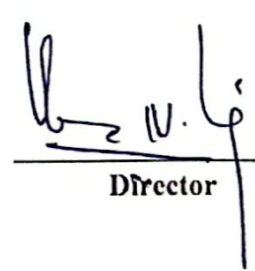
Gujranwala Business Centre
Statement of Income and Expenditure
For the year ended June 30, 2024

	Notes	<u>2024</u> Rupees	<u>2023</u> Rupees
Income			
Rental income		8,941,689	8,158,575
Stalls booking income		3,548,168	-
Events booking income		276,000	1,045,000
Profit on debt		3,147,494	1,103,689
Other income	14	-	119,237
		<u>15,913,351</u>	<u>10,426,501</u>
Expenditure			
Administrative and general expenses	15	14,324,014	9,505,360
Finance cost	16	4,640	2,883
		<u>14,328,654</u>	<u>9,508,243</u>
Surplus before tax		<u>1,584,697</u>	<u>918,258</u>
Taxation	17	-	-
Surplus after tax		<u><u>1,584,697</u></u>	<u><u>918,258</u></u>

The annexed notes, from 1 to 25 form an integral part of these financial statements.

Isco


 Chief Executive


 Director

Gujranwala Business Centre
Statement of Comprehensive Income
For the year ended June 30, 2024

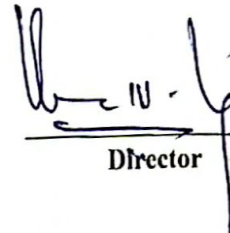
Notes	2024	2023
	Rupees	Rupees
Surplus for the year	1,584,697	918,258
Other comprehensive income	-	-
Total comprehensive income for the year	1,584,697	918,258

The annexed notes, from 1 to 25 form an integral part of these financial statements.

Isco



Chief Executive



Director

Gujranwala Business Centre
Statement of Changes in Funds
As at June 30, 2024

Particulars	<u>Net Capital Fund</u> Rupees
Balance as on July 01, 2022	43,375,592
Surplus for the period ended June 30, 2023	918,258
Other comprehensive income	-
Balance as on June 30, 2023	<u>44,293,850</u>
Surplus for the period ended June 30, 2024	1,584,697
Other comprehensive income	-
Balance as on June 30, 2024	<u><u>45,878,547</u></u>

The annexed notes, from 1 to 25 form an integral part of these financial statements.

ISCO



Chief Executive



Director

Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2024

1 STATUS AND NATURE OF BUSINESS

Gujranwala Business Centre 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 CUIN 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 New standards, interpretations and amendments to published accounting and reporting standards

2.2.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after July 1, 2023. These are considered either not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective and have not been early adopted

		Effective date
IAS 1	Presentation of Financial Statements (Amendments)	1-Jan-24
IAS 7	Statement of Cash Flows (Amendments)	1-Jan-24
IFRS 16	Leases (Amendments)	1-Jan-24
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	1-Jan-25
IFRS 7	Financial Instruments: Disclosures (Amendments)	1-Jan-26
IFRS 17	Insurance Contracts	1-Jan-26
IFRS 9	Financial Instruments - Classification and Measurement of Financial instruments (Amendments)	1-Jan-26

The management is in the process of assessing the impact of these amendments on the financial statements of the Company.

There are certain other new standards, amendments to the published accounting and reporting standards and new interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2023. However, these will not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

2.3 Accounting Convention

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

ISCO

Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2024

2.4 Functional and Presentation Currency

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

- Useful lives, residual values and depreciation method of property and equipment	3.1
- Taxation	3.9
- Provisions	3.7

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statement 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that users need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 on Property, Plant and Equipment is charged to profit on reducing balance method over its estimated useful life so as to write off the historical cost of an asset at the rates specified. Depreciation on additions is charged on the basis of number of days commencing from the day at which assets become available for use, while on disposals, depreciation is charged up to the day of deletion. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit during the period in which they are incurred.

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.

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2024

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.

3.4 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.

3.5 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.

3.6 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 pay.

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 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.

3.10 Related Party Transactions

All transactions 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 transactions 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.

3.11 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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3.12 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.

3.13 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 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 amortized.

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 expenditures.

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 financials 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 reliably estimated.

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Notes 2024 Rupees 2023 Rupees
23,099,722 24,538,678

4 PROPERTY AND EQUIPMENT
Operating fixed assets

Particulars	2024				2023			
	Cost		Accumulated depreciation		Cost		Accumulated depreciation	
	Balance as at 01-07-2023	Additions	(Deletions)	Balance as at 30-06-2024	Rate %	For the year	Balance as at 30-06-2024	W.D.V Balance as at 30-06-2024
Land & Building	54,147,025	-	-	54,147,025	10%	1,930,386	36,773,544	17,373,481
Office Equipment's	11,042,618	478,500	-	11,521,118	15%	494,632	8,496,650	3,024,468
Computers	1,323,560	995,480	-	2,319,040	30%	174,284	1,394,530	924,510
Furniture & Fixtures	7,707,600	-	-	7,707,600	15%	286,149	6,086,086	1,621,514
Vehicles	908,180	-	-	908,180	15%	27,485	752,431	155,749
Total 2024	75,128,983	1,473,980	-	76,602,963		2,912,936	53,503,241	23,099,722

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

4.1 Allocation of depreciation:
Administrative and general expenses

15 2,912,936 3,094,710
ISCO

Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2024

5 SECURITY DEPOSITS	Note	2024 Rupees	2023 Rupees
GEPCO - Gujranwala Electric Power Company Security deposit for water dispenser	5.1	3,326,522	3,326,522
		<u>7,500</u>	<u>7,500</u>
		<u>3,334,022</u>	<u>3,334,022</u>

5.1 This security deposit was provided to Gujranwala Electric Power Company Limited (GEPCO) in 2009 for the installation of an electric meter, transformer, electric cables, and other connection-related items for the Gujranwala Business Centre.

6 SHORT TERM INVESTMENT

IPS account - deposit	<u>19,486,610</u>	<u>12,206,275</u>
	<u>19,486,610</u>	<u>12,206,275</u>

Investor Portfolio Securities (IPS) represents government securities - Treasury Bills (T-bills) purchased by the company. This IPS account is maintained with HBL that is authorized by the State Bank of Pakistan (SBP) for purchase of Govt. Securities. These Treasury Bills carry markup at the rate of 20.9% P.A (2023: 21.9%)

7 TRADE AND OTHER RECEIVABLES

Receivable against rent	254,220	1,147,604
Receivable against electricity	<u>721,119</u>	<u>409,009</u>
	<u>975,339</u>	<u>1,556,613</u>

Under IFRS 9, the Expected Credit Loss (ECL) model is generally required to assess impairment for financial assets. However, when the credit period is less than 30 days credit risk is minimal and had ECL model been applied on these receivables, it would have had an immaterial effect on their carrying values. Further, these amounts have subsequently been verified and cleared in the normal course of the business.

8 ADVANCES, DEPOSITS AND PREPAYMENTS

Advance to employee	37,500	187,500
Advance income tax	<u>3,331,022</u>	<u>2,028,841</u>
	<u>3,368,522</u>	<u>2,216,341</u>

9 CASH AND BANK BALANCES

Cash at bank:		
Current account	<u>3,978,340</u>	<u>3,228,127</u>
	3,978,340	3,228,127
Cash in hand	<u>39,277</u>	<u>89,170</u>
	<u>4,017,617</u>	<u>3,317,297</u>

10 DEFERRED LIABILITIES

Gratuity payable	10.1	<u>960,383</u>	<u>775,115</u>
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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.

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	Note	2024 Rupees	2023 Rupees
		1,200,000	1,111,143
	11.1	-	210,918
		1,200,000	1,322,061
	11.2	-	(101,394)
		1,200,000	1,220,667
		-	70,322
		-	178,010
		-	248,918

is held in a separate bank account as required by Section 217 of the Companies Act, 2017, at short-term advances (one year) received from tenants under tenancy agreements, which may occur in case of rent payment default. However, the company has not utilized these funds.

LOAN AND OTHER LIABILITIES

	12.1	1,313,409	819,502
		792,324	-
	12.2	4,076,200	-
		6,181,933	819,502

Liabilities		748,954	426,415
Payable		3,824	3,824
Provision charges payable		3,319	-
Provision for internet charges		812	1,250
Provision for honorarium		-	230,103
Provision for promotional expense		221,500	150,000
Provision for RGD fee		230,000	-
		1,313,409	819,502

amount represents advance payments received from companies and businesses for stall activities aimed at promoting their products to local and international delegates. The Company recognizes the revenue evenly over 12 months as the services are rendered.

CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments during the year ended June 30, 2024 (2023: Nil)

OTHER INCOME

Electricity collection	14.1	-	119,237
		-	119,237

charged tenants for electricity (due to GEPSCO's overcharging), and this amount was collected. However, GEPSCO adjusted the overcharge, and this adjustment was recorded as other income in the

Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
15 ADMINISTRATIVE AND GENERAL EXPENSES			
Key management personnel remuneration			
Salaries, wages and other benefits	15.1	489,000	498,000
Gratuity expense	15.2	3,451,143	2,768,964
Fee and subscription		185,268	161,103
Utilities		1,025	7,175
Communication	15.3	1,995,489	1,225,133
Travelling and conveyance	15.4	83,718	76,274
Honorarium		21,080	24,680
Printing and stationery		281,268	236,103
Entertainment		52,250	40,540
Postage and courier		83,347	104,633
Repair & maintenance		13,811	15,685
Website	15.5	2,852,461	926,610
Promotional		45,540	41,050
Legal & professional charges		611,275	-
Auditor remuneration		132,000	132,000
Exhibition	15.6	221,500	150,000
Depreciation		765,768	-
Miscellaneous	4	2,912,936	3,094,710
		125,135	2,700
		<u>14,324,014</u>	<u>9,505,360</u>
15.1 Key management personnel remuneration			
CEO compensation	15.1.1	-	48,000
BOD remuneration	15.1.2	489,000	450,000
		<u>489,000</u>	<u>498,000</u>
15.1.1 This amount was paid as a compensation to CEO for additional charge on monthly basis.			
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		1,257,588	1,095,270
House rent		565,896	492,851
Medical allowance		148,272	126,114
Conveyance allowance		125,732	109,500
Utility allowance		125,728	109,501
Janitorial services		1,099,927	835,728
Daily wages		128,000	-
		<u>3,451,143</u>	<u>2,768,964</u>
15.3 Utilities			
Electricity expense		1,801,613	1,095,727
Generator fuel		123,859	90,376
Gas charges		23,300	13,500
Water charges		30,500	20,550
Wasa sewerage		16,217	4,980
		<u>1,995,489</u>	<u>1,225,133</u>
15.4 Communication			
Telephone charges		51,071	50,415
Internet charges		32,647	25,859
		<u>83,718</u>	<u>76,274</u>

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
15.5 Repair & Maintenance			
Vehicle		9,480	17,790
Computer		5,650	19,150
Building		2,005,071	831,470
Generator		9,300	7,700
Equipment		740,100	-
Lifts		82,860	50,500
		<u>2,852,461</u>	<u>926,610</u>
15.6 Auditor remuneration			
Audit fee		199,500	130,000
Taxation services		22,000	20,000
		<u>221,500</u>	<u>150,000</u>
16 FINANCE COST			
Bank service charges		<u>4,640</u>	<u>2,883</u>
17 TAXATION	17.1	<u>-</u>	<u>-</u>

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:

	2024		2023	
	Rupees	Rupees	Rupees	Rupees
	Amortized cost	FV-P&L	Amortized cost	FV-P&L
Financial assets				
Security deposits	3,334,022	-	3,334,022	-
Short term investment	19,486,610	-	12,206,275	-
Advances, deposits and prepayments	3,368,522	-	2,216,341	-
Cash and bank balances	4,017,617	-	3,317,297	-
	<u>30,206,771</u>	<u>-</u>	<u>21,073,935</u>	<u>-</u>
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	-
	<u>2,875,376</u>	<u>-</u>	<u>2,875,861</u>	<u>-</u>

Fair values of financial assets and liabilities

The fair value information of current financial assets and liabilities are not disclosed as their carrying values reflected in the financial statements reasonably approximate their fair values.

Financial risk factors

The Company has exposure to the following risks arising from financial instruments:

- 1 Currency risk
- 2 Liquidity risk
- 3 Market risk

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Gujranwala Business Centre
Notes to the Financial Statements
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1 Currency risk

1.1 Price Risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to other price risk.

1.2 Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Note	2024	2023
	Rupees	Rupees
Security deposits	3,334,022	3,334,022
Short term investment	19,486,610	12,206,275
Advances, deposits and prepayments	3,368,522	2,216,341
Cash and bank balances	4,017,617	3,317,297
	<u>30,206,771</u>	<u>21,073,935</u>

Credit risk related to advances, deposits and prepayments is managed by established procedures and controls relating to customers credit risk management. Outstanding receivables are regularly monitored. The maximum credit risk exposure at reporting date is carrying value of financial assets stated above.

Due to Company's long outstanding business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

2 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2024 the Company had cash at bank of Rs. 4,017,617/- (2023: Rs. 3,317,297/-). Further, the Company has a positive capital fund balance position at the year end and management believes the liquidity risk too low.

	Ratings		
	Agency	Short Term	Long Term
Habib Bank Limited	VIS	A-1+	AAA

The carrying value of all financial assets and liabilities reflected in Financial Statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date via following levels.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs.

19 NUMBER OF EMPLOYEES

	2024	2023
Total employees of the Company at the year end (Number)	9	6
Average employees of the Company during the year (Number)	7	6

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Gujranwala Business Centre
Notes to the Financial Statements
For the year ended June 30, 2024

20 CORRESPONDING FIGURES

There has been no significant re-classifications or rearrangement of corresponding figures in these financial statements.

21 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024		2023	
	Rupees	Rupees	Rupees	Rupees
	Chief Executive	Directors	Chief Executive	Directors
Managerial remuneration	-	-	48,000	-
Housing and utilities	-	-	-	-
Participation Fees	-	489,000	-	450,000
	-	489,000	48,000	450,000
Number of persons	-	5	1	5

Executive means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

22 GENERAL

Figures have been rounded off to the nearest rupee.

23 EVENTS AFTER THE REPORTING DATE

There is no any such event after the reporting date that require any adjustment/disclosure in these financial statements.

24 RECOVERABLE AMOUNTS AND IMPAIRMENT

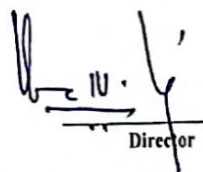
As at the reporting date, recoverable amounts of all assets / cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

25 DATE OF AUTHORIZATION

These financial statements were authorized for issue as on 25 OCT 2024 by the board of directors of the company.

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Chief Executive


Director