

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED
31 MARCH 2015
(UN-AUDITED)**



GRAYS OF CAMBRIDGE (PAKISTAN) LIMITED

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Ameer Khawar Khawaja
 Mr. Khawar Anwar Khawaja (Chief Executive)
 Mr. Khurram Anwar Khawaja
 Mr. Muhammad Tahir Butt
 Mr. Neil Douglas James Gray (Chairman)
 Mr. Omer Khawar Khawaja
 Mr. Paul Douglas Gray
 Mr. Sarfraz Mahmood
 (Alternate to Mr. Neil Douglas James Gray)
 Mr. Fakir Syed Aijaz Uddin
 (Alternate to Mr. Paul Douglas Gray)

AUDIT COMMITTEE

Mr. Ameer Khawar Khawaja
 Mr. Muhammad Tahir Butt
 Mr. Paul Douglas Gray

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE**

Mr. Khurram Anwar Khawaja
 Mr. Khawar Anwar Khawaja
 Mr. Paul Douglas Gray

CORPORATE SECRETARY/CFO

Muhammad Ashraf Butt

HEAD OF INTERNAL AUDIT

Saeed Ahmed Shaheen

AUDITORS

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 Chartered Accountants
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AND WORKS**

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SHARE REGISTRARS

CorpTec Associates (Pvt) Limited
 Share Registrar & Corporate Consultants
 503-E, Johar Town, Lahore.
 Phone: 042-35170336-37
 Fax: 042-35170338

DIRECTORS' REPORT

It gives me great pleasure to present, on behalf of the Board of Directors, the condensed interim financial information (un-audited) for the quarter and nine months ended 31 March 2015.

The sales for the nine months have increased by 3.94% from Rupees 165.637 million to Rupees 172.168 million as compared with the corresponding period. The Company earned gross profit of Rupees 38.599 million as compared to Rupees 37.233 million for the corresponding period.

The share of profit of associated company, Grays Leasing Limited, was recorded at Rupees 0.459 million against Rupees 1.390 million for the corresponding period.

The Company has continued to focus on reassessing the changing needs of the market and investing in product quality and innovation.

Keeping in view the present market situation the directors are satisfied with the results and express their commitment to further improve the business of the company.

The Board places on record its profound gratitude for its valued shareholders and customers, whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the staff and workers of the company.

For and on behalf of the Board



Khawar Anwar Khawaja
Chief Executive

Sialkot: 27 April 2015

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2015

		Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	4	46,894,348	42,093,546
Long term investments	5	28,671,110	28,302,048
Long term deposits		649,803	623,207
		<u>76,215,261</u>	<u>71,018,801</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		811,532	1,512,419
Stock in trade		100,397,276	101,278,533
Trade debts		18,486,545	27,004,079
Advances		15,710,736	14,994,021
Trade deposits and short term prepayments		1,107,916	230,730
Other receivables		15,020,181	12,774,756
Cash and bank balances		22,304,920	10,535,411
		<u>173,839,106</u>	<u>168,329,949</u>
CURRENT LIABILITIES			
Trade and other payables		49,038,939	39,557,139
Provision for taxation		2,057,194	2,255,873
		<u>51,096,133</u>	<u>41,813,012</u>
NET ASSETS			
		<u><u>198,958,234</u></u>	<u><u>197,535,738</u></u>
REPRESENTED BY:			
Share capital and reserves			
Authorized share capital			
10,000,000 (30 June 2014: 10,000,000) ordinary shares			
of Rupees 10 each			
		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up share capital			
7,349,341 (30 June 2014: 7,349,341) ordinary shares			
of Rupees 10 each			
		73,493,410	73,493,410
Reserves		125,464,824	124,042,328
Total equity		<u><u>198,958,234</u></u>	<u><u>197,535,738</u></u>
Contingencies and commitments	6	-	-

The annexed notes form an integral part of this condensed interim financial information.



KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE



MUHAMMAD TAHIR BUTT
DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2015

	Note	Period Ended		Quarter Ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		Rupees	Rupees	Rupees	Rupees
SALES		172,168,039	165,637,026	79,635,881	55,570,137
COST OF SALES	7	(133,569,167)	(128,403,711)	(57,896,113)	(47,553,127)
GROSS PROFIT		38,598,872	37,233,315	21,739,768	8,017,010
DISTRIBUTION COST		(17,096,506)	(15,773,663)	(6,686,295)	(1,903,405)
ADMINISTRATIVE EXPENSES		(17,539,831)	(15,407,222)	(5,790,735)	(5,577,403)
OTHER EXPENSES		(1,089,569)	(646,595)	(595,144)	644,547
		<u>(35,725,906)</u>	<u>(31,827,480)</u>	<u>(13,072,174)</u>	<u>(6,836,261)</u>
		2,872,966	5,405,835	8,667,594	1,180,749
OTHER INCOME		<u>697,561</u>	<u>592,733</u>	<u>197,774</u>	<u>291,087</u>
PROFIT FROM OPERATIONS		3,570,527	5,998,568	8,865,368	1,471,836
FINANCE COST		<u>(459,899)</u>	<u>(463,734)</u>	<u>(149,240)</u>	<u>(209,095)</u>
		3,110,628	5,534,834	8,716,128	1,262,741
SHARE OF PROFIT OF ASSOCIATED COMPANY		<u>459,459</u>	<u>1,389,823</u>	<u>422,628</u>	<u>1,234,191</u>
PROFIT BEFORE TAXATION		3,570,087	6,924,657	9,138,756	2,496,932
TAXATION					
- Current		(2,057,194)	(1,847,531)	(804,938)	(754,210)
- Share of tax of associate		(112,369)	(79,108)	(59,764)	(14,155)
		<u>(2,169,563)</u>	<u>(1,926,639)</u>	<u>(864,702)</u>	<u>(768,365)</u>
PROFIT AFTER TAXATION		<u><u>1,400,524</u></u>	<u><u>4,998,018</u></u>	<u><u>8,274,054</u></u>	<u><u>1,728,567</u></u>
EARNING PER SHARE - BASIC AND DILUTED		<u>0.19</u>	<u>0.68</u>	<u>1.13</u>	<u>0.24</u>

The annexed notes form an integral part of this condensed interim financial information.



KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE



MUHAMMAD TAHIR BUTT
DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Period Ended		Quarter Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees	Rupees	Rupees	Rupees
PROFIT AFTER TAXATION FOR THE PERIOD	1,400,524	4,998,018	8,274,054	1,728,567
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:	-	-	-	-
Surplus arising on re-measurement of available for sale investment	21,972	103,673	(966)	27,154
Other comprehensive income for the period	21,972	103,673	(966)	27,154
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,422,496</u>	<u>5,101,691</u>	<u>8,273,088</u>	<u>1,755,721</u>

The annexed notes form an integral part of this condensed interim financial information.



KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE



MUHAMMAD TAHIR BUTT
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2015

	SHARE CAPITAL	RESERVES						TOTAL EQUITY
		CAPITAL		REVENUE		TOTAL RESERVES		
		Capital reserve	Fair value reserve	Sub total	General reserve	Unappropriated Profit	Sub total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2013 (Audited)	73,493,410	1,000,000	220,658	1,220,658	104,455,492	4,656,897	109,112,389	183,826,457
Profit for the period ended 31 March 2014	-	-	-	-	-	4,998,018	4,998,018	4,998,018
Other comprehensive income for the period ended 31 March 2014	-	-	103,673	103,673	-	-	-	103,673
Total comprehensive income for the period ended 31 March 2014	-	-	103,673	103,673	-	4,998,018	4,998,018	5,101,691
Balance as at 31 March 2014 (Un-audited)	73,493,410	1,000,000	324,331	1,324,331	104,455,492	9,654,915	114,110,407	188,928,148
Balance as at 30 June 2014 (Audited)	73,493,410	1,000,000	332,243	1,332,243	104,455,492	18,254,593	122,710,085	197,535,738
Profit for the period ended 31 March 2015	-	-	-	-	-	1,400,524	1,400,524	1,400,524
Other comprehensive income for the period ended 31 March 2015	-	-	21,972	21,972	-	-	-	21,972
Total comprehensive income for the period ended 31 March 2015	-	-	21,972	21,972	-	1,400,524	1,400,524	1,422,496
Balance as at 31 March 2015 (Un-audited)	73,493,410	1,000,000	354,215	1,354,215	104,455,492	19,655,117	124,110,609	198,958,234

The annexed notes form an integral part of this condensed interim financial information.



KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE



MUHAMMAD TAHIR BUTT
DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2015

	31 March 2015	31 March 2014
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,570,087	6,924,657
Adjustments for:		
Depreciation on property, plant and equipment	4,366,417	2,692,233
Profit on placement and deposit accounts	(685,433)	(527,220)
Dividend income	(12,128)	(11,550)
Share of profit of associated company	(459,459)	(1,389,823)
Loss / (gain) on disposal of property, plant and equipment	524	(48,162)
Finance cost	459,899	463,734
	3,669,820	1,179,212
Cash generated from operating activities before working capital changes	7,239,907	8,103,869
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	700,887	34,934
Stock in trade	881,257	8,218,670
Trade debts	8,517,534	(1,715,008)
Advances	407,652	2,217,872
Trade deposits and short term prepayments	(877,186)	(250,418)
Other receivables	(2,217,160)	(4,838,106)
	7,412,984	3,667,944
Increase in current liabilities		
Trade and other payables	9,328,425	4,844,551
Cash generated from operations	23,981,316	16,616,364
Finance cost paid	(459,899)	(463,734)
Income tax paid	(3,226,865)	(2,351,875)
Net increase in long term deposits	(26,596)	-
	(3,713,360)	(2,815,609)
Net cash generated from operating activities	20,267,956	13,800,755
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(9,283,840)	(2,469,795)
Proceeds from disposal of property, plant and equipment	116,097	581,750
Net decrease in placement	-	500,000
Profit on deposit accounts and short term placement received	657,168	459,113
Dividend income	12,128	11,550
Net cash used in investing activities	(8,498,447)	(917,382)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(55,363)
Net cash used in financing activities	-	(55,363)
Net increase in cash and cash equivalents	11,769,509	12,828,010
Cash and cash equivalents at the beginning of the period	10,535,411	12,012,747
Cash and cash equivalents at the end of the period	22,304,920	24,840,757

The annexed notes form an integral part of this condensed interim financial information.



KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE



MUHAMMAD TAHIR BUTT
DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE NINE MONTHS ENDED 31 MARCH 2015

1. THE COMPANY AND ACTIVITIES

Grays of Cambridge (Pakistan) Limited was incorporated in Pakistan on 02 June 1964 as a private Company limited by shares under the Companies Act, 1913 (Now Companies Ordinance, 1984) and converted into a public limited Company on 17 April 1986. The Company's shares are quoted on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Small Industries Estate, Sialkot. The Company is engaged in manufacturing and sale of hockey sticks, cricket ball and other quality sports goods.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the nine months ended 31 March 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2014.

3. SIGNIFICANT ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

- 3.1 The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2014.
- 3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- 3.3 During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2014.

4. PROPERTY, PLANT AND EQUIPMENT

	Un-audited 31 March 2015	Audited 30 June 2014
	Rupees	Rupees
Operating fixed assets (Note 4.1)	46,814,348	40,396,546
Capital work-in-progress (Note 4.2)	80,000	1,697,000
	<u>46,894,348</u>	<u>42,093,546</u>

4.1 Operating fixed assets

Opening book value	40,396,546	34,267,177
Cost of additions during the period / year (Note 4.1.1)	10,900,840	11,991,395
Book value of deletions during the period / year (Note 4.1.2)	(116,621)	(2,085,345)
Depreciation charge for the period / year	(4,366,417)	(3,776,681)
Closing book value	<u>46,814,348</u>	<u>40,396,546</u>

4.1.1 Cost of additions during the period / year

Factory building on freehold land	20,412	375,465
Plant and machinery	7,954,898	361,300
Tools and equipment	194,800	-
Electric installations	152,550	2,329,800
Vehicles	2,454,880	8,796,530
Computers	123,300	128,300
	<u>10,900,840</u>	<u>11,991,395</u>

4.1.2 Book value of deletions during the period / year

Electric installations	22,669	-
Vehicles	83,385	2,076,853
Computers	10,567	8,492
	<u>116,621</u>	<u>2,085,345</u>

4.2 Capital work-in-progress

Tools and equipment	80,000	80,000
Plant and machinery	-	1,617,000
	<u>80,000</u>	<u>1,697,000</u>

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

	Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
5. LONG TERM INVESTMENTS		
Under equity method (Note 5.1)	28,306,680	27,959,590
Available for sale (Note 5.2)	364,430	342,458
	<u>28,671,110</u>	<u>28,302,048</u>
5.1 Under equity method		
Grays Leasing Limited - associated company 7,999,999 (30 June 2014: 7,999,999) ordinary shares of Rupees 10 each equity held 37.21% (30 June 2014: 37.21%)		
Share in net assets at the beginning of the period / year	27,959,590	28,037,311
Add: Share in profit / (loss) before taxation for the period / year	459,459	(251,829)
Share in taxation	(112,369)	(148,273)
Share in other comprehensive income	-	322,381
	<u>347,090</u>	<u>(77,721)</u>
Share in net assets at the end of the period / year	<u>28,306,680</u>	<u>27,959,590</u>
5.1.1 Investments in associated company has been tested for impairment under IAS 36 'Impairment of Assets'. The financial statements / condensed interim financial information of the investee company have not been prepared on going concern basis. Break up value per share of the investee company comes to Rupees 3.54 as on 31 March 2015 based on historical cost convention (30 June 2014: Rupees 3.49). Whereas, value per share is Rupees 6.00 (30 June 2014: Rupees 7.29) on the basis of estimated realizable (settlement) values of assets and liabilities respectively of the investee company. The reason for difference in value per share calculated on the basis of two different accounting conventions is the fact that potential lease losses against finance lease receivable are recognized under historical cost convention on the basis of time based criteria prescribed by Securities and Exchange Commission of Pakistan. Whereas, under the other accounting convention, potential lease losses against finance lease receivables are recognized by the investee company based on estimated realizable value of the lease portfolio. Hence, the management believes that the recoverable amount of investment in equity method accounted for associated company is higher than its carrying value and resultantly no impairment loss has been incorporated in this condensed interim financial information.		
5.2 Available for sale		
Sitara Chemical Industries Limited		
1,155 (30 June 2014: 1,155) shares of Rupees 10 each	10,215	10,215
Fair value adjustment (Note 5.2.1)	354,215	332,243
	<u>364,430</u>	<u>342,458</u>
5.2.1 Fair value adjustment		
Opening balance	332,243	220,658
Surplus on re-measurement of available for sale investment	21,972	111,585
	<u>354,215</u>	<u>332,243</u>
6. CONTINGENCIES AND COMMITMENTS		
Commitments	<u>Nil</u>	<u>Nil</u>
Contingencies:		
Post dated cheques issued to Custom authorities amounting to Rupees 1.152 million (30 June 2014: Rupees 0.860 million).		

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
FOR THE NINE MONTHS ENDED 31 MARCH 2015**

7. COST OF SALES	Un-audited			
	Period Ended		Quarter Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees	Rupees	Rupees	Rupees
Raw material consumed	76,952,727	81,326,984	28,928,706	26,484,305
Processing charges - Composite	4,936,372	-	4,156,307	-
Salaries, wages and other benefits	34,410,063	32,765,632	12,461,694	11,012,389
Stores, spare parts and loose tools consumed	721,934	423,613	152,781	87,142
Repair and maintenance	1,142,558	1,715,281	375,931	706,936
Fuel and power	4,766,999	4,690,896	1,599,124	1,549,245
Vehicles running	432,065	529,742	112,049	179,332
Insurance	573,075	569,774	188,236	187,152
Other factory overheads	179,048	217,694	42,658	56,975
Depreciation	2,751,451	1,755,232	992,783	589,651
	<u>126,866,292</u>	<u>123,994,848</u>	<u>49,010,269</u>	<u>40,853,127</u>
Work-in-process				
Opening stock	60,382,355	60,392,451	48,381,227	53,039,256
Closing stock	(48,042,087)	(48,839,256)	(48,042,087)	(48,839,256)
	<u>12,340,268</u>	<u>11,553,195</u>	<u>339,140</u>	<u>4,200,000</u>
Cost of goods manufactured	<u>139,206,560</u>	<u>135,548,043</u>	<u>49,349,409</u>	<u>45,053,127</u>
Finished goods				
Opening stock	15,689,701	13,017,259	29,873,798	22,661,591
Closing stock	(21,327,094)	(20,161,591)	(21,327,094)	(20,161,591)
	<u>(5,637,393)</u>	<u>(7,144,332)</u>	<u>8,546,704</u>	<u>2,500,000</u>
	<u>133,569,167</u>	<u>128,403,711</u>	<u>57,896,113</u>	<u>47,553,127</u>

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, key management personnel and staff retirement fund. Detail of transactions with the related parties is as follows:

	Un-audited	
	Period Ended	
	31 March 2015	31 March 2014
	(Rupees in million)	
Associates		
Sale of goods	92.945	78.658
Processing Charges	4.936	-
Others		
Remuneration of key management personnel	6.832	5.677
Contribution to provident fund trust	0.988	0.871

9. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2014.

10. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 April 2015.

11. CORRESPONDING FIGURES

There are no material reclassifications of comparative figures.



KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE



MUHAMMAD TAHIR BUTT
DIRECTOR

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UNDER
POSTAL
CERTIFICATE

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