

ANNUAL REPORT 2016



GOC (PAK) LIMITED



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CORPORATE INFORMATION

| | |
|--|---|
| BOARD OF DIRECTORS | Mr. Khawar Anwar Khawaja (Chief Executive) Mr. Khurram Anwar Khawaja (Chairman) Mr. Muhammad Tahir Butt Mr. Ameer Khawar Khawaja Mr. Omer Khawar Khawaja Mrs. Nuzhat Khawar Khawaja Dr. Aamir Matin |
| AUDIT COMMITTEE | Dr. Aamir Matin Mr. Muhammad Tahir Butt Mr. Ameer Khawar Khawaja |
| HUMAN RESOURCE AND REMUNERATION COMMITTEE | Dr. Aamir Matin Mr. Khurram Anwar Khawaja Mr. Khawar Anwar Khawaja |
| CORPORATE SECRETARY/CFO | Muhammad Ashraf Butt |
| HEAD OF INTERNAL AUDIT | Saeed Ahmad Shaheen |
| AUDITORS | HLB Ijaz Tabussum & Company Chartered Accountants S-8, Ahmed Arcade, 161-Ferozepur Road, Lahore. Phone: (042) 37503257 - 8 Fax: (042) 37580098-37575510 E-mail: matabussum@yahoo.com |
| REGISTERED OFFICE AND WORKS | Small Industries Estate, Sialkot 4, Pakistan Phone: (052) 3555338-3563051-3563052 Fax: (052) 3551252 E-mail: info@gocpak.com Website: www.gocpak.com |
| SHARE REGISTRARS | CorpTec Associates (Pvt) Limited 503-E, Johar Town, Lahore. Phone: (042) 35170336-7 Fax: (042) 35170338 |

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ASSOCIATED COMPANIES

In Pakistan

Grays Leasing Limited
Head Office:
701-A, 7th Floor, City Towers
7K Gulberg II, Lahore
Tel: (042) 35770382-7
Fax: (042) 35770389
E-mail: gll@ms.net.pk

Liaison Offices:

Small Industries Estate,
Shahabpura Road, Sialkot
Tel: (052) 3554531
Fax: (052) 3551252
E-mail: grays@cyber.net.pk

15-A, Al Mubashar Apartment
Block – 13-C, Gulshan-e-Iqbal
Karachi
Tel: (021) 34293974
Fax: (021) 34965085

Anwar Khawaja Industries (Private) Limited
Small Industries Estate, Sialkot 51310
Tel: (052) 3551004, 3554531, 3554535
Fax: (052) 3553609

Anwar Khawaja Composites
Sadra Badra Daska Road, Sialkot
Tel: (052) 3575476-3575390

VISION

GOC (Pak) is the Internationals' First Choices; and we continuously strive to maintain this edge through building a sustainable relationship with them all over the globe by establishing and maintaining a strong production and marketing network with a team of adroit, enchanting, and skillfull craftsmen and experienced professionals.

We aim at the best of our Customer's Satisfaction. We also aim at a sustainable growth to ensure our company's prosperous future & healthy returns to all our stakeholders.

MISSION

To endeavour consistently to be a dynamic, profitable and growth oriented company through excellence in all spheres of business activities optimizing value for our associates and shareholders.

To seek a high standard of performance and to strive for a long-term leadership position through operating efficiency and dedicated service to customers in a competitive environment.

To be an exemplary corporate citizen maintaining high moral standards and fulfilling its social responsibilities. GOC firmly believes in behavioral conformance.

To create further opportunities for employees at all levels so that they become a real team of dedicated workers and professionals who are rewarded according to their ability and performance; honesty, integrity and talent are the only pre-requisites.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting of the members of GOC (Pak) Limited will be held at its Registered Office, Small Industries Estate, Sialkot on Saturday, the October 29, 2016 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last meeting.
2. To receive, consider and adopt Audited Accounts of the Company for the year ended June 30, 2016 together with the Auditors' and Directors' Reports thereon.
3. To approve the payment of final cash dividend @ Rs. 2.10 per share (21%) for the year ended June 30, 2016 as recommended by the Directors.
4. To appoint auditors and fix their remuneration for the year ending June 30, 2017. The present auditor Messrs HLB Ijaz Tabussum & Company, Chartered Accountants, Lahore, being eligible, offer themselves for reappointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution as special resolution with or without modification(s), addition(s) or deletion(s) to alter the Articles of Association of the company:

"RESOLVED that in accordance with the provisions of Section 28 and other applicable provisions of the Companies Ordinance, 1984 and subject to requisite permission and clearance, the following new Article 76A be and is hereby inserted after the existing Article 76 in the Articles of Association of the company:

76A. Electronic Voting:

- I. This article shall only be applicable for the purposes of electronic voting;
- II. The company shall comply with the mandatory requirements of law regarding the use of electronic voting by its members at general meetings. Members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this article."

"RESOLVED FURTHER that the Company Secretary be and is hereby authorized to take or cause to be taken any and all actions necessary and make necessary filings and complete legal formalities as may be required to implement this resolution."

6. To consider dissemination of annual audited accounts through CD/DVD/USB instead of transmitting the same in the form of hard copies. However, for convenience of shareholder Standard Request Form will be uploaded on company website for those who opt to receive Annual Audited Accounts at their registered addresses or through email:

"RESOLVED that dissemination of information regarding annual audited accounts to the shareholders in soft form i.e CD/DVD/USB as notified by Securities & Exchange Commission of Pakistan vide its SRO 470(I)/2016 dated May 31, 2016 be and is hereby approved."

7. To transact any other business with the permission of the Chair.



By Order of the Board
(Muhammad Ashraf Butt)
Company Secretary

Sialkot: October 08, 2016

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Notes:

1. The share transfer books of the Company will remain closed from October 22, 2016 to October 29, 2016 (both days inclusive). Transfers received in order at the office of the Company's Shares Registrar, Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore at the close of business on October 21, 2016 will be treated in time for purposes of payment of the final cash dividend (subject to approval of the Members) and to attend and vote at the Meeting.

2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/ her behalf, provided such proxy is also a Member.

3. An instrument of proxy and the Power of Attorney or other authority (if any) under which it is signed, or a Notary Public certified copy of such Power of Attorney, in order to be valid, must be deposited with the Company's Shares Registrar, Corptec Associates (Private) Limited not later than (48) forty-eight hours before the time of holding the Meeting.

4. CDC account holders will in addition have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for attending the Meeting:

(i) In case of individuals: The account holder or sub account holder and / or the person whose securities are registered on CDS; and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or original passport at the time of attending the Meeting. The Members are also required to bring their Participants' I.D. number and account numbers in CDS.

(ii) In case of corporate entity: The Board of Directors Resolution / Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

5. Submission of copy of CNIC (Mandatory)

The Securities and Exchange Commission of Pakistan (SECP) vide their SRO 779(I)/2011 dated August 18, 2011 has directed the company to print your CNIC number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with the regulatory requirement, you are requested to kindly send photocopy of your CNIC to your Participant / Investor Account Services or to us (in case of physical shareholding) immediately to Company's Shares Registrar, Corptec Associates (Private) Limited.

Statement under Section 160 (1) (B) of the Companies Ordinance, 1984

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the company to be held on 29 October 2016.

Item 5 of agenda: Insertion of Article 76A in the Articles of Association

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 76A therein which will give the members option to be part of the decision making in the general meeting of the company through electronic means.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the company.

Original and amended copies of the Articles of Association have been kept at the registered office of the company which can be inspected on any working day during usual business hours till the date of annual general meeting.

Item 6 of agenda: Dissemination of information regarding Annual Audited Accounts to the shareholders through CD/DVD/USB

In order to implement SECP directions with respect to transmission / circulation of information such as annual audited accounts through CD/DVD/USB instead of hard copies, resolution is part of the notice for concurrence of shareholders to adopt the newly introduced mode of transmission.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the company.

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COMPANY PROFILE

INDUSTRIAL PROFILE

GOC (Pak) Limited was incorporated in Pakistan on June 02, 1964 to incarnate a strong yearn of Late Anwar Khawaja, the first Managing Director of the Company, of making the WORLD'S BEST hockey stick in collaboration with Messrs H.J. Gray & Sons of Cambridge, England [presently named as "Grays of Cambridge (International) Limited" under an agreement made and signed in 1963.

The formal inauguration of this Pak-British joint enterprise was held on May 08, 1965 although the unit commenced its commercial production on April 01, 1965 under the elite supervision of an English technician, Mr. D. Fosket who had actually made hockey sticks with his own hands for more than half a century. This great expert gave training to Pakistani workers and carved them into a team of adroit and enchanting craftsmen by inculcating them with all his expertise, elegance and excellence.

During 1983, while the Company continued progressively conventional hockey sticks (around 90,000 sticks a year), the management acquired technical know-how from Mr. Toon Coolen of Netherlands and started making a Novelty Stick with a U-Shaped head approved by the Rules Committee of the International Hockey Federation. By virtue of this blending mechanization with the skills of the local craftsmen, the hockey sticks produced by this unit have met with a global acceptance as the best ever-made and the venture proved to be an International success. The fact that the first mark of 17,590 hockey sticks produced and exported during 1965 has culminated to its present volume of more than hundred thousand sticks a year has evidently placed GOC (PAK) fairly and squarely on the World Hockey Map.

Equally important was the year 1973 which also witnessed expansion in Company's Product Line. A Cricket Ball manufacturing unit was established to produce balls with the World's most famous brand names "DUKE & SONS" and "GRAY-NICOLLS". This unit has also shown a tremendous growth as evidenced by rising production of completely hand-sewn cricket balls from a few thousand in its first year of inception to more than hundred thousand a year at present. These balls are being used in first class as well as the Test Cricket in Pakistan and abroad.

The Company has a global net work of marketing agents as well as a full fledged quality control wing consisting of on job trained supervisors headed by a professional, all working under a regular control of the Company's Chief Executive / Technical Director Mr. Khawar Anwar Khawaja who did his B.E. from the University of Engineering and Technology, Lahore.

CORPORATE PROFILE

The Company which was incorporated as a private limited went public in April 1986 and was listed on Pakistan Stock Exchange in January 1987. The issue was very well received by public and was over-subscribed by 200 times, a record response by public. Since then, the share of the Company has a very strong demand which is well supported by the fact that its 10 rupees shares has touched a 450 rupees price and is being quoted at rupees 85.00 at present.

At the same time, a plan for diversification in financial and economic activities is also underway, and as a result thereof, the Company co-sponsored a leasing company named GRAYS LEASING LIMITED, listed on Pakistan Stock Exchange with an equity capital of 100 million Rupees which was also over subscribed even under the prevailing crunch in the investment market.

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The financial performance of the Company is also revealed by a simple statistic that the shareholders' equity was 225 thousand rupees in 1965 and 257 million rupees in 2016 in spite of high payouts.

| YEAR | CASH DIVIDEND | BONUS SHARES |
|------|---------------|--------------|
| 2007 | 175 Percent | - |
| 2008 | 100 Percent | - |
| 2009 | 25 Percent | 350 Percent |
| 2010 | 25 Percent | - |
| 2011 | 10 Percent | - |
| 2012 | - | - |
| 2013 | - | - |
| 2014 | - | - |
| 2015 | 20 Percent | - |
| 2016 | 21 Percent | - |

The Company has been declared as one of the Top 25 Companies by the Pakistan Stock Exchange for eight consecutive years from 1989 to 1996. For the years 1997 and 1998, company was not ranked among Top 25 Companies just for lack of some membership criteria. For 1999 to 2002 it has again been ranked among the Top 25 Companies.

GOC (PAK), under the chairmanship of Mr. Khurram Anwar Khawaja and Chief Executive Officer, Mr. Khawar Anwar Khawaja, has pledged itself to very strong commitment to realism and honesty with its principals which legislates for the benefits of the public and not least of the sports and sportsmen.

During the year, Anwar Khawaja Industries (Private) Limited entered into a share purchase agreement with Mr. Neil Douglas James Gray, Mr. Richard William Gray, Mr. Paul Douglas Gray, Mr. Nicholas John Gray and M/s Grays of Cambridge (International) Limited for the purchase of 2,939,979 Ordinary Shares of GOC (Pak) Limited *formerly* Grays of Cambridge (Pakistan) Limited at a price of Rs. 55.00 per share. In addition, pursuant to the Securities Act, 2015, Anwar Khawaja Industries (Private) Limited acquired 17,325 shares by way of public offer of ordinary shares of GOC (Pak) Limited *formerly* Grays of Cambridge (Pakistan) Limited from a shareholder.

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DIRECTORS' REPORT

It gives me great pleasure to present you the Annual Report for the year ended 30 June 2016 of the GOC (Pak) Limited along with the audited financial statements and the Auditors' Report thereon. The statement of compliance with best practices of Code of Corporate Governance and the Auditors' Report thereon are also given for your perusal.

NATIONAL ECONOMY

The financial year 2016 remained challenging for the Pakistan economy. Large scale manufacturing remained victim of lower domestic demand. The domestic environment is still affected by the intensification of war on terror and volatile security situation while external environment is affected by uncertainties, financial crunch in European Union surrounding external inflows.

The government should extend its support to industry in order to revive exports of the country which have fallen sharply. Measures such as rationalizing the currency exchange rates, lowering the energy cost, providing uninterrupted supply of energy to industries, timely payment of sale tax, income tax and custom duty refunds are required to improve the situation.

PERFORMANCE REVIEW

During the year under review the over all sales volume increased by 9.01% as compared with the previous year. Export sales of cricket balls and accessories have increased whereas export sales of composite and wooden hockey sticks have declining trend. In future we expect decline trend in the sale of wooden hockey sticks because of the introduction of composite sticks and is likely to continue.

We kept on putting efforts for increasing our share in the composite sticks market and to make it possible we kept our focus on research and development which resulted in very good feedback from the customers and international players.

The Company overheads remained under control due to management strategies despite of inflationary trend in the cost of inputs.

In order to increase our market share in an increasingly competitive environment, the Company has continued to invest heavily in its brands and their distribution. We believe that in the coming years, the Company will need to increase investment in distribution and promotion to withstand challenges surrounding the business environment.

The Company has continued to focus on reassessing the changing needs of the markets and investing in product quality and innovation. These changes along with inherent strength of its diverse product range have helped the Company to attain its overall growth.

Keeping in view the present market situation your directors express their satisfaction over the progress and show determination for gaining the position of one of the top supplier of sports goods in the world.

The financial results in a summarized form are given hereunder:

| | Rupees 2016 | Rupees 2015 |
|-------------------------------|----------------|----------------|
| Profit before taxation | 41,419,092 | 37,770,656 |
| Less : Provision for taxation | | |
| -Current | (3,181,420) | (2,018,660) |
| -Share of tax of associate | (331,007) | 672,339 |
| | (3,512,427) | (1,346,321) |
| Profit after taxation | 37,906,665 | 36,424,335 |
| Earnings per share | 5.16 | 4.96 |

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FUTURE OUTLOOK

Your Company has successfully developed a range of composite sticks and hopefully the sales will grow in this area in the years to come due to which we hope to increase our profitability. We are also further increasing our production capacity of cricket balls with induction of state of the art machinery, increase of skilled labour and work space in the next year. We expect further growth in export of cricket ball in the cricket playing countries like South Africa, Australia and England as well as in local sale in Pakistan.

DIVIDEND

The Directors have recommended payment of cash dividend @ 21 percent i.e. Rs. 2.10 per share. The dividend will amount to Rs. 15.434 million.

GRAYS LEASING LIMITED

GOC (Pak) Limited holds 37.21 percent of the paid up capital of Grays Leasing Limited. The shareholders' equity of this company as on 30 June 2016 is rupees 74.626 million as compared with rupees 75.248 million on June 30, 2015.

CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their Listing Regulations, relevant for the year ended June 30, 2016 have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the report.

MEETINGS OF BOARD OF DIRECTORS

During the year, five meetings of the board were held. Attendance of each director is as under:

| Name of director | Attended | Leave granted |
|--|----------|---------------|
| Mr. Khawar Anwar Khawaja | 5 | - |
| Mr. Khurram Anwar Khawaja | 5 | - |
| Mr. Muhammad Tahir Butt | 5 | - |
| Mr. Ameer Khawar Khawaja | 3 | 2 |
| Mr. Omer Khawar Khawaja | 4 | 1 |
| Mrs. Nuzhat Khawar Khawaja | 1 | 1 |
| Mr. Neil Douglas James Gray | - | 3 |
| Mr. Sarfraz Mahmood (Alternate to Mr. Neil Douglas James Gray) | 3 | - |
| Mr. Paul Douglas Gray | 1 | 2 |
| Dr. Aamir Matin | 1 | 1 |
| Mr. Fakir Syed Aijaz Uddin (Alternate to Mr. Paul Douglas Gray) | 2 | - |

MEETINGS OF AUDIT COMMITTEE

During the year, four meetings of the audit committee were held. Attendance of each director is as under:

| Name of director | Attended | Leave granted |
|--|----------|---------------|
| Dr. Aamir Matin | 1 | 1 |
| Mr. Paul Douglas Gray | - | 2 |
| Mr. Muhammad Tahir Butt | 4 | - |
| Mr. Ameer Khawar Khawaja | 2 | 2 |
| Mr. Fakir Syed Aijaz Uddin (Alternate to Mr. Paul Douglas Gray) | 2 | - |

MEETING OF HUMAN RESOURCE AND REMUNERATION COMMITTEE

During the year, one meeting of the human resource and remuneration committee was held. Attendance of each director is as under:

| Name of director | Attended | Leave granted |
|---------------------------|----------|---------------|
| Dr. Aamir Matin | 1 | - |
| Mr. Khurram Anwar Khawaja | 1 | - |
| Mr. Khawar Anwar Khawaja | 1 | - |

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CORPORATE AND FINANCIAL REPORTING FRAME WORK

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting Framework:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practice of corporate governance as detailed in the listing regulation of the stock exchanges.

INFORMATION SYSTEM

The Company has implemented a computer-based management information system. We have also made significant progress in the development of in-house programs and implementation of new software and its applications which provide a centralized database, support integration between the manufacturing and financial systems, and assist the Company in providing meaningful data in time for management decision making. This system is being continuously reviewed by internal and statutory auditors.

PERSONNEL AND WORKING ENVIRONMENT

Your Company is well aware of the importance of a team of skilled workers and staff. Therefore, in-house programs designed for this purpose are regularly undertaken. Fresh apprentices are trained through on-job practical working methods. At the same time, other important areas like health, safety and better working environment are also being looked after very well.

The Company also affords opportunity to its employees to attend workshops and training seminars arranged by various management training institutions.

RETIREMENT BENEFITS

The Company operates a funded contributory provident fund scheme for its employees. Fair value of investment based on respective un-audited accounts is Rupees 12.303 million (2015: Rupees 11.665 million).

AUDITORS

The present auditors Messrs HLB Ijaz Tabussum & Company, Chartered Accountants, Lahore retire, and being eligible, have offered themselves for re-appointment. The Audit Committee has been recommended their re-appointment.

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data for the last decade is given in a summarized form hereafter this report.

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2016 whose disclosure is required under the reporting framework, is included in the report.

The Directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in the shares of the Company during the year:

During the year, Anwar Khawaja Industries (Private) Limited entered into a share purchase agreement with Mr. Neil Douglas James Gray, Mr. Richard William Gray, Mr. Paul Douglas Gray, Mr. Nicholas John Gray and M/s Grays of Cambridge (International) Limited for the purchase of 2,939,979 Ordinary Shares of GOC (Pak) Limited *formerly* Grays of Cambridge (Pakistan) Limited at a price of Rs. 55.00 per share. In addition, pursuant to the Securities Act, 2015, Anwar Khawaja Industries (Private) Limited acquired 17,325 shares by way of public offer of ordinary shares of GOC (Pak) Limited *formerly* Grays of Cambridge (Pakistan) Limited from a shareholder.

APPRECIATION

Before conclusion, I, on behalf of the Board of Directors, wish to place on record my very special thanks to all whose contributions helped us to achieve this performance.

ON BEHALF OF THE BOARD OF DIRECTORS



Khawar Anwar Khawaja
Chief Executive

Sialkot: October 03, 2016

ڈائریکٹرز رپورٹ

مجھے 30 جون 2016 مختتمہ مالی سال کے نتیجے شدہ حسابات اور ان پر آڈیٹرز کی رپورٹ کیساتھ ساتھ جی اوی (پاک) کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔ کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل اور ان پر آڈیٹرز کی رپورٹ آپ کے مطالعہ کے لئے پیش کی گئی ہے۔

قومی معیشت

مالی سال 2016 پاکستان کی معیشت کیلئے چیلنج بنا رہا۔ بڑے پیمانے پر کی جانبی مالی مینوفیکچرنگ کو مقامی سطح پر طلب میں کمی کا سامنا رہا۔ ملکی حالات ابھی تک دہشت گردی کیخلاف جنگ اور غیر مستحکم سکیورٹی صورت حال سے متاثر ہیں جبکہ بیرون ممالک کی صورتحال غیر یقینی کیفیات اور یورپی یونین کے اطراف میں درآمدی قوم کے مالی بحران سے متاثر ہے۔ ملکی برآمدات جو کہ تیزی سے گر چکی ہیں انکی بحال کیلئے حکومت کو انڈسٹری کی مدد میں اضافہ کرنا چاہئے۔ اقدامات جیسے کہ کرنسی ایکسچینج ریٹ کو مناسب کرنا، توانائی کی قیمت کو کم کرنے، صنعتوں کو توانائی کی بلا تعطل فراہمی، بیلنٹیکس، انکم ٹیکس اور سٹم ڈیوٹی ری فنڈ کی بروقت ادائیگی سے صورتحال کو بہتر کرنے کی ضرورت ہے۔

کارکردگی کا جائزہ

متذکرہ سال کے دوران گزشتہ سال کے مقابلے میں مجموعی طور پر بہتر کے حجم میں 9.01 فیصد اضافہ ہوا۔

کرکٹ گیندوں اور لوازمات کی برآمد فروخت میں اضافہ جبکہ لکڑی اور کمپوزٹس سے بنی ہاکی سٹکس کی برآمد فروخت کے رجحان میں کمی رہی۔

کمپوزٹس سے بنی ہاکی سٹکس متعارف ہونے اور انکو پسند کئے جانے کے باعث مستقبل میں لکڑی کی ہاکی سٹکس کی فروخت میں کمی متوقع ہے۔ ہم کمپوزٹ سٹکس مارکیٹ میں اپنی فروخت بڑھانے کیلئے کوشاں ہیں اور اسے ممکن بنانے کے لئے ریسرچ اور ڈویلپمنٹ کی طرف متوجہ ہیں جس کے نتیجے میں گاہکوں اور انٹرنیشنل کھلاڑیوں کی طرف سے اچھا فیڈ بیک ملا ہے۔ انتظامی حکمت عملی کی وجہ سے، اخراجات کی قیمت میں افراط زر کے رجحان کے باوجود کمپنی اخراجات قابو میں ہیں۔ تیزی سے بڑھتے مسابقتی ماحول میں ہمارے مارکیٹ شیئر میں اضافہ کرنے کیلئے کمپنی نے اپنے برانڈز اور ان کی ڈسٹری بیوشن میں بھاری سرمایہ کاری جاری رکھی ہے۔ ہمیں یقین ہے کہ کاروباری ماحول کے ارد گرد کے چیلنجوں کا سامنا کرنے کے لئے آئیو اے سالوں میں ہمیں کمپنی کی ڈسٹری بیوشن اور پرموشن میں سرمایہ کاری بڑھانے کی ضرورت ہوگی۔ کمپنی مارکیٹوں کی بدلتی ہوئی ضروریات کی جانچ اور مصنوعات کے معیار میں سرمایہ کاری اور جدت طرازی پر توجہ مرکوز کئے ہوئے ہے۔ مختلف اقسام کی پراڈکٹ رینج کی اصلی طاقت کیساتھ ساتھ ان تبدیلیوں نے کمپنی کی مجموعی ترقی کے حصول میں مدد کی ہے۔

مارکیٹ کی موجودہ صورت حال کے پیش نظر آپ کے ڈائریکٹرز کمپنی کی کارکردگی کو مطمئن کا اظہار کرتے ہیں اور پر عزم ہیں کہ دنیا میں کھیلوں کے سامان کے سب سے بڑے سپلائرز کی پوزیشن حاصل کر لیں گے۔

مختصر مالی نتائج درج ذیل ہیں۔

| روپوں میں | روپوں میں | |
|-------------|-------------|----------------------------|
| 2015 | 2016 | |
| 37,770,656 | 41,419,092 | منافع قبل از ٹیکس |
| | | کمی؛ ٹیکسیشن کیلئے فراہمی |
| (2,018,660) | (3,181,420) | کرنٹ (موجودہ) |
| 672,339 | (331,007) | ایسوسی ایٹ کے ٹیکس میں حصہ |
| (1,346,321) | (3,512,427) | منافع بعد از ٹیکس |
| 36,424,335 | 37,906,665 | فی شیئر آمدن |
| 4.96 | 5.16 | |

مستقبل کا نقطہ نظر

آپ کی کمپنی نے کامیابی سے کمپوزٹ سٹکس کی ایک رینج تیار کی ہے اور امید ہے کہ آنے والے سالوں میں انکی فروخت بھی بڑھے گی جس کی وجہ سے منافع میں بھی اضافہ ہوگا۔ ہم آئیو اے سالوں میں جدید مشینری کے استعمال، ہنرمند مزدور اور کام کی جگہ میں اضافہ کر کے کرکٹ کے گیندوں کی پیداواری صلاحیت میں اضافہ کر رہے ہیں۔ ہم پاکستان میں مقامی سطح پر فروخت سمیت کرکٹ کھیلنے والے ممالک جیسا کہ جنوبی افریقہ، آسٹریلیا اور انگلینڈ کو کرکٹ گیندیں برآمد کر کے مزید ترقی کیلئے پرامید ہیں۔

منافع منقسمہ

ڈائریکٹرز نے منافع منقسمہ بحساب 21 فیصد یعنی 2.10 روپے فی شیئر کمپنی کی ادائیگی کی منظوری دی ہے۔ منافع منقسمہ کی کل رقم 15.434 بلین روپے ہوگی۔

گریزیڈنگ لیٹنڈ

جی اوی (پاک) لمیٹڈ، گریزیڈنگ لیٹنڈ کے ادا شدہ سرمائے کا 37.21 فیصد کا حصد رہا ہے۔ اس کمپنی کے حصص یافتگان کی ایکویٹی 30 جون 2016 کو 74.626 بلین روپے ہے بہ نسبت 30 جون

2015 کے جس میں 75.248 بلین روپے تھی۔

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کوڈ آف کارپوریٹ گورننس

کمپنی کی طرف سے 30 جون 2016 مختتمہ سال کیلئے پاکستان سٹاک ایکسچینج کی لسٹنگ کے ضابطہ کار کی طرف سے مقرر کردہ کوڈ آف کارپوریٹ گورننس کی ضروریات کو اپنایا گیا ہے اور ان پر باضابطہ عمل کیا گیا اس سلسلے میں ایک بیان ساتھ لکھا ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ کے پانچ اجلاس منعقد ہوئے، ہر ایک ڈائریکٹر کی حاضری ذیل ہے

| چھٹی | حاضری | ڈائریکٹر کا نام |
|------|-------|---|
| - | 5 | خاور انور خواجہ |
| - | 5 | خرم انور خواجہ |
| - | 5 | محمد طاہر بٹ |
| 2 | 3 | امیر خاور خواجہ |
| 1 | 4 | عمر خاور خواجہ |
| 1 | 1 | نزہت خاور خواجہ |
| 3 | - | نیل ڈگلس جیمز گرے |
| - | 3 | سرفراز محمود (متبادل؛ نیل ڈگلس جیمز گرے) |
| 2 | 1 | پال ڈگلس گرے |
| 1 | 1 | ڈاکٹر عامر متین |
| - | 2 | فقیر سید اعجاز الدین (متبادل؛ پال ڈگلس گرے) |

آڈٹ کمیٹی کے اجلاس

سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے، ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

| چھٹی | حاضری | ڈائریکٹر کا نام |
|------|-------|---|
| 1 | 1 | ڈاکٹر عامر متین |
| 2 | - | پال ڈگلس گرے |
| - | 4 | محمد طاہر بٹ |
| 2 | 2 | امیر خاور خواجہ |
| - | 2 | فقیر سید اعجاز الدین (متبادل؛ پال ڈگلس گرے) |

انسانی وسائل اور معاوضہ کمیٹی کے اجلاس

سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کا ایک اجلاس ہوا، ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

| چھٹی | حاضری | ڈائریکٹر کا نام |
|------|-------|-----------------|
| - | 1 | ڈاکٹر عامر متین |
| - | 1 | خرم انور خواجہ |
| - | 1 | خاور انور خواجہ |

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کے تحت ہم کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک سے متعلق درج ذیل رپورٹ دیتے ہیں۔

- 1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالی گوشوارہ اس کے موجودہ معاملات، آپریشنز کے نتائج اور خالص آمدنی اور ایکویٹی میں تبدیلیوں کا واضح طور پر بتاتے ہیں۔
- 2۔ کمپنی کے کھاتوں کا حساب کتاب مکمل طور پر برقرار رکھا گیا ہے۔

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- 3- مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا گیا ہے، کھاتوں کے اندازے مناسب اور دانشمندانہ فیصلے پر مبنی ہیں۔
- 4- مالی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈز کو ملحوظ خاطر رکھا گیا ہے اور ان سے ہٹ کر کی گئی کوئی بھی تبدیلی مناسب طور پر بیان کی گئی ہے۔
- 5- اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی گئی ہے۔
- 6- کمپنی کی موجودہ جاری صورتحال میں اسکی صلاحیت پر کوئی قابل ذکر شک نہیں ہے
- 7- لسٹنگ کے ضابطہ کار میں تفصیلی طور پر بیان کئے گئے کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی سے انحراف نہیں کیا گیا۔

انفارمیشن سسٹم

کمپنی نے ایک کمپیوٹر بیسڈ مینجمنٹ انفارمیشن سسٹم لاگو کر رکھا ہے۔ ہم نے ان ہاؤس پروگرامز کی ڈویلپمنٹ اور اور نئے سافٹ ویئر اور اسکی اپیلیکیشنز کے نفاذ میں اہم پیش رفت کی ہے جو کہ ایک مرکزی ڈیٹا بیس فراہم کرنے میں یوٹیلٹی اور فنانشل سسٹم کے درمیان انضمام اور انتظامی فیصلہ سازی کیلئے کمپنی کو بروقت باہمی اعداد و شمار فراہم کرنے میں مدد کرتا ہے۔ اندرونی اور قانونی آڈیٹرز اس نظام مسلسل کا جائزہ لے رہے ہیں۔

ورکرز اور کام کرنے کا ماحول

آپ کی کمپنی ہنرمند ورکرز اور عملے کی اہمیت سے اچھی طرح واقف ہے۔ لہذا اس مقصد کے لئے ڈیزائن کئے گئے ان ہاؤس پروگرامز پر باقاعدگی سے عمل کیا جاتا ہے۔ فریش اپرینٹسز کو عملی کام کرنے کے طریقوں کے ذریعے تربیت دی جاتی ہے۔ دوسری طرف صحت، حفاظتی اقدامات اور بہتر کام کرنے کے ماحول کیسے دیگر اہم حصوں کی بھی بہت اچھی طرح سے دیکھ بھال کی جا رہی ہے۔ کمپنی اپنے ملازمین کو مختلف منجمنٹ ٹریننگ انسٹیٹیوٹ کے زیر اہتمام ورکشاپس اور تربیتی سیمینار میں شرکت کے مواقع بھی فراہم کرتی ہے۔

ریٹائرمنٹ پیفمنٹس

کمپنی اپنے ملازمین کے لئے ایک فنڈڈ کنٹری بیوٹری پروویڈنٹ فنڈسکیم چلاتی ہے۔ متعلقہ فیئر فیچ شدہ اکاؤنٹس پر مبنی سرمایہ کاری کی اصل رقم 12.303 ملین روپے ہے جو کہ (2015 میں 11.665 ملین روپے تھی)۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ایچ ایل بی انجائزیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس لاہور سبڈوش ہوری ہے اور اہلیت کی بنا پر انہوں نے دوبارہ تقرر کی پیشکش کی ہے۔ آڈٹ کمیٹی نے ان کی دوبارہ تعیناتی کا فیصلہ کیا ہے۔

کلیدی آپریٹنگ اور مالی اعداد و شمار

گزشتہ دہائی کے کلیدی آپریٹنگ اور مالی اعداد و شمار کا ایک خلاصہ اس رپورٹ میں دیا گیا ہے۔

شیر ہولڈنگ کا نمونہ

30 جون 2016 تک حصص یافتگان کے بعض طبقے کے شیر ہولڈنگ کا نمونہ جن کے انکشافات رپورٹنگ فریم ورک کے تحت ضروری تھے اس رپورٹ میں شامل کیے گئے ہیں۔ ڈائریکٹرز، چیف

ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری انکی بیویوں اور چھوٹے بچوں کی جانب سے کمپنی کے شیر میں سال کے دوران کوئی ٹریڈنگ نہیں ہوئی۔

سال کے دوران انورٹمنٹس اور انڈسٹری (پرائیویٹ) لمیٹڈ نے مسٹر نیل ڈگلس جیوگرے، مسٹر چروڈولیم گرے، مسٹر پال ڈگلس گرے، مسٹر ٹولس جان گرے اور میسرز گریز آف کیمبرج (انٹرنیشنل) لمیٹڈ سے جی او سی (پاک) لمیٹڈ سابقہ گریز آف کیمبرج (پاکستان) لمیٹڈ کے 2,939,979 عام حصص کی جسماں 55.00 روپے فی حصص، حصص خریدنے کا معاہدہ کیا ہے۔ مزید سیکورٹیز ایکٹ 2015 کے تحت انورٹمنٹس اور انڈسٹری (پرائیویٹ) لمیٹڈ نے جی او سی (پاک) لمیٹڈ سابقہ گریز آف کیمبرج (پاکستان) لمیٹڈ کے 17.325 عام حصص، حصص یافتگان سے پبلک آفر کے ذریعے خریدے ہیں۔

اعتراف

میں بورڈ آف ڈائریکٹرز کی جانب سے اپنے ان تمام شرکاء داروں کا خصوصی شکر یہ ادا کرنا چاہتا ہوں جنکی وجہ سے ہم نے یہ کارکردگی حاصل کی۔

بجکم بورڈ

Lawal Ahmad

خاور انور خواجہ

چیف ایگزیکٹو آفیسر

تاریخ: اکتوبر 2016-03

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(Rupees in '000)

| | June 30, 2016 | June 30, 2015 | June 30, 2014 | June 30, 2013 | June 30, 2012 | June 30, 2011 | June 30, 2010 | June 30, 2009 | June 30, 2008 | June 30, 2007 | June 30, 2006 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| INCOME | | | | | | | | | | | |
| Sales and revenues | 266,704 | 243,531 | 229,679 | 198,855 | 186,727 | 180,742 | 137,195 | 107,950 | 137,751 | 142,783 | 136,774 |
| Cost of sales | 177,480 | 164,864 | 161,980 | 142,369 | 133,843 | 131,991 | 111,655 | 80,398 | 89,735 | 84,189 | 73,807 |
| Operating and other costs | 47,805 | 40,896 | 52,019 | 51,365 | 48,029 | 48,705 | 48,438 | 35,749 | 37,128 | 35,328 | 33,848 |
| Taxes on income | 3,512 | 1,346 | 2,404 | 2,671 | 2,656 | 3,116 | (4,637) | (4,984) | 2,770 | 5,693 | 8,386 |
| Profit / (loss) after taxation | 37,907 | 36,424 | 13,275 | 2,451 | 2,199 | (3,070) | (18,261) | (3,213) | 8,117 | 17,572 | 20,732 |
| FINANCIAL POSITION | | | | | | | | | | | |
| Current assets | 239,659 | 210,362 | 168,330 | 149,314 | 153,352 | 144,705 | 141,546 | 124,191 | 121,344 | 157,246 | 166,638 |
| Less: Current liabilities | 52,519 | 50,767 | 41,813 | 29,086 | 35,424 | 26,303 | 20,205 | 18,940 | 19,683 | 21,371 | 17,603 |
| Net working capital | 187,140 | 159,595 | 126,517 | 120,228 | 117,927 | 118,402 | 121,341 | 105,251 | 101,660 | 135,876 | 149,035 |
| Fixed assets and long term deposits | 70,142 | 74,372 | 71,019 | 63,598 | 63,339 | 68,008 | 86,545 | 117,943 | 146,627 | 132,757 | 130,653 |
| Shareholders' equity | 257,283 | 233,967 | 197,536 | 183,826 | 181,266 | 186,410 | 201,181 | 223,194 | 248,287 | 268,632 | 279,688 |
| STATISTICS AND RATIOS | | | | | | | | | | | |
| Bonus shares | - | - | - | - | - | - | - | 350.00 | - | - | - |
| Dividend | 21.00 | 20.00 | - | - | - | 10.00 | 25.00 | 25.00 | 100.00 | 175.00 | 175.00 |
| Profit/(loss) on shareholders' equity | 16.10 | 16.14 | 7.94 | 2.79 | 2.68 | 0.02 | (11.38) | (3.67) | 4.39 | 8.66 | 10.41 |
| Profit/(loss) before tax to sales | 15.63 | 15.54 | 6.84 | 2.61 | 2.61 | 0.02 | (12.71) | (6.09) | 7.86 | 17.91 | 24.38 |
| Current ratio | 4.56 :1 | 4.14 :1 | 4.03 :1 | 5.13 :1 | 4.33 :1 | 5.5 :1 | 7.01 :1 | 6.56 :1 | 6.16 :1 | 7.36 :1 | 9.47 :1 |

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**GOC (PAK) LIMITED [FORMERLY GRAYS OF CAMBRIDGE (PAKISTAN) LIMITED]
STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2016**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of Listing Regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

| Category | Names |
|-------------------------|--|
| Independent Director | Dr. Aamir Matin |
| Executive Directors | Mr. Khawar Anwar Khawaja Mr. Muhammad Tahir Butt Mr. Ameer Khawar Khawaja |
| Non-Executive Directors | Mr. Khurram Anwar Khawaja Mr. Omer Khawar Khawaja Mrs. Nuzhat Khawar Khawaja |

The independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. 2 (Two) casual vacancies occurring on the board were filled up by the directors on the same day.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. Two (2) directors of the Company are exempt from directors' training program due to 14 years of education and 15 years of experience on the board of a listed company. Five (5) remaining directors have completed the directors' training program.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

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Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of 3 members, of whom 1 is independent director and 2 are executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter for the review of interim and final results prior to the approval by the Board of Directors. The terms of reference of the committee have been approved by the Board and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of 3 members, of whom 1 is independent director, 1 is executive director and 1 is non-executive director and the chairman of the committee is an independent director.
18. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year:

2 Executive directors that are members of audit committee will be replaced shortly by non-executive directors.


(KHAWAR ANWAR KHAWAJA)
CHIEF EXECUTIVE

SIALKOT: October 03, 2016

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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IJAZ TABUSSUM & CO.

CHARTERED ACCOUNTANTS

S-8, Ahmed Arcade,
161-Ferozpur Road,
Lahore Pakistan

Tel: 92 - 42-37503257-8
Fax: 92-42-37580098-37575510
E-mail: matabusm@yahoo.com

Other Office:
Islamabad-Karachi
Gujranwala-Peshawar

**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE
WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of GOC (PAK) LIMITED formerly GRAYS OF CAMBRIDGE (PAKISTAN) LIMITED (“the Company”) for the year ended 30, June 2016, to comply with the Listing Regulations of the Pakistan Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The code requires the Company to place before the Audit Committee and upon recommendation of Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. We have not carried out any procedure to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's Compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2016.

matabusm,

HLB IJAZ TABUSSUM & COMPANY
Chartered Accountants
Engagement Partner:
Muhammad Aslam Tabussum



Dated: October 03, 2016
Place: Lahore.

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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IJAZ TABUSSUM & CO.

CHARTERED ACCOUNTANTS

S-8, Ahmed Arcade,
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E-mail: matabussum@yahoo.com

Other Office:
Islamabad-Karachi
Gujranwala-Peshawar

Auditors's Report to the Members

We have audited the annexed balance sheet of M/S GOC (PAK) LIMITED formerly GRAYS OF CAMBRIDGE (PAKISTAN) LIMITED as at June 30, 2016 and the related Profit and Loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

- (a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) In our opinion,
 - (i) The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) The expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give information required by Companies Ordinance, 1984, 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, 2016 and of the profit, its comprehensive income, its cash flows and the changes in equity for the year then ended; and

In our opinion, zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund.

matabussum
HLB IJAZ TABUSSUM & COMPANY
Chartered Accountants
Engagement Partner:
Muhammad Aslam Tabussum



Dated: October 03, 2016
Place: Lahore.

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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BALANCE SHEET AS AT 30 JUNE 2016

| EQUITY AND LIABILITIES | NOTE | 2016 Rupees | 2015 Rupees |
|---|------|---------------------------|---------------------------|
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 10,000,000 (2015: 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 | 3 | 73,493,410 | 73,493,410 |
| Reserves | | <u>183,789,230</u> | <u>160,473,426</u> |
| Total equity | | 257,282,640 | 233,966,836 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 4 | <u>49,337,186</u> | <u>48,748,298</u> |
| Provision for taxation | | <u>3,181,420</u> | <u>2,018,660</u> |
| Total liabilities | | 52,518,606 | 50,766,958 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 5 | | |
| TOTAL EQUITY AND LIABILITIES | | <u><u>309,801,246</u></u> | <u><u>284,733,794</u></u> |

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



KHAWAR ANWAR KHAWAJA
 CHIEF EXECUTIVE

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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| ASSETS | NOTE | 2016 Rupees | 2015 Rupees |
|---|------|---------------------------|---------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 41,303,796 | 45,375,623 |
| Long term investments | 7 | 28,188,818 | 28,346,680 |
| Long term deposits | | 649,803 | 649,803 |
| | | <u>70,142,417</u> | <u>74,372,106</u> |
| CURRENT ASSETS | | | |
| Stores and spare parts | 8 | 1,454,887 | 1,275,527 |
| Stock in trade | 9 | 128,657,739 | 119,136,229 |
| Trade debts | 10 | 16,755,894 | 22,629,007 |
| Advances | 11 | 24,474,037 | 17,142,775 |
| Trade deposits and short term prepayments | 12 | 1,326,110 | 804,286 |
| Other receivables | 13 | 18,209,614 | 16,037,023 |
| Cash and bank balances | 14 | 48,780,548 | 33,336,841 |
| | | 239,658,829 | 210,361,688 |
| TOTAL ASSETS | | <u><u>309,801,246</u></u> | <u><u>284,733,794</u></u> |


MUHAMMAD TAHIR BUTT
 DIRECTOR

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016**

| | NOTE | 2016 Rupees | 2015 Rupees |
|--|------|----------------|----------------|
| SALES | 15 | 265,036,169 | 243,129,864 |
| COST OF SALES | 16 | (177,479,950) | (164,863,562) |
| GROSS PROFIT | | 87,556,219 | 78,266,302 |
| DISTRIBUTION COST | 17 | (12,601,079) | (10,377,938) |
| ADMINISTRATIVE EXPENSES | 18 | (29,725,699) | (26,514,108) |
| OTHER EXPENSES | 19 | (4,352,007) | (3,388,459) |
| | | (46,678,785) | (40,280,505) |
| | | 40,877,434 | 37,985,797 |
| OTHER INCOME | 20 | 1,602,961 | 1,035,265 |
| PROFIT FROM OPERATIONS | | 42,480,395 | 39,021,062 |
| FINANCE COST | 21 | (1,126,627) | (615,936) |
| | | 41,353,768 | 38,405,126 |
| SHARE OF PROFIT/(LOSS) FROM ASSOCIATED COMPANY | 7.1 | 65,324 | (634,470) |
| PROFIT BEFORE TAXATION | | 41,419,092 | 37,770,656 |
| TAXATION | | | |
| -Current | 22 | (3,181,420) | (2,018,660) |
| -Share of tax of associated company | 7.1 | (331,007) | 672,339 |
| | | (3,512,427) | (1,346,321) |
| PROFIT AFTER TAXATION | | 37,906,665 | 36,424,335 |
| EARNINGS PER SHARE - BASIC AND DILUTED | 23 | 5.16 | 4.96 |

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


KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE


MUHAMMAD TAHIR BUTT
DIRECTOR

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

| | 2016 Rupees | 2015 Rupees |
|--|-------------------|-------------------|
| PROFIT AFTER TAXATION | 37,906,665 | 36,424,335 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified to profit or loss | 34,132 | 2,490 |
| Items that may be reclassified subsequently to profit or loss: | | |
| Surplus arising on re-measurement of available for sale investment | 73,689 | 4,273 |
| Other comprehensive income for the period | 107,821 | 6,763 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 38,014,486 | 36,431,098 |

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


KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE


MUHAMMAD TAHIR BUTT
DIRECTOR

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

| | NOTE | 2016 Rupees | 2015 Rupees |
|---|------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 24 | 34,119,456 | 36,276,166 |
| Finance cost paid | | (1,126,627) | (615,936) |
| Income tax paid | | (3,581,491) | (4,505,585) |
| Net increase in long term deposits | | - | (26,596) |
| Net cash from operating activities | | 29,411,338 | 31,128,049 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (2,117,848) | (9,393,940) |
| Proceeds from disposal of property, plant and equipment | | 1,263,000 | 116,097 |
| Profit on deposit accounts | | 1,094,895 | 990,535 |
| Dividend income | | 10,395 | 12,128 |
| Net cash from investing activities | | 250,442 | (8,275,180) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | (14,218,073) | (51,439) |
| Net cash used in financing activities | | (14,218,073) | (51,439) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 15,443,707 | 22,801,430 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | | 33,336,841 | 10,535,411 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | | 48,780,548 | 33,336,841 |

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


KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE


MUHAMMAD TAHIR BUTT
DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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| | RESERVES | | | | | | | TOTAL EQUITY | |
|--|---------------|-----------------|--------------------|-----------|-----------------|-----------------------|----------------|--------------|--------------|
| | CAPITAL | | | REVENUE | | | TOTAL RESERVES | | |
| | SHARE CAPITAL | Capital reserve | Fair value reserve | Sub total | General reserve | Unappropriated profit | | | Sub total |
| Balance as at 30 June 2014 | 73,493,410 | 1,000,000 | 332,243 | 1,332,243 | 104,455,492 | 18,254,593 | 122,710,085 | 124,042,328 | 197,535,738 |
| Profit for the year | - | - | - | - | - | 36,424,335 | 36,424,335 | 36,424,335 | 36,424,335 |
| Other comprehensive income for the year | - | - | 4,273 | 4,273 | - | 2,490 | 2,490 | 6,763 | 6,763 |
| Total comprehensive income for the year | - | - | 4,273 | 4,273 | - | 36,426,825 | 36,426,825 | 36,431,098 | 36,431,098 |
| Balance as at 30 June 2015 | 73,493,410 | 1,000,000 | 336,516 | 1,336,516 | 104,455,492 | 54,681,418 | 159,136,910 | 160,473,426 | 233,966,836 |
| Final Dividend for the year ended 30 June 2015 @ Rs. 2/- per share | - | - | - | - | - | (14,698,682) | (14,698,682) | (14,698,682) | (14,698,682) |
| Profit for the year | - | - | - | - | - | 37,906,665 | 37,906,665 | 37,906,665 | 37,906,665 |
| Other comprehensive income for the year | - | - | 73,689 | 73,689 | - | 34,132 | 34,132 | 107,821 | 107,821 |
| Total comprehensive income for the year | - | - | 73,689 | 73,689 | - | 37,940,797 | 37,940,797 | 38,014,486 | 38,014,486 |
| Balance as at 30 June 2016 | 73,493,410 | 1,000,000 | 410,205 | 1,410,205 | 104,455,492 | 77,923,533 | 182,379,025 | 183,789,230 | 257,282,640 |

(Rupees)

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


KHAWAR ANWAR KHAWAJA
CHIEF EXECUTIVE


MUHAMMAD TAHIR BUTT
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. THE COMPANY AND ITS OPERATIONS

GOC (Pak) Limited [formerly Grays of Cambridge (Pakistan) Limited] ("the Company") 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 April 17, 1986. The Company's shares are quoted on the Pakistan Stock Exchange. 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. Name of the Company changed to GOC (Pak) Limited with effect from 11 May 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value.

c) Critical accounting estimates and judgments

The preparation of financial statements 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. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Impairment of investment in an associated company

In making an estimate of recoverable amount of the Company's investment in associated company, the management considers future cash flows and an estimate of the terminal value of this investment.

d) Standards that are effective in current year and are relevant to the Company

The following standards are mandatory for the Company's accounting periods beginning on or after 01 July 2015:

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Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. This standard does not have significant impact on these financial statements.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

e) Amendments to published standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered 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.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2016 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

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IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 10 and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 – 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 'Interim Financial Reporting', which is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. The amendment is unlikely to have a significant impact on the Company's financial statements and has therefore not been analyzed in detail.

2.2 Staff retirement benefits

The Company operates a funded contributory provident fund scheme for its employees. Equal monthly contributions are made both by the Company and employees at the rate of 6.25 percent of the basic salary to the fund.

2.3 Taxation

Current

The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax has been made in the financial statements accordingly. However, tax on other income is based on taxable income at the current rates after considering the rebates and tax credits available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

However, provision for the deferred income tax is not considered necessary as the company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future.

2.4 Provisions

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

2.5 Property, plant, equipment and depreciation

Owned

These are stated at cost less accumulated depreciation and any identified impairment loss except freehold land and capital work-in-progress which are stated at cost less any identified impairment loss. Cost of property, plant and equipment consists of historical cost and other directly attributable costs of bringing the assets to working condition.

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 benefit associated with the item will flow to the company and cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Leased

Leasehold land is stated at cost less the amount amortized over the lease period in equal proportions.

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Depreciation

Depreciation is charged to income applying the reducing balance method so as to write off the cost / depreciable amount of property, plant and equipment over their expected useful lives. Depreciation on additions is charged from the day on which the assets are available for use and on deletions up to the day on which the assets are disposed off. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying value of the asset) is included in the income statement in the year the asset is derecognized.

2.6 Investments

The Company assess at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exist, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investment in associate, which is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

Equity investment in associated company

Investment in associate is valued using equity method in accordance with the IAS 28 "Investments in Associates".

Other investments

The other investments made by the Company are classified for the purpose of measurement in to the following categories:

Held to maturity

Investments with fixed or determinable payments and fixed maturity are classified as held to maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for undefined period are not included in this classification. Other long term investments that are intended to be held-to-maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

Investment at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

2.7 Inventories

Inventories, except for stock in transit and waste stock are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores and spare parts

Useable stores and spare parts are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw material is based on moving average cost.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make a sale.

2.8 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value 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.

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2.9 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.10 Foreign currency transactions

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

2.11 Financial instruments

Financial instruments carried on the balance sheet include investment, placement, deposits, trade debts, other receivables, cash and bank balances and trade and other payables. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for 'financial instruments at fair value through profit or loss' which are initially measured at fair value.

The particular measurement methods adopted are disclosed in the following individual policy statements associated with each item. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial assets. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit and loss account currently.

Financial assets and liabilities are offset and the net amount is reported in the financial statements when the Company has a legally enforceable right to offset and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximates their fair value. For the purposes of the cash flow statement, cash equivalents comprise cash in hand, cash at banks and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.13 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.14 Revenue recognition

Revenue from sales is recognized on dispatch of goods to customers. Profit on deposits with banks is recognized on a time proportion basis taking into account the principal outstanding and rate of profit / interest applicable thereon. Dividend on equity investments is recognized as income when the Company's right to receive such dividend has been established.

2.15 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.16 Share capital

Ordinary shares are classified as equity.

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| 3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL | | | 2016 | 2015 |
|---|------------------|---|-------------------|-------------------|
| 2016 | 2015 | NOTE | Rupees | Rupees |
| Number of shares | | | | |
| 204,700 | 204,700 | Ordinary shares of Rupees 10 each fully paid up in cash | 2,047,000 | 2,047,000 |
| 4,400 | 4,400 | Ordinary shares of Rupees 10 each fully paid up for consideration other than cash | 44,000 | 44,000 |
| 7,140,241 | 7,140,241 | Ordinary shares of Rupees 10 each issued as fully paid bonus shares | 71,402,410 | 71,402,410 |
| <u>7,349,341</u> | <u>7,349,341</u> | | <u>73,493,410</u> | <u>73,493,410</u> |
| 3.1 Anwar Khawaja Industries (Private) Limited associated undertakings holds 3,473,231 (2015: 367,492) ordinary shares of Rupees 10 each. | | | | |
| 4. TRADE AND OTHER PAYABLES | | | | |
| Trade creditors | | 4.1 | 12,613,554 | 15,566,325 |
| Advances from customers | | | 5,758,934 | 2,795,710 |
| Due to directors | | | 1,748,024 | 2,264,134 |
| Commission payable | | | 15,145,176 | 14,846,468 |
| Payable to employees' provident fund trust | | | 283,741 | 335,161 |
| Unclaimed dividend | | | 1,236,785 | 756,176 |
| Workers' welfare fund | | | 26,885 | 26,885 |
| Workers' profit participation fund | | 4.2 | 2,176,514 | 2,021,322 |
| Accrued liabilities | | | 10,347,573 | 10,136,117 |
| | | | <u>49,337,186</u> | <u>48,748,298</u> |
| 4.1 These include an amount of Rupees 8.720 million (2015: Rupees 5.648 million) due to Anwar Khawaja Composites - related party. | | | | |
| 4.2 Workers' profit participation fund | | | | |
| Balance at the beginning of the year | | | 2,021,322 | 831,434 |
| Allocation for the year | | 19 | 2,176,514 | 2,021,322 |
| | | | 4,197,836 | 2,852,756 |
| Less : Payments to the fund during the year | | | 2,021,322 | 831,434 |
| | | | <u>2,176,514</u> | <u>2,021,322</u> |
| 5. CONTINGENCIES AND COMMITMENTS | | | | |
| Commitments | | | <u>Nil</u> | <u>Nil</u> |
| Contingencies: | | | | |
| i) Post dated cheques issued to the Custom Authorities amounting to Rupees 8.735 million (2015: Rupees 0.56 million). | | | | |
| 6. PROPERTY, PLANT AND EQUIPMENT | | | | |
| Operating fixed assets | | 6.1 | 41,223,796 | 45,295,623 |
| Capital work-in-progress | | 6.2 | 80,000 | 80,000 |
| | | | <u>41,303,796</u> | <u>45,375,623</u> |

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| Rupees | | | | | | | | | | | | |
|-------------------------------|---------------|----------------|-----------------------------------|---------------------|------------------|---------------------|------------------------|------------------------|-------------|-------------|---------------|--------------|
| | Freehold Land | Leasehold Land | Factory Building on Freehold Land | Plant and Machinery | Office Equipment | Tools and Equipment | Electric Installations | Furniture and Fixtures | Vehicles | Computers | Security Arms | TOTAL |
| As at 30 June 2014 | | | | | | | | | | | | |
| Cost | 5,371,287 | 164,219 | 25,829,381 | 19,264,778 | 972,295 | 9,043,397 | 6,915,143 | 3,089,525 | 12,534,837 | 3,033,551 | 22,800 | 86,241,213 |
| Accumulated depreciation | - | (39,809) | (19,061,753) | (10,597,024) | (746,940) | (4,680,250) | (4,295,112) | (1,993,307) | (1,694,507) | (2,716,304) | (19,661) | (45,844,667) |
| Net book value | 5,371,287 | 124,410 | 6,767,628 | 8,667,754 | 225,355 | 4,363,147 | 2,620,031 | 1,096,218 | 10,840,330 | 317,247 | 3,139 | 40,396,546 |
| Year ended 30 June 2015 | | | | | | | | | | | | |
| Opening net book value | 5,371,287 | 124,410 | 6,767,628 | 8,667,754 | 225,355 | 4,363,147 | 2,620,031 | 1,096,218 | 10,840,330 | 317,247 | 3,139 | 40,396,546 |
| Additions | - | - | 20,412 | 7,987,498 | - | 194,800 | 163,750 | - | 2,521,180 | 123,300 | - | 11,010,940 |
| Disposals: | | | | | | | | | | | | |
| Cost | - | - | - | - | - | (31,090) | (1,277,950) | (57,409) | (140,130) | (937,724) | - | (2,444,303) |
| Accumulated depreciation | - | - | - | - | - | 31,090 | 1,255,281 | 57,409 | 56,745 | 927,157 | - | 2,327,682 |
| Depreciation charge | - | - | - | - | - | - | (22,669) | - | (83,385) | (10,567) | - | (116,621) |
| Closing net book value | 5,371,287 | 121,922 | 6,109,871 | 15,304,205 | 205,735 | 4,136,965 | 1,745,895 | 995,694 | 11,018,877 | 282,280 | 2,892 | 45,295,623 |
| As at 30 June 2015 | | | | | | | | | | | | |
| Cost | 5,371,287 | 164,219 | 25,849,793 | 27,252,276 | 972,295 | 9,207,107 | 5,800,943 | 3,032,116 | 14,915,887 | 2,219,127 | 22,800 | 94,807,850 |
| Accumulated depreciation | - | (42,297) | (19,739,922) | (11,948,071) | (746,560) | (5,070,142) | (4,055,048) | (2,036,423) | (3,897,010) | (1,936,847) | (19,908) | (49,512,327) |
| Net book value | 5,371,287 | 121,922 | 6,109,871 | 15,304,205 | 205,735 | 4,136,965 | 1,745,895 | 995,694 | 11,018,877 | 282,280 | 2,892 | 45,295,623 |
| Year ended 30 June 2016 | | | | | | | | | | | | |
| Opening net book value | 5,371,287 | 121,922 | 6,109,871 | 15,304,205 | 205,735 | 4,136,965 | 1,745,895 | 995,694 | 11,018,877 | 282,280 | 2,892 | 45,295,623 |
| Additions | - | - | - | 102,400 | 542,638 | - | 166,600 | - | 1,160,560 | 145,650 | - | 2,117,848 |
| Disposals: | | | | | | | | | | | | |
| Cost | - | - | - | - | - | - | - | - | (1,668,160) | - | - | (1,668,160) |
| Accumulated depreciation | - | - | - | - | - | - | - | - | 872,824 | - | - | 872,824 |
| Depreciation charge | - | (2,488) | (610,987) | (1,457,662) | (17,656) | (400,437) | (655,378) | (90,476) | (785,336) | (138,999) | (222) | (785,336) |
| Closing net book value | 5,371,287 | 119,434 | 5,498,884 | 13,948,943 | 188,079 | 4,279,166 | 1,257,117 | 905,218 | 9,364,067 | 288,931 | 2,670 | 41,223,796 |
| As at 30 June 2016 | | | | | | | | | | | | |
| Cost | 5,371,287 | 164,219 | 25,849,793 | 27,354,676 | 972,295 | 9,749,745 | 5,967,543 | 3,032,116 | 14,418,287 | 2,364,777 | 22,800 | 95,267,538 |
| Accumulated depreciation | - | (44,785) | (20,350,909) | (13,405,733) | (784,216) | (5,470,579) | (4,710,428) | (2,128,898) | (5,054,220) | (2,075,846) | (20,130) | (54,043,742) |
| Net book value | 5,371,287 | 119,434 | 5,498,884 | 13,948,943 | 188,079 | 4,279,166 | 1,257,117 | 905,218 | 9,364,067 | 288,931 | 2,670 | 41,223,796 |
| Annual rate of depreciation % | - | 1.52 | 10 | 10 | 10 | 10 | 40 | 10 | 20 | 50 | 10 | |

6.1.1 The depreciation charge for the year has been allocated as follows:

| | 2016 | 2015 |
|-----------------------------------|-----------|-----------|
| Rupees | | |
| Cost of sales (Note 16) | 3,390,856 | 3,761,605 |
| Administrative expenses (Note 18) | 2,013,483 | 2,233,637 |
| | 5,404,339 | 5,995,242 |

6.1.2 Detail of operating fixed assets, disposed of during the year is as follows:

| | QUANTITY | COST | ACCUMULATED DEPRECIATION | NET BOOK VALUE | SALE PROCEEDS | GAIN / (LOSS) | MODE OF DISPOSAL | PARTICULARS OF PURCHASER |
|----------------------------|----------|-----------|--------------------------|----------------|---------------|---------------|------------------|--------------------------|
| Vehicle | 1 | 1,592,660 | 826,609 | 766,051 | 1,250,000 | 483,949 | Negotiation | Mr. Adeel Munawar Lahore |
| Toyota Corolla LEC-12-8089 | | | | | | | | |
| Honda CD-70, STK-4553 | 1 | 65,500 | 46,215 | 19,285 | 13,000 | (6,285) | Negotiation | Tuseef Ahmad Stalkot |
| | | 1,658,160 | 872,824 | 785,336 | 1,263,000 | 477,664 | | |

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| | NOTE | 2016 Rupees | 2015 Rupees | | | |
|---|-------------------------|----------------------|----------------|------------|---------|---------------------------------|
| 6.2 Capital work-in-progress | | | | | | |
| Advance against purchase of : | | | | | | |
| Tools and equipment | | 80,000 | 80,000 | | | |
| | | 80,000 | 80,000 | | | |
| 7. LONG TERM INVESTMENTS | | | | | | |
| Under equity method | 7.1 | 27,768,398 | 27,999,949 | | | |
| Available for sale | 7.2 | 420,420 | 346,731 | | | |
| | | 28,188,818 | 28,346,680 | | | |
| 7.1 Under equity method | | | | | | |
| Grays Leasing Limited - associated company | | | | | | |
| 7,999,999 (2015: 7,999,999) ordinary shares of Rupees 10 each | | | | | | |
| equity held 37.21% (2015: 37.21%) | | | | | | |
| Share in net assets at the beginning of the year | | 27,999,949 | 27,959,590 | | | |
| Add: Share in profit/(loss) before taxation | | 65,324 | (634,470) | | | |
| Share in taxation | | (331,007) | 672,339 | | | |
| Share in other comprehensive income | | 34,132 | 2,490 | | | |
| | | (231,551) | 40,359 | | | |
| Share in net assets at the end of the year | | 27,768,398 | 27,999,949 | | | |
| 7.1.1 Summarized financial information of associated company | | | | | | |
| | | (Rupees in thousand) | | | | |
| Name of associated company | Audited / Un-audited | Assets | Liabilities | Net assets | Revenue | Profit / (loss) for the year |
| 2016 | | | | | | |
| Grays Leasing Limited | Audited | 248,032 | 173,406 | 74,626 | 10,222 | (714) |
| 2015 | | | | | | |
| Grays Leasing Limited | Audited | 234,461 | 159,213 | 75,248 | 10,986 | 102 |
| 7.1.2 Grays Leasing Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 on 31 August 1995. Its shares are listed on Pakistan Stock Exchange. It is engaged in leasing business. The quoted fair value of investment of the Company in Grays Leasing Limited as on 30 June 2016 is Rupees 30,959,996 (2015: Rupees 41,759,995). | | | | | | |
| 7.2 Available for sale | | | | | | |
| Sitara Chemical Industries Limited | | | | | | |
| 1,155 (2015: 1,155) ordinary shares of Rupees 10 | | | | | 10,215 | 10,215 |
| Add: Fair value adjustment | 7.2.1 | | | | 410,205 | 336,516 |
| | | | | | 420,420 | 346,731 |
| 7.2.1 Fair value adjustment | | | | | | |
| Opening balance | | | | | 336,516 | 332,243 |
| Surplus on re-measurement of available for sale investment | | | | | 73,689 | 4,273 |
| | | | | | 410,205 | 336,516 |

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| | NOTE | 2016 Rupees | 2015 Rupees |
|---|------|--------------------|--------------------|
| 8. STORES AND SPARE PARTS | | | |
| Stores | | 803,773 | 621,639 |
| Spares | | 651,114 | 653,888 |
| | | <u>1,454,887</u> | <u>1,275,527</u> |
| 9. STOCK IN TRADE | | | |
| Raw materials | | 32,440,734 | 21,878,707 |
| Work-in-process | | 74,201,110 | 64,263,969 |
| Finished goods | | 22,015,895 | 32,993,553 |
| | | <u>128,657,739</u> | <u>119,136,229</u> |
| 10. TRADE DEBTS | | | |
| Considered good | | | |
| Related parties | | | |
| Unsecured (Note 10.1 and Note 10.2) | | 12,076 | 19,125,697 |
| Others | | | |
| Unsecured | 10.3 | 16,743,818 | 3,503,310 |
| | | <u>16,755,894</u> | <u>22,629,007</u> |
| 10.1 Related parties | | | |
| Gray Nicolls, England | | - | 13,700,888 |
| Gray Nicolls, Australia | | - | 5,404,346 |
| Anwar Khawaja Industries (Private) Limited | | 12,076 | 20,463 |
| | | <u>12,076</u> | <u>19,125,697</u> |
| 10.2 As at 30 June 2016, trade debts due from related parties amounting to Rupees 0.012076 million (2015: Rupees 19.126 million) were past due but not impaired. The ageing analysis of these trade debts is as follows: | | | |
| Upto 1 month | | - | 8,331,061 |
| 1 to 6 months | | 12,076 | 10,693,184 |
| More than 6 months | | - | 101,452 |
| | | <u>12,076</u> | <u>19,125,697</u> |
| 10.3 As at 30 June 2016, trade debts of Rupees 15.589 million (2015: Rupees 0.601 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows: | | | |
| Upto 1 month | | 13,819,587 | 60,715 |
| 1 to 6 months | | 1,529,317 | 414,540 |
| More than 6 months | | 240,159 | 125,921 |
| | | <u>15,589,063</u> | <u>601,176</u> |
| 11. ADVANCES | | | |
| Considered good | | | |
| Employees | | 5,887,115 | 4,637,992 |
| Suppliers | | 3,871,568 | 1,907,774 |
| Letter of Credit | | 2,555,514 | - |
| Advance income tax | | 12,159,840 | 10,597,009 |
| | | <u>24,474,037</u> | <u>17,142,775</u> |
| 12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS | | | |
| Deposits | | 1,276,699 | 732,451 |
| Short term prepayments | | 49,411 | 71,835 |
| | | <u>1,326,110</u> | <u>804,286</u> |

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| | NOTE | 2016 Rupees | 2015 Rupees |
|---|---|--------------------|---------------------|
| 13. OTHER RECEIVABLES | | | |
| Duty drawback receivable | | 5,658,013 | 4,326,238 |
| Accrued interest | | 96,128 | 76,121 |
| Insurance claim receivable | | 231,930 | 95,250 |
| Excise duty | | 216,826 | 216,826 |
| Sales tax refundable | | 12,006,717 | 11,322,588 |
| | | <u>18,209,614</u> | <u>16,037,023</u> |
| 14. CASH AND BANK BALANCES | | | |
| Cash in hand | | 704,277 | 624,654 |
| Cash with banks: | | | |
| Current accounts | | 11,641,095 | 5,486,650 |
| Deposit accounts | 14.1 | 36,435,176 | 27,225,537 |
| | | <u>48,076,271</u> | <u>32,712,187</u> |
| | | <u>48,780,548</u> | <u>33,336,841</u> |
| 14.1 | The balance in deposit accounts carries interest ranging from 3.75% to 6.5% per annum (2015: 5% to 10.5% per annum). | | |
| 15. SALES | | | |
| Export | 15.1 | 252,774,845 | 228,990,348 |
| Export rebate | | 4,056,406 | 3,483,557 |
| | | <u>256,831,251</u> | <u>232,473,905</u> |
| Local - net of sales tax | 15.2 | 8,204,918 | 10,655,959 |
| | | <u>265,036,169</u> | <u>243,129,864</u> |
| 15.1 | Export sales include Rupees 0.245 million (2015: Rupees 0.694 million) on account of exchange gain due to currency rate fluctuations relating to export sales. | | |
| 15.2 | Local sales are exclusive of sales tax amounting to Rupees 1.457 million (2015: Rupees 1.819 million). | | |
| 16. COST OF SALES | | | |
| Raw material consumed | 16.1 | 95,485,220 | 111,224,580 |
| Processing charges | | 8,408,741 | 10,227,807 |
| Salaries, wages and other benefits | 16.2 | 58,192,275 | 50,381,210 |
| Stores and spares consumed | | 1,099,141 | 872,930 |
| Repair and maintenance | | 3,086,783 | 2,156,753 |
| Fuel and power | | 5,170,466 | 5,839,150 |
| Vehicles' running | | 567,231 | 561,238 |
| Insurance | | 781,806 | 765,619 |
| Other factory overheads | | 256,914 | 258,136 |
| Depreciation | 6.1.1 | 3,390,856 | 3,761,605 |
| | | <u>176,439,433</u> | <u>186,049,028</u> |
| Work-in-process | | | |
| Opening stock | | 64,263,969 | 60,382,355 |
| Closing stock | | (74,201,110) | (64,263,969) |
| | | <u>(9,937,141)</u> | <u>(3,881,614)</u> |
| Cost of goods manufactured | | <u>166,502,292</u> | <u>182,167,414</u> |
| Finished goods | | | |
| Opening stock | | 32,993,553 | 15,689,701 |
| Closing stock | | (22,015,895) | (32,993,553) |
| | | <u>10,977,658</u> | <u>(17,303,852)</u> |
| | | <u>177,479,950</u> | <u>164,863,562</u> |
| 16.1 Raw material consumed | | | |
| Opening stock | | 21,878,707 | 25,206,477 |
| Purchases during the year | | 106,047,247 | 107,896,810 |
| | | <u>127,925,954</u> | <u>133,103,287</u> |
| Closing stock | | (32,440,734) | (21,878,707) |
| | | <u>95,485,220</u> | <u>111,224,580</u> |
| 16.2 Salaries, wages and other benefits | | | |
| | This includes employer's contribution towards provident fund and bonus of Rupees 0.931 million (2015: Rupees 0.883 million) and Rupees 3.836 million (2015: Rupees 3.677 million) respectively. | | |

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| | NOTE | 2016 Rupees | 2015 Rupees |
|---|--|-------------------|-------------------|
| 17. | | | |
| DISTRIBUTION COST | | | |
| Salaries and other benefits | 17.1 | 1,503,560 | 1,591,900 |
| Electricity and gas | | 147,726 | 166,834 |
| Vehicles' running | | 69,487 | 110,649 |
| Free samples | | 795,560 | 762,502 |
| Export development surcharge | | 654,512 | 593,346 |
| Advertisement and publicity | | 729,940 | 623,740 |
| Clearing and forwarding | | 8,700,294 | 6,528,967 |
| | | <u>12,601,079</u> | <u>10,377,938</u> |
| 17.1 | Salaries and other benefits | | |
| | This includes employer's contribution towards provident fund and bonus of Rupees 0.046 million (2015: Rupees 0.033 million) and Rupees 0.187 million (2015: Rupees 0.0186 million) respectively. | | |
| 18. | | | |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries and other benefits | 18.1 | 17,134,962 | 16,179,368 |
| Traveling and conveyance | | 2,965,883 | 1,784,335 |
| Vehicles' running | | 1,626,953 | 1,198,523 |
| Electricity and gas | | 590,911 | 679,887 |
| Postage and telephone | | 689,489 | 727,773 |
| Legal and professional | | 806,648 | 719,843 |
| Printing and stationery | | 329,785 | 318,958 |
| Boarding, lodging and entertainment | | 833,816 | 756,914 |
| Fee and subscription | | 1,221,467 | 660,926 |
| Books and periodicals | | 44,773 | 28,143 |
| Computer expenses | | 421,979 | 407,795 |
| Repairs and maintenance | | 146,340 | 159,189 |
| Insurance | | 443,507 | 420,047 |
| Miscellaneous | | 455,703 | 238,770 |
| Depreciation | 6.1.1 | 2,013,483 | 2,233,637 |
| | | <u>29,725,699</u> | <u>26,514,108</u> |
| 18.1 | Salaries and other benefits | | |
| | This includes employer's contribution towards provident fund and bonus of Rupees 0.436 million (2015: Rupees 0.406 million) and Rupees 1.771 million (2015: Rupees 1.625 million) respectively. | | |
| 19. | | | |
| OTHER EXPENSES | | | |
| Auditors' remuneration | 19.1 | 290,000 | 340,000 |
| Research and development | | 166,093 | 6,000 |
| Workers' profit participation fund | 4.2 | 2,176,514 | 2,021,322 |
| Loss on disposal of property, plant and equipment | | - | 524 |
| Exchange loss - net | | 534,870 | 767,493 |
| Donations | 19.2 | 1,184,530 | 253,120 |
| | | <u>4,352,007</u> | <u>3,388,459</u> |
| 19.1 | Auditors' remuneration | | |
| | Audit fee | 250,000 | 250,000 |
| | Certification including half yearly review | 30,000 | 80,000 |
| | Out of pocket expenses | 10,000 | 10,000 |
| | | <u>290,000</u> | <u>340,000</u> |
| 19.2 | None of the directors and their spouses had any interest in the donees fund. | | |

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| | NOTE | 2016 Rupees | 2015 Rupees |
|------|---|--------------------------|--------------------|
| 20. | OTHER INCOME | | |
| | Income from financial assets: | | |
| | Profit on placement and deposit accounts | 1,114,902 | 1,023,137 |
| | Dividend income | 10,395 | 12,128 |
| | | <u>1,125,297</u> | <u>1,035,265</u> |
| | Income from non - financial assets: | | |
| | Gain on disposal of property, plant and equipment | 477,664 | - |
| | | <u>1,602,961</u> | <u>1,035,265</u> |
| 21. | FINANCE COST | | |
| | Bank charges | <u>1,126,627</u> | <u>615,936</u> |
| 22. | TAXATION | | |
| | Current | <u>3,181,420</u> | <u>2,018,660</u> |
| 22.1 | The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. | | |
| 22.2 | Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is impracticable in view of presumptive taxation. | | |
| 23. | EARNINGS PER SHARE - BASIC AND DILUTED | 2016 | 2015 |
| | Profit after taxation attributable to ordinary shareholders | Rupees <u>37,906,665</u> | <u>36,424,335</u> |
| | Weighted average number of ordinary shares | Number <u>7,349,341</u> | <u>7,349,341</u> |
| | Earnings per share | Rupees <u>5.16</u> | <u>4.96</u> |
| | No figure for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on the basic earnings per share, when exercised. | | |
| 24. | CASH GENERATED FROM OPERATIONS | | |
| | Profit before taxation | 41,419,092 | 37,770,656 |
| | Adjustments for: | | |
| | Depreciation on property, plant and equipment | 5,404,339 | 5,995,242 |
| | Profit on deposit accounts | (1,114,902) | (1,023,137) |
| | Dividend income | (10,395) | (12,128) |
| | Share of loss from associated company | (65,324) | 634,470 |
| | (Gain) / loss on disposal of property, plant and equipment | (477,664) | 524 |
| | Finance cost | 1,126,627 | 615,936 |
| | Working capital changes | 24.1 <u>(12,162,317)</u> | <u>(7,705,397)</u> |
| | | <u>(7,299,636)</u> | <u>(1,494,490)</u> |
| | | <u>34,119,456</u> | <u>36,276,166</u> |
| 24.1 | Working capital changes | | |
| | Decrease / (increase) in current assets | | |
| | Stores and spare parts | (179,360) | 236,892 |
| | Stock in trade | (9,521,510) | (17,857,696) |
| | Trade debts | 5,873,113 | 4,375,072 |
| | Advances | (5,768,431) | 100,958 |
| | Trade deposits and short term prepayments | (521,824) | (573,556) |
| | Other receivables | (2,152,584) | (3,229,665) |
| | Increase in current liabilities | | |
| | Trade and other payables | 108,279 | 9,242,598 |
| | | <u>(12,162,317)</u> | <u>(7,705,397)</u> |

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25. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive and directors is as follows:

| | Chief Executive | | Directors | |
|-------------------------|------------------|------------------|------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| | Rupees | | Rupees | |
| Managerial remuneration | 2,420,000 | 2,200,000 | 2,057,000 | 1,870,000 |
| Allowances : | | | | |
| Housing | 1,210,000 | 1,100,000 | 1,028,500 | 935,000 |
| Bonus | 605,000 | 550,000 | 513,625 | 467,500 |
| Provident fund | 151,248 | 137,496 | 128,558 | 116,880 |
| Utilities | 957,161 | 1,315,874 | 300,551 | 148,232 |
| Income tax | 1,386,000 | 1,422,655 | 347,875 | 230,481 |
| | <u>6,729,409</u> | <u>6,726,025</u> | <u>4,376,109</u> | <u>3,768,093</u> |
| Number of persons | <u>1</u> | <u>1</u> | <u>2</u> | <u>2</u> |

25.1 Chief executive and one director have been provided with the Company maintained vehicles.

25.2 No remuneration was paid to non-executive directors of the Company.

26. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, key management personnel and staff retirement fund. Detail of transactions with the related parties, other than those which have been specifically disclosed else where in these financial statements, are as follows:

| | 2016 | 2015 |
|--------------------------------|---------------------|---------|
| | (Rupees in Million) | |
| Associates | | |
| Sale of goods | 83.990 | 140.043 |
| Processing charges | 8.409 | 10.228 |
| Others related party | | |
| Contribution to provident fund | 1.413 | 1.328 |

27. FINANCIAL RISK MANAGEMENT

27.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

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(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Great Britain Pound (GBP), European Euro (Euro) and Canadian Dollar (CAD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

| | 2016 | 2015 |
|-------------------------------|----------|----------|
| Trade debts - USD | 165,727 | 193,125 |
| Trade debts - GBP | 883 | 883 |
| Trade debts - Euro | 2,285 | 2,289 |
| Trade and other payable - USD | 184,970 | 144,805 |
| Trade and other payable - GBP | 5,625 | 12,695 |
| Trade and other payable - CAD | 8,702 | 1,861 |
| Net exposure - USD | (19,243) | 48,319 |
| Net exposure - GBP | (4,742) | (11,812) |
| Net exposure - Euro | 2,285 | 2,289 |
| Net exposure - CAD | (8,702) | (1,861) |

The following significant exchange rates were applied during the year:

| | | |
|----------------------|--------|--------|
| Rupees per US Dollar | | |
| Average rate | 104.44 | 101.50 |
| Reporting date rate | 104.82 | 101.50 |
| Rupees per GBP | | |
| Average rate | 154.27 | 160.03 |
| Reporting date rate | 140.49 | 159.91 |
| Rupees per Euro | | |
| Average rate | 115.68 | 120.99 |
| Reporting date rate | 116.19 | 113.57 |
| Rupees per CAD | | |
| Average rate | 78.95 | 86.48 |
| Reporting date rate | 80.92 | 81.89 |

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, GBP, Euro and CAD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 0.147 million (2015: Rupees 0.146 million lower / higher respectively, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

| Index | Impact on profit after taxation | | Statement of comprehensive income (fair value reserve) | |
|-----------------------|---------------------------------|------|--|----------|
| | 2016 | 2015 | 2016 | 2015 |
| | ----- (Rupees) ----- | | | |
| PSX 100 (5% increase) | - | - | 21,021 | 17,337 |
| PSX 100 (5% decrease) | - | - | (21,021) | (17,337) |

Equity (fair value reserve) would increase / decrease as a result of gain / loss on equity investment classified as available for sale.

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(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is ungeared. The Company's interest rate risk arises from bank balances in deposit accounts and placement with a bank. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

| | 2016 Rupees | 2015 Rupees |
|--|----------------|----------------|
| Fixed rate instruments | - | - |
| Floating rate instruments | | |
| Financial assets | | |
| Bank balances- deposit accounts | 36,435,176 | 27,225,537 |
| Fair value sensitivity analysis for fixed rate instruments | | |

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 0.166 million (2014: Rupees 0.038 million) higher / lower, mainly as a result of higher / lower interest income on floating rate bank deposits. This analysis is prepared assuming the amount of assets held at balance sheet dates were held for the whole year.

(b) Credit risk

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

| | | |
|----------------------|-------------------|-------------------|
| Long term investment | 420,420 | 346,731 |
| Deposits | 1,926,502 | 1,382,254 |
| Trade debts | 16,755,894 | 22,629,007 |
| Advances | 5,887,115 | 4,637,992 |
| Other receivables | 328,058 | 171,371 |
| Bank balances | 48,076,271 | 32,712,187 |
| | <u>73,394,260</u> | <u>61,879,542</u> |

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

| | Rating | | | 2016 | 2015 |
|------------------------------------|------------|-----------|---------|-------------------|-------------------|
| | Short Term | Long term | Agency | Rupees | Rupees |
| Banks | | | | | |
| National Bank of Pakistan | A-1+ | AAA | JCR-VIS | 1,149,306 | 1,282,135 |
| Bank Alfalah Limited | A1+ | AA | PACRA | 38,032 | 37,589 |
| Habib Bank Limited | A-1+ | AAA | JCR-VIS | 58,389 | 1,109,149 |
| Habib Metropolitan Bank Limited | A1+ | AA+ | PACRA | 34,739,217 | 26,952,360 |
| The Bank of Punjab | A1+ | AA | PACRA | 2,045,389 | 24,515 |
| Meezan Bank Limited | A-1+ | AA | JCR-VIS | 10,045,938 | 3,306,439 |
| | | | | <u>48,076,271</u> | <u>32,712,187</u> |
| Investment | | | | | |
| Sitara Chemical Industries Limited | A-1 | A+ | JCR-VIS | 420,420 | 346,731 |
| | | | | <u>48,496,691</u> | <u>33,058,918</u> |

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 10.

Due to the Company's long standing 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.

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(c) 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. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. Following are the contractual maturities of financial liabilities. The amounts disclosed in the table are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2016

| Carrying Amount | Contractual Cash Flows | 6 month or less | 6-12 month | 1-2 Year | More than 2 Years |
|----------------------|------------------------|-----------------|------------|----------|-------------------|
| ----- (Rupees) ----- | | | | | |

Non-derivative financial liabilities:

| | | | | | | |
|--------------------------|------------|------------|------------|---|---|---|
| Trade and other payables | 41,091,112 | 41,091,112 | 41,091,112 | - | - | - |
|--------------------------|------------|------------|------------|---|---|---|

Contractual maturities of financial liabilities as at 30 June 2015

| Carrying Amount | Contractual Cash Flows | 6 month or less | 6-12 month | 1-2 Year | More than 2 Years |
|----------------------|------------------------|-----------------|------------|----------|-------------------|
| ----- (Rupees) ----- | | | | | |

Non-derivative financial liabilities:

| | | | | | | |
|--------------------------|------------|------------|------------|---|---|---|
| Trade and other payables | 43,569,220 | 43,569,220 | 43,569,220 | - | - | - |
|--------------------------|------------|------------|------------|---|---|---|

27.2 Financial instruments by categories

| | Loans and receivables | Available for sale | Total |
|-----------------------------|-----------------------|--------------------|-------------------|
| | Rupees | Rupees | Rupees |
| As at 30 June 2016 | | | |
| Assets as per balance sheet | | | |
| Investment | - | 420,420 | 420,420 |
| Deposits | 1,926,502 | - | 1,926,502 |
| Trade debts | 16,755,894 | - | 16,755,894 |
| Advances | 5,887,115 | - | 5,887,115 |
| Other receivables | 328,058 | - | 328,058 |
| Cash and bank balances | 48,780,548 | - | 48,780,548 |
| | <u>73,678,117</u> | <u>420,420</u> | <u>74,098,537</u> |

Financial liabilities at
amortized cost

Rupees

Liabilities as per balance sheet

| | |
|--------------------------|-------------------|
| Trade and other payables | <u>41,091,112</u> |
|--------------------------|-------------------|

| | Loans and receivables | Available for sale | Total |
|-----------------------------|-----------------------|--------------------|-------------------|
| | Rupees | Rupees | Rupees |
| As at 30 June 2015 | | | |
| Assets as per balance sheet | | | |
| Investment | - | 346,731 | 346,731 |
| Placement | - | - | - |
| Deposits | 1,382,254 | - | 1,382,254 |
| Trade debts | 22,629,007 | - | 22,629,007 |
| Advances | 4,637,992 | - | 4,637,992 |
| Other receivables | 171,371 | - | 171,371 |
| Cash and bank balances | 33,336,841 | - | 33,336,841 |
| | <u>62,157,465</u> | <u>346,731</u> | <u>62,504,196</u> |

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Financial liabilities at
amortized cost

Rupees

Liabilities as per balance sheet

Trade and other payables

43,569,220

27.3 Capital risk management

The Company's objectives when managing capital are to be safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

28. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

| Recurring fair value measurements At 30 June 2016 | Level 1 | Level 2 | Level 3 | Total |
|--|------------------|----------|----------|----------------|
| |Rupees..... | | | |
| Financial assets | | | | |
| Available for sale financial asset | 420,420 | - | - | 420,420 |
| Total financial assets | <u>420,420</u> | <u>-</u> | <u>-</u> | <u>420,420</u> |

| Recurring fair value measurements At 30 June 2015 | Level 1 | Level 2 | Level 3 | Total |
|--|------------------|----------|----------|----------------|
| |Rupees..... | | | |
| Financial assets | | | | |
| Available for sale financial asset | 346,731 | - | - | 346,731 |
| Total financial assets | <u>346,731</u> | <u>-</u> | <u>-</u> | <u>346,731</u> |

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instrument traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

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29. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund trust as at 30 June 2016 and audited financial statement of the provident fund trust for the year ended 30 June 2015:

| | | 2016 | 2015 |
|------|--|-------------------|-------------------|
| | | Rupees | Rupees |
| | Size of the fund - Total assets | 14,835,314 | 14,515,929 |
| | Cost of Investments | 9,166,958 | 8,796,537 |
| | Percentage of investments made | 82.93% | 80.36% |
| | Fair value of investments | 12,303,387 | 11,665,388 |
| 29.1 | The break-up of fair value of investments is as follows: | | |
| | | 2016 | 2015 |
| | | Percentage | Percentage |
| | Deposits | 50.94% | 50.55% |
| | Mutual funds | 49.06% | 49.45% |
| | | 2016 | 2015 |
| | | Rupees | Rupees |
| | | 6,266,958 | 5,896,537 |
| | | 6,036,429 | 5,768,851 |
| | | <u>12,303,387</u> | <u>11,665,388</u> |

29.2 The investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

30. NUMBER OF EMPLOYEES

| | | 2016 | 2015 |
|--|---|------|------|
| | Number of employees as on 30 June | | |
| | Permanent | 189 | 175 |
| | Contractual | 31 | 31 |
| | Average number of employees during the year | | |
| | Permanent | 178 | 178 |
| | Contractual | 31 | 33 |

31. PLANT CAPACITY AND ACTUAL PRODUCTION

As the Company is engaged in manufacturing of man made sports goods and its production is dependent upon the efficiency of the person engaged, hence the capacity of the unit could not be determined.

32. DIVIDENDS

The Board of Directors of the Company at their meeting held on October 03, 2016 has proposed cash dividend of Rupees 2.10 per ordinary share (2015: Rupees 2.00 per ordinary share) in respect of the year ended 30 June 2016. However, this event has been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

Under Section 5A of the Income Tax Ordinance, 2001, introduced through the Finance Act, 2015, the Company is required to pay tax at the rate of 10% of so much of its undistributed profits as exceed 100% of its paid up capital unless it distributes profits equal to 40% of its after tax profits or 50% of its paid up capital, whichever is less, by due date for filing of income tax return for the tax year 2016. The requisite cash dividend has been approved by the Board of Directors of the Company in their meeting held on October 03, 2016 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

33. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 03, 2016 by the Board of Directors of the Company.

34. CORRESPONDING FIGURES

Corresponding figures have been rearranged wherever necessary for the purpose of comparison. However, no significant rearrangements have been made.


KHAWAR ANWAR KHAWAJA
 CHIEF EXECUTIVE


MUHAMMAD TAHIR BUTT
 DIRECTOR

GOC (PAK) LIMITED
Formerly **GRAYS OF CAMBRIDGE (PAK) LIMITED**
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GOC (PAK) LIMITED
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The Companies Ordinance 1984
(Section 236(1) and 464)
Pattern Of Shareholding

Form - 34

Name of The Company

GOC (Pak) Limited

Pattern of Holding of the Shares held by the Shareholders as at : June 30, 2016

| No. of Shareholders | Shareholding | | Total Shares held |
|---------------------|--------------|-----------|-------------------|
| | From | To | |
| 95 | 1 | 100 | 3,096 |
| 70 | 101 | 500 | 26,030 |
| 83 | 501 | 1,000 | 75,385 |
| 69 | 1,001 | 5,000 | 184,061 |
| 14 | 5,001 | 10,000 | 111,166 |
| 5 | 10,001 | 15,000 | 63,241 |
| 5 | 15,001 | 20,000 | 87,101 |
| 5 | 20,001 | 25,000 | 113,681 |
| 3 | 25,001 | 30,000 | 85,382 |
| 1 | 40,001 | 45,000 | 44,293 |
| 2 | 70,001 | 75,000 | 147,708 |
| 2 | 100,001 | 105,000 | 204,232 |
| 1 | 145,001 | 150,000 | 148,435 |
| 1 | 160,001 | 165,000 | 160,985 |
| 1 | 225,001 | 230,000 | 225,072 |
| 1 | 295,001 | 300,000 | 296,424 |
| 1 | 315,001 | 320,000 | 315,909 |
| 2 | 865,001 | 870,000 | 1,732,344 |
| 1 | 3,320,001 | 3,325,000 | 3,324,796 |
| 362 | | | 7,349,341 |

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GOC (Pak) Limited

As On: June 30, 2016

| Categories of Shareholder | Physical | CDC | Total | % age |
|---|------------------|------------------|------------------|---------------|
| Directors, Chief Executive Officer, Their Spouses and Minor Children | | | | |
| Directors | | | | |
| Mr. Ameer Khawar Khawaja | 2,250 | - | 2,250 | 0.03 |
| Mr. Khawar Anwar Khawaja | 865,047 | - | 865,047 | 11.77 |
| Mr. Khurram Anwar Khawaja | 867,297 | - | 867,297 | 11.80 |
| Mr. Muhammad Tahir Butt | 9,841 | - | 9,841 | 0.13 |
| Mr. Omer Khawar Khawaja | 1,372 | - | 1,372 | 0.02 |
| Director's Spouses and Their Minor Children | | | | |
| Mrs. Farough Tahir Butt | 102,116 | - | 102,116 | 1.39 |
| Mrs. Khadeeja Khurram Khawaja | 24,606 | - | 24,606 | 0.33 |
| Mrs. Nuzhat Khawar Khawaja | 24,606 | - | 24,606 | 0.33 |
| | 1,897,135 | - | 1,897,135 | 25.81 |
| Associated Companies, Undertakings & Related Parties | | | | |
| Anwar Khawaja Industries (Pvt) Limited | 3,324,796 | 148,435 | 3,473,231 | 47.26 |
| | 3,324,796 | 148,435 | 3,473,231 | 47.26 |
| NIT & ICP (Name Wise Detail) | | | | |
| CDC - Trustee National Investment (Unit) Trust | - | 315,909 | 315,909 | 4.30 |
| | - | 315,909 | 315,909 | 4.30 |
| Banks, NBFCs, DFIs, Takaful, Pension Funds | | | | |
| | - | 190,351 | 190,351 | 2.59 |
| Other Companies, Corporate Bodies, Trust etc. | | | | |
| | - | 59,150 | 59,150 | 0.80 |
| General Public | | | | |
| | 1,029,471 | 384,094 | 1,413,565 | 19.23 |
| | 6,251,402 | 1,097,939 | 7,349,341 | 100.00 |
| Shareholders More Than 5.00% | | | | |
| Anwar Khawaja Industries (Pvt) Limited | | | 3,473,231 | 47.26 |
| Khurram Anwar Khawaja | | | 867,297 | 11.80 |
| Khawar Anwar Khawaja | | | 865,047 | 11.77 |

GOC (PAK) LIMITED
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GOC (PAK) LIMITED
 53rd ANNUAL GENERAL MEETING
 Proxy Form

I / We, _____ of _____
 being the member of GOC (Pak) Limited hereby appoint Mr./Mrs./Miss. _____
 who is a member of the Company vide Registered Folio / CDC Participant ID.No. _____ or failing whom
 Mr./Mrs./Miss. _____ who is also a member of the Company vide Registered Folio / CDC Participant
 ID.No. _____ as my / our proxy to attend and vote for me and on my behalf at the 53rd annual general
 meeting of the Company to be held on Saturday, October 29, 2016 at 11:00 a.m. and / or at any adjournment thereof.

| Folio No | CDC account Number | | Number of shares held |
|----------|--------------------|-------------|-----------------------|
| | Participants I.D. | Account No. | |
| | | | |

(Signature on Rupees Five
Revenue Stamp)

(Signature should agree with the specimen
signature registered with the Company)

WITNESSES:

i. Signature _____
 Name _____
 Address _____

ii. Signature _____
 Name _____
 Address _____

CNIC

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|---|--|--|--|
| | | | | | | - | | | | | | | | | | - | | | |
|--|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|---|--|--|--|

 or passport No. _____

CNIC

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|---|--|--|--|
| | | | | | | - | | | | | | | | | | - | | | |
|--|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|---|--|--|--|

 or passport No. _____

Date: _____

Date: _____

NOTES

- I. The proxy form must be signed across Rupees Five revenue stamp and it should be deposited in the Company's registered office not less than 48 hours before the time of holding the meeting.
- II. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- III. A member entitled to attend may appoint another member as his / her proxy or may by power of attorney authorize any other person as his / her agent to attend, speak and vote at the meeting. A corporation or a company, as the case may be, being a member of the Company, may appoint any of its officials or any other person to act as its representative and the person so authorized shall be entitled to the same powers as if he were an individual share holder.

For CDC account holders / corporate entities:

In addition to the above the following requirements have to be met:

- I. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC or Passport numbers shall be mentioned on the Form.
- II. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- III. The proxy shall produce his original CNIC or original passport at the time of the meeting.
- IV. In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

جی او سی (پاک) لمیٹڈ
سابقہ گریز آف کیمبرج (پاک) لمیٹڈ
پراکسی فارم (مختار نامہ)

| | | | |
|----------------------|-----------------------------------|-----------------------------|---------------------------|
| حصہ دار (شیر ہولڈنگ) | کمپیوٹرائزڈ قومی شناختی کارڈ نمبر | سب اکاؤنٹ (ذیلی کھاتہ) نمبر | سی ڈی سی شرکت آئی ڈی نمبر |
|----------------------|-----------------------------------|-----------------------------|---------------------------|

میں / ہم
ساکن
بحیثیت رکن جی او سی (پاک) لمیٹڈ، محترم / محترمہ۔
اس کی غیر موجودگی میں
(بحیثیت کمپنی کے رکن) کو اپنے / ہمارے ایما پر مورخہ 29 اکتوبر، 2016 بروز ہفتہ صبح 11:00 بجے ہونے والے جی او سی (پاک) لمیٹڈ کے 53 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرنا ہوں / کرتے ہیں۔
آج بروز _____ تاریخ _____ 2016ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

51- روپے کارسیدی ٹکٹ یہاں چسپاں کریں

1:
دستخط: _____
نام: _____
پتہ: _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

2:
دستخط: _____
نام: _____
پتہ: _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

نوٹ:

- 1: اجلاس عام میں شرکت اور رائے دہی کا مستحق رکن، پراکسی مقرر کر سکتا ہے۔
- 2: پراکسی اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہوں) تقرری کے آلات، جس کے تحت یہ دستخط شدہ ہو یا اس مختار نامہ کی نوٹریبل مصدقہ کاپی، کمپنی کے میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل جمع کروائے جانے چاہئیں۔
- 3: سی ڈی سی اکاؤنٹ ہولڈرز کو پراکسی تقرری کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کے مورخہ 26 جنوری 2000 کو جاری کردہ سرکلر نمبر 1 میں دی گئی مندرجہ ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔
 - (i) بصورت افراد، اکاؤنٹ ہولڈر اور / یا سب اکاؤنٹ ہولڈرز جن کی سیکورٹیز اینڈ ایکسچینج کمیشن تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختار نامہ) جمع کرانا ہو سکے۔
 - (ii) پراکسی فارم پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔
 - (iii) بینیفیشل اونرز اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔
 - (iv) پراکسی، اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا / گی۔
 - (v) بصورت کارپوریٹ انٹیلی، بورڈ کی قرارداد / مختار نامہ مع پراکسی ہولڈر کے دستخط (اگر پبلس فرام نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔