

Ghani

THE GLASS EXPERTS

Half Year
Financial Statements
2015-16



Ghani Value Glass Limited

Corporate Information

BOARD OF DIRECTORS

Chairman

Mr. Ayub Sadiq

Directors

Mr. Imtiaz Ahmad Khan
Mr. Anwaar Ahmad Khan
Mr. Aftab Ahmad Khan
Mr. Junaid Ghani
Mr. Obaid Ghani
Mr. Jubair Ghani
Mrs. Ayesha Aftab
Mrs. Afifa Anwaar
Mrs. Javaria Obaid

CHIEF EXECUTIVE OFFICER

Mr. Anwaar Ahmad Khan

AUDIT COMMITTEE

Chairman

Mr. Junaid Ghani

Members

Mr. Ayub Sadiq
Mrs. Afifa Anwaar

HR & R COMMITTEE

Chairman

Mr. Aftab Ahmad Khan

Members

Mr. Junaid Ghani
Mr. Jubair Ghani

CHIEF FINANCIAL OFFICER

Mr. Umer Farooq Khan

COMPANY SECRETARY

Hafiz Mohammad Imran Sabir

AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

SHARE REGISTRAR

Corplink (Pvt) Ltd
Wings Arcade, 1-K Commercial Area
Model Town, Lahore, Pakistan
Phones : (042) 35916714, 35916719
Fax : (042) 35869037

BANKERS

Habib Metropolitan Bank Limited
MCB Bank Limited
Burj Bank Limited
Bank Alfalah Limited

HEAD OFFICE & REGISTERED OFFICE

40-L Model Town, Lahore, Pakistan
UAN: (042) 111 949 949, Fax:(042) 35172263
E-mail : info@ghanivalueglass.com
<http://www.ghanivalueglass.com>

PLANT

Hussain Nagar
District Sheikhpura
Ph: (056) 3406171

Directors' Report

Dear shareholders

Assalam-u-Alaikum Wa Rehmatullah Wa BarakatoHu

The board of Directors of Ghani Value Glass Limited is pleased to present financial statements for the Half Year ended December 31, 2015 along with review report of auditors thereon.

During the period under review, Net Revenue of your Company has increased to Rupees 369 million as compared to Rupees 294 million for the corresponding period of last year. Gross profit has increased to Rupees 29 million as compared to Rupees 26 million for the corresponding period of the last year. Net Profit has been recorded as Rupees 5.7 million as compared to Rupees 5.3 million for the corresponding period of last year. Earning per share was Rupees 0.27 against Rupees 0.22 (*restated*) for the same period of last year. The results for the period under review are as follow:

FINANCIAL INDICATORS	2015	2014
	Rupees '000'	
Sales–Net	369,133	293,769
Gross profit	29,201	26,463
Net profit	5,663	5,262
Earning per share	0.27	0.22

On behalf of the Directors, we are pleased to record our appreciation for our customers, employees, suppliers, shareholders and financial institutions for their trust in the management of the company.

We thank Allah Subhanatallah for blessing all of us and your company. We all should continue our endeavors to fully obey the commandments of Almighty Allah and Sunnah of our Prophet Muhammad" (Sallallahu-Alaihe-Wasallum).

On behalf of the Board of Directors



Anwaar Ahmad Khan
Chief Executive

Lahore: February 04, 2016

Auditors' Report

TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Ghani Value Glass Limited (the Company) as at 31 December 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six-month period ended 31 December 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Review Engagement Partner: Farooq Hameed

Lahore: February 04, 2016

Condensed Interim Balance Sheet

AS AT 31 DECEMBER 2015

ASSETS	Note	Un-audited 31 December 2015 Rupees	Audited 30 June 2015 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	374,576,996	351,845,881
Long term deposits		4,633,044	4,633,044
		379,210,040	356,478,925
CURRENT ASSET			
Stores, spares and loose tools		37,098,071	27,166,970
Stock in trade	6	117,493,685	79,489,141
Trade debts - unsecured, considered good		121,777,823	156,533,781
Loans and advances		26,661,246	15,287,199
Tax Refunds due from the Government		57,131,184	53,691,106
Cash and Bank Balances		8,434,132	21,102,957
		368,596,141	353,271,154
		747,806,181	709,750,079
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
30,000,000 (30 June 2015: 30,000,000) ordinary shares of Rs.10/- each (30 June 2015: Rs. 10/- each).		300,000,000	300,000,000
29,951,625 (30 June 2015: 18,837,500) ordinary shares of Rs.10/- each (30 June 2015: Rs. 10/- each).		299,516,250	188,375,000
Revenue reserves			
General reserve		3,680,000	3,680,000
Unappropriated profit		54,924,793	68,098,808
		358,121,043	260,153,808
SURPLUS ON REVALUATION OF FIXED ASSETS			
		113,607,206	113,607,206
		471,728,249	373,761,014
NON CURRENT LIABILITIES			
Deferred taxation		7,079,081	16,708,213
Long term deposits		359,878	207,393
		479,167,208	390,676,620
CURRENT LIABILITIES			
Trade and other payables		268,638,973	256,493,202
Short term borrowings		-	55,000,000
Provision for taxation		-	7,580,257
		268,638,973	319,073,459
		747,806,181	709,750,079
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		747,806,181	709,750,079

The annexed notes from 1 to 13 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Profit and Loss Account (un-audited)

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	Note	Six Month Period Ended		Three Month Period Ended	
		31 December 2015 Rupees	31 December 2014 Rupees	31 December 2015 Rupees	31 December 2014 Rupees
Gross sales		460,987,340	360,885,038	296,869,458	185,297,379
Less: Sales tax, excise duty and commission		(91,854,812)	(67,115,656)	(64,867,710)	(36,307,681)
Sales-net	8	369,132,528	293,769,382	232,001,748	148,989,698
Cost of sales	9	(339,931,513)	(267,306,267)	(215,912,002)	(135,991,677)
Gross profit		29,201,015	26,463,115	16,089,746	12,998,021
Distribution cost		(10,987,250)	(11,620,493)	(4,545,090)	(6,393,958)
Administrative expenses		(28,364,409)	(12,509,010)	(15,798,776)	(6,411,223)
		(39,351,659)	(24,129,503)	(20,343,866)	(12,805,181)
Operating profit / (loss)		(10,150,644)	2,333,612	(4,254,120)	192,840
Finance cost		(67,890)	(136,387)	(41,737)	(108,461)
Other operating income		6,336,182	6,723,859	3,343,722	4,103,831
Other operating expenses		(83,295)	(615,555)	-	(288,966)
		6,184,997	5,971,917	3,301,986	3,706,404
(Loss) / profit before taxation		(3,965,647)	8,305,529	(952,134)	3,899,244
Taxation		9,629,132	(3,043,433)	9,129,132	(1,242,743)
Profit after taxation		5,663,485	5,262,096	8,176,998	2,656,501
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		5,663,485	5,262,096	8,176,998	2,656,501
Earnings per share - basic and diluted		0.27	Restated 0.22	0.39	Restated 0.11

The annexed notes from 1 to 13 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Statement of Cash Flow (un-audited)

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	Six month period ended 31 December 2015	Six month period ended 31 December 2014
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the period before taxation	(3,965,647)	8,305,529
Adjustments for non-cash charges and other items:		
Depreciation	12,759,601	5,627,166
Provision for WPPF	-	446,054
Provision for WWF	-	169,501
Provision for doubtful debts	-	500,000
Finance costs	67,890	136,387
Profit on savings account	(186,068)	(951,182)
	8,675,776	14,233,455
Working capital adjustments		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(9,931,101)	(4,847,467)
Stock-in-Trade	(38,004,544)	(22,803,922)
Trade debts	34,755,958	(121,901)
Loans and advances	(11,445,788)	4,128,355
Increase / (decrease) in current liabilities:		
Trade and other payables	13,274,794	30,588,659
	(11,350,681)	6,943,724
CASH GENERATED FROM OPERATIONS	(2,674,905)	21,177,179
Taxes paid	(10,632,557)	(10,560,486)
WPPF paid	(1,516,801)	(1,582,576)
Finance cost paid	(67,890)	(136,387)
Profit on saving account received	257,809	951,182
NET CASH GENERATED FROM OPERATING ACTIVITIES	(14,634,344)	9,848,912
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment - net of transfers to CWIP	(35,490,716)	(11,099,306)
NET CASH USED IN INVESTING ACTIVITIES	(35,490,716)	(11,099,306)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of right shares	111,141,250	-
Dividend paid	(18,837,500)	-
Long term deposits	152,485	-
Short term borrowing repayment	(55,000,000)	-
NET CASH USED IN FINANCING ACTIVITIES	37,456,235	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,668,825)	(1,250,394)
CASH AND CASH EQUIVALENTS - At the beginning of the period	21,102,957	34,952,081
CASH AND CASH EQUIVALENT - At the end of the period	8,434,132	33,701,687

The annexed notes from 1 to 13 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Statement of Changes in Equity (un-audited)

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	Share Capital	Revaluation surplus	Revenue Reserves		Total
			General Reserve	Unappropriated Profit/ (Accumulated Loss)	
Rupees					
Balance as at 1 July 2014	188,375,000		3,680,000	47,092,265	239,147,265
Total comprehensive income for the period	-	-		5,262,096	5,262,096
Balance as at 31 December 2014	188,375,000		3,680,000	52,354,361	244,409,361
Balance as at 1 July 2015	188,375,000	113,607,206	3,680,000	68,098,808	373,761,014
Total comprehensive income for the period	-	-		5,663,485	5,663,485
Issuance of right shares	111,141,250	-	-		111,141,250
Dividend for the year ended 30 June 2015	-	-		(18,837,500)	(18,837,500)
Balance as at 31 December 2015	299,516,250	113,607,206	3,680,000	54,924,793	471,728,249

The annexed notes from 1 to 13 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Notes to the Financial Statements (un-audited)**FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015****1 LEGAL STATUS AND NATURE OF BUSINESS**

Ghani Value Glass Limited (the Company) was incorporated in Pakistan on 17 March 1967 as a Public Limited Company and its shares are quoted on Pakistan Stock Exchange (formerly KSE & LSE). The principal activity of the Company is manufacturing and sale of silver and aluminium mirror, tempered and double glazed glass. The Company's registered office is at 40-L Block, Model Town, Lahore.

2 BASIS OF PRESENTATION AND MEASUREMENT

- 2.1** This interim financial information is un-audited but subject to limited scope review by the auditors. This interim financial information of the Company six month period ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance 1984. In case where the requirements differ, the provisions of directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2** The figures of the condensed interim profit and loss account for the three month period ended 31 December 2014 and 2015 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the six month period ended 31 December 2014 and 2015. This interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2015.

3 ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of this interim financial information are the same as those applied in preparation of financial statements for the year ended 30 June 2015.

3.1 New, amended and revised standards and interpretation of IFRSs

The Company has adopted the following amended IFRS and related interpretations which became effective during the period:

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 19	Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any material effect on the condensed interim financial information

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's condensed interim financial information for the period.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2015.

5 PROPERTY, PLANT AND EQUIPMENT	Note	Un-audited	Audited
		31 December 2015	30 June 2015
		Rupees	Rupees
Operating fixed assets-tangible	5.1	361,311,262	228,090,314
Capital work in progress		13,265,734	123,755,567
		374,576,996	351,845,881
5.1 Operating fixed assets - tangible			
Opening book value		228,090,314	196,314,464
Additions during the period / year:			
- Freehold land		-	20,675,000
- Buildings on freehold land		3,254,311	12,257,746
- Plant and machinery		126,909,438	7,971,448
- Mills equipment		-	621,046
- Furniture & fixture		12,800,811	-
- Office equipment		752,875	394,763
- Computers		-	96,000
- Vehicles		2,263,114	1,674,650
		145,980,549	43,690,653
Less: Depreciation charge for the period / year		(12,759,601)	(11,914,803)
Closing book value		361,311,262	228,090,314
6 STOCK IN TRADE			
Raw materials		70,948,204	57,974,240
Finished goods		46,545,481	21,514,901
		117,493,685	79,489,141

7 CONTINGENCIES AND COMMITMENTS

There is no material change in the contingencies and commitments since the last audited financial statements for the year ended 30 June 2015.

8 SALES - Net

	Un-audited			
	Six Month Period Ended		Three Month Period Ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Rupees	Rupees	Rupees	Rupees
Local	455,324,045	360,885,038	291,959,980	185,297,379
Export	5,663,295	-	4,909,478	-
Gross sales	460,987,340	360,885,038	296,869,458	185,297,379
Less:				
Sales tax, excise duty & commission	(91,854,812)	(67,115,656)	(64,867,710)	(36,307,681)
	369,132,528	293,769,382	232,001,748	148,989,698

	Un-audited			
	Six Month Period Ended		Three Month Period Ended	
	31 December 2015 Rupees	31 December 2014 Rupees	31 December 2015 Rupees	31 December 2014 Rupees
9 COST OF SALES				
Raw material consumed	261,071,795	197,244,798	155,217,234	80,630,900
Stores consumed	19,882,475	24,079,460	10,097,703	8,248,048
Salaries, wages and benefits	18,783,066	14,550,634	9,271,548	7,396,609
Directors remuneration	6,613,974	6,012,702	3,607,623	3,006,351
Entertainment	3,865,781	2,621,513	1,797,589	1,253,508
Packing, loading and unloading	7,318,433	6,064,384	4,041,213	3,021,177
Fuel and power	30,226,631	15,149,927	16,937,250	6,790,043
Depreciation	11,607,932	4,653,556	5,973,244	2,326,778
Repair and maintenance	3,272,947	339,656	2,208,296	70,055
Communication	183,655	145,235	104,326	108,747
Travelling and conveyance	917,706	762,918	438,266	702,845
Rent, rates and taxes	33,505	27,741	(12,000)	(12,000)
Freight and handling	663,393	514,628	412,988	255,692
Printing and stationery	83,763	64,308	31,685	10,572
Miscellaneous expenses plant	437,037	466,528	48,946	193,706
Cost of goods manufactured	364,962,093	272,697,988	210,175,911	114,003,031
Finished goods				
Add: Opening	21,514,901	11,790,469	52,281,572	39,170,836
Less: Closing	(46,545,481)	(17,182,190)	(46,545,481)	(17,182,190)
	339,931,513	267,306,267	215,912,002	135,991,677

10 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directorship, directors and key management personnel. Details of transactions with associated undertakings during the year, other than those which have been disclosed elsewhere in this financial information, are as follows:

Relationship within group	Nature of transactions	Un-audited	Un-audited
		31 December 2015 Rupees	31 December 2014 Rupees
Associated Companies			
Ghani Glass Limited	Purchase of glass	219,401,760	183,807,656
Ghani Glass Limited	Purchases other	3,517,038	-
Ghani Glass Limited	Sales of goods and services	45,271	-
Ghani Glass Limited	Scrap sales	2,648,680	2,863,895
Ghani Glass Limited	Shared expenses (Reimbursement of expenses)	1,116,550	666,120
Ghani Glass Limited	Rental income	3,260,654	2,908,782
Ghani Automobile Industries Limited	Purchase of motorcycle	44,583	-
Post employment benefit plans	Expenses charged in respect of retirement benefit plans	3,269,969	2,659,504
Key management personnel	Salaries and other employee benefits	32,118,893	25,415,958
All transactions with related parties have been carried out on commercial terms and conditions.			
Balance at the end of the period/year			
Payable to related parties- unsecured		377,785	377,785

These are in the normal course of business and are interest free.

11 Segment Reporting

The Company's activities are broadly categorized into two primary business segments namely mirror glass and tempered glass.

Segment analysis of profit and loss account for the period ended 31 December 2015

	Un-audited		
	Mirror Glass (Rupees)	Tempered Glass and other (Rupees)	Total (Rupees)
Sales	290,094,414	79,038,114	369,132,528
Cost of sales	(279,700,907)	(60,230,606)	(339,931,513)
	10,393,507	18,807,508	29,201,015
Unallocated expenses			
Distribution cost			(10,987,250)
Administrative expenses			(28,364,409)
Bank charges			(67,890)
Other operating income			6,336,182
Other operating expenses			(83,295)
Taxation			9,629,132
Profit after taxation			5,663,485

Segment analysis of profit and loss account for the period ended 31 December 2014

	Un-audited		
	Mirror Glass (Rupees)	Tempered Glass and other (Rupees)	Total (Rupees)
Sales	216,947,246	76,822,136	293,769,382
Cost of sales	(198,644,253)	(68,662,014)	(267,306,267)
	18,302,993	8,160,122	26,463,115
Unallocated expenses			
Distribution cost			(11,620,493)
Administrative expenses			(12,509,010)
Bank charges			(136,387)
Other operating income			6,723,859
Other operating expenses			(615,555)
Taxation			(3,043,433)
Profit after taxation			5,262,096

Segment analysis of assets and liabilities as at 31 December 2015

	Un-audited		
	Mirror Glass (Rupees)	Tempered Glass and other (Rupees)	Total (Rupees)
Segment Assets	242,299,996	31,784,217	274,084,213
Unallocated assets			473,721,968
			747,806,181
Unallocated liabilities			276,077,932

Segment analysis of assets and liabilities as at 30 June 2015

	Un-audited		
	Mirror Glass (Rupees)	Tempered Glass and other (Rupees)	Total (Rupees)
Segment Assets	90,597,640	38,856,901	129,454,541
Unallocated assets			580,295,538
			<u>709,750,079</u>
Unallocated liabilities			<u>335,989,065</u>

The sales percentage by geographic region is as follows :

	2015	2014
	%	%
Pakistan	99%	100%
Afghanistan	1%	-
South Africa	0%	-
UAE	0%	-

- 24% revenue is arising from sale to two customers.

- All non current assets of the company as at 31 December 2015 and December 2014 are located in Pakistan.

12 DATE OF AUTHORIZATION FOR ISSUE

This interim financial information was authorized for issue by the Board of Directors of the Company on February 04, 2016.

13 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



DIRECTOR

Ghani

Ghani Value Glass Limited

Head Office:

40-L, Model Town, Lahore, Pakistan

UAN: +92-42-111 949 949

Fax: +92-42-35172263

www.ghanivalueglass.com