



Leather Up Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2017

	For the nine months ended		For the quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rupees		Rupees	
Profit after taxation	11,154,346	8,691,644	3,571,872	2,409,829
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	11,154,346	8,691,644	3,571,872	2,409,829

The annexed notes form integral part of these condensed financial statements

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2017

	Share Capital	General Reserve	Accumulated Loss	Total
	Rupees			
Balance as at July 1, 2015	60,000,000	1,369,610	(26,117,621)	35,251,989
Total comprehensive income for the period (Unaudited)	-	-	8,691,644	8,691,644
Balance as at March 31, 2016	60,000,000	1,369,610	(17,425,977)	43,943,633
Balance as at July 1, 2016 (Audited)	60,000,000	1,369,610	(15,591,906)	45,777,704
Dividend to minority shareholders 2.50% for the year ended June 30, 2016	-	-	(750,000)	(750,000)
Total comprehensive Income for the period (Unaudited)	-	-	11,154,346	11,154,346
Balance as at March 31, 2017	60,000,000	1,369,610	(5,187,560)	56,182,050

The annexed notes form integral part of these condensed financial statements

KHALID H. SHAH
(Chief Executive)

S. FAISAL SHAH
(Director)



Leather Up Limited

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017

- LEGAL STATUS AND NATURE OF BUSINESS**
Leather Up Limited ("the Company") was incorporated as a private limited company under the Companies Ordinance, 1984 on December 2, 1990 vide registration no. K-02440 of 1990-91. Subsequently the Company was converted into a public limited Company on May 15, 1993. The Company is listed on Pakistan Stock Exchange since 1994. The Company is engaged in the manufacture and export of leather garment and its allied products. The production facility are located at Plot # 23/C, 15th Commercial Street, Phase II Extension DHA, Karachi.
- BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**
The condensed interim financial information are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange. The condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The condensed 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 June 30, 2016.
- SIGNIFICANT ACCOUNTING POLICIES**
These interim financial information have been prepared using the same accounting convention, basis of preparation and significant accounting policies as those applied in the preparation of the audited financial statements for the year ended June 30, 2016.
- ACCOUNTING ESTIMATES AND JUDGMENTS**
The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the preceding published annual financial information of the Company as at and for the year ended June 30, 2016.

5 PROPERTY, PLANT & EQUIPMENT	Note	March 31, 2017	June 30, 2016
		Rupees	
Operating Fixed Assets	5.1	17,962,581	17,830,493
5.1 Operating Fixed Assets			
Opening WDV		17,830,493	17,999,042
Additions to property, plant & equipment during the period			
Lease hold land		-	-
Building on leasehold land		-	-
Plant and machinery		387,135	180,000
Vehicles		-	-
Furniture and fixtures		-	-
Office equipments		-	-
		387,135	180,000
Depreciation for the period		(255,047)	(348,549)
Closing WDV		17,962,581	17,830,493

- CONTINGENCIES AND COMMITMENTS**
Contingencies
Contingencies remain the same as at March 31, 2017 as disclosed in the audited annual financial statements for the year ended June 30, 2016.

Commitments
Commitments for export sales as at March 31, 2017 is Rs. 40.00 million (June 30, 2016: Rs. 40.0 million)

- DATE OF AUTHORIZATION FOR ISSUE**
These condensed financial statements have been authorized for issue on 19-04-2017 by the Board of Directors of the Company.

- GENERAL**
Figures have been rounded off to the nearest rupee.

KHALID H. SHAH
(Chief Executive)

S. FAISAL SHAH
(Director)

If undelivered, please return to :
Leather Up Limited
Plot No. 23/C, 15th Commercial Street,
Phase II Ext. Defence Housing Authority, Karachi.
Phone : 35880771-35880772
Fax : 35880773

COMPANY PROFILE

Board of Directors

Khalid H. Shah
Mahmooda Shah
Farooq Raza
S. Faisal Shah
Mohsin Khurseed
Jazim Shah
Ali Kausar Khan

Chief Executive / Director
Director
Director
Director
Director
Director
Director

Board Audit Committee

Mohsin Khurseed
Jazim Shah
Mahmooda Shah

Chairman
Member
Member

Human Resource Committee

Ali Kausar Khan
Mahmooda Shah
S. Faisal Shah

Chairman
Member
Member

Chief Financial Officer / Company Secretary

Shafqat Mahmood (Khokhar)

Auditors

Abdan & Company, Chartered Accountants

Legal Advisor

Maqbool Ahmad Bullo & Company
Advocate

Bankers

MCB Bank Ltd
United Bank Ltd
Faysal Bank Ltd
Summit Bank Ltd
Askari Bank Ltd
Meezan Bank Ltd
Bank Al falah

Share Registrar Office

M/s C&K Management
Associates (Pvt) Limited
404, Trade Tower, Abdullah
Haroon Road, Near Hotel
Metroplote, Karachi-75530

Registered Office/Factory

Plot # 23/C, 15th Commercial
Street Phase II Extension
Defence Housing Authority, Karachi.



Leather Up Limited

QUARTERLY FINANCIAL STATEMENTS MARCH 31, 2017 (UN-AUDITED)



Leather Up Limited

DIRECTORS REPORT

The Directors of your company are pleased to present you Condensed Financial Statements (un-audited) for the third quarter ended March 31, 2017 of the Company:

Company Performance

The performance of your company for the period has been satisfactory. The management of the company is trying its level best to explore new markets and get accelerate the momentum of export figures to the days to come.

The production graph of the company remains on its right direction resulted in export sales recorded 20% increased from the last preceding period. In rupee terms the company exported over Rs. 116.00 million and achieved 11.154 million of net profit which is commendable.

Future Out look

The overall performance of the company has showed relatively good due to substantial orders received from international market. The management expects to continue the same momentum in coming months. Under the circumstances, the management is making all out efforts to secure orders and has taken steps to cut operating expenses to minimum to withstand any lean period.

Despite uncertainty all over the world in general and leather industry in particular, the management of your company is very optimistic and keen to safeguard the interest of shareholders of the company.

Workers Management Relation:

The management will like to put on the record valued contribution of all members of the staff, workers towards achieving results in general and we wish to place on record our gratitude to the shareholders for their continued support in difficult times and hope to continue the same in the coming years. The worker management relation remained excellent throughout the period, which resulted in the smooth operation of your company. This is team work and we hope it shall continue in the same spirit during the coming years.

Thanks and Appreciation

Thanks to our shareholders for their trust and support now and time to time.

By order of the Board

Khalid H. Shah
(Chief Executive)

Karachi: April 19, 2017



Leather Up Limited

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2017

	March 31, 2017 (Unaudited)	June 30, 2016 (Audited)
	Rupees	
Non - Current Assets		
Property, plant and equipment	17,962,581	17,830,492
Current Assets		
Stock in trade	96,940,893	83,095,206
Trade debts - considered good	263,128	4,791,139
Advances, deposits, prepayments and other receivables	11,648,449	16,432,254
Cash and bank balances	1,466,522	5,464,943
	110,318,992	109,783,542
	128,281,573	127,614,034
Share Capital and Reserves		
Authorized Capital		
6,000,000 (June 30, 2016: 6,000,000) ordinary shares of Rs. 10/- each	60,000,000	60,000,000
Issued, subscribed and paid up capital	60,000,000	60,000,000
General reserve	1,369,610	1,369,610
Accumulated loss	(5,187,560)	(15,591,906)
	56,182,050	45,777,704
Deferred liability - staff gratuity	3,517,577	3,517,577
Current liabilities		
Short term borrowing - secured	15,500,000	21,830,000
Loan from directors	69,003	104,546
Trade and other payables	51,830,603	54,895,399
Accrued markup	62,250	150,000
Provision for taxation	1,120,090	1,338,808
	68,581,946	78,318,753
Contingencies and commitments	-	-
	128,281,573	127,614,034

The annexed notes form integral part of these condensed financial statements

KHALID H. SHAH
(Chief Executive)

S. FAISAL SHAH
(Director)



Leather Up Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2017

	For the nine months ended		For the quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rupees			
Sales - net	116,426,569	97,053,127	48,598,415	45,278,627
Cost of sales	(93,245,221)	(76,259,652)	(41,302,370)	(38,103,123)
Gross profit	23,181,348	20,793,475	7,296,045	7,175,504
Operating expenses				
Administrative expenses	(3,676,293)	(3,914,420)	(999,886)	(1,027,370)
Distribution cost	(5,667,894)	(5,714,955)	(1,668,613)	(2,787,840)
	(9,344,187)	(9,629,375)	(2,668,499)	(3,815,210)
Operating profit	13,837,161	11,164,100	4,627,546	3,360,294
Finance cost	(1,397,171)	(1,297,452)	(565,943)	(514,001)
Other income/Loss	(165,554)	(235,612)	(21,810)	(19,208)
	(1,562,725)	(1,533,064)	(587,753)	(533,209)
Profit before taxation	12,274,436	9,631,036	4,039,793	2,827,085
Taxation	(1,120,090)	(939,392)	(467,921)	(417,256)
Profit after taxation	11,154,346	8,691,644	3,571,872	2,409,829
Earnings per share - basic and diluted	1.86	1.45	0.60	0.40

The annexed notes form integral part of these condensed financial statements

KHALID H. SHAH
(Chief Executive)

S. FAISAL SHAH
(Director)



Leather Up Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2017

	March 31, 2017	March 31, 2016
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,274,436	9,631,036
Adjustments for non cash and other items:		
Depreciation	255,047	250,275
Provision for gratuity	-	-
Exchange gain	-	43,294
Finance cost	1,397,171	1,297,453
	1,652,218	1,591,022
Operating cashflows before working capital changes	13,926,654	11,222,058
Changes in working capital (Increase) / decrease in current assets		
Stock in trade	(13,845,687)	(15,739,645)
Trade debts	4,528,011	555,875
Advances, deposit, prepayments and other receivable	4,882,071	(8,793,745)
Increase / (decrease) in current liabilities		
Trade and other payables	(3,761,007)	12,517,256
	(8,196,612)	(11,460,259)
Cash (used in) / generated from operations	5,730,042	(238,201)
Taxes paid	(1,000,686)	(944,950)
Finance cost paid	(1,484,921)	(1,216,630)
Net cash (used in) / generated from operating activities	3,244,434	(2,399,781)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(387,135)	(180,000)
Net cash used in investing activities	(387,135)	(180,000)
Net cashflow from financing activities		
Loan from directors	(35,543)	(1,415,682)
Dividend paid during the period	(490,177)	-
	(525,720)	(1,415,682)
Net increase / (decrease) in cash and cash equivalents	2,331,579	(3,995,463)
Cash and cash equivalents at the beginning of the period	(16,365,057)	(14,341,182)
Cash and cash equivalents at the end of the period	(14,033,478)	(18,336,645)
Cash and cash equivalents comprise the following:		
Cash and bank balance	1,466,522	3,663,355
Short term borrowing	(15,500,000)	(22,000,000)
	(14,033,478)	(18,336,645)

The annexed notes form integral part of these condensed financial statements

KHALID H. SHAH
(Chief Executive)

S. FAISAL SHAH
(Director)