

Leather Up Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30. 2018

For the guarter ended

	September 30, 2018	September 30, 2017	
	Rupees		
Profit / (loss) after taxation	(1,574,211)	1,133,845	
Other comprehensive income for the period	-	-	
Total comprehensive income / (loss) for the period	(1,574,211)	1,133,845	

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Share Capital	General Reserve	Accumulated Loss / Profit pees———————————————————————————————————	Total
		i (u	pccs	
Balance as at July 1, 2017	60,000,000	1,369,610	(2,245,787)	59,123,823
Total comprehensive income / (loss) for the period (Unaudited)		-	1,133,845	1,133,845
Balance as at September 30, 2017 (Unaudited)	60,000,000	1,369,610	(1,111,942)	60,257,668
Balance as at July 1, 2018 (Audited)	60,000,000	1,369,610	44,111,329	105,480,939
Total comprehensive Income / (loss) for the period	-	-	(1,574,211)	(1,574,211)
Balance as at September 30, 2018 (Unaudited)	60,000,000	1,369,610	42,537,118	103,906,728







Director



CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2018

1. 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 Karachi Stock Exchange (now Pakistan Stock Exchange) since 1994. The Company is engaged in the manufacture and export of leather garment products. The registered office and its production facilities are located at plot # 23/C, 15th Commercial Street Phase II Extension Defence Housing Authority, Karachi.

2. 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 237 of the Companies Act, 2017 and the Listing Regulations of the 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, 2018.

3. 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, 2018.

4. 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

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 uncertainty 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, 2018.



5. CONTINGENCIES AND COMMITMENTS

The Contingencies remain same as at September 30, 2018 as disclosed in the annual audited financial statements for the year ended June 30, 2018.

Commitments

Commitments for export sale as at September 30, 2018 is Rs.10.00 million (June 30, 2018: Rs. 10.00 million).

6. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 29, 2018 by the Board of Directors of the Company.

GENERAL

Figures have been rounded off to the nearest rupee

COMPANY PROFILE

Board of Directors

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Street, Authority,

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ited

Khalid H. Shah Mahmooda Shah S. Faisal Shah Jazim Shah

Mohsin Khurseed Faroog Raza Ali Kausar Khan

Board Audit Committee

Mohsin Khurseed Chairman Jazim Shah Member Mahmooda Shah Member **Human Resource Committee** Chairman

Mohsin Khurseed S. Faisal Shah

Member Mahmooda Shah Member

Chief Financial Officer / Company Secretary Shafqat Mahmood (Khokhar)

Abdan & Company, Chartered Accountants

Legal Advisor

Magbool Ahmad Bullo & Company Advocate

Bankers

MCB Bank Ltd Summit Bank Ltd Bank Al-falah Ltd

United Bank Ltd Askari Bank Ltd

Registered Office/Factory

Plot # 23/C, 15th Commercial Street Phase II Ext. Defence Housing Authority, Karachi. Phone: (021) 35880771-2 Fax: (021) 35880773 E-mail: leatherup@cyber.net.pk Web site: leatherupltd.com

Faysal Bank Ltd Meezan Bank Ltd

Share Registrar Office M/s C&K Management

Associates (Pvt) Limited 404. Trade Tower, Abdullah Haroon Road, Near Hotel Metroplole, Karachi-75530 Phone: (021) 35687839 (021) 35685930

Chief Executive / Director

Director/Chairman

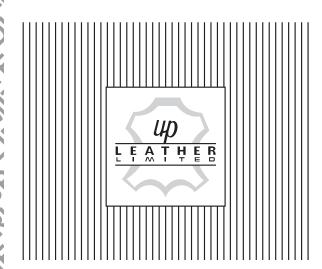
Director

Director

Director

Director

Director



FINANCIAL STATEMENTS FOR THE PERIOD ENDED **SEPTEMBER 30, 2018**





Chief Financial Officer





DIRECTORS REPORT

The Directors of your Company have pleasure in submitting the report on condensed interim statements of accounts (unaudited) for the first guarter ended September 30, 2018.

Company Performance

The recession grips in Europe in recent period and the impact of low business activity there, automatically affected the main exporting countries of leather garments and allied products. Therefore, in the first quarter of 2018-19, export orders badly hit and declined export graph.

Despite the best efforts made by the management, the company suffered significant fall in export as well as operating profits and consequently in production during the period under review and leaves a lot to be desired. During the guarter ended September 30, 2018, the exports of the company stood at Rs. 14.83 million as compared to Rs. 21.36 million for the last corresponding period i.e. decrease of 31% in value as compared to last years' corresponding period.

The management of the company is trying its level best to explore new markets to get back the company as operational profit making entity.

The balance of short term borrowing as on June 30, 2018 was Rs. 40,80 million has been paid subsequently by Rs. 39.80 million in response of selling of open plot. As of today, i.e. the directors' reporting date, Rs. 1.00 million stands outstanding against such liability.

Future Out look

Despite uncertainty all over the world in general and leather industry in particular, the management of your company is very keen to safeguard the interest of shareholders of the company. We are trying our level best to remain in the profits, and are making best efforts to have export orders of considerable value from its existing buyers/customers as well as exploring new markets in order to maintain its exports on upward trends. We do hope that the company would be able to make reasonable exports in the upcoming future.

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 year, 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 as well as in difficult times.

By order of the Board



محزم خالد حسين شاه

چيف ايکزيٽيو



*ڈائریکٹرکی*رپورٹ

آپ کی کمپنی کے ڈائر کیٹر وں نے ۳۰ ستمبر ،۱۸ و حتم ہونے والے پہلی سہ ماہی کے لئے اکاؤنٹس کے کنٹہ پینسڈ انٹر م بہانات پر رپورٹ جمع کرنے میں خوشی کی ہے.

نمپنی کی کار کر د گی

Non - Current Assets

and other receivables

Cash and bank balances

Share Capital and Reserves

Deferred liability - staff gratuity

Short term borrowing - secured

Contingencies and commitments

6.000.000 (June 30, 2018; 6.000,000) ordinary

Issued, subscribed and paid up capital

Authorized Capital

General reserve

Accumulated profit

Current liabilities

Loan from directors

Provision for taxation

Accrued markup Unclaimed dividend

Trade and other payables

shares of Rs. 10/- each

Current Assets

Stock in trade

Property, plant and equipment

Trade debts - considered good

Advances, deposits, prepayments

حالیہ دور میں یورپ میں مبتلا گرفت اور وہاں کم کار وباری سر گر می کے اثر ات، چڑے کے کیڑے اور اتحادی مصنوعات کی اہم ہر آمد ممالک کوخو د بخو د متاثر کیا لہذا،۱۸۰۸-۱۹-۱۹ کی پہلی سه ماہی میں بر آ مد بر آمد کے حکم نے بر آمد گراف کوبری طرح مارا اور کمی کی . انظامیہ کی جانب سے بنایاجانے والی بہترین کو ششوں کے باوجو د ، کمپنی نے بر آ مدمیں نمایاں کی کے ساتھ ساتھ آپریٹنگ منافع کا سامناکر ناپڑااور نتیجے میں اس مدت کے دوران پیداوار میں بہتری اور بہت کچھ چھوڑ دیا۔ • سہتمبر ۱۸۰ × کوختم ہونے والے سہاہی کے دوران، کمپنی کی بر آمدات رو ۸۳۰ء ۱۴ملین رویے کے مقابلے میں . پچھلے سال کی اسی مدت کے لئے ۳۷ء۲ ملین گزشتہ سال کے اس عرصے کے مقابلے میں قیت میں ۱۳۱٪ کی کمپنی کا انظام اپنے سطح کو بہتر بنانے کی کوشش کر رہاہے تا کہ کمپنی کو آپریشنل منافع بخش ادارے کے طور پر واپس حاصل کرنے کے لئے نئی مار کیٹوں کو تلاش کریں.

• ٣٠جون، ١٨٠ تک مختصر مدت کے قرضے کا توازن لگا ہا گیا تھا. بعد میں • ۴٠ ۴ ملین روپے ادا کئے گئے ہیں ۔ کھلی پلاٹ کی فروخت کے جواب میں ۸۰۔۳۹ملین آج کے ، یعنی، ڈائر بکٹروں کی رپورٹنگ کی تاریخ،روبے . ۰ ۰ءاملین اس ذیبہ داری کے

عام طور پر اور چیڑے کی صنعت میں د نیابھر میں غیریقینی صور تحال کے باوجو د ، آپ کی نمپنی کاانتظام نمپنی کے حصول داروں کے مفادات کی حفاظت کے لئے بہت پیندے ہم اپنے سطح پر منافع میں رہنے کے لئے سے بہتر کوشش کررہے ہیں، اور موجو دہ موجو دہ رجمانات پر ہر آ مدات کو ہر قرار رکھنے کے لئے اپنے موجو دہ خریداروں / گاہوں سے کافی قیمت کے ہر آ مد کے احکامات کے ساتھ ساتھ نئے مار کیٹوں کی تلاش کرنے کی بہترین کوششیں کررہے ہیں جم امید کرتے ہیں کہ سمپنی آئندہ متنقبل میں مناسب بر آمدات کرنے کے قابل ہو گی.

کار کنوں کے انتظام کے تعلقات:

انتظامیہ کوعملے کے تمام ارکان کے ریکارڈ قابل قدر شر اکت دا را نہ طور پر کرناہو گا،عام طور پر نتائج حاصل کرنے کے لئے کار کنوں اور ہم مشکل وقت میں ان کی مسلسل حمایت کے لئے حصص کے حصول کے لئے اپنی شاخت کوریکارڈ کرناچاہتے ہیں اور امیدر کھتے ہیں کہ وہ اس میں جاری رکھیں آنے والے سال کار کن مینجنٹ رشتہ یورے سال میں شاندار رہے ، جس کی وجہ سے آپ کی کمپنی کاہموار آپریشن ہو گیا. بیرٹیم کاکام ہے اور ہم امید رکھتے ہیں کہ آنے والے سالوں میں بیر وہی روح میں جاری رہیں گے .

ہمارے حصول دا روں کاشکر بہ ان کے اعتاد اور تعاون کے ساتھ ساتھ مشکل وقت میں .



Chief Executive

Shafqat Mahmood

Chief Financial Officer

The annexed notes form integral part of these financial statements

Leather Up Limited

CONDENSED INTERIM STATEMENT OF

FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2018

SEPTEMBER

30, 2018

(Unaudited)

3,878,924

85,592,351

33.475.984

13,319,175

132.387.510

136,266,434

60,000,000

60,000,000

1.369.610

42.537.118

103,906,728

2,323,355

12,900,000

1,708,789

12,602,713

2,613,991

30.036.351

136,266,434

142,804

68.054

June 30, 2018

(Audited)

3.951.543

95,415,855

39.856.480

36.337.561

171.609.896

175,561,439

60,000,000

60,000,000

1.369.610

44.111.329

105,480,939

2,323,354

40,800,000

2,015,356

21,707,296

2,613,991

67.757.146

175.561.439

433.517

186.986





Khalid H. Shah

Chief Executive

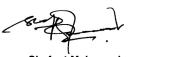


Leather Up Limited

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	For the quarter ended		
	September 30,	September 30,	
	2018	2017	
	Rupees		
Sales - net	14,830,433	21,362,920	
Cost of sales	(14,726,093)	4,358,966	
Gross profit	104,340	4,358,966	
Operating expenses			
Administrative expenses	(1,082,606)	(1,365,697)	
Distribution cost	(174,500)	(1,042,227)	
	(1,257,106)	(2,407,924)	
Operating (loss) / profit	(1,152,766)	1,951,042	
Finance cost	(279 644)	(500.279)	
Finance cost	(278,641)	(599,278)	
Other expenses	(070.044)	(10,120)	
(1) /	(278,641)	(609,398)	
(Loss) / profit before taxation	(1,431,407)	1,341,644	
Taxation	(142,804)	(207,799)	
(Loss) / profit after taxation	(1,574,211)	1,133,845	
Earnings per share - basic and diluted	(0.26)	0.19	

The annexed notes form integral part of these financial statements



Shafqat Mahmood Chief Financial Officer







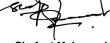
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	2017
OAGUELOWO FROM ORFRATING ACTIVITIES	——— Rup	oees ———
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(1,431,407)	1,341,644
Adjustments for non cash and other items:		
Depreciation	72,619	81,058
Finance cost	278,641	599,278
	351,260	680,336
Operating cashflows before working capital changes	(1,080,147)	2,021,980
Changes in working capital		
(Increase) / decrease in current assets		
Stock in trade	9,823,504	1,353,100
Trade debts	- '-	(7,692,225)
Advances, deposit, prepayments and other recievable	6,089,783	(1,752,303)
Increase / (decrease) in current liabilities		
Trade and other payables	(9,104,583)	(14,179,974)
	6,808,704	(22,271,402)
Cash (used in) / generated from operations	5,728,557	(20,249,422)
Taxes paid	(142,803)	(145,799)
Finance cost paid	(397,573)	(559,290)
Net cash (used in) / generated from operating activities	5,188,181	(20,954,511)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	-	(106,000)
Net cash used in investing activities	-	(106,000)
Net cashflow from financing activities		
Loan from directors	(306,567)	(25,605)
	(306,567)	(25,605)
Net increase / (decrease) in cash and cash equivalents	4,881,614	(21,086,116)
Cash and cash equivalents at the beginning of the period	(4,462,439)	(16,977,678)
Cash and cash equivalents at the end of the period	419,175	(38,063,794)
Cook and each aminulante comprise the fall and an		_
Cash and cash equivalents comprise the following: Cash and bank balance	12 210 475	724 070
Short term borrowing	13,319,175 (12,900,000)	731,870 (38,795,664)
Onort term borrowing	419,175	(38,063,794)
	410,170	(00,000,104)

The annexed notes form integral part of these financial statements



Khalid H. Shah Chief Executive



Shafqat Mahmood Chief Financial Officer



Karachi: October 29, 2018

کرا جی ۲۹۔اکتوبر ۲۰۱۸