



Leather Up Limited

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	SEPTEMBER 30, 2015	SEPTEMBER 30, 2014
	Rupees	
Profit after taxation	3,423,628	3,244,012
Other comprehensive income for the period	-	-
Total comprehensive income for the year	3,423,628	3,244,012

The annexed notes form integral part of these financial statements

**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

	Share Capital	General Reserve	Accumulated Loss	Total
	Rupees			
Balance as at July 1, 2014	60,000,000	1,369,610	(33,488,880)	27,880,730
Total comprehensive income for the year (Audited)	-	-	7,371,259	7,371,259
Balance as at June 30, 2015	60,000,000	1,369,610	(26,117,621)	35,251,989
Balance as at July 1, 2015 (Audited)	60,000,000	1,369,610	(26,117,621)	35,251,989
Total comprehensive Income for the period (Unaudited)	-	-	3,423,628	3,423,628
Balance as at September 30, 2015 (Unaudited)	60,000,000	1,369,610	(22,693,993)	38,675,617

The annexed notes form integral part of these financial statements

S. KHALID H. SHAH
(Chief Executive)

S. FAISAL SHAH
(Director)



Leather Up Limited

**CONDENSED INTERIM NOTES
TO THE FINANCIAL STATEMENTS
FOR SEPTEMBER 30, 2015**

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 since 1994. The Company is engaged in the manufacture and export of leather garment products.

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 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi 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, 2015.

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, 2015.

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 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 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, 2015.

5. CONTINGENCIES AND COMMITMENTS

Contingencies
Contingencies remain same as at June 30, 2015 as disclosed in the audited financial statements for the year ended June 30, 2015

Commitments
Commitments for export sales as at September 30, 2015 is Rs. 35 million (June 30, 2015: Rs. 35 million).

6. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 28, 2015 by the Board of Directors of the Company.

7. GENERAL

Figures have been rounded off to the nearest rupee.

S. 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

**BOOK-POST
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COMPANY PROFILE

Board of Directors

S. Khalid H. Shah	Chief Executive/ Director
Mahmooda Shah	Director
Farooq Raza	Director / Chairman
S. Faisal Shah	Director
Naheed Parveen Fayyaz	Director
Jazim Shah	Director
Ali Kausar Khan	Director

Board Audit Committee

S. Faisal Shah	Chairman
Jazim Shah	Member
Mahmooda Shah	Member

Human Resource Committee

Naheed Parveen Fayyaz	Chairman
Farooq Raza	Member
Ali Kausar Khan	Member
Jazim Shah	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.

Registered Office/Factory

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

Share Registrar Office

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



Leather Up Limited

**QUARTERLY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(UN-AUDITED)**



Leather Up Limited

DIRECTORS REPORT

The Directors of your company are pleased to present you Condensed Interim Financial Statements for the quarter ended September 30, 2015 of the Company:

Company Performance

The performance of your company for the period has been satisfactory in these trying times. The management of the company is trying its level best to cut operating expenses and to explore new markets to accelerate the momentum of export figures and to get the company as profit making entity.

The production graph of the company remains on its right direction resulted in export sales recorded satisfactory. In rupee terms the company exported over Rs. 34.00 million and achieved 3.423 million of net profit which is commendable. The management is also very keen to safeguard the interest of shareholders of the company and hope to do better as evident in the past.

Future Outlook

The overall performance of the company has showed relatively good due to substantial orders received in leather products other than the leather garments from the international market. The management under the circumstances expects to continue the same momentum of export orders till the conclusion of the ongoing financial year.

Workers Management Relation:

The management will like to put on the record the valued contribution of all members of the staff, workers towards achieving results in general and we wish to place our gratitude to the shareholders for their continued support in difficult times and hope to continue the same in the coming years. The workers management relationship 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 as well as in difficult times.

By order of the Board

S. Khalid H. Shah
(Chief Executive)

Karachi: October 28, 2015



Leather Up Limited

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2015

	SEPTEMBER 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	Rupees	
Non - Current Assets		
Property, plant and equipment	17,916,404	17,999,042
Current Assets		
Stock in trade	64,011,468	58,805,167
Trade debts - considered good	3,212,702	2,114,079
Advances, deposits, prepayments and other receivables	13,934,732	11,935,217
Cash and bank balances	890,769	658,818
	<u>99,966,075</u>	<u>91,512,323</u>
Share Capital and Reserves		
Authorized Capital		
6,000,000 (June 30, 2015: 6,000,000) ordinary shares of Rs. 10/- each	<u>60,000,000</u>	<u>60,000,000</u>
Issued, subscribed and paid up capital		
General reserve	60,000,000	60,000,000
Accumulated loss	1,369,610	1,369,610
	<u>(22,693,993)</u>	<u>(26,117,621)</u>
	<u>38,675,617</u>	<u>35,251,989</u>
Deferred liability - staff gratuity	2,594,649	2,594,649
Current liabilities		
Short term borrowing - secured	15,000,000	15,000,000
Loan from directors	1,252,277	1,714,219
Trade and other payables	40,791,644	35,608,095
Accrued markup	131,252	162,082
Provision for taxation	1,520,636	1,181,289
	<u>58,695,809</u>	<u>53,665,685</u>
Contingencies and commitments	-	-
	<u>99,966,075</u>	<u>91,512,323</u>

The annexed notes form integral part of these financial statements

S. KHALID H. SHAH
(Chief Executive)

S. FAÏSAL SHAH
(Director)



Leather Up Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) AS AT SEPTEMBER 30, 2015

	SEPTEMBER 30, 2015	SEPTEMBER 30, 2014
	Rupees	
Sales - net	34,798,031	40,049,622
Cost of sales	<u>(27,098,859)</u>	<u>(31,779,636)</u>
Gross profit	<u>7,699,172</u>	<u>8,269,986</u>
Operating expenses		
Administrative expenses	<u>(1,408,053)</u>	<u>(1,886,197)</u>
Distribution cost	<u>(2,213,522)</u>	<u>(2,266,257)</u>
	<u>(3,621,575)</u>	<u>(4,152,454)</u>
Operating profit	<u>4,077,597</u>	<u>4,117,532</u>
Finance cost	<u>(262,098)</u>	<u>(361,903)</u>
Other income (loss)	<u>(52,523)</u>	<u>(118,332)</u>
	<u>(314,621)</u>	<u>(480,235)</u>
Profit before taxation	<u>3,762,976</u>	<u>3,637,297</u>
Taxation	<u>(339,347)</u>	<u>(393,285)</u>
Profit after taxation	<u>3,423,628</u>	<u>3,244,012</u>
Earnings per share - basic and diluted	<u>0.57</u>	<u>0.54</u>

The annexed notes form integral part of these financial statements

S. KHALID H. SHAH
(Chief Executive)

S. FAÏSAL SHAH
(Director)



Leather Up Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	September 30, 2015	September 30, 2014
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,762,976	3,637,297
Adjustments for non cash and other items:		
Depreciation	82,638	92,267
Finance cost	262,098	361,903
	<u>344,736</u>	<u>454,170</u>
Operating cashflows before working capital changes	<u>4,107,712</u>	<u>4,091,467</u>
Balance as at September 30, 2014 (Unaudited)		
Changes in working capital		
(Increase) / decrease in current assets		
Stock in trade	(5,206,301)	1,877,334
Trade debts	(1,098,623)	501,833
Advances, deposit, prepayments and other receivable	(1,690,998)	(6,998,068)
Increase / (decrease) in current liabilities		
Trade and other payables	5,183,549	2,507,942
	<u>(2,812,373)</u>	<u>(2,110,959)</u>
Cash (used in) / generated from operations	<u>1,295,339</u>	<u>1,980,508</u>
Taxes paid	(339,347)	(393,287)
Finance cost paid	(262,098)	(361,903)
Net cash (used in) / generated from operating activities	<u>693,893</u>	<u>1,225,318</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	-	(125,882)
Net cash used in investing activities	-	(125,882)
Net cashflow from financing activities		
Loan from directors	(461,942)	(149,316)
	<u>(461,942)</u>	<u>(149,316)</u>
Net increase / (decrease) in cash and cash equivalents	<u>231,951</u>	<u>950,120</u>
Cash and cash equivalents at the beginning of the period	(14,341,182)	(8,344,826)
Cash and cash equivalents at the end of the period	<u>(14,109,231)</u>	<u>(7,394,706)</u>
Cash and cash equivalents comprise the following:		
Cash and bank balance	890,769	905,294
Short term borrowing	(15,000,000)	(8,300,000)
	<u>(14,109,231)</u>	<u>(7,394,706)</u>

The annexed notes form integral part of these financial statements

S. KHALID H. SHAH
(Chief Executive)

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(Director)