



Leather Up Limited

CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	For the quarter ended	
	September 30, 2016	September 30, 2015
	Rupees	
Profit after taxation	3,609,185	3,423,629
Other comprehensive income for the period	-	-
Total comprehensive income for the period	3,609,185	3,423,629

The annexed notes form integral part of these financial statements

CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	Share Capital	General Reserve	Accumulated Loss	Total
	Rupees			
Balance as at July 1, 2015	60,000,000	1,369,610	(33,488,880)	27,880,730
Total comprehensive income for the period (Unaudited)	-	-	3,423,629	3,423,629
Balance as at September 30, 2015 (Unaudited)	60,000,000	1,369,610	(30,065,251)	31,304,359
Balance as at July 1, 2016 (Audited)	60,000,000	1,369,610	(15,591,906)	45,777,704
Total comprehensive Income for the period	-	-	3,609,185	3,609,185
Balance as at September 30, 2016 (Unaudited)	60,000,000	1,369,610	(11,982,721)	49,386,889

The annexed notes form integral part of these 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 SEPTEMBER 30, 2016

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 Pakistan 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 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.

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, 2016.

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, 2016.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

The Contingencies remain same as at September 30, 2016 as disclosed in the annual audited financial statements for the year ended June 30, 2016. Now, some of our Buyers are interesting to import their shipments on FOB basis, therefore, the impact on the ongoing development, the Distribution Cost will be less in the forthcoming quarters.

Commitments

Commitments for export sale as at September 30, 2016 is Rs. 40 Million (June 30, 2016: Rs. 40 million).

6. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 28 October, 2016 by the Board of Directors of the Company.

7. 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  
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COMPANY PROFILE

Board of Directors

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

Chief Executive / Director  
Director  
Director / Chairman  
Director  
Director  
Director  
Director

Board Audit Committee

Mohsin Khursheed  
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

Registered Office/Factory

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

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, 2016  
(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, 2016 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. 36.00 million and achieved 3.609 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 Out look

The overall performance of the company has showed relatively good due to substantial orders received in leather products as well as 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.

Now, some of our buyers are interesting to import their shipments on FOB basis, therefore, the impact on the ongoing development, the distribution cost will be less in the forthcoming quarters.

### 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

KHALID H. SHAH  
(Chief Executive)

Karachi: October 28, 2016



Leather Up Limited

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMEBR 30, 2016

	SEPTEMBER 30, 2016 (Unaudited) Rupees	June 30, 2016 (Audited)
<b>Non - Current Assets</b>		
Property, plant and equipment	18,093,839	17,830,492
<b>Current Assets</b>		
Stock in trade	78,843,651	83,095,206
Trade debts - considered good	11,195,738	4,791,139
Advances, deposits, prepayments and other receivables	15,255,788	16,432,254
Cash and bank balances	2,535,235	5,464,943
	107,830,411	109,783,542
	125,924,250	127,614,034
<b>Share Capital and Reserves</b>		
<b>Authorized Capital</b>		
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	(11,982,721)	(15,591,906)
	49,386,889	45,777,704
Deferred liability - staff gratuity	3,517,577	3,517,577
<b>Current liabilities</b>		
Short term borrowing - secured	24,080,000	21,830,000
Loan from directors	1,502,534	104,546
Trade and other payables	45,533,372	54,895,399
Accrued markup	201,000	150,000
Provision for taxation	1,702,878	1,338,808
	73,019,784	78,318,753
<b>Contingencies and commitments</b>	-	-
	125,924,250	127,614,034

The annexed notes form integral part of these financial statements

KHALID H. SHAH  
(Chief Executive)

S. FAÏSAL SHAH  
(Director)



Leather Up Limited

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	For the quarter ended	
	September 30, 2016 Rupees	September 30, 2015
Sales - net	36,407,049	34,798,031
Cost of sales	(28,231,604)	(27,098,859)
<b>Gross profit</b>	8,175,445	7,699,172
<b>Operating expenses</b>		
Administrative expenses	(1,604,444)	(1,408,053)
Distribution cost	(2,251,921)	(2,213,522)
	(3,856,365)	(3,621,575)
<b>Operating profit</b>	4,319,080	4,077,597
Finance cost	(324,035)	(262,098)
Other income/loss	(21,790)	(52,523)
	(345,825)	(314,621)
<b>Profit before taxation</b>	3,973,255	3,762,976
Taxation	(364,070)	(339,347)
<b>Profit after taxation</b>	3,609,185	3,423,629
<b>Earnings per share - basic and diluted</b>	0.60	0.57

The annexed notes form integral part of these financial statements

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, 2016

	SEPTEMBER 30, 2016 Rupees	SEPTEMBER 30, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,973,255	3,762,976
<b>Adjustments for non cash and other items:</b>		
Depreciation	86,654	82,638
Provision for gratuity	-	-
Exchange gain	-	-
Finance cost	324,035	262,098
	410,689	344,736
<b>Operating cashflows before working capital changes</b>	4,383,944	4,107,712
<b>Changes in working capital (Increase) / decrease in current assets</b>		
Stock in trade	4,251,555	(5,206,301)
Trade debts	(6,404,599)	(1,098,623)
Advances, deposit, prepayments and other receivable	1,176,466	(1,690,998)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(8,997,959)	5,183,549
	(9,974,536)	(2,812,373)
<b>Cash (used in) / generated from operations</b>	(5,590,592)	1,295,339
Taxes paid	(364,070)	(339,347)
Finance cost paid	(273,035)	(262,098)
<b>Net cash (used in) / generated from operating activities</b>	(6,227,697)	693,894
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(350,000)	-
<b>Net cash used in investing activities</b>	(350,000)	-
<b>Net cashflow from financing activities</b>		
Loan from directors	1,397,988	(461,942)
	1,397,988	(461,942)
<b>Net increase / (decrease) in cash and cash equivalents</b>	(5,179,709)	231,951
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	(21,544,766)	(14,109,231)
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balance	2,535,235	890,769
Short term borrowing	(24,080,000)	(15,000,000)
	(21,544,766)	(14,109,231)

The annexed notes form integral part of these financial statements

KHALID H. SHAH  
(Chief Executive)

S. FAÏSAL SHAH  
(Director)