



Leather Up Limited

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED
SEPTEMBER 30, 2021
(UNAUDITED)**



COMPANY PROFILE

Board of Directors

Khalid H. Shah	Chief Executive/ Director	Mahmooda Shah	Director
Jazim Shah	Director / Chairman	S. Faisal Shah	Director
Mohsin Khursheed	Director	Farooq Raza	Director
Ali Kausar Khan	Director		

Board Audit Committee

Mohsin Khursheed	Chairman
Jazim Shah	Member
Mahmooda Shah	Member

Human Resource Committee

Mohsin Khursheed	Chairman
S. Faisal Shah	Member
Mahmooda Shah	Member

Chief Financial Officer / Company Secretary

Ali Ahmar

Auditors

Rehman Sarfraz Rahim Iqbal Rafique & Co.

Legal Advisor

Maqsood 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 Ltd	Bank Al Habib Ltd	

Registered Office/Factory

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

Share Registrar Office

M/s C&K Management Associates (Pvt) Limited
404, Trade Tower, Abdullah Haroon Road, Near Hotel Metroplote, Karachi-75530
Phone: (021) 35687839- (021) 35685930



DIRECTORS REPORT

The Directors of your Company have pleasure in submitting the report on condensed interim statements of accounts (unaudited) for the first quarter ended September 30, 2021.

Company Performance:

Company's net revenue for first quarter was Rs. 7.889 million as compared to net revenue of Rs. 10.19 million of the corresponding period of last year. Whereas operating expenses of the company remained at Rs. 1.002 million as compared to Rs. 1.227 million of comparable period of last year.

Future Out look

In spite of various challenges, the company for its part remains focused on improving its operational efficiencies, exploring new markets, effectively minimizing the production costs and focusing on the right performance levers.

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 stable in the current situation, 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. Company is aggressively participating in international forum to boost up the sales.

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

Khalid H. Shah
(Chief Executive Officer)

Karachi: February 14, 2022

ڈائریکٹرز رپورٹ۔

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2021 'و ختم ہونے والی پہلی سہ ماہی کے لئے اکاؤنٹس کے سنجیدہ عبوری بیانات (بغیر پڑھے ہوئے) پر رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

کمپنی کی کارکردگ

ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی میں کمپنی کی آمدنی گذشتہ سال کی اسی مدت کے 10.19 ملین روپے کی آمدنی کے مقابلے میں 7.889 ملین روپے تھی۔ جبکہ کمپنی کے آپریٹنگ اخراجات گذشتہ سال کے موازنہ مدت کے 1.227 ملین روپے کے مقابلے میں 1.002 ملین روپے رہے۔

مستقبل کا نظریہ

مختلف چیلنجوں کے باوجود ، کمپنی اپنی آپریشنل صلاحیتوں کو بہتر بنانے ، نئی منڈیوں کی تلاش ، پیداواری لاگت کو مؤثر طریقے سے کم کرنے اور صحیح کارکردگی پر مبنی توجہ مرکوز کرنے پر مرکوز ہے۔ خاص طور پر چمڑے کی صنعت میں پوری دنیا میں غیر یقینی صورتحال کے باوجود ، آپ کی کمپنی کا انتظام کمپنی کے حصص یافتگان کے مفادات کے تحفظ کے لئے بہت خواہش مند ہے۔ ہم موجودہ صورتحال میں مستحکم رہنے کے لئے اپنی سطح کی پوری کوشش کر رہے ہیں ، اور اپنے موجودہ خریداروں / صارفین سے خاطر خواہ قیمت کے برآمدی آرڈر حاصل کرنے کے ساتھ ساتھ اپنی برآمدات کو اوپر کے رجحانات پر برقرار رکھنے کے لئے پوری کوشش کر رہے ہیں۔ ہم best نئی مارکیٹوں کی تلاش کے ل امید کرتے ہیں کہ کمپنی آئندہ مستقبل میں مناسب برآمدات کر سکے گی۔ کمپنی فروخت کو بڑھانے کے لئے بین الاقوامی فورم میں جارحانہ طور پر حصہ لے رہی ہے۔

ورکرز مینجمنٹ ریلیشن شپ۔

انتظامیہ عملے کے تمام ممبروں ، کارکنوں کی ریکارڈ قابل قدر شراکت کو عام طور پر نتائج کے حصول کی طرف رکھنا چاہیے گی اور ہم چاہتے ہیں کہ مشکل اوقات میں حصص یافتگان کی مسلسل حمایت پر ان کا شکریہ ادا کیا جائے اور امید ہے کہ اسی طرح جاری رہے گا۔ آنے والے سال۔ ورکرز مینجمنٹ کا رشتہ سال بھر عمدہ رہا ، جس کے نتیجے میں آپ کی کمپنی کا ہموار عمل ہوا۔ یہ ٹیم کا کام ہے اور ہم امید کرتے ہیں کہ آنے والے سالوں میں بھی اسی جذبے سے جاری رہے گا۔ شکریہ اور تعریف ہمارے حصص یافتگان کا ان کے اعتماد اور تعاون کے ساتھ ساتھ مشکل اوقات میں بھی شکریہ۔

بورڈ کے حکم سے۔

کراچی
14-02-2022



خالد حسین شاہ۔
چیف ایگزیکٹو۔

LEATHER UP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	30-Jun-21 Rupees	30-Jun-20 Rupees
Non - Current Assets		
Property, plant and equipment	3,079,730	3,131,191
Current Assets		
Stock in trade	34,967,953	34,967,953
Trade debts - considered good	6,979,158	430,342
Advances, deposits, prepayments and other receivables	3,515,902	3,068,584
Tax refunds due from Government	4,153,682	4,108,886
Cash and bank balances	1,976,239	1,825,288
	51,592,933	44,401,053
	<u>54,672,663</u>	<u>47,532,244</u>
Share Capital and Reserves		
Authorized Capital		
6,000,000 (June 30, 2017: 6,000,000) 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 (Revenue Reserve)	1,369,610	1,369,610
Accumulated gain/ (loss)	(23,298,687)	(23,480,402)
	38,070,923	37,889,208
Deferred liability - staff gratuity	1,018,769	1,018,769
Current liabilities		
Short term borrowing - secured	-	-
Loan from directors	3,702,084	402,084
Trade and other payables	9,266,895	5,608,192
Unclaimed dividend	2,613,991	2,613,991
	15,582,970	8,624,267
Contingencies and commitments	-	-
	<u>54,672,663</u>	<u>47,532,244</u>

The annexed notes form integral part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

For the Quarter ended

	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	Rupees	
Sales - net	7,889,904	10,191,759
Cost of sales	(6,688,117)	(9,648,918)
Gross profit/loss	1,201,787	542,842
Operating expenses		
Administrative expenses	(992,342)	(945,216)
Distribution cost	(10,433)	(282,170)
	(1,002,775)	(1,227,386)
Operating profit/loss	199,012	(684,545)
Finance cost		(64,971)
Other income/(loss)	692	-
Other operating expenses	-	-
	692	(64,971)
Profit / Loss before taxation	199,703	(749,516)
Taxation	(17,987)	(101,918)
Profit / Loss after taxation	181,716	(851,433)
Earnings per share - basic and diluted	0.03	(0.14)

The annexed notes form integral part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	For the Quarter ended	
	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	Rupees	
	Restated	
Profit/Loss after taxation	181,716	(851,433)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>181,716</u>	<u>(851,433)</u>

The annexed notes form integral part of these financial statements


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER\


DIRECTOR

LEATHER UP LIMITED
STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	<u>Rupees</u>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / Loss before taxation	199,703	(749,516)
Adjustments for non cash and other items:		
Depreciation	51,462	233,478
Finance cost	-	64,971
	<u>51,462</u>	<u>298,449</u>
Operating cashflows before working capital changes	<u>251,165</u>	<u>(451,067)</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stock in trade	-	2,280,190
Trade debts	(6,548,816)	(97,968)
Advances, deposit, prepayments and other receivable	(478,525)	(992,688)
Increase / (decrease) in current liabilities		
Trade and other payables	3,658,701	(893,194)
Loan from directors	3,300,000	-
	<u>(68,640)</u>	<u>296,340</u>
Cash (used in) / generated from operations	<u>182,525</u>	<u>(154,727)</u>
Taxes paid	(31,575)	(280,870)
Finance cost paid	-	(64,971)
Net cash (used in) / generated from operating activities	<u>150,951</u>	<u>(500,568)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	-	-
Receipt against sale of lease hold land	-	-
Net cash from/(used in) investing activities	<u>-</u>	<u>-</u>
Net cashflow from financing activities		
Dividend paid	-	-
	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	<u>150,951</u>	<u>(500,568)</u>
Cash and cash equivalents at the beginning of the period	<u>1,825,288</u>	<u>1,599,723</u>
Cash and cash equivalents at the end of the period	<u><u>1,976,239</u></u>	<u><u>1,099,216</u></u>
Cash and cash equivalents comprise the following:		
Cash and bank balance	1,976,239	1,099,216
Short term borrowing	-	-
	<u><u>1,976,239</u></u>	<u><u>1,099,216</u></u>

The annexed notes form integral part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Share Capital	General Revenue Reserve	Accumulated Loss	Total
	Rupees			
Balance as at July 1, 2020 - restated	60,000,000	1,369,610	34,230,397	105,480,938
Profit after Taxation			(851,433)	(851,433)
Other Comprehensive income			-	-
Balance as at September 30, 2020	60,000,000	1,369,610	33,378,964	104,629,505
Balance as at July 1, 2021	60,000,000	1,369,610	(23,480,402)	37,889,208
Profit after Taxation			181,716	181,716
Other Comprehensive income				-
Balance as at September 30, 2021	60,000,000	1,369,610	(23,298,687)	38,070,924

The annexed notes form integral part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

1 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 STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the quarter ended September 30, 2021 have 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 Act, 2017. In case where the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2021
- 3.2** Change in accounting standards, interpretations and amendments to published approved accounting and financial reporting standards

(a) Standards and amendments to published approved accounting standards which are effective during the quarter ended September 30, 2021

There are certain new standards and amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

(b) Standards and amendments to published approved accounting and financial reporting standards that are not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2021. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2021

5 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on February 14, 2021 by the Board of Directors of the Company.

6 GENERAL

- Figures have been rounded off to the nearest rupee.

- Figures have been rearranged / reclassified where ever necessary



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR