

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2020

		MARCH 31, 2020 (Unaudited)	JUNE 30, 2019 (Audited)
	Note	Rupees	
Non - Current Assets			
Property, plant and equipment	5	3,465,791	3,661,065
Current Assets			
Stock in trade	6	77,443,385	76,360,706
Trade debts - considered good		-	1,409,493
Advances, deposits, prepayments and other receivables		24,405,253	26,366,108
Cash and bank balances		1,919,285	2,022,712
		103,767,923	106,159,019
		107,233,714	109,820,084
Share Capital and Reserves			
Authorized Capital			
6,000,000 (June 30, 2019: 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 gain		35,889,267	35,571,840
		97,258,877	96,941,450
Deferred liability - staff gratuity		3,020,744	3,020,744
Current liabilities			
Short term borrowing - secured		-	1,454,504
Loan from directors		2,084	2,084
Trade and other payables		4,080,157	5,248,221
Accrued markup		-	77,014
Unclaimed dividend		2,613,991	2,613,991
Provision for taxation		257,861	462,075
		6,954,093	9,857,889
Contingencies and commitments	7	107,233,714	109,820,084

The annexed notes form integral part of these interim financial statements

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

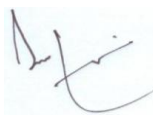
LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

	Note	For the nine months ended		For the quarter ended	
		MARCH 31, 2020	MARCH 31, 2019	MARCH 31, 2020	MARCH 31, 2019
		Rupees	Rupees	Rupees	Rupees
Sales - net	8	27,016,146	40,555,483	6,251,511	13,158,960
Cost of sales		(22,806,929)	(40,530,892)	(4,796,896)	(12,744,042)
Gross profit		4,209,217	24,591	1,454,615	414,918
Operating expenses					
Administrative expenses		(4,328,415)	(3,241,339)	(526,037)	(345,655)
Distribution cost		(765,461)	(2,740,504)	(99,748)	(1,379,044)
		(5,093,876)	(5,981,843)	(625,785)	(1,724,699)
Operating (loss) / profit		(884,659)	(5,957,252)	828,830	(1,309,781)
Finance cost		(7,570)	(2,779,847)	(2,105)	(276,649)
Other income		1,467,516	-	-	-
		1,459,946	(2,779,847)	(2,105)	(276,649)
Profit / (Loss) before taxation		575,287	(8,737,099)	826,725	(1,586,430)
Taxation		(257,861)	(390,296)	(62,515)	(116,331)
Profit / (Loss) after taxation		317,426	(9,127,395)	764,210	(1,702,761)
Earnings / (loss) per share - basic and diluted	9	0.05	(1.52)	0.13	(0.28)


The annexed notes form integral part of these interim financial statements



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CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

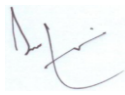
FOR THE PERIOD ENDED MARCH 31, 2020

	For the nine months ended		For the quarter ended	
	MARCH 31, 2020	MARCH 31, 2019	MARCH 31, 2020	MARCH 31, 2019
	Rupees		Rupees	
Loss after taxation	317,426	(9,127,395)	764,210	(1,702,761)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	<u>317,426</u>	<u>(9,127,395)</u>	<u>764,210</u>	<u>(1,702,761)</u>

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DIRECTOR

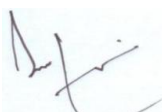
LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

	MARCH 31, 2020	MARCH 31, 2019
	<u>Rupees</u>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	575,287	(8,737,099)
Adjustments for non cash and other items:		
Depreciation	195,275	212,263
Finance cost	7,570	2,779,847
	<u>202,845</u>	<u>2,992,110</u>
Operating cashflows before working capital changes	<u>778,132</u>	<u>(5,744,989)</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stock in trade	(1,082,679)	15,426,293
Trade debts	1,409,494	(2,385,557)
Advances, deposit, prepayments and other receivable	2,109,869	21,282,519
Increase / (decrease) in current liabilities		
Trade and other payables	(1,168,064)	(18,288,618)
	<u>1,268,620</u>	<u>16,034,637</u>
Cash (used in) / generated from operations	<u>2,046,753</u>	<u>10,289,648</u>
Taxes paid	(611,091)	(710,927)
Finance cost paid	(84,584)	(2,664,281)
Net cash (used in) / generated from operating activities	<u>1,351,078</u>	<u>6,914,440</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		
Loan from directors	-	(1,813,257)
	<u>-</u>	<u>(1,813,257)</u>
Net increase in cash and cash equivalents	<u>1,351,078</u>	<u>5,101,183</u>
Cash and cash equivalents at the beginning of the period	<u>568,207</u>	<u>(4,462,439)</u>
Cash and cash equivalents at the end of the period	<u><u>1,919,286</u></u>	<u><u>638,744</u></u>
Cash and cash equivalents comprise the following:		
Cash and bank balance	1,919,285	2,631,720
Short term borrowing	-	(1,992,976)
	<u><u>1,919,285</u></u>	<u><u>638,744</u></u>

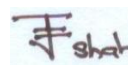
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DIRECTOR

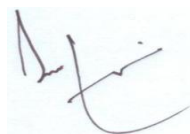
LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

	Share Capital	General Reserve	Accumulated Loss	Total
	Rupees			
Balance as at July 1, 2018	60,000,000	1,369,610	44,111,329	105,480,939
Total comprehensive loss for the period (Unaudited)			(9,127,395)	(9,127,395)
Balance as at March 31, 2019	60,000,000	1,369,610	34,983,934	96,353,544
Balance as at July 1, 2019 (audited)	60,000,000	1,369,610	35,571,840	96,941,450
Total comprehensive loss for the period (Unaudited)			317,426	317,426
Balance as at March 31, 2020	60,000,000	1,369,610	35,889,267	97,258,877

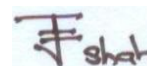
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DIRECTOR

LEATHER UP LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2020

1 THE COMPANY AND ITS OPERATIONS

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, later on it was converted into public limited company as on December 24, 1987 under repealed Companies Ordinance, 1984 (now Companies Act, 2017). Currently, the shares of the Company are listed on Pakistan Stock Exchange Limited. 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

2.1 These unconsolidated interim Financial Statements of the Company for the nine months ended March 31, 2020 has been prepared in accordance with requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Company Act, 2017. In case where requirements differ, the provisions of or directives issued under the Company Act, 2017 have been followed. The interim financial statements do not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2019.

2.2 These interim financial statements are presented in Pak Rupees which is also the Company's functional currency and figures presented in these interim financial statements has been rounded off to the nearest rupees.

2.3 These interim financial statements are un-audited and all relevant compliance with Companies Act, 2017 has been made accordingly. The comparative condensed interim statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2019; the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the interim financial statements for the nine months ended March 31, 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements for the year ended June 30, 2019 except those that stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

(a) Standards and amendments to published accounting and reporting standards which were effective during the nine months ended March 31, 2020

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. However, the application of IFRS 16 does not have any material impact on the Company's books of account.

The amendments that were mandatory for the half year ended March 31, 2020 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

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

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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 unconsolidated condensed interim financial statements are same as those applied in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2019. The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2019.

		MARCH 31, 2020	JUNE 30, 2019
		(UN-AUDITED)	(AUDITED)
		Rupees	
5 PROPERTY, PLANT & EQUIPMENT			
Operating Fixed Assets	5.1	<u>3,465,791</u>	<u>3,661,065</u>
5.1 Operating Fixed Assets			
Opening WDV		3,661,065	3,951,544
Depreciation for the period/year		<u>(195,274)</u>	<u>(290,479)</u>
		<u>3,465,791</u>	<u>3,661,065</u>

5.1.1 Details of addition and disposals to operating fixed assets are as under:

Buildings	-	-
Plant and Machinery	-	-
Furniture and Fixtures	-	-
Office Equipments	-	-
Vehicles	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

5.1.2 Details of addition and transfers from capital work-in-progress are as under:

Buildings	-	-
Plant and Machinery	-	-
Furniture and Fixtures	-	-
Office Equipments	-	-
Vehicles	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

6 STOCK IN TRADE

Raw material and accessories	72,183,087	69,538,408
Finished goods	7,672,619	9,234,619
Less: Provision for obsolete stock	<u>(2,412,321)</u>	<u>(2,412,321)</u>
	<u>77,443,385</u>	<u>76,360,706</u>

7 CONTINGENCIES AND COMMITMENTS

Contingencies

Contingencies remain same as at March 31, 2020 as disclosed in the audited annual financial statements for the year ended June 30, 2019.

Commitments

No commitments exist at balance sheet date.

		For the nine months ended	MARCH 31, 2019
		Rupees	
8 SALES - NET			
Export sales		25,786,089	38,941,818
Export rebate		1,230,057	1,613,665
		<u>27,016,146</u>	<u>40,555,483</u>

		For the nine months ended	For the quarter ended
		MARCH 31, 2020	MARCH 31, 2019
9 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED			
9.1 Earning / (Loss) per share			
Profit / (Loss) after taxation		317,426	(9,127,395)
Weighted average number of shares		6,000,000	6,000,000
Basic earning / (loss) per share		<u>0.05</u>	<u>(1.52)</u>
9.2 Diluted earnings per share			
Basic earning / (loss) per share		<u>0.13</u>	<u>(0.28)</u>

There is no dilution effect on the basic earning / (loss) per share of the company.

10 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out at arms length. Amounts due from and to related parties and key management personnel, if any, are shown under receivables and payables.

	MARCH 31, 2020	JUNE 30, 2019
	Rupees	
Loan from directors (Mr Khalid Shah)	2,084	2,084
Directors Loan Movement (Mr Khalid Shah)	-	2,013,272
Directors remuneration payable	-	2,084
Workers profit participation fund payable	307,264	307,264

11 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these interim financial statements approximate their fair values.

Fair value hierarchy;

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

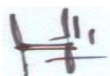
As at December 31, 2019 the Company has no financial instruments that falls into any of the above category.

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue in the Board of Directors' meeting held on 30 April 2020

13 GENERAL

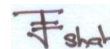
Corresponding figures have been reclassified/ re-arranged wherever necessary to facilitate comparison on the presentation on the current period. However, there are no material reclassifications / re-arrangements to report.



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