



*Leather Up Limited*

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2022  
(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
Shaikh Abdus Sami	Director		

**Board Audit Committee**

Mohsin Khursheed	Chairman
Shaikh Abdus Sami	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**

UHY Hassan Naeem & 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, 15<sup>th</sup> Commercial Street Phase II Extension, Defence Housing Authority, Karachi.

Phone: (021) 35880771-2 Fax: (021) 35880773

E-mail: [Inquiry@leatherupltd.com](mailto:Inquiry@leatherupltd.com)

Website: [www.leatherupltd.com](http://www.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, 2022.

### Company Performance:

Company's net revenue for first quarter September 2022 is Rs. 10.676 million as compared to net revenue of Rs. 7.889 million of the corresponding period of last year. Whereas Loss before taxation of the company remained at Rs. 0.395 million only as compared to Profit before taxation Rs. 0.199 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.

Thanks to our shareholders for their trust and support now as well as in difficult times

By order of the board

Karachi: October 29, 2022

Khalid H. Shah  
(Chief Executive Officer)

### ڈائریکٹرز رپورٹ۔

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2022 '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 2022 کو ختم ہونے والی پہلی سہ ماہی میں کمپنی کی خالص آمدنی 10.676 ملین روپے تھی جو پچھلے سال اسی وقت کے دوران 7.889 ملین روپے تھی۔ جبکہ کمپنی کا ٹیکس سے قبل نقصان صرف 0.395 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران ٹیکس سے قبل منافع میں 0.199 ملین روپے تھا۔

### 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۔

### بورڈ کے حکم سے۔



خالد حسین شاہ۔  
چیف ایگزیکٹو۔

**LEATHER UP LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2022**

	UN-AUDITED SEPTEMBER 2022	AUDITED JUNE 2022
	————— Rupees —————	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,879,166	2,925,345
<b>Current assets</b>		
Stock-in-trade	15,879,695	20,678,494
Trade debts	135,461	7,754,644
Advances, deposits and other receivables	3,454,779	3,339,207
Tax refunds due from government	4,273,873	4,235,262
Cash and bank balances	4,692,212	4,104,144
	28,436,021	40,111,751
<b>Total assets</b>	<b>31,315,187</b>	<b>43,037,096</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
<i>Authorized capital</i>		
6,000,000 (2020: 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
<i>Revenue reserves</i>		
General reserve	1,369,610	1,369,610
Accumulated (losses) / profit	(39,143,093)	(38,616,908)
	(37,773,483)	(37,247,298)
	22,226,517	22,752,702
<b>Non-current liability</b>		
Staff retirement benefits - gratuity	1,890,572	1,890,572
<b>Current liabilities</b>		
Loan from directors	250,000	3,232,084
Trade and other payables	5,317,747	12,547,747
Unclaimed dividend	1,630,351	2,613,991
	7,198,098	18,393,822
<b>Contingency and commitments</b>		
<b>Total equity and liabilities</b>	<b>31,315,187</b>	<b>43,037,096</b>

The annexed notes form integral part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**LEATHER UP LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	SEPTEMBER 2022	SEPTEMBER 2021
	————— Rupees —————	
Sales revenue	10,676,296	7,889,904
Cost of sales	<u>(9,149,769)</u>	<u>(6,688,117)</u>
<b>Gross (Loss) / Profit</b>	<b>1,526,527</b>	<b>1,201,787</b>
Administrative expenses	<u>(2,003,398)</u>	<u>(992,342)</u>
Distribution expenses	<u>(582,248)</u>	<u>(10,433)</u>
	<u>(2,585,646)</u>	<u>(1,002,775)</u>
<b>Operating loss</b>	<b>(1,059,119)</b>	<b>199,012</b>
Other (expense) / income	663,480	692
<b>Profit/Loss before taxation</b>	<u><b>(395,638)</b></u>	<u>199,703</u>
Taxation	(130,547)	(17,987)
<b>Loss after taxation</b>	<u><b>(526,185)</b></u>	<u>181,716</u>
<b>Loss per share - basic and diluted</b>	<u><b>(0.09)</b></u>	<u>0.03</u>

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 PERIOD ENDED SEPTEMBER 30, 2022**

	SEPTEMBER 2022	SEPTEMBER 2021
	————— Rupees —————	
(Loss) after taxation	(526,185)	181,716
<b>Other comprehensive income</b>		
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Actuarial gain on defined benefit obligation	-	
<b>Total comprehensive income (Loss)</b>	<u><u>(526,185)</u></u>	<u><u>181,716</u></u>

The annexed notes form integral part of these financial statements

  
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 CHIEF EXECUTIVE

  
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 CHIEF FINANCIAL OFFICER

  
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 DIRECTOR

**LEATHER UP LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	SEPTEMBER 2022	SEPTEMBER 2021
	————— Rupees —————	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(395,638)	199,703
<i>Adjustments for non-cash and other items:</i>		
- Depreciation on property, plant and equipment	46,179	51,462
	46,179	51,462
<b>Cash flow before working capital changes</b>	(349,459)	251,165
<b>Working capital changes</b>		
<i>(Increase) / decrease in current assets</i>		
- Stock-in-trade	4,798,800	-
- Trade debts	7,619,183	(6,548,816)
- Advances, deposits, prepayments and other receivables	(115,578)	(478,525)
- Income/Sales tax refundable	(169,158)	(31,575)
- Trade and other payables excluding gratuity payable	(8,213,640)	3,658,701
	3,919,607	(3,400,215)
<b>Cash generated from operations</b>	3,570,148	(3,149,050)
<b>Net cash (used in) / generated from operating activities</b>	3,570,148	(3,149,050)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net loan obtained from directors	(2,982,084)	3,300,000
Short term borrowings - net	-	-
<b>Net cash generated from / (used in) financing activities</b>	(2,982,084)	3,300,000
Net increase / (decrease) in cash and cash equivalents	588,064	150,950
Cash and cash equivalents at the beginning of the year	4,104,144	1,825,288
<b>Cash and cash equivalents at the end of the year</b>	4,692,212	1,976,239

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, 2022**

	Issued, subscribed and paid up capital	Revenue reserves		Total
		General reserve	Accumulated (loss) / profit	
		Rupees		
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	-	-	-	-
	-	-	181,716	181,716
Balance as at september 30, 2021	60,000,000	1,369,610	(23,298,687)	38,070,924
Balance as at July 1, 2022	60,000,000	1,369,610	(38,616,907)	37,889,208
- Loss after taxation	-	-	(526,185)	(526,185)
- Other comprehensive income	-	-	-	-
	-	-	(526,185)	(526,185)
Balance as at Sep 30, 2022	60,000,000	1,369,610	(39,143,093)	37,363,022

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, 2022**

**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, 2022 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, 2022
- 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, 2022**

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, 2022. 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, 2022

**5 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on October 29, 2022 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