



Leather Up Limited

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2024**



COMPANY PROFILE

Board of Directors

Khalid H. Shah	Chief Executive/ Director	Mahmooda Shah	Director
Jazim Shah	Director / Chairman	S. Faisal Shah	Director
Ellahi Bukhsh	Director	Farooq Raza	Director
Shaikh Abdus Sami	Director		

Board Audit Committee

Ellahi Bukhsh	Chairman
Jazim Shah	Member
Mahmooda Shah	Member

Human Resource Committee

Ellahi Bukhsh	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, 15th Commercial Street Phase II Extension, Defence Housing Authority, Karachi.
Phone: (021) 35880771-2 Fax: (021) 35880773
E-mail: Inquiry@leatherupltd.com
Website: www.leatherupltd.com

Share Registrar Office

M/s C&K Management Associates (Pvt) Limited
M13, Progressive Plaza, Civil Lines Quarter, Near P.I.D.C, Beaumont Road, Karachi – 75530, Pakistan
Phone: (021) 35687839- (021) 35685930



DIRECTORS' REPORT

The Directors of your Company have pleasure in submitting the report on Financial Statements for the Half Year Ended **December 31, 2024 (UNAUDITED)**.

Company Performance:

The company's net revenue for the half-year ended July '24 to December '24 stood at Rs. 6.2 million compared to a net revenue of Rs. 22.1 million for the corresponding period last year. Additionally, the net profit was 2.8M in December 31, 2023 compared to a loss of 2.2M in the half-year ended December 31, 2024.

Future Outlook:

Despite ongoing challenges, the company remains committed to enhancing operational efficiencies, expanding into new markets, and optimizing production costs. While the global leather industry faces uncertainties, our management is dedicated to protecting shareholder interests. We are focused on sustaining stability and proactively securing high-value export orders from existing clients while exploring new market opportunities. Our goal is to drive export growth and maintain a steady upward trajectory in the foreseeable future.

Workers Management Relation:

The management sincerely appreciates the dedication and hard work of all employees in contributing to the company's success. We also extend our gratitude to our shareholders for their unwavering support during difficult periods. The worker-management relationship has remained strong throughout the year, ensuring seamless operations. This collaboration reflects a spirit of teamwork, which we aim to uphold in the future.

Thanks and Appreciation:

We express our heartfelt appreciation to our shareholders for their continued confidence and support, especially during challenging times. Your trust remains invaluable as we navigate the road ahead.

Karachi: 28 February, 2025

Khalid H. Shah
(Chief Executive)

Jazim Shah
(Chairman / Director)

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو دلی خوشی ہے کہ وہ 31 دسمبر 2024 کو ختم ہونے والے نصف سال کے لیے (غیر آڈٹ شدہ) مالیاتی بیانات پر اپنی رپورٹ پیش کر رہے ہیں۔

کمپنی کی کارکردگی:

جولائی 2024 سے دسمبر 2024 تک ختم ہونے والے نصف سال کے دوران کمپنی کی خالص آمدنی 6.2 ملین روپے رہی، جبکہ گزشتہ سال اسی مدت کے دوران خالص آمدنی 22.1 ملین روپے تھی۔ مزید برآں، 31 دسمبر 2023 کو خالص منافع 2.8 ملین روپے تھا، جبکہ 31 دسمبر 2024 کو ختم ہونے والے نصف سال میں کمپنی کو 2.2 ملین روپے کا نقصان ہوا۔

مستقبل کا لائحہ عمل:

موجودہ چیلنجز کے باوجود، کمپنی آپریشنل صلاحیتوں کو بہتر بنانے، نئے مارکیٹس تک رسائی حاصل کرنے، اور پیداواری لاگت کو مؤثر طریقے سے کم کرنے کے لیے پرعزم ہے۔ عالمی سطح پر چمڑے کی صنعت کو درپیش غیر یقینی صورتحال کے باوجود، کمپنی کی انتظامیہ حصہ داروں کے مفادات کے تحفظ کے لیے پوری طرح مستعد ہے۔ ہم استحکام برقرار رکھنے اور موجودہ خریداروں سے نمایاں برآمدی آرڈرز حاصل کرنے کے لیے مسلسل کوششیں کر رہے ہیں، جبکہ نئے بین الاقوامی بازاروں کی تلاش بھی جاری ہے تاکہ برآمدات میں مسلسل اضافہ ممکن بنایا جا سکے۔

مزدوروں اور انتظامیہ کے تعلقات:

انتظامیہ کمپنی کی ترقی میں تمام ملازمین کی محنت اور لگن کو خراج تحسین پیش کرتی ہے۔ اس کے ساتھ ہم اپنے حصہ داروں کے مسلسل اعتماد اور مشکل وقت میں ساتھ دینے پر تہ دل سے مشکور ہیں۔ سال بھر انتظامیہ اور مزدوروں کے تعلقات مثالی رہے، جس کی بدولت کمپنی کی سرگرمیاں بغیر کسی رکاوٹ کے جاری رہیں۔ یہ باہمی تعاون اور ٹیم ورک کی بہترین مثال ہے، اور ہم امید کرتے ہیں کہ یہ جذبہ آئندہ بھی برقرار رہے گا۔

شکریہ اور قدردانی:

ہم اپنے معزز حصہ داروں کا گہری قدردانی کے ساتھ شکریہ ادا کرتے ہیں کہ انہوں نے ہمیشہ ہم پر اعتماد کیا اور مشکل وقت میں ہمارا ساتھ دیا۔ آپ کا اعتماد ہمارے لیے انتہائی قابل قدر ہے، اور ہم مستقبل میں بھی آپ کی توقعات پر پورا اترنے کے لیے بھرپور کوششیں جاری رکھیں گے۔



Khalid H. Shah
(Chief Executive)

28 February 2025, Karachi



Jazim Shah
(Chairman / Director)

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Leather Up Limited
Report on Review of Condensed Interim financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **LEATHER UP LIMITED** as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes comprising material accounting policy information and other explanatory information for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures for the quarter ended 31 December 2024 and 31 December 2023 as presented in the condensed statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and thus, we do not express a conclusion on them.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Review of interim financial statements consists of making inquiries of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial statements as of is not prepared, in all material respect in accordance with accounting and reporting standards as applicable in Pakistan for interim reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Arslan Ahmed**.

KARACHI
DATE: 28 February, 2025
UDIN:

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2024

	<i>Note</i>	December 2024	June 2024
ASSETS		Rupees	
Non-current assets			
Property, plant and equipment	4	2,500,383	2,574,822
Current assets			
Stock-in-trade	5	13,392,458	17,840,117
Advances, deposits and other receivables		3,383,944	4,410,635
Tax refunds due from government		2,274,352	2,224,403
Cash and bank balances		2,111,341	1,415,232
		21,162,095	25,890,387
Total assets		23,662,478	28,465,209
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized capital</i>			
6,000,000 (June 2024: 6,000,000) ordinary shares of Rs. 10/- each		60,000,000	60,000,000
Issued, subscribed and paid up capital	6	60,000,000	60,000,000
<i>Revenue reserves</i>			
General reserve		1,369,610	1,369,610
Actuarial gain/(loss) on defined benefit		3,352,808	3,352,808
Accumulated (losses) / profit		(46,695,371)	(44,468,647)
		(41,972,953)	(39,746,229)
		18,027,047	20,253,771
Non-current liability			
Deffered Liabilities	7	611,071	470,382
Current liabilities			
Loan from directors		113,678	88,600
Trade and other payables	8	3,280,332	6,022,104
Unclaimed dividend		1,630,351	1,630,351
		5,024,361	7,741,055
Contingency and commitments	9	-	-
Total equity and liabilities		23,662,478	28,465,209

The annexed notes are integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

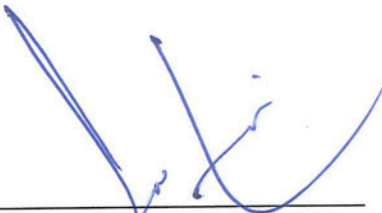

DIRECTOR

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024

	Notes	HALF YEAR ENDED		QUARTER ENDED	
		DECEMBER	DECEMBER	DECEMBER	DECEMBER
		2024	2023	2024	2023
		Rupees			
Sales revenue	10	6,216,457	22,135,752	2,200,660	3,354,441
Cost of sales	11	(6,160,269)	(18,001,975)	(2,954,579)	(1,341,540)
Gross (Loss) / Profit		56,188	4,133,777	(753,919)	2,012,901
Administrative expenses		(2,436,010)	(2,354,393)	(1,256,010)	162,188
Distribution expenses		(166,155)	(830,887)	(144,755)	(331,377)
Operating loss		(2,545,977)	948,497	(2,154,685)	1,843,712
Other (expense) / income		369,202	2,062,601	66,411	880,962
Profit/(loss) before income tax, minimum tax differential and final tax		(2,176,775)	3,011,098	(2,088,273)	2,724,674
Minimum tax - levy		-	-	-	-
Final taxes - levy		(49,949)	(192,319)	(39,081)	(4,506)
Profit/Loss before taxation		(2,226,724)	2,818,779	(2,127,354)	2,720,168
Taxation	12	-	-	-	-
Profit/(Loss) after taxation		(2,226,724)	2,818,779	(2,127,354)	2,720,168
Profit/(Loss) per share - basic and dilu	13	(0.37)	0.47	(0.35)	0.45

The annexed notes are integral part of these financial statements.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024

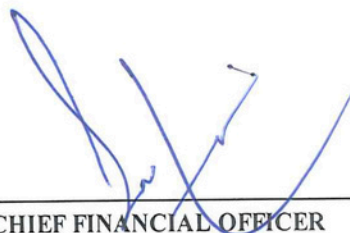
	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER	DECEMBER	DECEMBER	DECEMBER
	2024	2023	2024	2023
	Rupees			
Profit/(Loss) after taxation	<u>(2,226,724)</u>	<u>2,818,779</u>	<u>(2,127,354)</u>	<u>2,720,168</u>
Other comprehensive income				
<i>Items that will not be subsequently reclassified to profit or loss</i>	-	-	-	-
Actuarial gain on defined benefit obligation	-	-	-	-
Total comprehensive income (Loss)	<u>(2,226,724)</u>	<u>2,818,779</u>	<u>(2,127,354)</u>	<u>2,720,168</u>

The annexed notes are integral part of these financial statements.

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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF CASFLOW (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024

	<i>Note</i>	December 31, 2024	December 31, 2023
		————— Rupees —————	—————
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/Loss before taxation		(2,176,775)	3,011,098
<i>Adjustments for non-cash and other items:</i>			
- Provision for staff gratuity		140,689	166,802
- Depreciation on property, plant and equipment		74,439	82,904
		215,128	249,706
Cash flow before working capital changes		(1,961,648)	3,260,804
Working capital changes			
<i>(Increase) / decrease in current assets</i>			
- Stock-in-trade		4,447,659	13,996,678
- Trade debts		-	-
- Advances, deposits, prepayments and other receivables		1,026,691	(1,289,223)
- Sales tax refundable		-	-
<i>Increase / (decrease) in current liabilities</i>			
- Trade and other payables excluding gratuity payable		(2,741,772)	(15,905,633)
		2,732,578	(3,198,178)
Cash generated from operations		770,930	62,627
Gratuity paid		-	-
Taxes paid		(99,898)	(192,319)
		(99,898)	(192,319)
Net cash (used in) / generated from operating activities		671,031	(129,692)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash (used in) / generated from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net loan obtained from / (repaid to) directors		25,078	208,600
Dividend Paid		-	-
Net cash generated from / (used in) financing activities		25,078	208,600
Net increase / (decrease) in cash and cash equivalents		696,109	78,908
Cash and cash equivalents at the beginning of the year		1,415,232	2,754,248
Cash and cash equivalents at the end of the year	14	2,111,341	2,833,156

The annexed notes are integral part of these financial statements.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

LEATHER UP LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2024

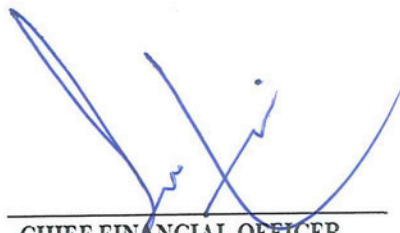
	Issued, subscribed and paid up capital	Revenue reserves		Total
		General reserve	Accumulated (loss) / profit	
Rupees				
Balance as at July 1, 2023	60,000,000	1,369,610	(41,582,119)	19,787,491
<i>Total comprehensive loss for the period ended December 31, 2023</i>				
- Profit/(Loss) after taxation	-	-	2,818,779	2,818,779
- Other comprehensive loss	-	-	-	-
	-	-	2,818,779	2,818,779
Balance as at December 31, 2023	60,000,000	1,369,610	(38,763,340)	22,606,270
Balance as at July 1, 2024	60,000,000	1,369,610	(44,468,647)	16,900,963
<i>Total comprehensive profit for the period ended December 31, 2024</i>				
- Profit/(Loss) after taxation	-	-	(2,226,724)	(2,226,724)
- Other comprehensive income	-	-	-	-
	-	-	(2,226,724)	(2,226,724)
Balance as at December 31, 2024	60,000,000	1,369,610	(46,695,371)	14,674,239

The annexed notes are integral part of these financial statements.

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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2024
(UN-AUDITED)

1. STATUS AND NATURE OF BUSINESS

Leather Up Limited ('the Company') was incorporated in Pakistan as a private limited company 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. The Head Office and the manufacturing facility of the Company are located at Plot # 23/C, 15th Commercial Street, Phase II Extension, Defence Housing Authority, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

2.2 These condensed interim financial statements are unaudited and subject to limited scope review by the auditors. These are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act).

2.3 These condensed interim financial statements do not include all the information and disclosures required in annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and method of computations followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual published financial statements of the company for the year ended June 30, 2024.

3.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

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 financial statements for the year ended June 30, 2024, except as disclosed otherwise.

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4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - at net book value
Capital work in progress at cost
Right of use assets - at net book value

December 31, 2024 (Unaudited) June 30, 2024 (Audited)
Rupees

2,500,383	2,574,822
-	-
-	-
<u>2,500,383</u>	<u>2,574,822</u>

4.1 Depreciation charge for the period

December 31, 2024 December 31, 2023
Rupees

74,439	82,904
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5 STOCK IN TRADE

Raw material and accessories
Work in process
Finished goods
Less: Provision for obsolete stock

December 31, 2024 (Unaudited) June 30, 2024 (Audited)
Rupees

13,392,458	17,840,117
-	-
778,967	778,967
(778,967)	(778,967)
<u>13,392,458</u>	<u>17,840,117</u>

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

December 31, 2024 (Unaudited) June 30, 2024 (Audited)
Number of Shares

December 31, 2024 (Unaudited) June 30, 2024 (Audited)
Rupees

5,759,100	5,759,100	Ordinary shares of Rs. 10/- each fully paid in cash.	57,591,000	57,591,000
125,000	125,000	Ordinary shares of Rs. 10/- each issued for consideration other	1,250,000	1,250,000
115,900	115,900	Ordinary shares of Rs. 10/- each issued as fully paid bonus	1,159,000	1,159,000
<u>6,000,000</u>	<u>6,000,000</u>		<u>60,000,000</u>	<u>60,000,000</u>

7 DEFFERED LIABILITIES

Staff retirement benefits - Gratuity

611,071	470,382
<u>611,071</u>	<u>470,382</u>

8 TRADE AND OTHER PAYABLES

Creditors
Accrued liabilities
Advance from customers
Provision for Workers' Profit Participation Fund
Provision for Workers' Welfare Fund

2,379,092	4,031,514
379,672	266,970
447,810	1,649,862
17,295	17,295
56,463	56,463
<u>3,280,332</u>	<u>6,022,104</u>

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9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no contingencies as at December 31, 2024.

9.2 Commitments

There are no commitments as at December 31, 2024.

10 SALES REVENUE

Export sales
Export rebates

December 31, December 31,
2024 2023
(Unaudited) (Unaudited)
————— Rupees —————

	December 31, 2024 (Unaudited)	December 31, 2023 (Unaudited)
Export sales	6,216,457	22,135,752
Export rebates	-	-
	<u>6,216,457</u>	<u>22,135,752</u>

11 COST OF SALES

Raw and packing materials consumed

11.1

4,447,659

5,396,233

Manufacturing expenses

Salaries, wages and benefits
Cutting and stitching charges
Fuel and power
Repairs and maintenance
Depreciation on property, plant and equipment
Entertainment
Telephone, fax and postage
Printing and stationery

11.2

	December 31, 2024 (Unaudited)	December 31, 2023 (Unaudited)
Salaries, wages and benefits	-	1,138,376
Cutting and stitching charges	711,075	1,086,900
Fuel and power	940,072	1,182,477
Repairs and maintenance	-	124,086
Depreciation on property, plant and equipment	44,663	49,742
Entertainment	16,800	219,373
Telephone, fax and postage	-	-
Printing and stationery	-	4,250
	<u>1,712,610</u>	<u>3,805,204</u>
Cost of goods manufactured	6,160,269	9,201,437
Opening work in progress	-	8,600,445
Closing work in progress	-	-
Opening stock of finished goods	778,967	979,060
Stock sold at cost as scrap	-	-
Closing stock of finished goods	<u>(778,967)</u>	<u>(778,967)</u>
	<u>6,160,269</u>	<u>18,001,975</u>

December 31, December 31,
2024 2023
(Unaudited) (Unaudited)
————— Rupees —————

Note

11.1 Raw and packing material consumed

Opening stock
Add: Purchases during the year

17,840,117

25,320,085

-
17,840,117

-
25,320,085

Less : Closing stock

Raw materials consumed

(13,392,458)
4,447,659

(19,923,852)
5,396,233

11.2 Depreciation expense is allocated to cost of sales and administrative expenses in ratio of 60:40

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	December 31, 2024 (Unaudited)	December 31, 2023 (Unaudited)
12 TAXATION		
Current - for the period	-	-
	<u>-</u>	<u>-</u>

	For the half year ended		For the quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees		Rupees	
	-----Unaudited-----			

13 PROFIT/(LOSS) PER SHARE				
Profit/(Loss) after Taxation	<u>(2,226,724)</u>	<u>2,818,779</u>	<u>(2,127,354)</u>	<u>2,720,168</u>
			Number	
Weighted average number of ordinary shares	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>
			Rupees	
Earnings per share - basic and diluted - Rupees	<u>(0.37)</u>	<u>0.47</u>	<u>(0.35)</u>	<u>0.45</u>

14 CASH AND CASH EQUIVALENT		December 31, 2024 (Unaudited)	June 30, 2024 (Unaudited)
Cash and bank balances		<u>2,111,341</u>	<u>1,415,232</u>
		<u>2,111,341</u>	<u>1,415,232</u>

15 RELATED PARTIES

Related parties comprise of group companies, directors and their close family members, major shareholders of the Company, key management personnel and staff provident fund. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of chief Executive, directors and executives is as follows:

Loan from directors (Mr. Khalid Shah)	80,077	-
Directors Loan (Mr. Khalid Shah) - Amount repaid	55,000	208,600

16 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest rupee.

17 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 28 February, 2025 by the Board of Directors of the Company.

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CHIEF EXECUTIVE

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CHIEF FINANCIAL OFFICER

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DIRECTOR