



Leather Up Limited

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
MARCH 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 Qureshi	Director	Farooq Raza	Director
Shaikh Abdus Sami	Director		

Board Audit Committee

Ellahi Bukhsh Qureshi	Chairman
Jazim Shah	Member
Mahmooda Shah	Member

Human Resource Committee

Ellahi Bukhsh Qureshi	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: leatherup@cyber.net.pk

Website: leatherupltd.com

Share Registrar Office

M/S C&K Management Associates (Pvt) Limited

404, TradeTower, Abdullah Haroon Road, Near Hotel Metroplole, Karachi-75530

Phone: (021) 35687839- (021) 35685930



DIRECTORS REPORT

The Directors of your Company have pleasure in submitting the report on Financial Statements for the Nine Months Period Ended March 31, 2024.

Company Performance:

The company's net revenue for the nine months ended in March 31, 2024 is Rs. 25.035 million, compared to Rs. 14.245 million for the same period the previous year. The net profit after taxation for the nine months ended in March 31, 2024 is at 2.21 million whereas in the same comparative period there was a net loss of 1.83 million.

Future Outlook:

Despite various challenges, the company remains focused on improving operational efficiencies, exploring new markets, minimizing production costs effectively, and emphasizing the right performance levers. Despite global uncertainty and challenges within the leather industry, the management is committed to safeguarding the interests of the company's shareholders. We are striving to maintain stability in the current situation and are making concerted efforts to secure export orders of significant value from existing buyers/customers, as well as exploring new markets to sustain upward trends in exports. We hope to achieve reasonable export figures in the foreseeable future.

Workers Management Relation:

The management would like to acknowledge the valued contributions of all staff and workers towards achieving results. We express our gratitude to the shareholders for their continued support during difficult times and aim to maintain this support in the coming years. The worker-management relationship remained excellent throughout the year, resulting in the smooth operation of the company. This is a testament to teamwork, and we hope it continues in the same spirit in the future.

Thanks and Appreciation:

We extend our thanks to our shareholders for their trust and support, both now and during challenging times.

Karachi - April 22, 2024.

By order of the board

Khalid H. Shah
Chief Executive Officer

ڈائریکٹرز کی رپورٹ

کمپنی کی پرفارمنس

کمپنی کی خالص آمدنی نو ماہ کے لئے جو 31 مارچ 2024 کو ختم ہوئی، 25.035 ملین روپے ہے، جو پچھلے سال کی اسی مدت کے دوران 14.245 ملین روپے تھی۔ نو ماہ کے لئے جو 31 مارچ 2024 کو ختم ہوئی، خالص منافع بعد از ٹیکس 2.21 ملین روپے ہے، جبکہ اسی مقابلہ مدت میں 1.83 ملین کا خالص نقصان تھا

ستقبل کا مشاہدہ:

مختلف چینجوں کا سامنا ہونے کے باوجود، کمپنی عملیاتی ماہریت میں بہتری، نئے مارکیٹس کی تلاش، پیداواری لاگتوں کو کم کرنے اور کارکردگی میں اضافہ کے لئے متوجہ ہے۔

ادارہ سچی چارہ:

مینجمنٹ سہمداروں کے مفاد کی حفاظت کے لئے مصروف ہے اور مستقلیت برقرار رکھنے اور قدرتی طور پر نئے مارکیٹس سے صارفین/کسٹمرز کیساتھ صادرات کی مقدار بڑھانے کی کوشش کر رہی ہے۔ کمپنی صادرات میں اوپر کی روایتوں کو برقرار رکھنے کی کوشش کرتی ہے اور مستقبل میں معقول صادرات کی امید کرتی ہے۔

ورکرز کا انتظامات رشتہ:

رپورٹ میں تمام اسٹاف اور کارکنوں کی قیمتی شراکت کو ناپسند کیا گیا ہے جو نتائج حاصل کرنے میں مدد کرتے ہیں۔ مینجمنٹ شراکت داروں کا شکریہ ادا کرتی ہے جن کی مشکل وقتوں میں جاری حمایت کا اظہار ہے۔ ورکر انتظاماتی تعلقات پورے سال بھر میں بہتر رہے، جو کمپنی کے چلنے کو سموتھ بناتا ہے۔ یہ ٹیم کام ہے اور امید ہے کہ آئندہ سالوں میں اسی روح میں جاری رہے گی۔

شکر و قدر کا اظہار:

رپورٹ شکر کے ساتھ ختم ہوتی ہے کہ شراکت داروں کو ان کی بھرپور حمایت کا اظہار کرتی ہے، حال میں اور مشکل وقتوں میں۔ کل کی بات یہ ہے کہ رپورٹ کمپنی کی پرفارمنس کے لئے مثبت مشاہدہ فراہم کرتی ہے، جس میں ترقی، مستقلیت، اور عملہ اور شراکت داروں کی حمایت کی اہمیت کو نہایت اہمیت دی گئی ہے۔

بورڈ کے حکم سے۔



خالد حسین شاہ۔
چیف ایگزیکٹو۔

کراچی
22-Apr-24

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

		March 2024	June 2023
ASSETS	<i>Note</i>	Rupees	
Non-current assets			
Property, plant and equipment	4	2,616,273	2,740,629
Long term deposits		63,072	63,072
Current assets			
Stock-in-trade	5	17,403,292	33,920,530
Trade debts		112,554	-
Advances, deposits and other receivables		4,177,387	2,888,165
Tax refunds due from government		1,953,134	1,809,133
Cash and bank balances		4,304,328	2,754,248
		27,950,695	41,372,075
Total assets		30,630,040	44,175,776
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized capital</i>			
6,000,000 (2022: 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
Accumulated (losses) / profit		(39,368,859)	(41,582,119)
		(37,999,249)	(40,212,509)
		22,000,751	19,787,491
Non-current liability			
Staff retirement benefits - gratuity	7	500,406	333,604
Current liabilities			
Loan from directors		8,600	-
Trade and other payables	8	6,489,932	22,424,331
Unclaimed dividend		1,630,351	1,630,351
		8,128,883	24,054,682
Total equity and liabilities		30,630,040	44,175,777
Contingency and commitments	9		

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 MARCH 31, 2024

	<i>Notes</i>	NINE MONTHS ENDED		QUARTER ENDED	
		MARCH 2024	MARCH 2023	MARCH 2024	MARCH 2023
		Rupees			
Sales revenue	10	25,035,751	14,245,693	2,899,999	976,708
Cost of sales	11	(20,721,753)	(12,160,063)	(2,719,778)	(1,286,309)
Gross (Loss) / Profit		4,313,998	2,085,630	180,221	(309,601)
Administrative expenses		(3,012,103)	(4,569,854)	(839,710)	(723,778)
Distribution expenses		(929,387)	(1,169,667)	(98,500)	(145,332)
Operating loss		372,507	(3,653,891)	(757,990)	(1,178,711)
Other (expense) / income		2,062,601	1,992,302	-	10,192
Profit/(Loss) before taxation		2,435,109	(1,661,589)	(757,989)	(1,168,519)
Taxation	12	(221,849)	(175,917)	(29,530)	(9,547)
Profit/(Loss) after taxation		2,213,260	(1,837,506)	(787,519)	(1,178,066)
Profit/(Loss) per share - basic and diluted	13	0.37	(0.31)	(0.13)	(0.20)

The annexed notes form 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 MARCH 31, 2024

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 2024	MARCH 2023	MARCH 2024	MARCH 2023
	Rupees			
Profit/(Loss) after taxation	2,213,260	(1,837,506)	(787,519)	(1,178,066)
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)	2,213,260	(1,837,506)	(787,519)	(1,178,066)

The annexed notes form integral part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

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

	<i>Note</i>	March 31, 2024	March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES	Rupees	—————	—————
Profit/Loss before taxation		2,435,109	(1,661,589)
<i>Adjustments for non-cash and other items:</i>			
- Provision for staff gratuity		166,802	
- Depreciation on property, plant and equipment		124,356	138,537
		<u>291,158</u>	<u>138,537</u>
Cash flow before working capital changes		2,726,267	(1,523,052)
Working capital changes			
<i>(Increase) / decrease in current assets</i>			
- Stock-in-trade		16,517,238	6,872,824
- Trade debts		(112,554)	7,483,828
- Advances, deposits, prepayments and other receivables		(1,289,222)	563,909
- Sales tax refundable		(144,001)	(84,492)
<i>Increase / (decrease) in current liabilities</i>			
- Trade and other payables excluding gratuity payable		(15,934,399)	(9,713,342)
		<u>(962,938)</u>	<u>5,122,726</u>
Cash generated from operations		1,763,329	3,599,674
Gratuity paid		-	(1,838,221)
Taxes paid		(221,849)	(214,057)
		<u>(221,849)</u>	<u>(2,052,278)</u>
Net cash (used in) / generated from operating activities		1,541,480	1,547,396
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		8,600	(3,232,084)
Dividend Paid		-	(983,640)
Net cash generated from / (used in) financing activities		8,600	(4,215,724)
Net increase / (decrease) in cash and cash equivalents		1,550,080	(2,668,328)
Cash and cash equivalents at the beginning of the year		2,754,248	4,104,144
Cash and cash equivalents at the end of the year	<i>14</i>	4,304,328	1,435,820

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 MARCH 31, 2024

	Issued, subscribed and paid up capital	Revenue reserves		Total
		General reserve	Accumulated (loss) / profit	
Rupees				
Balance as at July 1, 2022	60,000,000	1,369,610	(38,616,907)	22,752,703
<i>Total comprehensive profit or loss for the period ended March 31, 2023</i>				
- Loss after taxation	-	-	(1,837,506)	(1,837,506)
- Other comprehensive loss	-	-	-	-
	-	-	(1,837,506)	(1,837,506)
Balance as at March 31, 2023	60,000,000	1,369,610	(40,454,414)	20,915,196
Balance as at July 1, 2023	60,000,000	1,369,610	(41,582,119)	19,787,491
<i>Total comprehensive profit or loss for the period ended March 31, 2024</i>				
- Profit after taxation	-	-	2,213,260	2,213,260
- Other comprehensive income	-	-	-	-
	-	-	2,213,260	2,213,260
Balance as at March 31, 2024	60,000,000	1,369,610	(39,368,859)	22,000,751

The annexed notes are integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 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

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, 2023.

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, 2023.

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

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, 2023, except as disclosed otherwise.

	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
Note	————— Rupees —————	
8 TRADE AND OTHER PAYABLES		
Creditors	5,711,513	18,335,249
Accrued liabilities	355,939	502,128
Advance from customers	372,935	3,537,409
Provision for Workers' Welfare Fund	49,545	49,545
	6,489,932	22,424,331

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no material change in the status of contingencies disclosed in note 15 to the Company's financial statements for the year ended June 30, 2023.

9.2 Commitments

Commitment for export sales as at March 31, 2024 were Rs. 25.035 million (June 30, 2023: Rs. 19.49

	March 31, 2024	March 31, 2023
	————— Rupees —————	
10 SALES REVENUE		
Export sales	25,035,751	14,245,693
	25,035,751	14,245,693

11 COST OF SALES

Raw and packing materials consumed 11.1 **7,916,793** 7,823,022

Manufacturing expenses

Salaries, wages and benefits	1,088,335	1,245,000
Cutting and stitching charges	1,086,900	2,226,570
Fuel and power	1,404,044	506,050
Repairs and maintenance	124,086	75,140
Depreciation on property, plant and equipment	74,614	83,122
Entertainment	219,373	178,875
Telephone, fax and postage	-	16,654
Printing and stationery	7,070	5,630
	4,004,422	4,337,041
Cost of goods manufactured	11,921,215	12,160,063
Opening work in progress	8,600,445	-
Closing work in progress	-	-
Opening stock of finished goods	979,060	13,889,937
Stock sold at cost as scrap	-	(4,268,767)
Closing stock of finished goods	(778,967)	(9,621,170)
	20,721,753	12,160,063

	March 31, 2024	March 31, 2023
	<i>Note</i>	Rupees
11.1 Raw and packing material consumed		
Opening stock	25,320,085	7,353,279
Add: Purchases during the year	-	8,126,728
	<u>25,320,085</u>	<u>15,480,007</u>
Less : Closing stock	<u>(17,403,292)</u>	<u>(7,656,985)</u>
Raw materials consumed	<u><u>7,916,793</u></u>	<u><u>7,823,022</u></u>

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

12 TAXATION	March 31, 2024	March 31, 2023
Current - for the period	<u>221,849</u>	<u>175,917</u>
	<u><u>221,849</u></u>	<u><u>175,917</u></u>

	For the nine months ended		For the quarter ended	
	March31, 2024	March31, 2023	March31, 2024	March31, 2023
	Rupees		Rupees	
13 LOSS PER SHARE				
Profit after Taxation	<u>2,213,260</u>	<u>(1,837,506)</u>	<u>(787,519)</u>	<u>(1,178,066)</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>(0.31)</u>	<u>(0.13)</u>	<u>(0.20)</u>

14 CASH AND CASH EQUIVALENT	March 31, 2024	June 30, 2023
	(Unaudited)	(Audited)
Cash and bank balances	<u>4,304,328</u>	<u>2,754,248</u>
	<u><u>4,304,328</u></u>	<u><u>2,754,248</u></u>

13 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)	250,000	-
Directors Loan Movement (Mr Khalid Shah)	(241,400)	-
Directors remuneration payable	-	-
Workers profit participation fund payable	-	-

14 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 22nd April 2024 by the Board of Directors of the Company.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR