

**ACCOUNTS FOR
THE 1ST QUARTER ENDED
SEPTEMBER 30, 2014
(UNAUDITED)**



Pak Leather Crafts Limited



Pak Leather Crafts Limited

CORPORATE PROFILE

CHAIRMAN

Dr. Muhammad Shoaib Ahmed

CHIEF EXECUTIVE OFFICER

Muhammad Saleem Ahmed

DIRECTORS

Nayyer Ahmed Jalali

Azeem Ahmed

Bilal Ahmed

Umer Ahmed

Syed Fawad Hussain Rizvi

AUDIT COMMITTEE

Dr. Muhammad Shoaib Ahmed

Azeem Ahmed

Syed Fawad Hussain Rizvi

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Syed Asif Mahmood Rizvi

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PAK LEATHER CRAFTS LIMITED

Plot 18, Sector 7 - A, Korangi Industrial Area,
Karachi. (Pakistan)

Ph: (92-21) 35064100 - 01, Fax: 35060109

Website: www.pakleather.com, e-mail: info@pakleather.com

BANKERS

Albaraka Bank Pakistan Ltd.

Habib Bank Limited

Industrial Development Bank of Pakistan

NIB Bank Limited

United Bank Limited

Faysal Bank Limited

Habib Metro Bank Ltd

Soneri Bank Ltd

EXTERNAL AUDITORS

S. M. Rehan & Co.

Chartered Accountants

LEGAL ADVISOR

Shakeel Z. Lari Advocate

REGISTERED OFFICE & SHARES DEPARTMENT

Pak Leather Crafts Limited

Plot 18, Sector 7 - A,

Korangi Industrial Area,

Karachi.



Pak Leather Crafts Limited

DIRECTORS' REVIEW

The Directors of your company are pleased to present hereunder to you the un-audited quarterly accounts of the company for the 1st quarter ended September 30, 2014

The financial results for the 1st quarter ended September 30, 2014 are as below.

	September 30, 2014	September 30, 2013
(Rs. In '000').....	
(loss) before taxation	(1,696)	(4,137)
Taxation	(35)	(13)
(loss) after taxation	(1,731)	(4,150)
Accumulated (loss) B/F	(367,679)	(346,704)
Accumulated (loss) C/F	<u>(369,410)</u>	<u>(350,854)</u>
Loss per share after tax (Rupees)	(0.51)	(1.22)

Because of recessionary conditions in the international market, the export sales made by the Company during the 1st quarter ended September 30, 2014 amounting to Rs.0.430 (M) only. However it is expected that due to efforts of the management the export sales during the year 2014-2015 would be made reasonably. During the quarter ended September 30, 2014 the company made job work sales of Rs.2.80 (M). The job work sale during the year 2014-2015 would also improve reasonably. The net after tax losses for the 1st Quarter September 30, 2014 heavily reduced amounting to Rs.1.731 (M) as compared to the previous year quarter September 30, 2013. The management is making its best efforts to improve the export and local job work sales and the financial results in the forthcoming period of the current year.

On behalf of the Board

Karachi: October 30, 2014

MUHAMMAD SALEEM AHMED
Chief Executive Officer



Pak Leather Crafts Limited

CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT SEPTEMBER 30, 2014

	<u>Unaudited</u> Sept. 30, 2014	<u>Audited</u> June 30, 2014
.....(Rs. In '000').....		
ASSETS		
Non-current assets		
Property, plant and equipment	24,358	19,322
Long term deposits	<u>1,410</u>	<u>1,410</u>
	25,768	20,732
Current assets		
Stores, spares and loose tools	292	292
Stock - in - trade	53,189	53,268
Trade debts	87,703	85,128
Advances and other receivables	97	44
Tax refunds due from governments	441	468
Cash and bank balances	<u>371</u>	<u>323</u>
	142,093	139,523
TOTAL ASSETS	<u><u>167,861</u></u>	<u><u>160,255</u></u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	34,000	34,000
Accumulated loss	<u>(369,410)</u>	<u>(367,679)</u>
	<u>(335,410)</u>	<u>(333,679)</u>
Non-current liabilities		
Long term finance	-	-
Deferred liabilities	<u>1,655</u>	<u>1,655</u>
	1,655	1,655
Current liabilities		
Short term borrowings	207,529	207,529
Short term loans	<u>69,768</u>	<u>61,227</u>
Current portion of long term finance	46,904	46,904
Accrued markup	<u>124,029</u>	<u>124,029</u>
Trade and other payables	<u>53,386</u>	<u>52,590</u>
	501,616	492,279
TOTAL EQUITY AND LIABILITIES	<u><u>167,861</u></u>	<u><u>160,255</u></u>

MUHAMMAD SALEEM AHMED
Chief Executive Officer

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2014

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
(Rs. In '000').....	
REVENUE		
Turnover	3,255	1,333
Cost of sales	<u>(4,185)</u>	<u>(2,712)</u>
Gross (loss)	(930)	(1,379)
OPERATING EXPENSES		
Selling and distribution expenses	<u>(31)</u>	<u>-</u>
Administrative expenses	<u>(818)</u>	<u>(811)</u>
	(849)	(811)
Operating Loss	(1,779)	(2,190)
Other operating income	90	-
Loss before taxation	(1,689)	(2,190)
Finance cost	(7)	(1,947)
Loss before taxation	(1,696)	(4,137)
Taxation	<u>(35)</u>	<u>(13)</u>
Loss after taxation	(1,731)	(4,150)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(1,731)</u>	<u>(4,150)</u>
Basic and diluted (loss) per share	<u>(0.51)</u>	<u>(1.22)</u>

MUHAMMAD SALEEM AHMED
Chief Executive Officer

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2014

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
(Rs. In '000').....	
Cash generated from operations		
Loss before taxation	(1,696)	(4,137)
Adjustment for non-cash charges and other items:		
Depreciation	464	364
Financial charges	7	1,947
	<u>471</u>	<u>2,311</u>
	(1,225)	(1,826)
Changes in working capital (Increase)/decrease in current assets		
Store , spares and loose tools	-	33
Stock in trade	79	-
Trade debts	(2,575)	871
Advances and other receivables	(53)	3
	<u>(2,549)</u>	<u>907</u>
Increase/(decrease) in current liabilities		
Trade and other payables	795	629
	<u>(2,979)</u>	<u>(290)</u>
Cash generated from operations		
Financial charges paid	(7)	-
Gratuity paid	-	(7)
Income tax refundable / (paid)	(8)	(2)
	<u>(15)</u>	<u>(9)</u>
Net cash flows from operating activities	<u>(2,994)</u>	<u>(299)</u>
Cash flow from Investing activities		
Fixed capital expenditure	(5,500)	-
Net cash used in investing activities	<u>(5,500)</u>	<u>-</u>
Proceed from long term loan	8,542	310
Net cash used in financing activities	<u>8,542</u>	<u>310</u>
Net increase/(decrease) in cash and cash equivalents	<u>48</u>	<u>11</u>
Cash and cash equivalents at the beginning of the period	<u>323</u>	<u>237</u>
Cash and cash equivalents at the end of the period	<u>371</u>	<u>248</u>

MUHAMMAD SALEEM AHMED
Chief Executive Officer

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2014

Particulars	Issued	Unappropriated	Total
	subscribed and paid up capital	Profit/(Loss)	
(Rs. In '000').....		
Balance as at July 01, 2013	34,000	(346,704)	(312,704)
Total comprehensive loss for the 1st quarter ended September 30, 2013		(4,150)	(4,150)
Balance as at quarter ended September 30, 2013	34,000	(350,854)	(316,854)
Balance as at July 01, 2014	34,000	(367,679)	(333,679)
Total comprehensive loss for the 1st quarter ended September 30, 2014		(1,731)	(1,731)
Balance as at 1st quarter ended September 30, 2014	34,000	(369,410)	(335,410)

MUHAMMAD SALEEM AHMED
Chief Executive Officer

NAYYER AHMED JALALI
Director



Pak Leather Crafts Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Pak Leather Crafts Ltd, is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and quoted on the Islamabad, Karachi and Lahore Stock Exchanges. The principal activity of the company is Leather tanning, Manufacturing of Leather garments and export of Leather and Leather Garments.
2. These accounts are un-audited and are being submitted to the shareholders as per the notification No. 2 (52)/SE/2001 dated November 5, 2001, of Securities & Exchange Commission of Pakistan.
3. The accounting policies adopted for the preparation of these accounts are the same as those applied in preparing the accounts for the preceding period.
4. Figures have been re-arranged and re-classified, wherever necessary, to facilitate comparison.
5. These financial statements were authorized for issue on October 30, 2014 by the Board of Directors of the Company.

MUHAMMAD SALEEM AHMED
Chief Executive Officer

NAYYER AHMED JALALI
Director