



LEINER PAK GELATINE LIMITED

**UN-AUDITED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2014.**



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COMPANY INFORMATION BOARD OF DIRECTORS

Ijaz Ahmed Khwaja	Chairman
Khwaja Imtiaz Ahmed	Chief Executive
Ibrar Ahmed Khwaja	Executive Director
Khwaja Ahmed Hassan	Executive Director
Mian Zia-Ud-Din	Independent Director
Umer Riaz Khwaja	Non-Executive Director
Mr. Iqbal Dossa	Non-Executive Director

AUDIT COMMITTEE

Mian Zia-Ud-Din (Chairman)
Ijaz Ahmed Khwaja (Member)
Umer Riaz Khwaja (Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Khwaja Ahmed Hassan (Chairman)
Mian Zia-Ud-Din (Member)
Umer Riaz Khwaja (Member)

COMPANY SECRETARY

Ibrar Ahmed Khwaja

CHIEF FINANCIAL OFFICER

Mr. Muhammad Javaid

AUDITORS

M. Almas & Co.
Chartered Accountants
207-Sadiq Plaza, 2nd Floor, 69-The Mall, Lahore.

LEGAL ADVISOR

Khwaja Muhammad Akram
Advocate
1-Begum Road, Mozang Adda, Lahore.

REGISTRAR

CORPLINK (PVT) LTD.,
Wings Arcade, 1-K Commercial,
Model Town, Lahore.

REGISTERED OFFICE

17-G, Gulberg-2, G/Postmall No. 3529, Lahore-54660
Ph. #: 0092-42-35756953-54, Fax #: 0092-42-35710604

PLANT

19th Kilometer,
Shahrah-e-Pakistan, Kala Shah Kaku,
District Sheikhpura.
Ph. #: 0092-42-37950018 – 37980179

BANKERS

Bank Al Habib Limited
United Bank Limited
MCB Bank Limited-Islamic Banking
Bank Alfalah Limited-Islamic Banking
Bank Islami Pakistan Limited
National Bank of Pakistan
Summit Bank Limited

DIRECTORS' REVIEW

The Directors are pleased to present the accounts of the company for three months period ended September 30, 2014.

OPERATION

It is very unfortunate that during this period of three months company facilities once again hit by recent unprecedented flood which not only affected our industry but caused to damage other industrial areas, agricultural crops and live stocks of the Punjab province. We had taken certain preventive measures due to last year flood. Despite of this very high intensity flood (as compared to last year flood), the extent of damages at our factory seems to be on marginally lower side.

Our production facility including stocks, store & spares are comprehensively insured. Survey of flood losses is under process. We hope all insurance related matters be solved amicably as traded by our insurers in last corresponding period.

Flood water caused to halt the production operations which restricted the turnover of three months period at Rs.70.046 million and company borne loss after tax of Rs.7.162 million.

FUTURE PROSPECTS

Overhauling and maintenance work is in progress and we hope the facility be operative very soon.

ACKNOWLEDGEMENT

We really acknowledge the efforts of all our employees, friends and well wishers who really helped us in this difficult time period and extended their full co-operation.

On Behalf of the Board

Lahore
October 31, 2014

KH.IMTIAZ AHMED
Chief Executive

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2014

		(Un-audited) Sept. 30, 2014	(Audited) June 30, 2014
	Note Rupees in	thousand.....
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	75,000	75,000
Unappropriated profit		3,720	10,882
		78,720	85,882
Surplus on revaluation of property, plant and equipment		164,134	164,134
Non-current liabilities			
		-	-
Current liabilities			
Trade and other payables		118,842	123,732
Mark-up accrued		1,988	2,008
Short term borrowings	8	139,382	106,501
		260,212	232,241
Contingencies and commitments	10	-	-
		503,066	482,257
ASSETS			
Non-current assets			
Property, plant and equipment	11	276,123	278,743
Long term deposits		2,248	2,779
Deferred taxation		8,539	8,539
		286,910	290,061
Current assets			
Stores, spare parts and loose tools		16,415	20,785
Stock-in-trade		163,949	129,367
Trade debts		419	9,875
Advances		2,550	2,276
Trade deposits and short term prepayments		2,112	1,177
Other receivables		14,456	15,441
Advance income tax-net		12,587	12,775
Cash and bank balances		3,668	500
		216,156	192,196
		503,066	482,257

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
Lahore: October 31, 2014

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	Sept. 30, 2014	Sept. 30, 2013
NoteRupees in thousand....	
Sales-net	70,046	60,621
Cost of sales	61,644	68,271
Gross profit/(loss)	8,402	(7,650)
Other income	254	2,151
	8,656	(5,499)
Distribution cost	269	983
Administrative expenses	12,629	10,894
Other operating expenses	56	46
Finance cost	2,162	3,377
(Loss) before taxation	(6,460)	(20,799)
Taxation	702	636
(Loss) after taxation	(7,162)	(21,435)
(Loss) per share-(Rupees)	12 (0.95)	(2.86)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
Lahore: October 31, 2014

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	Sept. 30, 2014	Sept. 30, 2013
Rupees in thousand....	
(Loss) after taxation	(7,162)	(21,435)
Other comprehensive income	-	-
Total comprehensive (Loss) for the period	<u>(7,162)</u>	<u>(21,435)</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
Lahore: October 31, 2014

LEINER PAK GELATINE LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	Sept. 30, 2014	Sept. 30, 2013
Rupees in thousand.....	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(6,460)	(20,799)
Adjustments for :		
Depreciation	2,617	2,857
Amortization	-	4
Provision for employee retirement benefits	460	410
Finance cost	2,162	3,377
Provision for Workers' welfare fund	-	-
Provision for Workers' Profit Participation Fund	-	-
Gain on disposal of property, plant and equipment	-	(188)
	<u>5,239</u>	<u>6,460</u>
Operating (loss) before changes in working capital	<u>(1,221)</u>	<u>(14,339)</u>
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	4,370	8,780
Stock-in-trade	(34,582)	90,882
Trade debts	9,456	33,676
Advances	(274)	(925)
Trade deposits and short term prepayments	(404)	372
Other receivables	359	(44,033)
Increase / (decrease) in current liabilities		
Trade and other payables	(4,825)	(15,479)
Cash (used)/generated from operations	<u>(27,121)</u>	<u>58,934</u>
Finance cost paid	(2,182)	(3,206)
Payments to provident fund	(525)	(567)
Taxes paid	(514)	(1,064)
Sales tax refund / (payments)	629	914
Workers' Profit Participation Fund paid	-	-
Net cash (used)/generated from operating activities	<u>(29,713)</u>	<u>55,011</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	-	(110)
Proceeds from disposal of property, plant and equipment	-	424
Decrease/(Increase) in long term deposits	-	(136)
Net cash used in investing activities	<u>-</u>	<u>178</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in short term borrowings	32,881	(57,166)
Net cash generated/(used) in financing activities	<u>32,881</u>	<u>(57,166)</u>
Net increase/(decrease) in cash and cash equivalents	<u>3,168</u>	<u>(1,977)</u>
Cash and cash equivalents at the beginning of the period	<u>500</u>	<u>3,582</u>
Cash and cash equivalents at the end of the period	<u><u>3,668</u></u>	<u><u>1,605</u></u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
Lahore: October 31, 2014

LEINER PAK GELATINE LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014**

	<u>Share capital Issued, subscribed and paid up share capital</u>	<u>Un appropriated profit</u>	<u>Total</u>
.....Rupees in thousand.....			
Balance as at 30 June 2013	75,000	63,838	138,838
Total comprehensive (Loss) for the three months period ended 30 September 2013	-	(21,435)	(21,435)
Balance as at 30 September 2013	<u>75,000</u>	<u>42,403</u>	<u>117,403</u>
Balance as at 30 June 2014	75,000	10,882	85,882
Total comprehensive (Loss) for the three months period ended 30 September 2014	-	(7,162)	(7,162)
Balance as at 30 September 2014	<u>75,000</u>	<u>3,720</u>	<u>78,720</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
Lahore: October 31, 2014

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014 (UN-AUDITED)

1 The Company and its operations

Leiner Pak Gelatine Limited ("the Company") was incorporated in Pakistan on 14 February 1983 as a Public Limited Company. The registered office of the Company is situated at 17-G, Gulberg II, Lahore. The Company is listed on Karachi and Lahore Stock Exchanges in Pakistan. The Company is engaged in manufacture and sale of gelatine, dicalcium phosphate and glue produced from animal bones.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim financial information of the Company for the three months period ended September 30, 2014 has been prepared in accordance with the requirements of the International Accounting Standard-34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information is un-audited and is being submitted to the shareholders as required by the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.

2.3 Items included in condensed interim financial information are measured using the currency of the primary economic environment in which the Company operates. The condensed interim financial information is presented in Pakistan Rupees, which is the Company's functional and presentation currency.

3 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual published financial statements for the year ended 30 June 2014.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

4 Judgments, estimates and assumptions

The preparation of the condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgments, accounting estimates and assumptions made by the management in the preparation of this condensed interim financial information are the same as those applied in preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2014.

5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements as at and for the year ended 30 June 2014.

6 On September 08, 2014 flood water hit the factory premises which may cause the loss to stock in trade, store & spare parts and property, plant & equipment. Due to flood water production operations remained closed. The aforementioned assets are comprehensively insured. survey of flood losses is under process.

7 Share capital

Authorised share capital

10,000,000 (June 30, 2014: 10,000,000) ordinary shares
of Rupees 10 each

	(Un-audited) Sept. 30, 2014	(Audited) June 30, 2014
..... Rupees in	thousand....	
	100,000	100,000

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014 (UN-AUDITED)

		(Un-audited) Sept. 30, 2014	(Audited) June 30, 2014
	 Rupees in thousand....	
Issued, subscribed and paid up share capital			
7,500,000 (June 30, 2014: 7,500,000) ordinary shares of Rupees 10 each issued as fully paid in cash		75,000	75,000
		<u>75,000</u>	<u>75,000</u>
8 Short term borrowings			
<i>From banking companies-secured</i>			
Finance against packing credit Bank Al-Habib Limited	8.1.8.3	24,950	24,920
Running finance Bank Al-Habib Limited	8.2.8.3	93,288	62,231
		<u>118,238</u>	<u>87,151</u>
Temporary bank overdraft-unsecured	8.4	-	6
<i>From related parties-unsecured</i>			
Loan from director	8.5	<u>21,144</u>	<u>19,344</u>
		<u>139,382</u>	<u>106,501</u>
<p>8.1 The finance against packing credit (FAPC-1) facility having sanctioned limit of Rupees 25 million (June 30, 2014: Rupees 25 million) has been obtained from Bank Al Habib Limited. The rate of mark- up on this facility is 7.5% (June 30, 2014: 9.50%) per annum payable quarterly or on adjustment of loan. The principal amount is to be adjusted / rolled over within 180 days from the draw down date or through own sources or through realization of export proceeds or on demand while mark up is to be serviced upon adjustment of loan or at the end of each calendar quarter whichever is earlier. The facility is valid till August 07, 2015.</p> <p>8.2 The running finance facility having sanctioned limit of Rupees 70 million (June 30, 2014: Rupees 70 million) has been obtained from Bank Al-Habib Limited for working capital requirements. It carries mark-up at three months KIBOR plus 1.75% (June 30, 2014: three months average KIBOR -Ask plus 1.75%) per annum payable quarterly. The facility is valid till August 07, 2015.</p> <p>8.3 The facilities mentioned in 8.1 and 8.2 are commonly secured against first charge of Rupees 180 million (2014: Rupees 180 million) over current assets of the Company registered with SECP. First charge on fixed assets of Rupees 174 million (June 30, 2014: Rupees 174 million) comprising land, building, plant and machinery situated at 19 KM G.T. Road Kala Shah Kaku. Initially ranking charge is registered with SECP for draw down. Lien over export documents under letter of credit and contract, shipping documents, accepted drafts, counter guarantee of the Company and personal guarantees of the Directors namely Kh. Imtiaz Ahmed, Kh. Ahmed Hassan and Ibrar Ahmed Kh. amounting to Rupees 155 million each (June 30, 2014: Rupees 155 million).</p> <p>8.4 This has arisen due to issuance of cheques for amounts in excess of balance in the bank account.</p> <p>8.5 Loan from director (chief executive) is re-payable on demand and is non- interest bearing.</p>			

LEINER PAK GELATINE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014 (UN-AUDITED)

- 9 A Charge of Rupees 20 million (June 30, 2014: Rupees 20 million) in favour of Bank Alfalah limited - Islamic banking has been created on all present and future fixed assets (plant & machinery) of the Company including but not limited to complete de-humidification plant etc. The said charge has been created in respect of Ijara facility for de-humidification plant etc. to the Company.

10 Contingencies and commitments

There have been no significant changes in contingencies and commitments as disclosed in the notes to the preceding annual published financial statements for the year ended June 30, 2014.

The operating lease arrangement in respect of registered office has been as follows:

	(Un-audited) Sept. 30, 2014	(Audited) June 30, 2014
.... Rupees in thousand....		
Not later than one year	1,335	1,272
Later than one year but not later than five years	1,600	1,524

The Company has entered into Ijara arrangements with Bank Islami Pakistan Limited for vehicles and Bank Alfalah Limited-Islamic banking for de-humidification plant. Commitments for Ijara monthly rentals payable under the agreements are as follows:

	(Un-audited) Sept. 30, 2014	(Audited) June 30, 2014
.... Rupees in thousand....		
Not later than one year	5,345	6,557
Later than one year but not later than five years	777	1,649

11 Property, plant and equipment

Operating fixed assets	11.1	270,175	272,792
Add:Capital work in progress		5,948	5,951
		276,123	278,743

11.1 Opening book value		272,792	281,317
Cost of additions during the period / year	11.2	-	3,507
Less:			
Deletion during the period / year (book value)	11.3	-	370
Depreciation charged during the period / year		2,617	11,662
		270,175	272,792

11.2 Cost of addition during the period / year

Plant and machinery	-	3,141
Office equipment	-	149
Furniture, fixture and fittings	-	217
	-	3,507

11.3 Deletion during the period / year

Owned

Vehicles:		
Cost	-	1,879
Less: accumulated depreciation	-	1,509
	-	370

LEINER PAK GELATINE LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014 (UN-AUDITED)****12 (Loss) per share**

	Three months period ended	
	Sept. 30, 2014	Sept. 30, 2013
Rupees in thousand...	
(Loss) after taxation	(7,162)	(21,435)
	in thousand	in thousand
Weighted average number of ordinary shares	7,500	7,500
(Loss) per share-Rupees	(0.95)	(2.86)

13 Transactions with related parties

The related parties comprise of recognised provident fund and key management personnel.

Transactions with related parties other than those which have been specifically disclosed in this condensed interim financial information are as follows:

	Three months period ended	
	Sept. 30, 2014	Sept. 30, 2013
Rupees in thousand...	
Key management personnel		
Remuneration	1,078	1,015
Loan from Chief Executive- unsecured:		
Loan received	5,300	-
Loan repaid	3,500	-
Recognised provident fund		
Contribution to provident fund trust	460	410

14 Date of authorization for issue

This condensed interim financial information was authorized for issue by the Board of Directors on October 31, 2014

15 General

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

IBRAR AHMED KHWAJA
Director

KH.IMTIAZ AHMED
Chief Executive
Lahore: October 31, 2014

BOOK POST PRINTED MATTER

Reason for Return Mail	ڈاک کی واپسی کی وجہ
Shareholder Shifted	منتقل ہو گئے
No Such Consignee	اس نام سے کوئی نہیں
House / Office Closed	گھر / دفتر بند ہے
Incomplete Address	پتہ نامکمل ہے
Retired	ریٹائر
Passed Away	انتقال کر گئے
Need Building Name	بلڈنگ کا نام درکار ہے
Need House / Gali / Plot No.	پلاٹ / گھرا / گلی نمبر درکار ہے
Out of City / Country	شہر / ملک سے باہر ہیں
Share Refused to Accept	وصول کرنے سے انکار
Non Service Area	رسائی ممکن نہیں
Any Other Reason, Please Mention Hereunder:	کوئی اور وجہ چاہئے لکھیں:

If undelivered please return to , G/Postmall No. 3529, Lahore-54660