

**SUMMIT CAPITAL
(PRIVATE) LIMITED**

Financial Statements for the year
ended December 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Summit Capital (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Summit Capital (Private) Limited** (the Company), which comprise the statement of financial position as at December 31, 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the loss, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conduct our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the report of audit committee, directors' report, Chairman's review, analysis on financial performance, comments on the financial results, key performance indicators, analysis of cost and statement of value additions and its distribution.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) The Company was in compliance with the requirement of Section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial statements were prepared.

Other Matter

The financial statements of the Company for the year ended December 31, 2022 were audited by another firm of Chartered Accountants who had expressed unmodified opinion thereon vide their audit report issued on February 22, 2023, respectively.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.



Chartered Accountants

Place: Karachi
Date: February 23, 2024
UDIN: AR202310091Tq91Qwacb

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	27,209	28,290
Intangible assets	6	2,520	2,529
Long term advances	7	2,500	2,500
Investments - FVOCI	8	41,343	40,243
Investment property	9	17,416	17,771
Long term deposits	10	1,672	1,673
Deferred tax asset - net	11	8,998	9,338
		101,658	102,344
CURRENT ASSETS			
Debtors	12	100,257	32,081
Investments - FVTPL	13	38,369	-
Short term loans	14	75	1,041
Short term deposits, prepayments and other receivables	15	22,794	31,212
Advance tax - net		33,709	37,328
Cash and bank balances	16	85,425	58,298
		280,629	159,960
		382,287	262,304
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		500,000	500,000
50,000,000 Ordinary shares of Rs.10 each			
Issued, subscribed and paid-up share capital	18	300,000	300,000
Unrealized gain on revaluation of investment		7,010	5,911
Accumulated losses		(124,821)	(118,873)
		182,189	187,038
CURRENT LIABILITIES			
Creditors and other payables	19	197,409	74,919
Deposit - Rent		130	130
Accrued markup		2,559	217
		200,098	75,266
		382,287	262,304
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 37 form an integral part of these financial statements.

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Chief Executive Officer



Director

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

		2023	2022
	Note	----- (Rupees in '000) -----	
Brokerage commission	21	74,404	42,530
Gain on securities - net		19,822	367
Dividend income		3,278	3,038
Other income	22	17,988	21,511
		115,492	67,446
Operating and administrative expenses	23	(98,701)	(80,189)
Financial and other charges	24	(6,509)	(1,060)
Unrealized loss on revaluation of Investments		(6,226)	-
		(111,436)	(81,249)
Profit/(loss) before taxation		4,056	(13,803)
Taxation			
- Current	25	(11,819)	(4,189)
- Deferred		(340)	3,498
		(12,159)	(691)
Loss after taxation		(8,103)	(14,494)
Loss per share - basic and diluted	26	(0.27)	(0.48)

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Chief Executive Officer



Director

**SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
Loss after taxation		(8,103)	(14,494)
<u>Other comprehensive income</u>			
Items that will not to be reclassified subsequently to profit or loss			
Actuarial gain /(loss) on defined benefit plan	19.3.4	2,155	(2,133)
Unrealized gain / (loss) on revaluation of investment		1,099	(11,464)
Total comprehensive loss for the year		<u>(4,849)</u>	<u>(28,091)</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

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Chief Executive Officer



Director

**SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Issued, subscribed and paid-up capital	Unrealized gain on revaluation of investments	Accumulated losses	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2022	300,000	17,375	(102,246)	215,129
Loss for the year	-	-	(14,494)	(14,494)
Other Comprehensive Income / (loss)				
Actuarial gain on defined benefit plan	-	-	(2,133)	(2,133)
Unrealized loss on revaluation of investment	-	(11,464)	-	(11,464)
Total comprehensive loss for the year	-	(11,464)	(16,627)	(28,091)
Balance as at December 31, 2022	300,000	5,911	(118,873)	187,038
Loss for the year	-	-	(8,103)	(8,103)
Other Comprehensive Income / (loss)				
Actuarial gain on defined benefit plan	-	-	2,155	2,155
Unrealized gain on revaluation of investment	-	1,099	-	1,099
Total comprehensive loss for the year	-	1,099	(5,948)	(4,849)
Balance as at December 31, 2023	300,000	7,010	(124,821)	182,189

The annexed notes from 1 to 37 form an integral part of these financial statements.

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Chief Executive Officer



Director

SUMMIT CAPITAL (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	4,056	(13,803)
Adjustments for non-cash items:		
Depreciation	5 & 9 926	1,336
Amortization	6 9	12
Provision / (reversal) for compensated absences	19.2 1,008	698
(Reversal) / provision for staff retirement gratuity	19.3.4 1,099	(1,885)
Interest income on staff loan	22 (66)	(79)
Gain on securities - net	(19,822)	(367)
Gain on disposal of property and equipment	(5)	(9,776)
Dividend income	(3,278)	(3,038)
Unrealized loss on securities	6,226	-
Financial charges	24 6,509	1,060
	(7,394)	(12,039)
Changes in working capital		
Decrease / (increase) in current assets		
Debtors	(68,182)	12,467
Short-term loans	966	(304)
Short-term deposits, prepayments and other receivables	8,418	17,813
Long term deposits	1	1,492
	(58,797)	31,468
Increase / (decrease) in current liabilities		
Creditors and other payables	121,765	3,089
Cash generated from / (used in) operations	59,630	8,715
Compensated absences paid	19.2 (283)	(1,945)
Income tax paid	(8,195)	(6,811)
Financial charges paid	(4,167)	(843)
Gratuity paid - net	19.3.4 1,056	(248)
Interest received on staff loan	66	79
Net cash used in operating activities	48,107	(1,053)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of long / short term investments	(540,991)	(17,655)
Sale of long / short term investments	516,217	-
Additions in property and equipment	(79)	(293)
Dividend received	3,278	3,038
Sale proceeds from disposal of property and equipment	595	13,386
Net cash (used in) / generated from investing activities	(20,980)	(1,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	27,127	(2,577)
Cash and cash equivalents at beginning of the year	58,298	60,875
Cash and cash equivalents at the end of the year	16 85,425	58,298

The annexed notes from 1 to 37 form an integral part of these financial statements.


Chief Executive Officer


Director