

**SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022

	September 30, 2022	December 31, 2021
Note	------(Rs. in '000)-----	
	(Un-audited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	4 28,671	32,579
Intangible assets	5 2,532	2,541
Long term advances	6 2,500	2,500
Long term investment	7 42,743	33,686
Investment property	17,861	18,134
Long term deposits	8 1,673	3,165
Deferred tax asset - net	8,971	5,840
	104,951	98,445
CURRENT ASSETS		
Debtors	9 32,477	44,548
Short term loans	10 704	737
Short term deposits, prepayments and others receivables	11 42,168	49,025
Advance tax - net	36,381	34,706
Cash and bank balances	12 68,039	60,875
	179,769	189,891
	284,720	288,336
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital 50,000,000 ordinary shares of Rs.10/- each	500,000	500,000
Issued, subscribed and paid up capital	300,000	300,000
Accumulated loss	(113,958)	(102,246)
Unrealized gain on revaluation of investment	8,462	17,375
	194,504	215,129
CURRENT LIABILITIES		
Short term borrowing - secured	13 -	-
Creditors and other payables	14 90,216	73,207
	90,216	73,207
	284,720	288,336

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
Note	------(Rs. in '000)-----	
Income		
Brokerage commission	32,112	59,927
Gain on sale of operating fixed assets	8,819	463
Dividend income	1,055	-
Gain on derecognition of financial asset	316	-
Other income	8,191	4,529
	50,493	64,919
Expenditure		
Operating and administrative expenses	61,737	78,519
Financial charges	430	407
	62,167	78,926
Loss before taxation	(11,674)	(14,007)
Taxation - current	(3,169)	(5,069)
- deferred	3,131	(377)
	(38)	(5,446)
Loss after taxation	(11,712)	(19,453)
Loss per share - basic and diluted (Rupee)	(0.39)	(0.65)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
Note	------(Rs. in '000)-----	
Cash flows from operating activities		
Loss before taxation	(11,674)	(14,007)
Adjustments for:		
Depreciation	1,078	1,662
Amortization	9	13
Gain on sale of operating fixed assets	(8,819)	(463)
Provision for staff gratuity fund	1,350	-
Financial charges	430	407
	(5,952)	1,619
	(17,626)	(12,388)
Decrease in assets		
Debtors	12,071	8,008
Short-term loans	33	(248)
Short-term deposit, prepayments and others receivable	6,857	12,841
Long term deposits	1,492	-
	20,453	20,601
Increase/(decrease) in liabilities		
Creditors and other payables	17,009	(65,296)
	17,009	(65,296)
Cash generated / (used in) from operations	19,836	(57,083)
Income tax paid	(4,848)	(5,501)
Financial charges paid	(430)	(374)
Gratuity paid	(1,350)	-
Net cash generated / (used in) from operating activities	13,208	(62,958)
Cash flows from investing activities		
Capital expenditure incurred	293	1,004
Proceed from sale of tangible fixed assets	11,633	-
Long term investments	(17,970)	-
Net cash (used in) / generated from investing activities	(6,044)	1,004
Net increase / (decrease) in cash & cash equivalents	7,164	(61,954)
Cash and cash equivalents at the beginning of the period	60,875	163,469
Cash and cash equivalents at the end of the period	68,039	101,515
Cash and cash equivalents:		
Cash and bank balances	12 68,039	101,515

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
Note	----- (Rupees in '000) -----	
Loss after taxation	(11,712)	(19,453)
<u>Other comprehensive (loss) / income - net</u>		
Items that will not be reclassified subsequently to profit or loss		
Unrealized (loss) / gain on revaluation of investment	(8,913)	5,514
Total comprehensive loss for the period	(20,625)	(13,939)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Issued, subscribed and paid- up capital	Unrealized gain on revaluation of investments	Accumulated Losses	Total
	(Rupees in '000)			
Balance as at January 01, 2021	300,000	19,090	(79,829)	239,261
Loss for the period	-	-	(19,453)	(19,453)
Other Comprehensive Income / (loss)				
Unrealized gain on revaluation of investment	-	5,514	-	5,514
Total loss as at September 30, 2021	-	5,514	(19,453)	(13,939)
Balance as at September 30, 2021	300,000	24,604	(99,282)	225,322
Loss for the 4th quarter ended on December 31, 2021	-	-	(5,414)	(5,414)
Other Comprehensive Income / (loss)				
Actuarial gain on defined benefit plan	-	-	2,450	2,450
Other comprehensive loss as at December 31, 2021	-	(7,229)	-	(7,229)
Balance as at December 31, 2021	300,000	17,375	(102,246)	215,129
Loss for the period ended September 30, 2022	-	-	(11,712)	(11,712)
Other Comprehensive Income / (loss)				
Actuarial loss on defined benefit plan	-	-	-	-
Unrealized (loss) on revaluation of investment	-	(8,913)	-	(8,913)
Total loss as at September 30, 2022	-	(8,913)	(11,712)	(20,625)
Balance as at September 30, 2022	300,000	8,462	(113,958)	194,504

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director

SUMMIT CAPITAL (PRIVATE) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

1. THE COMPANY AND ITS OPERATIONS

Summit Capital (Private) Limited (the Company) is a private limited company, incorporated in Pakistan on March 08, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The Company is a corporate member / TREC holder of Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited. The principal activities of the Company are equity brokerage, money market brokerage and interbank foreign exchange brokerage. The registered office of the Company is situated at 701-702, 7th Floor, Business and Finance Centre, Opposite State Bank of Pakistan, I.I Chundrigar Road, Karachi. The Company is a wholly owned subsidiary of Summit Bank Limited

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and provisions of and directives issued under the Companies Act, 2017. Where provisions of a and directives issued under the Companies Act, 2017 differ from the IFRS Standards,, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of section 237 of the Companies Act, 2017. These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and rounded off to the nearest thousand rupee.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are same as those applied in the preparation of financial statements for the year ended December 31, 2021.

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	------(Rs. in '000)-----	
4. PROPERTY AND EQUIPMENT		
Operating fixed assets - tangible	28,671	32,579
	<u>28,671</u>	<u>32,579</u>
5. INTANGIBLE ASSETS		
Computer software	32	41
Trading Rights Entitlement Certificates	2,500	2,500
	<u>2,532</u>	<u>2,541</u>
6. LONG TERM ADVANCES		
Advance for capital expenditure	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
7. LONG TERM INVESTMENTS		
Long term investment - available for sale	42,743	33,686
	<u>42,743</u>	<u>33,686</u>
8. LONG TERM DEPOSITS		
Long-term deposits - considered good	1,673	3,165
	<u>1,673</u>	<u>3,165</u>
9. DEBTORS		
Considered good		
Due from clients in respect of securities transactions - secured	15,682	873
Commission receivable - unsecured	6,140	7,050
Receivable against sale of securities from clearing house	-	8,316
Considered doubtful	21,822	16,239
Due from clients in respect of securities transactions - secured	10,655	28,309
Due from clients in respect of securities transactions - unsecured	55,887	55,887
	<u>88,364</u>	100,435
Less: Provision for doubtful debts	55,887	55,887
	<u>32,477</u>	<u>44,548</u>

9.1 Includes Rs.0.028 (2021: 0.011) million due from the holding company.

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	------(Rs. in '000)-----	

10. SHORT TERM LOANS

Short term loans	10.1	704	737
		<u>704</u>	<u>737</u>

10 These loans represent loans to employees for domestic purposes under the terms of employment. These loans carry mark-up at the rate of 8% per annum.

11. SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Prepayments		2,000	297
Exposure deposits		39,628	48,728
Other receivable - profit on bank	11.1	540	-
		<u>42,168</u>	<u>49,025</u>

11.1 The amounting of Rs. 0.540 (2021: Rs. Nil) million profit on bank for the month of September 2022 received in October 2022 from the holding company.

12. CASH AND BANK BALANCES

Cash with banks:			
- Current accounts	12.1	1,030	55,027
- PLS saving accounts	12.2	67,007	5,842
Cash in hand		2	6
		<u>68,039</u>	<u>60,875</u>

12.1 Includes accounts amounting to Rs. 0.101 (2021: Rs. 53.256) million maintained with the holding company.

12.2 Includes accounts amounting to Rs. 66.966 (2021: Rs. 5.832) million maintained with the holding company.

13. SHORT TERM FINANCE - SECURED

13.1 Represents a running financing facility of Rs. 300 million from holding company against charge on current assets & hypothecation of receivables and carries mark-up rate of 3 months KIBOR average ask side rate

14. TRADE AND OTHER PAYABLES

Due to clients in respect of securities transactions	15.1	66,813	61,571
Deposit from employees against vehicles		179	1,599
Accrued liabilities		8,410	9,451
Payable against purchase of securities		14,155	-
Others		659	586
		<u>90,216</u>	<u>73,207</u>

September 30, December 31,
2022 2021
(Un-audited) (Audited)
------(Rs. in '000)-----

15. Customer Assets - Bank Account & Central Depository System

15.1 Customer Assets - Bank Account

Bank Account Balance - Clients	<u>66,813</u>	<u>53,255</u>
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15.2 Customer Assets - Securities (Number of shares)

Securities held in the name of Clients'	<u>144,858,309</u>	<u>142,232,877</u>
Securities held in the name of Company's	<u>6,684,315</u>	<u>5,481,531</u>

The securities held in the Company's back office record reconciling with the Central Depository System as at September 30, 2022.

16. Pledged Securities

Pledged with PSX on behalf of Company (for Base Minimum Capital)	<u>38,786</u>	<u>38,786</u>
Total value of pledged securities	<u>38,786</u>	<u>38,786</u>

17. Treatment of amount receivable from customers

17.1 Trade debtors and other receivables are carried at cost, which is the fair value of the consideration to be received, less provision for doubtful debts. A provision for impairment in trade debtors and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables.

17.2 Aging Analysis of Trade Debtors

Amount due from customers for more than 5 days	70,327	91,813
Less: provision for doubtful debts	(55,887)	(55,887)
Balance after provision for doubtful debts more than 5 days	<u>14,440</u>	<u>35,926</u>
Value of collateral after applying haircut on the basis of VAR	<u>11,325</u>	<u>39,291</u>

18. Pattern of shareholding with percentage

	Percentage	No. of Shares	No. of Shares
Summit Bank Limited	100%	29,999,996	29,999,996
Muzammil Hussain	0%	1	1
Arshad Majeed*	0%	1	-
Muhammad Anwar*	0%	1	-
Muhammad Kashif Malik*	0%	1	-
Salman Zafar Siddiqi*	0%	-	1
Rahat Saeed Khan*	0%	-	1
Zubair Aziz*	0%	-	1
Total	<u>100%</u>	<u>30,000,000</u>	<u>30,000,000</u>

18.1 The company is the wholly owned subsidiary of Summit Bank Limited. Mr. Arshad Majeed and Mr. Muhammad Anwar elected as new Director of the Company to replace Mr. Zubair Aziz and Mr. Rahat Saeed Khan on April 11, 2022. Mr. Salman Zafar Siddiqi resigned from the Board of Directors and Mr. Muhammad Kashif Malik was appointed to replace Mr. Salman Zafar Siddiqi on April 20, 2022.

	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	----- (Rs. in '000) -----	
19. Turnover - Proprietary Trades, Retail Customers and Institutional Customers		
Proprietary Trades (Equity) - Turnover	-	-
Retail Customers Trades (Equity) - Turnover	10,914	20,694
Institutional Trades (Equity) - Turnover	2,055	11,232
Institutional Trades (Money Market & Interbank Foreign Exchange) - Turnover	19,130	27,958
Retail (Commodity Futures) - Turnover	12	43
Total Trades - Turnover	32,112	59,927

20. RELATED PARTY TRANSACTIONS

The related parties comprise parent company, related group companies, staff retirement funds, directors and key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	----- (Rs. in '000) -----	
Holding Company - Summit Bank Limited		
Brokerage commission	171	3,929
Financial charges	424	403
Profit on bank accounts	4,149	504
Rent paid	2,990	2,806
Service rendered (Generator Fuel - Reimbursement)	173	189
Running finance availed (Highest)	25,026	99,998
Running finance paid (Highest)	(25,026)	(99,998)
Brokerage commission -Key management personnel & Director	2	352
Contribution paid to/(received from) Gratuity Fund	1,350	2,250
Contribution paid to/(received from) Provident Fund	1,553	2,270

20.1 The outstanding balances of related parties are included in their respective notes to these condensed interim financial statements.

21. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on October 21, 2022.

22. GENERAL

22.1 Figures have been rounded off to the nearest thousand rupees.


CHIEF EXECUTIVE OFFICER


DIRECTOR