

SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2023

		September 30, 2023	December 31, 2022
	Note	(Un-audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	27,788	28,290
Intangible assets	5	2,522	2,529
Long term advances	6	2,500	2,500
Long term investment	7	39,252	40,243
Investment property		17,504	17,771
Long term deposits	8	1,673	1,673
Deferred tax asset - net		10,679	9,338
		101,918	102,344
CURRENT ASSETS			
Debtors	9	33,904	32,081
Short term loans	10	289	1,041
Short term deposits, prepayments and others receivables	11	20,776	31,212
Advance tax - net		36,622	37,328
Cash and bank balances	12	54,745	58,298
		146,336	159,960
		248,254	262,304
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		500,000	500,000
50,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid-up share capital		300,000	300,000
Accumulated losses		(129,579)	(118,873)
Unrealized gain on revaluation of investment		4,919	5,911
		175,340	187,038
CURRENT LIABILITIES			
Short term borrowing - secured	13	-	-
Creditors and other payables	14	72,444	74,919
Deposit - Rent		130	130
Accrued markup		340	217
		72,914	75,266
		248,254	262,304

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER

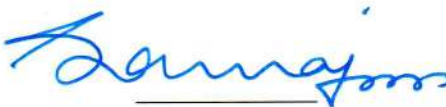

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

		September 30, 2023	September 30, 2022
	Note	------(Rs. in '000)-----	
Income			
Brokerage commission	19	41,247	32,112
Gain/(loss) on sale of securities - net		18,436	-
Gain on sale of operating fixed assets		5	8,819
Dividend income		26	1,055
Gain on derecognition of financial asset		-	316
Other income	20	11,363	8,191
		71,077	50,493
Expenditure			
Operating and administrative expenses	21	75,038	61,737
Financial charges	22	1,969	430
		77,007	62,167
Loss before taxation		(5,930)	(11,674)
Taxation - current		(6,116)	(3,169)
- deferred		1,340	3,131
		(4,776)	(38)
Loss after taxation		(10,706)	(11,712)
Loss per share - basic and diluted (Rupee)		(0.36)	(0.39)

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER

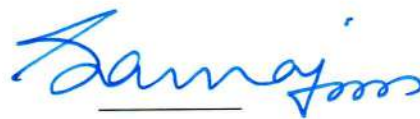

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
	Note	----- (Rs. in '000) -----
Cash flows from operating activities		
Loss before taxation	(5,930)	(11,674)
Adjustments for:		
Depreciation	699	1,078
Amortization	7	9
(Gain) on sale of securities - net	(18,436)	-
Gain on sale of operating fixed assets	(5)	(8,819)
Provision for staff gratuity fund	750	1,350
Financial charges	1,969	430
	(15,016)	(5,952)
	(20,946)	(17,626)
Decrease in assets		
Debtors	(1,823)	12,071
Short-term loans	752	33
Short-term deposit, prepayments and others receivable	10,436	6,857
Long term deposits	-	1,492
	9,365	20,453
(Decrease) / increase in liabilities		
Creditors and other payables	(2,692)	17,009
Short term borrowing	-	-
	(2,692)	17,009
Cash generated / (used in) from operations	(14,273)	19,836
Income tax paid	(5,412)	(4,848)
Financial charges paid	(1,629)	(430)
Gratuity paid	(750)	(1,350)
Net cash generated / (used in) from operating activities	(22,064)	13,208
Cash flows from investing activities		
Capital expenditure incurred	-	293
Proceed from sale of tangible fixed assets	75	11,633
Short term investments	18,436	(17,970)
Net cash (used in) / generated from investing activities	18,511	(6,044)
Net (decrease) / increase in cash & cash equivalents	(3,553)	7,164
Cash and cash equivalents at the beginning of the period	58,298	60,875
Cash and cash equivalents at the end of the period	54,745	68,039
Cash and cash equivalents:		
Cash and bank balances	12 54,745	68,039

The annexed notes 1 to 25 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, 2023

	September 30, 2023	September 30, 2022
Note	----- (Rupees in '000) -----	
Loss after taxation	(10,706)	(11,712)
<u>Other comprehensive income / (loss) - net</u>		
Items that will not be reclassified subsequently to profit or loss		
Unrealized loss on revaluation of investment	(992)	(8,913)
Total comprehensive loss for the period	<u>(11,698)</u>	<u>(20,625)</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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 period	-	-	(11,712)	(11,712)
Other Comprehensive Income / (loss)				
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
Loss for the 4th quarter ended on December 31, 2022	-	-	(2,782)	(2,782)
Other Comprehensive Income / (loss)				
Actuarial loss on defined benefit plan	-	-	(2,133)	(2,133)
Unrealized loss on revaluation of investment	-	(2,551)	-	(2,551)
Balance as at December 31, 2022	300,000	5,911	(118,873)	187,038
Loss for the period ended September 30, 2023	-	-	(10,706)	(10,706)
Other Comprehensive Income / (loss)				
Actuarial loss on defined benefit plan	-	-	-	-
Unrealized loss on revaluation of investment	-	(992)	-	(992)
Total loss as at September 30, 2023	-	(992)	(10,706)	(11,698)
Balance as at September 30, 2023	300,000	4,919	(129,579)	175,340

The annexed notes 1 to 25 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, 2023

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 Companies Ordinance, 1984 (repealed by Company's 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, interbank foreign exchange brokerage and commodity brokerage. The company is geographically located in the province of Sindh having its registered office 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 financial statements have been prepared under the historical cost convention except for long term investments which are carried at fair value through other comprehensive income.

These 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), provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016. Where provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 shall prevail.

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, 2022.

SUMMIT CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

4 PROPERTY AND EQUIPMENT

	Stock exchange rooms	Leasehold improvements	Furniture and fittings	Motor vehicles	Office equipment	Computer equipment	Electrical equipment	Total
Net Carrying Value basis as at January 1, 2023	24,200	252	357	636	789	532	1,524	28,290
Opening net book value	-	-	-	-	-	-	-	-
Additions / Transfer in	-	-	-	-	-	-	-	-
Disposals / Write-Off	-	-	-	-	-	-	-	-
Cost	-	97	270	-	-	-	-	367
Accumulated Depreciation	-	(74)	(223)	-	-	-	-	(297)
	-	23	47	-	-	-	-	70
Depreciation Charge	-	18	26	95	59	120	114	432
Closing Net Book Value	24,200	211	284	541	730	412	1,410	27,788
Rate of depreciation	-	10%	10%	20%	10%	30%	10%	

SUMMIT CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

Rupees in '000'

5 INTANGIBLE ASSETS

Year Ended December 31, 2022

Computer software	5.1	29
Trading Rights Entitlement Certificates		2,500
		<u>2,529</u>

Period Ended September 30, 2023

Computer software	5.1	22
Trading Rights Entitlement Certificates		2,500
		<u>2,522</u>

5.1 Computer Softwares

Net carrying value basis as at September 30, 2023

Opening net book value	29
Addition during the year	-
Amortisation for the year	(7)
Closing net book value	<u>22</u>

Gross carrying value basis as at September 30, 2023

Cost	5,574
Accumulated amortisation	(5,552)
Net Book Value	<u>22</u>

Rate of amortisation (%)	<u>30%</u>
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Net carrying value basis as at December 31, 2022

Opening net book value	41
Addition during the year	-
Amortisation for the year	(12)
Closing net book value	<u>29</u>

Gross carrying value basis as at December 31, 2022

Cost	5,574
Accumulated amortisation	(5,545)
Net Book Value	<u>29</u>

Rate of amortisation (%)	<u>30%</u>
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		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	----- (Rs. in '000) -----	
6. LONG TERM ADVANCES			
Advance for office premises in Pakistan Mercantile Exchange Limited		2,500	2,500
		<u>2,500</u>	<u>2,500</u>
7. LONG TERM INVESTMENTS - FAIR VALUE THROUGH OCI			
Investment in Quoted Securities	7.1	33,951	28,598
Investment in Unquoted Securities	7.2	<u>5,301</u>	<u>11,645</u>
		<u>39,252</u>	<u>40,243</u>

7.1 QUOTED SECURITIES

2023	2022	Name of Investee	2023		2022
Number of shares			Cost	Market Value	Market Value
			(Rs. in '000)		
INVESTMENT COMPANY					
1,602,953	1,602,953	Pakistan Stock Exchange Limited	4,666	12,647	12,952
1,185,376	1,185,376	The Bank of Khyber	17,781	14,225	15,410
8,000	8,000	HBL Investment Fund - Class A	17	14	13
8,000	8,000	HBL Investment Fund - Class B Segment	51	53	47
1,250	1,250	Bestway Cemnet Limited	156	207	160
158	158	Meezan Bank Limited	17	18	16
295,536	-	LSE PropTech Limited	1,647	1,182	-
842,811	-	LSE Ventures Limited	4,697	5,605	-
			29,032	33,951	28,598
		Unrealized (loss) on re-measurement of investment	(4,024)		
		Unrealized gain on re-measurement of investment	8,943		
		Carrying Value	33,951		

7.1.2 Movement in unrealized gain / (loss) on FVOCI - net

	September 30, 2023	December 31, 2022
Balance as on January 1, 2023	5,910	5,910
Surplus / (Deficit) on remeasurement of investment	3,033	-
Balance as on September 30, 2023	<u>8,943</u>	<u>5,910</u>

7.2 UNQUOTED SECURITIES

2023	2022	Name of Investee	2023	2022
Number of shares			Cost	Cost
INVESTMENT COMPANY				
-	843,975	LSE Financial Services Limited	-	6,344
3,034,603	3,034,603	ISE Towers REIT Management Company Limite	<u>5,301</u>	<u>5,301</u>
			<u>5,301</u>	<u>11,645</u>

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Note		(Rs. in '000)	
8. LONG TERM DEPOSITS			
Considered good			
	Central Depository Company of Pakistan Limited	175	175
	National Clearing Company of Pakistan Limited	200	200
	Pakistan Mercantile Exchange Limited	1,256	1,256
	Pakistan Telecommunication Company Limited	42	42
		<u>1,673</u>	<u>1,673</u>
9. DEBTORS			
Considered good			
	Due from clients against trading of securities	17,385	17,934
	Commission receivable - unsecured	5,864	3,492
	Due from NCCPL against unsettled trades	-	-
Considered doubtful			
	Due from clients in respect of securities transactions - secured	23,249	21,426
	Due from clients in respect of securities transactions - unsecured	10,655	10,655
		<u>55,887</u>	<u>55,887</u>
		89,791	87,968
	Less: Provision for doubtful debts	<u>(55,887)</u>	<u>(55,887)</u>
		<u>33,904</u>	<u>32,081</u>
9.1	Includes Rs.0.048 (2022: 0.021) million due from the holding company.		
10. SHORT TERM LOANS			
	Short term loans	10.1	
		<u>289</u>	<u>1,041</u>
		<u>289</u>	<u>1,041</u>
10.1	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	1,353	166
	Exposure deposits with NCCPL	19,423	30,558
	Other receivable - profit on bank	-	488
		<u>20,776</u>	<u>31,212</u>
12. CASH AND BANK BALANCES			
	Cash with banks:		
	- Current accounts	12.1	
		<u>1,293</u>	<u>1,239</u>
	- PLS saving accounts	12.2	
		<u>53,448</u>	<u>57,058</u>
	Cash in hand	<u>4</u>	<u>1</u>
		<u>54,745</u>	<u>58,298</u>
12.1	Includes accounts amounting to Rs. 0.101 (2022: Rs.0.101) million maintained with the holding company.		
12.2	Includes accounts amounting to Rs. 53.393 (2022: Rs. 57.057) 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 plus 2.50%.		
14. TRADE AND OTHER PAYABLES			
	Due to clients in respect of securities transactions	15.1	
		<u>43,113</u>	<u>49,502</u>
	Deposit from employees against vehicles	179	179
	Accrued liabilities	12,461	7,306
	Payable against purchase of securities	15,983	17,273
	Others	<u>708</u>	<u>659</u>
		<u>72,444</u>	<u>74,919</u>

	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)	
	----- (Rs. in '000) -----		
15. Customer Assets - Bank Account & Central Depository System			
15.1 Customer Assets - Bank Account			
Bank Account Balance - Clients	43,113	49,502	
15.2 Customer Assets - Securities (Number of shares)			
Securities held in the name of Clients	149,430,387	148,108,002	
Securities held in the name of Company's	6,978,687	6,684,315	
The securities held in the Company's back office record reconciling with the Central Depository System as at September 30, 2023.			
16. Pledged Securities			
Pledged with PSX on behalf of Company (for Base Minimum Capital)	30,346	38,786	
Pledged with PSX client(s) securities on behalf of client(s)	1,518	-	
Total value of pledged securities	31,864	38,786	
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	67,909	67,165	
Less: provision for doubtful debts	(55,887)	(55,887)	
Balance after provision for doubtful debts more than 5 days	12,022	11,278	
Value of collateral after applying haircut on the basis of VAR	10,790	10,790	
18. Pattern of shareholding with percentage			
	Percentage	No. of Shares	No. of Shares
Summit Bank Limited	100%	29,999,996	29,999,996
Arshad Majeed	0%	1	1
Muhammad Kashif Malik	0%	1	1
Muzammil Hussain	0%	1	1
Ali Kashif Rizvi*	0%	1	-
Muhammad Anwar*	0%	-	1
Total	100%	30,000,000	30,000,000

18.1 Mr. Muhammad Anwar resigned as Director on January 13, 2023 and Mr. Ali Kashif Rizvi appointed and replaced Mr. Muhammad Anwar as Director of the Company on January 13, 2023.

	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
	----- (Rs. in '000) -----	
19. Brokerage commission		
Proprietary Trades (Equity) - Turnover	-	-
Retail Customers Trades (Equity) - Turnover	14,848	9,662
Institutional Trades (Equity) - Turnover	4,308	3,308
Institutional Trades (Money Market & Interbank Foreign Exchange) - Turnover	20,910	19,130
Retail (Commodity Futures) - Turnover	1,181	12
Total Trades - Turnover	41,247	32,112
20. Other income		
Mark-up on personal loan to employees	44	51
Profit on bank account	6,379	4,156
Profit on cash margins	3,214	2,416
Miscellaneous income	1	-
Rental Income	1,725	1,568
	11,363	8,191
21. Operating and administrative expenses		
Salaries & benefits	47,556	34,793
Professional fees	2,756	3,036
Postage, telephone & telex	4,815	4,226
Gas, electricity & utilities	3,444	3,130
Rent, rates & taxes	3,607	3,440
Repairs & maintenance	2,234	3,519
Printing & stationery	608	366
Traveling and vehicle	3,889	2,943
Entertainment expenses	1,374	1,143
Membership & subscription	534	382
Insurance Expense	1,703	1,550
Depreciation & Amortization	706	1,087
Miscellaneous	245	112
Central Depository / NCSS / PSX Service charges	1,567	2,010
	75,038	61,737
22. Financial charges		
Mark-up expense on borrowings	1,889	361
Other financial charges	80	69
	1,969	430

23. 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, 2023 (Un-audited)	September 30, 2022 (Un-audited)
	----- (Rs. in '000) -----	
Holding Company - Summit Bank Limited		
Brokerage commission	1,115	171
Financial charges	1,966	424
Profit on bank accounts	6,369	4,149
Rent paid	3,157	2,990
Service rendered (Generator Fuel - Reimbursement)	211	173
Running finance availed (Highest)	47,215	25,026
Running finance paid (Highest)	(47,215)	(25,026)
Brokerage commission -Key management personnel & Director	1	2
Contribution paid to/(received from) Gratuity Fund	750	1,350
Contribution paid to/(received from) Provident Fund	1,811	1,553

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

24. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on October 26, 2023.

25. GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR