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

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

	Note	June 30, 2023	December 31, 2022
		-------------(Rupees)-------------	
		(Un-audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**28,000**	28,290
Intangible assets	5	**2,525**	2,529
Long term advances	6	**2,500**	2,500
Long term investment	7	**42,415**	40,243
Investment property		**17,593**	17,771
Long term deposits	8	**1,773**	1,673
Deferred tax asset - net		**13,372**	9,338
		108,178	102,344
CURRENT ASSETS			
Debtors	9	**35,622**	32,081
Short term loans	10	**583**	1,041
Short term deposits, prepayments and others receivables	11	**25,386**	31,212
Advance tax - net		**38,436**	37,328
Cash and bank balances	12	**37,878**	58,298
		137,905	159,960
		246,083	262,304
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 share capital		**300,000**	300,000
Accumulated losses		**(130,913)**	(118,873)
Unrealized gain on revaluation of investment		**8,083**	5,911
		177,170	187,038
CURRENT LIABILITIES			
Short term borrowing - secured	13	**15,784**	-
Creditors and other payables	14	**52,868**	74,919
Deposit - Rent		**130**	130
Accrued markup		**131**	217
		68,913	75,266
		246,083	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 SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		-------------(Rs. in '000)-------------	
Income			
Brokerage commission	19	23,432	20,820
Gain/(loss) on sale of securities - net		30	-
Gain on sale of operating fixed assets		-	8,772
Dividend income		15	633
Other income	20	7,114	4,859
		30,591	35,084
Expenditure			
Operating and administrative expenses	21	43,716	41,481
Financial charges	22	970	67
		44,686	41,548
Loss before taxation		(14,095)	(6,464)
Taxation - current		(1,979)	(2,181)
- deferred		4,034	1,000
		2,055	(1,181)
Loss after taxation		(12,040)	(7,645)
Loss per share - basic and diluted (Rupee)		(0.40)	(0.25)

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 SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		------------(Rs. in '000)-----------	
Cash flows from operating activities			
Loss before taxation		(14,095)	(6,464)
Adjustments for:			
Depreciation		468	785
Amortization		4	6
(Gain) on sale of securities - net		(30)	-
Gain on sale of operating fixed assets		-	(8,772)
Provision for staff gratuity fund		600	1,050
Financial charges		970	67
		2,012	(6,864)
		(12,083)	(13,328)
Decrease in assets			
Debtors		(3,541)	(6,027)
Short-term loans		458	(298)
Short-term deposit, prepayments and others receivable		5,826	7,857
Long term deposits		(100)	1,497
		2,643	3,029
(Decrease) / increase in liabilities			
Creditors and other payables		(22,268)	6,560
Short term borrowing		15,784	-
		(6,484)	6,560
Cash generated / (used in) from operations		(15,924)	(3,739)
Income tax paid		(3,087)	(3,433)
Financial charges paid		(839)	(67)
Gratuity paid		(600)	(1,050)
Net cash generated / (used in) from operating activities		(20,450)	(8,289)
Cash flows from investing activities			
Capital expenditure incurred		-	293
Proceed from sale of tangible fixed assets		-	11,368
Short-term investments		30	-
Net cash (used in) / generated from investing activities		30	11,661
Net (decrease) / increase in cash & cash equivalents		(20,420)	3,372
Cash and cash equivalents at the beginning of the period		58,298	60,875
Cash and cash equivalents at the end of the period		37,878	64,247
Cash and cash equivalents:			
Cash and bank balances	12	37,878	64,247

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 SIX MONTHS ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
		------- (Rupees in '000) -------	
Loss after taxation		(12,040)	(7,645)
Other comprehensive income / (loss) - net			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain / (loss) on revaluation of investment		2,172	(5,643)
Total comprehensive loss for the period		(9,868)	(13,288)

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 SIX MONTHS PERIOD ENDED JUNE 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	-	-	(7,645)	(7,645)
Other Comprehensive Income / (loss)				
Unrealized loss on revaluation of investment	-	(5,643)	-	(5,643)
Total loss as at June 30, 2022	-	(5,643)	(7,645)	(13,288)
Balance as at June 30, 2022	**300,000**	**11,732**	**(109,891)**	**201,841**
Loss for the 4th quarter ended on December 31, 2022	-	-	(6,849)	(6,849)
Other Comprehensive Income / (loss)				
Actuarial loss on defined benefit plan	-	-	(2,133)	(2,133)
Unrealized loss on revaluation of investment	-	(5,821)	-	(5,821)
Balance as at December 31, 2022	**300,000**	**5,911**	**(118,873)**	**187,038**
Loss for the period ended June 30, 2023	-	-	(12,040)	(12,040)
Other Comprehensive Income / (loss)				
Actuarial loss on defined benefit plan	-	-	-	-
Unrealized gain / (loss) on revaluation of investment	-	2,172	-	2,172
Total loss as at June 30, 2023	-	2,172	(12,040)	(9,868)
Balance as at June 30, 2023	**300,000**	**8,083**	**(130,913)**	**177,170**

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 SIX MONTHS PERIOD ENDED JUNE 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.

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								
Opening net book value	24,200	252	357	636	789	532	1,524	28,290
Additions / Transfer in	-	-	-	-	-	-	-	-
Disposals / Write-Off								
Cost	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Depreciation Charge	-	13	18	64	39	80	76	290
Closing Net Book Value	24,200	239	339	572	750	452	1,448	28,000
Rate of depreciation	-	10%	10%	20%	10%	30%	10%	

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

Rupees in '000'

5 INTANGIBLE ASSETS

Year Ended December 31, 2022

Computer software	5.1	29
Trading Rights Entitlement Certificates		2,500
		2,529

Period Ended June 30, 2023

Computer software	5.1	**25**
Trading Rights Entitlement Certificates		**2,500**
		2,525

5.1 Computer Softwares

Net carrying value basis as at June 30, 2023	
Opening net book value	**29**
Addition during the year	**-**
Amortisation for the year	**(4)**
Closing net book value	**25**
Gross carrying value basis as at June 30, 2023	
Cost	**5,574**
Accumulated amortisation	**(5,549)**
Net Book Value	**25**
Rate of amortisation (%)	30%
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	29
Gross carrying value basis as at December 31, 2022	
Cost	5,574
Accumulated amortisation	(5,545)
Net Book Value	29
Rate of amortisation (%)	30%

	Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		--------------(Rs. in '000)-------------	

6. LONG TERM ADVANCES

Advance for office premises in Pakistan Mercantile Exchange Limited		2,500	2,500
		2,500	2,500

7. LONG TERM INVESTMENTS - FAIR VALUE THROUGH OCI

Investement in Quoted Securities	7.1	37,114	28,598
Investement in Unquoted Securities	7.2	5,301	11,645
		42,415	40,243

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	11,862	12,952
1,185,376	1,185,376	The Bank of Khyber	17,781	15,991	15,410
8,000	8,000	HBL Investment Fund - Class A	17	12	13
8,000	8,000	HBL Investment Fund - Class B Segment	51	47	47
1,250	1,250	Bestway Cemnet Limited	156	181	160
158	158	Meezan Bank Limited	17	14	16
295,536	-	LSE Proptech Limited	1,647	1,422	-
842,810	-	LSE Ventures Limited	4,697	7,585	-
			29,032	37,114	28,598
		Unrealized (loss) on re-measurement of investment	(2,027)		
		Unrealized gain on re-measurement of investment	10,109		
		Carrying Value	37,114		

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

	June 30, 2023	December 31, 2022
Balance as on January 1, 2023	5,910	5,910
Surplus / (Deficit) on remeasurement of investment	4,199	-
Balance as on June 30, 2023	10,109	5,910

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	5,301	5,301
			5,301	11,645

	Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		--------------(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		1,356	1,256
Pakistan Telecommunication Company Limited		42	42
		1,773	1,673

9. DEBTORS

Considered good			
Due from clients against trading of securities		13,926	17,934
Commission receivable - unsecured		5,638	3,492
Due from NCCPL against unsettled trades		5,403	-
		24,967	21,426
Considered doubtful			
Due from clients in respect of securities transactions - secured		10,655	10,655
Due from clients in respect of securities transactions - unsecured		55,887	55,887
		91,509	87,968
Less: Provision for doubtful debts		(55,887)	(55,887)
		35,622	32,081

9.1 Includes Rs.0.053 (2022: 0.021) million due from the holding company.

10. SHORT TERM LOANS

Short term loans	10.1	583	1,041
		583	1,041

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		355	166
Exposure deposits with NCCPL		24,503	30,558
Other receivable - profit on bank	11.1	528	488
		25,386	31,212

11.1 The amounting of Rs.0.622 (2022: Rs.0.488) million profit on bank after deduction of advance tax for the month of June 2023 received in the month of July 2023 from the holding company.

12. CASH AND BANK BALANCES

Cash with banks:			
- Current accounts	12.1	865	1,239
- PLS saving accounts	12.2	37,008	57,058
Cash in hand		5	1
		37,878	58,298

12.1 Includes accounts amounting to Rs. 0.100 (2022: Rs.0.101) million maintained with the holding company.
12.2 Includes accounts amounting to Rs. 36.955 (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	42,127	49,502
Deposit from employees against vehicles		179	179
Accrued liabilities		9,903	7,306
Payable against purchase of securities		-	17,273
Others		659	659
		52,868	74,919

	June 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	36,724	49,502

15.2 Customer Assets - Securities (Number of shares)

Securities held in the name of Clients'	150,911,624	148,108,002
Securities held in the name of Company's	6,978,686	6,684,315

The securities held in the Company's back office record reconciling with the Central Depository System as at June 30, 2023.

16. Pledged Securities

Pledged with PSX on behalf of Company (for Base Minimum Capital)	39,353	38,786
Pledged with PSX client(s) securities on behalf of client(s)	236	-
Total value of pledged securities	39,589	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	80,434	67,165
Less: provision for doubtful debts	(55,887)	(55,887)
Balance after provision for doubtful debts more than 5 days	24,547	11,278
Value of collateral after applying haircut on the basis of VAR	22,164	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.

	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
	----------(Rs. in '000)---------	
19. Brokerage commission		
Proprietary Trades (Equity) - Turnover	-	-
Retail Customers Trades (Equity) - Turnover	8,906	5,296
Institutional Trades (Equity) - Turnover	1,614	2,055
Institutional Trades (Money Market & Interbank Foreign Exchange) - Turnover	12,529	13,457
Retail (Commodity Futures) - Turnover	383	12
Total Trades - Turnover	23,432	20,820
20. Other income		
Mark-up on personal loan to employees	39	33
Profit on bank account	3,950	2,521
Profit on cash margins	2,012	1,293
Rental Income	1,113	1,012
	7,114	4,859
21. Operating and administrative expenses		
Salaries & benefits	26,184	24,735
Professional fees	1,934	2,033
Postage, telephone & telex	3,155	2,723
Gas, electricity & utilities	1,941	1,544
Rent, rates & taxes	2,393	2,277
Repairs & maintenance	1,402	2,034
Printing & stationery	419	218
Traveling and vehicle	2,741	1,845
Entertainment expenses	906	765
Membership & subscription	153	230
Insurance Expense	1,017	909
Depreciation & Amortization	472	791
Miscellaneous	161	110
Central Depository / NCSS / PSX Service charges	838	1,267
	43,716	41,481
22. Financial charges		
Mark-up expense on borrowings	903	-
Other financial charges	67	67
	970	67

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:

	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
	----------(Rs. in '000)---------	
Holding Company - Summit Bank Limited		
Brokerage commission	634	139
Financial charges	967	63
Profit on bank accounts	3,945	2,515
Rent paid	2,093	1,977
Service rendered (Generator Fuel - Reimbursement)	211	21
Running finance availed (Highest)	36,247	-
Running finance paid (Highest)	(36,247)	-
Brokerage commission -Key management personnel & Director	-	1
Contribution paid to/(received from) Gratuity Fund	600	1,050
Contribution paid to/(received from) Provident Fund	1,173	1,135

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 August 3, 2023.

25. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR