SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2020

	Note	June 30, 2020	December 31, 2019
		-----------(Rs. in '000)-----------	
		(Unaudited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**36,068**	37,185
Intangible assets	5	**4,458**	4,470
Long term advances	6	**2,500**	2,500
Long term investment	7	**27,514**	31,650
Investment property		**18,692**	18,881
Long term deposits	8	**6,167**	6,167
Deferred tax asset - net		**6,231**	6,231
		101,630	107,084
CURRENT ASSETS			
Debtors	9	**43,018**	52,178
Short term loans	10	**442**	626
Short term deposits, prepayments and others receivables	11	**53,168**	58,188
Advance tax - net		**31,977**	32,251
Cash and bank balances	12	**139,333**	97,258
		267,938	240,501
		369,568	347,585
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		**(79,452)**	(60,773)
Unrealized gain on revaluation of AFS Investment		**11,203**	15,339
		231,751	254,566
CURRENT LIABILITIES			
Short term borrowing - secured	13	**-**	-
Creditors and other payables	14	**137,817**	93,019
		137,817	93,019
CONTINGENCIES AND COMMITMENTS			
		369,568	347,585

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Rahat S

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	Note	June 30, 2020	June 30, 2019
		-----------(Rs. in '000)-----------	
Income			
Brokerage commission	21	**33,887**	25,852
Other income	21	**4,490**	4,467
		38,377	30,319
Expenditure			
Operating and administrative expenses		**53,450**	47,366
Financial charges	21	**159**	123
		53,609	47,489
(Loss)/profit before taxation		**(15,232)**	(17,170)
Taxation - current		**3,447**	3,105
(Loss)/profit after taxation		**(18,679)**	(20,275)
Earning per share - basic and diluted (Rupee)		**(0.62)**	(0.68)
Other comprehensive income - Unrealized gain/(loss) on revalution of AFS		**(4,136)**	(913)
Total comprehensive (loss)/income for the period		**(22,815)**	(21,188)

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Rahat S

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	Note	June 30, 2020	June 30, 2019
		------------(Rs. in '000)-----------	
Cash flows from operating activities			
(Loss)/profit before taxation		**(15,232)**	(17,170)
Adjustments for:			
Depreciation		**1,343**	1,625
Amortization		**13**	18
Financial charges		**159**	123
		1,515	1,766
		(13,717)	(15,404)
(Increase)/decrease in assets			
Debtors		**9,160**	34,670
Short-term loans		**184**	151
Short-term deposit, prepayments and others receivable		**5,020**	16,122
Long term deposits		**-**	(1,800)
		14,364	49,143
Increase/(decrease) in liabilities			
Creditors and other payables		**44,798**	(43,996)
Cash (used in)/generated from operations		**45,445**	(10,257)
Income tax paid		**(3,170)**	(3,498)
Financial charges paid		**(159)**	(172)
Net cash (used in)/inflow from operating activities		**42,116**	(13,927)
Cash flows from investing activities			
Capital expenditure incurred		**(41)**	-
Net cash (used in)/inflow from investing activities		**(41)**	-
Cash flows from financing activities			
Long term loan		**-**	-
Net cash used in financing activities		**-**	-
Net decrease in cash & cash equivalents		**42,075**	(13,927)
Cash and cash equivalents at the beginning of the period		**97,258**	113,239
Cash and cash equivalents at the end of the period		**139,333**	99,312
Cash and cash equivalents:			
Cash and bank balances	12	**139,333**	99,312

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Rahat Sa[illegible]

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020

	Issued, subscribed and paid up capital	Accumulated profit/ (loss)	Total
	---------------	(Rs. in 000')	---------------
Balance as on January 01, 2019	300,000	(8,885)	291,115
Total comprehensive income for the period	-	(21,188)	(21,188)
Balance as at June 30, 2019	**300,000**	**(30,073)**	**269,927**
Balance as on January 01, 2020	300,000	(45,434)	254,566
Total comprehensive income for the period	-	(22,815)	(22,815)
Balance as at June 30, 2020	**300,000**	**(68,249)**	**231,751**

Rahat S

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, 2020

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. The Company is a 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, commodity brokerage and research. 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 financial statements have been prepared in accordance with approved accounting 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 provisons of and diretives 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 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, 2019.

	Note	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		-----------(Rs. in '000)----------	

4. PROPERTY AND EQUIPMENT

Operating fixed assets - tangible		**36,068**	37,185
		36,068	37,185

5. INTANGIBLE ASSETS

Computer software		**72**	84
Trading Rights Entitlement Certificates		**4,386**	4,386
		4,458	4,470

6. LONG TERM ADVANCES

Advance for capital expenditure		**2,500**	2,500
		2,500	2,500

7. LONG TERM INVESTMENTS

Long term investment - available for sale		**27,514**	31,650
		27,514	31,650

8. LONG TERM DEPOSITS

Long-term deposits - considered good		**6,167**	6,167
		6,167	6,167

9. DEBTORS

Considered good			
Due from clients in respect of securities transactions - secured		**2,168**	18,387
Commission receivable - unsecured		**14,274**	8,352
	9.1	**16,442**	26,739
Considered doubtful			
Due from clients in respect of securities transactions - secured		**26,576**	25,439
Due from clients in respect of securities transactions - unsecured		**63,140**	63,140
		106,158	115,318
Less: Provision for doubtful debts		**63,140**	63,140
		43,018	52,178

9.1 Includes Rs.0.264 (2019: 0.127) million due from the holding company.

	Note	June 30, 2020 (Un-audited)	December 31 2019 (Audited)
		---(Rs. in '000)---	

10. SHORT TERM LOANS

	Note	June 30, 2020	December 31 2019
Short term loans	10.1	**442**	626
		442	626

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

	Note	June 30, 2020	December 31 2019
Prepayments		**152**	100
Exposure deposits		**53,016**	58,088
		53,168	58,188

12. CASH AND BANK BALANCES

	Note	June 30, 2020	December 31 2019
Cash with banks:			
- Current accounts	12.1	**116,194**	76,392
- PLS saving accounts	12.2	**23,125**	20,861
Cash in hand		**14**	5
		139,333	97,258

12.1 Includes accounts amounting to Rs. 111.192 (2019: Rs. 60.175) million maintained with the holding company

12.2 Includes accounts amounting to Rs. 23.113 (2019: Rs. 20.316) million maintained with the holding company.

13. SHORT TERM FINANCE - SECURED

13.1 Represents a running financing facility of Rs. 400 million from holding company against hypothecation of receivables and carries mark-up rate of 3 months KIBOR average ask side rate plus 2.50%.

14. TRADE AND OTHER PAYABLES

	Note	June 30, 2020	December 31 2019
Due to clients in respect of securities transactions	14.1	**111,190**	60,174
Deposit from employees against vehicles		**1,750**	1,634
Accrued liabilities		**21,566**	16,413
Payable against purchase of securities		**3,006**	14,577
Others		**305**	221
		137,817	93,019

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----------(Rs. in '000)---------	

15. Customer Assets - Bank Account & Central Depository System

15.1 Customer Assets - Bank Account

Bank Account Balance - Clients	**111,190**	60,174

15.2 Customer Assets - Securities (Number of shares)

Securities held in the name of Clients'	**148,058,998**	152,696,264
Securities held in the name of Company's	**5,573,238**	5,573,238

The securities held in the Company's back office record reconciling with the Central Depository System as at June 30, 2020.

16. Pledged Securities

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

17. Treatment of amount receivable from customers

17 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 Aging Analysis of Trade Debtors

Amount due from customers for more than 5 days	**88,865**	91,464
Less: provision for doubtful debts	**(63,140)**	(63,140)
Balance after provision for doubtful debts more than 5 days	**25,725**	28,324
Value of collateral after applying haircut on the basis of VAR	**19,886**	22,060

18. Pattern of shareholding with percentage

	Percentage	No. of Shares	No. of Shares
Summit Bank Limited	100%	**29,999,996**	29,999,996
Syed Mohammad Anwar Lutfullah*	0%	-	1
Rahat Saeed Khan	0%	**1**	1
Muzammil Hussain	0%	**1**	1
Irfan Saleem Awan	0%	**1**	1
Zubair Aziz*	0%	**1**	-
Total	**100%**	**30,000,000**	30,000,000

18.1 The company's is the wholly owned subsidiary of Summit Bank Limited.Syed Mohammad Anwar Lutfullah resigned from the Board of Directors on April 30, 2020. Mr. Zubair Aziz was appointed as a Director on June 10, 2020.

	June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)
	----------(Rs. in '000)---------	

19. Equity Turnover - Proprietary Trades, Retail Customers and Institutional Customers

Proprietary Trades - Turnover	-	-
Retail Customers Trades - Turnover	8,694	5,407
Institutional Trades - Turnover	5,753	2,771
Total Trades - Turnover	**14,446**	8,178

20. Disclosure under regulation 5(4) of Research Analyst Regulations, 2015

At present, SCPL employs 3 members in its reserach department (including head of research, two research analysts). All members report to Head of Research who in turn reports to CEO. Compensation structure of research analysts is flat and is subject to qualification, experience and skillset of the person. However, the compensation of anyone employed in the research department does not in any way depend on the contents/outcome of research report. During the period ended June 30, 2020, the personnel employed in the Research Department have drawn an aggregate salary and benefits amouting to Rs. 2,372,624/- which comprises basic salary, medical allowance, provident fund and other benefits as per Company's policy.

21. 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:

Holding Company - Summit Bank Limited

Brokerage commission	832	160
Financial charges	147	95
Profit on bank accounts	937	1,224
Rent paid	1,674	1,522
Service rendered (Generator Fuel - Reimbursement)	30	56
Brokerage commission -Key management personnel & Director	6	11
Contribution paid to/(received from) Gratuity Fund	1,500	1,500
Contribution paid to/(received from) Provident Fund	1,371	1,419

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

22. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on July 28, 2020.

23. GENERAL

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

Rahat S

CHIEF EXECUTIVE OFFICER

DIRECTOR