SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2019

	Note	June 30, 2019	December 31, 2018
		-------------(Rs. in '000)-------------	
		(Unaudited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**38,529**	39,961
Intangible assets	5	**4,488**	4,506
Long term advances	6	**2,500**	2,500
Long term investment	7	**32,484**	33,397
Investment property		**19,074**	19,267
Long term deposits	8	**5,067**	3,267
Deferred tax asset - net		**5,836**	5,836
		107,978	108,734
CURRENT ASSETS			
Debtors	9	**35,534**	70,204
Short term loans	10	**775**	926
Short term deposits, prepayments and others receivables	11	**54,781**	70,903
Advance tax - net		**31,113**	30,720
Cash and bank balances	12	**99,312**	113,239
		221,515	285,992
		329,493	394,726
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		**(46,246)**	(25,971)
Unrealized gain on revaluation of AFS Investment		**16,173**	17,086
		269,927	291,115
CURRENT LIABILITIES			
Short term borrowing - secured	13	**-**	-
Creditors and other payables	14	**59,566**	103,562
Accrued interest		**-**	49
		59,566	103,611
CONTINGENCIES AND COMMITMENTS			
		329,493	394,726

The annexed notes 1 to 24 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, 2019

	Note	June 30, 2019	June 30, 2018
		-------------(Rs. in '000)-------------	
Income			
Brokerage commission	23	**25,852**	38,048
Unrealised gain/(loss) on revaluation of held-for-trading securities - net		**-**	(280)
Gain/(loss) on sale of securities - net		**-**	4,506
Dividend income	21	**-**	220
Other income	23	**4,467**	3,428
		30,319	45,922
Expenditure			
Operating and administrative expenses		**47,366**	51,593
Financial charges	23	**123**	16
		47,489	51,609
(Loss)/profit before taxation		**(17,170)**	(5,687)
Taxation - current		**3,105**	2,416
(Loss)/profit after taxation		**(20,275)**	(8,103)
Earning per share - basic and diluted (Rupee)		**(0.68)**	(0.27)
Other comprehensive income - Unrealized gain/(loss) on revalution of AFS Investme		**(913)**	(4,248)
Total comprehensive (loss)/income for the period		**(21,188)**	(12,351)

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		------------(Rs. in '000)-----------	
Cash flows from operating activities			
(Loss)/profit before taxation		**(17,170)**	(5,687)
Adjustments for:			
Depreciation		**1,591**	1,842
Amortization		**52**	26
Unrealized loss on revaluation of held-for-trading securities		**-**	280
(Gain) on sale of securities - net		**-**	(4,506)
Financial charges		**123**	16
		1,766	(2,342)
		(15,404)	(8,029)
(Increase)/decrease in assets			
Debtors		**34,670**	7,120
Short-term loans		**151**	(416)
Short-term deposit, prepayments and others receivable		**16,122**	(9,754)
Long term deposits		**(1,800)**	(1,000)
		49,143	(4,050)
Increase/(decrease) in liabilities			
Creditors and other payables		**(43,996)**	(4,479)
Short term borrowing		**-**	-
		(43,996)	(4,479)
Cash (used in)/generated from operations		**(10,257)**	(16,558)
Income tax paid		**(3,498)**	(5,379)
Financial charges paid		**(172)**	(2,955)
Net cash (used in)/inflow from operating activities		**(13,927)**	(24,892)
Cash flows from investing activities			
Capital expenditure incurred		**-**	(534)
Short-term investments		**-**	1,720
Net cash (used in)/inflow from investing activities		**-**	1,186
Cash flows from financing activities			
Long term loan		**-**	-
Net cash used in financing activities		**-**	-
Net decrease in cash & cash equivalents		**(13,927)**	(23,706)
Cash and cash equivalents at the beginning of the period		**113,239**	123,091
Cash and cash equivalents at the end of the period		**99,312**	99,385
Cash and cash equivalents:			
Cash and bank balances	13	**99,312**	99,385

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Rahat S

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DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

	Issued, subscribed and paid up capital	Accumulated profit/ (loss)	Total
	---------------- (Rs. in 000')	----------------	
Balance as on January 01, 2018	300,000	27,061	327,061
Total comprehensive income for the period	-	(12,351)	(12,351)
Balance as at June 30, 2018	**300,000**	**14,710**	**314,710**
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**

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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, 2019

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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirement differ,, the provisons or diretives of the Companies Ordinance, 1984 shall prevail.

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, 2018.

	Note	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
		--------------(Rs. in '000)-------------	

4. PROPERTY AND EQUIPMENT

Operating fixed assets - tangible		38,529	39,961
		38,529	39,961

5. INTANGIBLE ASSETS

Computer software		102	120
Trading Rights Entitlement Certificates		4,386	4,386
		4,488	4,506

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		32,484	33,397
		32,484	33,397

8. LONG TERM DEPOSITS

Long-term deposits - considered good		5,067	3,267
		5,067	3,267

9. DEBTORS

Considered good			
Due from clients in respect of securities transactions - secured		1,959	38,875
Commission receivable - unsecured		6,702	6,477
Receivable against sale of securities from clearing house		1,417	-
	9.1	10,078	45,352
Considered doubtful			
Due from clients in respect of securities transactions - secured		25,456	24,852
Due from clients in respect of securities transactions - unsecured		63,548	63,548
		99,082	133,752
Less: Provision for doubtful debts		63,548	63,548
		35,534	70,204

9.1 Includes Rs.0.112 (2018: 0.184) million due from the holding company.

10. SHORT TERM LOANS

Short term loans	10.1	775	926
		775	926

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		223	100
Exposure deposits		54,558	70,803
		54,781	70,903

12. CASH AND BANK BALANCES

Cash with banks:			
- Current accounts		62,083	67,654
- PLS saving accounts		37,198	45,569
Cash in hand		31	16
		99,312	113,239

12.1 Includes aggregate balance of Rs. 84.019 (2018: Rs. 101.926) 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

Due to clients in respect of securities transactions	14.1	48,239	56,361
Deposit from employees against vehicles		1,515	1,391
Accrued liabilities		9,677	9,560
Payable against purchase of securities to clearing house		-	36,135
Others		135	115
		59,566	103,562

	June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	----------(Rs. in '000)---------	

15. Customer Assets - Bank Account & Central Depository System

15.1 Customer Assets - Bank Account

Bank Account Balance - Clients	**46,822**	56,361

15.2 Customer Assets - Securities (Number of shares)

Securities held in the name of Clients'	**152,123,774**	152,698,095
Securities held in the name of Company's	**5,598,738**	5,598,238

The securities held in the Company's back office record reconciling with the Central Depository System as at June 30, 2019.

16. Pledged Securities

Pledged with PSX on behalf of Company (for Base Minimum Capital)	**38,786**	38,786
Pledged with PSX on behalf of Clients	-	-
Pledged with Summit Bank Limited on behalf of client	-	-
Total value of pledged securities	**38,786**	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

Total trade debtors	**91,199**	127,275
Less: Trade debtors equity within 5 days	**409**	36,200
Trade debtors above 5 days	**90,790**	91,075
Less: provision for doubtful debts	**63,548**	63,548
Balance after provision for doubtful debts above 5 days	**27,242**	27,527
Value of collateral against trade debtors	**24,193**	27,300

		June 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		----------(Rs. in '000)---------	

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**	1
Aziz Morris*	0%	**-**	1
Noor Muhammad*	0%	**-**	1
Rahat Saeed Khan	0%	**1**	1
Muzammil Hussain	0%	**1**	-
Irfan Saleem Awan	0%	**1**	-
Total	**100%**	**30,000,000**	**30,000,000**

18.1 The company's is the wholly owned subsidiary of Summit Bank Limited. Mr. Noor Muhammad resigned from the Board of Directors on March 1, 2019. Mr. Muzammil Hussain appointed as a Director on March 5, 2019. Mr. Aziz Morris resigned from the Board of Directors on April 22, 2019. Mr. Irfan Saleem Awan appointed as a Director on April 22, 2019.

	June 30, 2019 (Un-audited)	June 30, 2018 (Un-audited)
	----------(Rs. in '000)---------	
19. Equity Turnover - Proprietary Trades, Retail Customers and Institutional Customers		
Proprietary Trades - Turnover	**-**	-
Retail Customers Trades - Turnover	**5,407**	10,272
Institutional Trades - Turnover	**2,771**	7,299
Total Trades - Turnover	**8,177**	17,571
20. Income from dividends		
Income from dividends	**-**	220

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

At present, SCPL employs 4 members in its reserach department (including head of research, two research analysts and a librarian). 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, 2019, the personnel employed in the Research Department have drawn an aggregate salary and benefits amouting to Rs. 2,374,446/- which comprises basic salary, medical allowance, provident fund and other benefits as per Company's policy.

	Note	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)
		------------(Rs. in '000)-------------	

22. 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	**160**	1,945
Financial charges	**95**	9
Profit on bank accounts	**1,224**	971
Rent paid	**1,522**	1,449
Service rendered (Generator Fuel - Reimbursement)	**56**	249
Shares purchased from holding company	**-**	40,347
Shares sold to holding company	**-**	(40,398)
Brokerage commission -Key management personnel & Director	**11**	67
Contribution paid to/(received from) Gratuity Fund	**1,500**	1,500
Contribution paid to/(received from) Provident Fund	**1,419**	1,482

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

23. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on August 29, 2019.

24. GENERAL

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

Rahat S---

CHIEF EXECUTIVE OFFICER

DIRECTOR