SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2018

	Note	September 30, 2018	December 31, 2017
		--------------(Rs. in '000)--------------	
		(Unaudited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**40,851**	41,084
Intangible assets	5	**4,519**	4,558
Long term advances	6	**2,500**	4,253
Long term investment	7	**37,565**	47,551
Investment property		**19,365**	19,660
Long term deposits	8	**6,238**	5,238
Deferred tax asset - net		**5,364**	5,364
		116,402	127,708
CURRENT ASSETS			
Debtors	9	**66,422**	51,699
Short term loans	10	**1,198**	774
Short term deposits, prepayments and others receivables	11	**71,268**	80,828
Short term investments	12	**2,317**	-
Advance tax - net		**28,456**	23,890
Cash and bank balances	13	**88,020**	123,091
		257,681	280,282
		374,083	407,990
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		**(22,149)**	(4,179)
Unrealized gain on revaluation of AFS Investment		**21,254**	31,240
		299,105	327,061
CURRENT LIABILITIES			
Short term borrowing - secured	14	**-**	-
Creditors and other payables	15	**74,977**	77,990
Accrued interest		**1**	2,939
		74,978	80,929
CONTINGENCIES AND COMMITMENTS			
		374,083	407,990

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, 2018

	Note	September 30, 2018	September 30, 2017
		(Rs. in '000)	
Income			
Brokerage commission	23	**52,714**	79,847
Unrealised gain/(loss) on revaluation of held-for-trading securities - net		**(460)**	(20,470)
Gain/(loss) on sale of securities - net		**4,412**	60,514
Gain/(loss) on sale of operating fixed assets		**-**	667
Dividend income	21	**235**	374
Other income	23	**5,321**	8,906
		62,222	129,838
Expenditure			
Operating and administrative expenses		**76,866**	84,948
Financial charges	23	**30**	13,249
		76,896	98,197
(Loss)/profit before taxation		**(14,674)**	31,641
Taxation - current		**3,296**	13,677
- prior		**-**	-
- deferred		**-**	-
(Loss)/profit after taxation		**(17,970)**	17,964
Earning per share - basic and diluted (Rupee)		**(0.60)**	0.60
Other comprehensive income - Unrealized gain/(loss) on revalution of AFS Investme		(9,986)	-
Total comprehensive income for the period		**(27,956)**	17,964

The annexed notes 1 to 25 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	Note	September 30, 2018	September 30, 2017
		------------(Rs. in '000)-----------	
Cash flows from operating activities			
(Loss)/profit before taxation		(14,674)	31,641
Adjustments for:			
Depreciation		2,830	3,065
Amortization		39	55
Unrealized loss on revaluation of held-for-trading securities		460	20,470
Unrealised (gain)/loss on revaluation of availbale for sale of securities - net		-	-
(Gain) on sale of securities - net		(4,412)	(60,514)
(Gain)/loss on sale of operating fixed assets		-	(667)
Operating fixed assets written off		-	-
Provision for staff gratuity fund		-	-
Financial charges		30	13,249
		(1,053)	(24,342)
		(15,727)	7,299
(Increase)/decrease in assets			
Debtors		(14,723)	(44,747)
Short-term loans		(424)	-
Short-term deposit, prepayments and others receivable		9,560	7,545
Accrued mark-up		-	-
Long term deposits		(1,000)	(3,246)
		(6,587)	(40,448)
Increase/(decrease) in liabilities			
Creditors and other payables		(3,013)	(10,745)
Short term borrowing		-	91,305
		(3,013)	80,560
Cash (used in)/generated from operations		(25,327)	47,411
Income tax paid		(7,860)	(13,332)
Financial charges paid		(2,968)	(9,721)
Net cash (used in)/inflow from operating activities		(36,155)	24,358
Cash flows from investing activities			
Capital expenditure incurred		(551)	(5,234)
Proceed from sale of tangible fixed assets		-	2,411
Short-term investments		1,635	(66,559)
Net cash (used in)/inflow from investing activities		1,084	(69,382)
Cash flows from financing activities			
Long term loan		-	-
Net cash used in financing activities		-	-
Net decrease in cash & cash equivalents		(35,071)	(45,024)
Cash and cash equivalents at the beginning of the period		123,091	135,678
Cash and cash equivalents at the end of the period		88,020	90,654
Cash and cash equivalents:			
Cash and bank balances	13	88,020	90,654

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

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CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	Issued, subscribed and paid up capital	Accumulated profit/ (loss)	Total
	----------------	(Rs. in 000')	----------------
Balance as on January 01, 2017	300,000	(32,201)	267,799
Total comprehensive income for the period	-	17,964	17,964
Balance as at September 30, 2017	**300,000**	**(14,237)**	**285,763**
Balance as on January 01, 2018	300,000	27,061	327,061
Total comprehensive income for the period	-	(27,956)	(27,956)
Balance as at September 30, 2018	**300,000**	**(895)**	**299,105**

Rahat S

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, 2018

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, 2017.

	Note	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
		--------(Rs. in '000)--------	
4. PROPERTY AND EQUIPMENT			
Operating fixed assets - tangible		40,851	41,084
		40,851	41,084
5. INTANGIBLE ASSETS			
Computer software		133	172
Trading Rights Entitlement Certificates		4,386	4,386
		4,519	4,558
6. LONG TERM ADVANCES			
Advance for capital expenditure		2,500	4,253
		2,500	4,253
7. LONG TERM INVESTMENTS			
Long term investment - available for sale		37,565	47,551
		37,565	47,551
8. LONG TERM DEPOSITS			
Long-term deposits - considered good		6,238	5,238
		6,238	5,238
9. DEBTORS			
Considered good			
Due from clients in respect of securities transactions - secured		25,293	8,101
Commission receivable - unsecured		15,673	11,798
Receivable against sale of securities from clearing house		-	6,344
	9.1	40,966	26,243
Considered doubtful			
Due from clients in respect of securities transactions - secured		25,456	25,456
Due from clients in respect of securities transactions - unsecured		64,112	64,112
		130,534	115,811
Less: Provision for doubtful debts		64,112	64,112
		66,422	51,699

9.1 Includes Rs.0.219 (2017: 0.537) million due from the holding company.

	Note	September 30, 2018	December 31, 2017
10. SHORT TERM LOANS			
Short term loans	10.1	1,198	774
		1,198	774

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.

		September 30, 2018	December 31, 2017
11. SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		1,015	258
Exposure deposits		70,253	80,570
		71,268	80,828

	Note	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
		--------------(Rs. in '000)--------------	

12. SHORT TERM INVESTMENTS

	Note		
At fair value through profit and loss (held-for-trading)	12.1	2,317	-

12.1 At fair value through profit and loss (held-for-trading)

2018	2017		2018 Cost	2018 Market Value	2017 Market Value
(No. of Shares)			--------------------(Rs. In '000)--------------------		
		Listed Ordinary Shares			
26,000	-	Sui Northern Gas Company Limited	2,777	2,317	-
			2,777	2,317	-

13. CASH AND BANK BALANCES

Cash with banks:		
- Current accounts	**56,527**	65,775
- PLS saving accounts	**31,463**	57,305
Cash in hand	**30**	11
	88,020	123,091

13.1 Includes aggregate balance of Rs. 73.410 (2017: Rs. 122.975) million maintained with the holding company.

14. SHORT TERM FINANCE - SECURED

14.1 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%.

15. TRADE AND OTHER PAYABLES

Due to clients in respect of securities transactions	15.1	**41,962**	65,844
Deposit from employees against vehicles		**1,281**	978
Accrued liabilities		**11,168**	11,098
Payable against purchase of securities to clearing house		**20,444**	-
Others		**122**	70
		74,977	77,990

	September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----------(Rs. in '000)---------	

16. Customer Assets - Bank Account & Central Depository System

16.1 Customer Assets - Bank Account

Bank Account Balance - Clients	**41,962**	98,888

16.2 Customer Assets - Securities (Number of shares)

Securities held in the name of Clients'	**155,700,628**	115,107,615
Securities held in the name of Company's	**5,605,031**	5,849,031

The securities held in the Company's back office record reconciling with the Central Depository System as at September 30, 2018.

17. Pledged Securities

Pledged with PSX on behalf of Company (for Base Minimum Capital)	**40,568**	38,786
Pledged with PSX on behalf of Clients	-	-
Pledged with Summit Bank Limited on behalf of client	-	121,453
Total value of pledged securities	**40,568**	160,239

18. Treatment of amount receivable from customers

18.1 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.

18.2 Aging Analysis of Trade Debtors

Total trade debtors	**115,148**	97,670
Less: Trade debtors equity within 5 days	**21,019**	400
Trade debtors above 5 days	**94,129**	97,270
Less: provision for doubtful debts	**64,112**	64,112
Balance after provision for doubtful debts above 5 days	**30,017**	33,158
Value of collateral against trade debtors	**29,228**	30,500

		September 30, 2018 (Un-audited)	December 31, 2017 (Audited)
		----------(Rs. in '000)---------	

19. 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
Gulrays Khan	0%	-	1
Aziz Morris	0%	**1**	-
Noor Muhammad	0%	**1**	1
Rahat Saeed Khan	0%	**1**	1
Total	**100%**	**30,000,000**	**30,000,000**

19.1 The company's is the wholly owned subsidiary of Summit Bank Limited. Mr. Gulryas Khan resigned from the Board of Directors on February 16, 2018. Mr. Aziz Morris appointed as a Director on March 1, 2018.

	September 30, 2018 (Un-audited)	September 30, 2017 (Un-audited)
	----------(Rs. in '000)---------	

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

Proprietary Trades - Turnover	-	-
Retail Customers Trades - Turnover	**13,895**	30,937
Institutional Trades - Turnover	**10,007**	17,418
Total Trades - Turnover	**23,902**	48,355

21. Income from dividends

Income from dividends	**235**	374

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

At present, SCPL employs 6 members in its reserach department (including head of research, three 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 September 30, 2018, the personnel employed in the Research Department have drawn an aggregate salary and benefits amouting to Rs. 4,360,805/- which comprises basic salary, medical allowance, provident fund and other benefits as per Company's policy.

	Note	September 30, 2018 (Unaudited)	September 30, 2017 (Unaudited)
		-----------(Rs. in '000)------------	

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:

Holding Company - Summit Bank Limited

	2018	2017
Brokerage commission	**2,853**	8,871
Financial charges	**14**	13,241
Profit on bank accounts	**1,351**	137
Rent paid	**2,174**	2,108
Service rendered (Generator Fuel - Reimbursement)	**295**	-
Shares purchased from holding company	**40,347**	1,377,867
Shares sold to holding company	**(40,398)**	(1,268,377)
Running finance availed (Highest)	**1,417**	372,805
Running finance paid (Highest)	**(1,417)**	(372,805)
Brokerage commission -Key management personnel & Director	**123**	620
Contribution paid to/(received from) Gratuity Fund	**2,250**	1,800
Contribution paid to/(received from) Provident Fund	**2,216**	2,175

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 December 11, 2018.

25. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR