



Building a better
working world

SUMMIT CAPITAL (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Summit Capital (Private) Limited** (the Company) as at **31 December 2014** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 4.1 to the financial statements with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

Ernst & Young



Building a better
working world

-: 2 :-

- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 11 February 2015

Karachi

SUMMIT CAPITAL (PRIVATE) LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2014

<u>ASSETS</u>	Note	2014 ----- (Rupees in '000) -----	2013
NON-CURRENT ASSETS			
Fixed assets	7	51,283	55,156
Long-term investment	8	24,886	24,886
Investment property	9	20,888	21,314
Long-term deposits	10	2,492	2,587
Deferred tax asset - net	11	9,344	12,070
		108,893	116,013
CURRENT ASSETS			
Trade debts	12	68,492	42,198
Short-term loans, deposits, prepayments and others	13	54,409	20,536
Accrued mark-up	14	905	806
Short-term investment	15	6,861	12,976
Advance tax - net		16,543	17,327
Cash and bank balances	16	87,133	95,585
		234,343	189,428
		343,236	305,441
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
50,000,000 (2013: 50,000,000)			
Ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital	17	300,000	300,000
Accumulated loss		(61,175)	(73,250)
		238,825	226,750
CURRENT LIABILITIES			
Trade and other payables	18	104,411	78,691
		343,236	305,441

The annexed notes from 1 to 28 form an integral part of these financial statements.

ema

Rohat S...

Chief Executive Officer

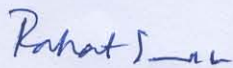
Stewart...

Director

SUMMIT CAPITAL (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014 ----- (Rupees in '000) -----	2013
Income			
Equity brokerage commission		35,979	37,011
Money market and forex brokerage commission		31,469	17,530
Commodity commission		699	28
Unrealised loss on revaluation of held-for-trading securities		(693)	(531)
Gain / (loss) on sale of securities - net		21,469	(834)
Dividend income		2,456	22,609
Other income	19	18,559	17,102
		109,938	92,915
Expenditure			
Operating and administrative expenses	20	82,315	62,867
Workers welfare fund		483	439
Financial charges	21	3,492	8,090
		86,290	71,396
Profit before taxation		23,648	21,519
Taxation - current		6,900	4,555
- prior year		1,855	-
- deferred		2,724	2,071
		11,479	6,626
Profit after taxation		12,169	14,893
Earning per share - basic (Rupee)		0.41	0.50

The annexed notes from 1 to 28 form an integral part of these financial statements.


 Chief Executive Officer


 Director

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
	----- (Rupees in '000) -----	-----
Net profit for the year	12,169	14,893
Other comprehensive income - net		
Not to be reclassified to profit and loss account in subsequent periods		
Actuarial loss on defined benefit plan	(94)	(82)
Total comprehensive income for the year	12,075	14,811

The annexed notes from 1 to 28 form an integral part of these financial statements.

LSM

Rohat Khan

Chief Executive Officer

Atwari

Director

SUMMIT CAPITAL (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014 ----- (Rupees in '000) -----	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		23,648	21,519
Adjustments for:			
Depreciation	7.1 & 9	4,111	3,998
Amortisation	7.2	215	307
Provision for leave encashment	18.2.1	623	396
Provision for gratuity	20.1	(836)	383
Interest income on staff loan		(19)	(25)
Unrealised loss on revaluation of held-for-trading securities		693	531
(Loss) / gain on sale of securities - net		(21,469)	834
Loss / (gain) / on sale of operating fixed assets	7.1.1	61	(64)
Operating fixed assets written off		-	25
Dividend income		(2,456)	(22,609)
Financial charges	21	3,492	8,090
		(15,585)	(8,134)
(Increase) / decrease in assets			
Trade debts		(26,294)	(12,537)
Short-term loans, deposits, prepayments and others		(33,873)	(4,528)
Accrued mark-up		(99)	(477)
Long-term deposits		95	-
		(60,171)	(17,542)
(Decrease) / increase in liabilities			
Trade and other payables		26,097	16,265
		26,097	16,265
Cash generated from operations		(26,011)	12,108
Compensated absences paid		(262)	(337)
Income tax paid		(7,965)	(8,158)
Financial charges paid		(3,492)	(8,090)
Net cash used in / (generated from) operating activities		(37,730)	(4,477)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,485)	(11,814)
Dividend received		2,456	22,609
Proceeds from sale of tangible fixed assets		1,397	2,307
Short-term investments		26,891	(14,342)
Interest received on staff loan		19	25
Net cash used in / (generated from) investing activities		29,278	(1,215)
Net increase in cash and cash equivalents		(8,452)	(5,692)
Cash and cash equivalents at beginning of the year		95,585	101,277
Cash and cash equivalents at the end of the year		87,133	95,585
Cash and cash equivalents			
Cash and bank balances	16	87,133	95,585

The annexed notes from 1 to 28 form an integral part of these financial statements.

Parat S...

Chief Executive Officer

Huwa...

Director

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	(Rupees in '000)		
Balance as at January 01, 2013	300,000	(88,061)	211,939
Profit for the year	-	14,893	14,893
Other comprehensive income	-	(82)	(82)
Total comprehensive income for the year	-	14,811	14,811
Balance as at December 31, 2013	300,000	(73,250)	226,750
Profit for the year	-	12,169	12,169
Other comprehensive income	-	(94)	(94)
Total comprehensive income for the year	-	12,075	12,075
Balance as at December 31, 2014	<u>300,000</u>	<u>(61,175)</u>	<u>238,825</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

SM

Rohat S...

Chief Executive Officer

[Signature]

Director

SUMMIT CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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 corporate member / TREC holder of Karachi Stock Exchange Limited, Lahore Stock Exchange Limited, Islamabad 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, corporate finance services 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. STATEMENT OF COMPLIANCE

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 Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except for investments which are carried at fair value as referred to in note 4.6 below.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as follows:

4.1 New and amended standards and interpretations

The Company has adopted the following new and amended IFRS and related interpretations and improvements which became effective during the year:

IFAS 3 – Profit and Loss Sharing on Deposits

IAS 32 – Financial Instruments : Presentation – (Amendment)
 – Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
 – Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
 – Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the financial statements.

4.2 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment, if any. Such costs include the cost of replacing parts of fixed assets when that cost is incurred. Maintenance and normal repairs are charged to income as and when incurred. Depreciation is charged to income over the useful life of the asset on a systematic basis applying the reducing balance method at the rates specified in note 7.1 to the financial statements.

Sum

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount. Depreciation is charged from the month of purchase and no depreciation is charged from the month of disposal.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The assets' residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end.

Gains and losses on disposals, if any, of assets are included in income currently.

4.3 Intangible assets

These are stated at cost less accumulated amortisation and impairment, if any. Amortisation is charged over the useful life of the asset on a systematic basis to income applying the reducing balance method at the rate specified in note 7.2 to the financial statements. Amortisation is charged from the month of purchase and no amortisation is charged from the month of disposal.

Intangible assets with indefinite useful lives are not amortised. Instead they are tested for impairment at each balance sheet date whether these are in excess of their recoverable amounts, and where the carrying amount exceeds the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount.

Cost associated with maintaining assets are recognised as an expense in the period in which these are incurred.

Gains and losses on disposals, if any, of assets are included in income currently.

4.4 Investment property

Property held for long-term rental yield, or for capital appreciation or both is classified as investment property.

This is stated at cost less accumulated depreciation and impairment, if any. Maintenance and normal repairs are charged to income as and when incurred. Depreciation is charged to income over the useful life of the asset on a systematic basis applying the reducing balance method at the rates specified in note 9 to the financial statements.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The assets' residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each financial year end.

Gains and losses on disposals, if any, of assets are included in income currently.

4.5 Trade debts and other receivables

These are stated net of provision for doubtful debts. Full provision is made against the debts considered doubtful.

Erna

4.6 Investments

Investments are classified as either 'investments at fair value through profit or loss', 'held-to-maturity' investments or 'available-for-sale' investments, as appropriate.

When investments are recognised initially, these are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction cost.

Investment at fair value through profit or loss

This category has two sub-categories, namely; financial instruments held-for-trading, and those designated at fair value through profit or loss upon initial recognition.

- Investments which are acquired principally for the purposes of generating profit from short-term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short-term profit taking are classified as held-for-trading.
- Investments designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

These investments are initially recognised at fair value, being the cost of the consideration given.

After initial measurement, investment at fair value through profit or loss are carried at fair value and the gains or losses on revaluation are recognised in the income statement.

Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturities are classified as held-to-maturity where management has both the positive intent and ability to hold them to maturity. After initial measurement held-to-maturity investments are stated at amortised cost using the effective interest rate method, less impairment. Provision for impairment in value, if any, is charged to income.

Available-for-sale

Investments classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognised directly in equity until the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income. Upon impairment, gain / loss including that had been previously recognised directly in equity, is included in the profit and loss account for the year.

The fair value of those investments representing listed equity and other securities i.e. debt instruments are determined on the basis of year-end bid prices obtained from stock exchange quotations.

The listed equity securities purchased and sold with a commitment to resell / repurchase are presented as a receivable or payable against repurchase transactions. The income from such transactions is presented as income from repurchase transactions of listed securities.

4.7 Derivatives

These are measured at their fair value. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account.

Em

4.8 Securities purchased / sold under resale / repurchase agreements

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under continuous funding system are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the balance sheet. Amount paid under these agreements in respect of reverse repurchase transactions are included in assets. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / continuous funding system and accrued over the life of the reverse repo agreement.

Transactions of sale under repurchase (repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

4.9 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

4.10 Trade and settlement date accounting

All 'regular way' purchases and sales of financial assets are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

4.11 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

4.12 Revenue recognition

Brokerage, commission, consultancy and advisory fee are recognised as such services are rendered.

Income from placements is recognised on time proportion basis.

Fee on distribution of open end units is recognised as such services are rendered.

Income from capital gains is recognised as and when realised.

Mark-up income, return on bank deposits and balances and other revenues are recognised on accrual basis.

4.13 Taxation

Current

Provision for taxation is based on taxable income at the current rate of tax after taking into account applicable tax credits, rebates and exemptions available, if any, in accordance with income tax ordinance, 2001.

om

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss account.

Deferred tax, if any, on revaluation of investments is recognised as an adjustment to surplus / deficit arising on revaluation.

4.14 Staff retirement benefits

Defined contribution plan

The Company operates a contributory provident fund for all its permanent employees and contributions are made monthly in accordance with the fund rules.

Defined benefit plan

The Company has adopted a staff gratuity scheme for management employees as described in note 18.3. Provision is made annually in accordance with actuarial recommendations using the Projected Unit Credit method.

Actuarial gains or losses are recognised in other comprehensive income when they occur. Amounts recorded in profit and loss are limited to current and past service costs, gains or losses on settlements and net interest income (expense).

4.15 Employee compensated absences

Employee entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leaves as a result of services rendered by employees up to the balance sheet date.

4.16 Cash and cash equivalents

Cash in hand and at banks is carried at cost. For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand and bank balances.

4.17 Provisions

Provisions are recognised when the Company has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4.18 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Company and, accordingly, are not included in these financial statements.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The estimates, judgments and assumptions that have significant effect on the financial statements are as follows:

	<u>Note</u>
Provision for doubtful debts	4.5 & 12
Classification of investments	4.6
Useful lives of assets and methods of depreciation	4.2, 4.3, 4.4, 7.1, 7.2 & 9
Deferred taxation	4.13 & 11
Defined benefit plan	4.14 & 18.3

6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or interpretation	Effective date (annual periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015
IAS 1 – Presentation of Financial Statements – (Amendment) - Disclosure Initiative	January 01, 2016
IAS 16 & 38 – Property, Plant and Equipment & intangible assets - (Amendment) - Clarification of Acceptable Method of Depreciation and Amortization	January 01, 2016
IAS 16 & 41 – Property, Plant and Equipment & Agriculture - (Amendment) – Agriculture: Bearer Plants	January 01, 2016
IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions	January 01, 2014

The Company expects that the adoption of the above revision, amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

Improvements to IFRS

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2014. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	IASB effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2017

	2013		2013		2013		2013		2013	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation	Charge for the year / (disposal) / (written off) *	As at December 31, 2013	Written down value as at December 31, 2013	Rate of depreciation per annum %	As at January 01, 2013	As at December 31, 2013
Stock exchange rooms	24,200	-	24,200	-	-	-	24,200	-	-	-
Leasehold improvements	1,240	-	1,240	520	72	592	648	10	-	-
Furniture and fittings	1,346	-	1,481	585	76	796	685	10	-	-
Motor vehicles	13,552	11,372 (6,509)	18,414	6,755	2,264 (4,266)	4,752	13,662	20	-	-
Office equipment	3,408	(1) **	3,971	1,450	196	2,209	1,762	10	-	-
Computer equipment	14,266	563 **	16,225	12,234	563 **	14,648	1,577	30	-	-
Electrical equipment	5,772	252	6,088	2,448	335	2,847	3,241	10	-	-
December 31, 2013	63,784	11,814 (6,509) (36) 2,566 *	71,619	23,992	3,553 (4,266) (11) 2,566 *	25,844	45,775			

7.1.1 Disposal of operating fixed assets

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of Purchaser
(Rupees in '000)							
Motor vehicles							
Honda City - 2013	1,668	(247)	1,421	1,360	(61)	Company Policy	Mr. Amir Saeed Bhatti (Ex-employee)
Honda CG 125 - 2010	46	(27)	19	19	-	Company Policy	Mr. Muhammad Sarfaraz (Ex-employee)
Honda CG 125 - 2010	75	(57)	18	18	-	Company Policy	Mr. Adnan Hafeezullah (Employee)
	1,789	(331)	1,458	1,397	(61)		

	Note	2014 ----- (Rupees in '000) -----	2013
10. LONG-TERM DEPOSITS			
Long-term deposits - considered good	10.1	<u>2,492</u>	<u>2,587</u>
10.1 Long-term deposits - considered good			
Security deposits	10.1.1	<u>2,492</u>	<u>2,587</u>
10.1.1 Represent deposits with:			
Karachi Stock Exchange Limited		105	100
Lahore Stock Exchange Limited		520	520
Central Depository Company of Pakistan Limited		175	175
National Clearing Company of Pakistan Limited		400	400
Pakistan Mercantile Exchange Limited		1,250	1,350
Pakistan Telecommunication Company Limited		42	42
		<u>2,492</u>	<u>2,587</u>

11. DEFERRED TAX ASSET - net

Deductible temporary differences arising on:

Provision compensated absences	464	491
Unused tax losses	8,792	11,518
Minimum tax	552	541

Taxable temporary differences arising on:

Accelerated depreciation for tax purposes	(464)	(480)
	<u>9,344</u>	<u>12,070</u>

11.1 The above net deferred tax asset has been recognised in accordance with the Company's accounting policy as stated in note 4.13. The management, based on the financial projections, estimates that sufficient taxable profits would be available in future against which this deferred tax asset could be realised.

12. TRADE DEBTS

Considered good

Due from clients in respect of securities transactions - secured	12.1	26,076	20,816
Commission receivable - unsecured		7,253	2,464
Receivable against sale of securities from clearing house		13,333	-

Considered doubtful

Due from clients in respect of securities transactions - secured	12.2	21,830	18,918
Due from clients in respect of securities transactions - unsecured		62,631	65,277
		<u>131,123</u>	<u>107,475</u>
Less: Provision for doubtful debts	12.3	62,631	65,277
		<u>68,492</u>	<u>42,198</u>

EMA

12.1 Includes Rs.0.765 (2013: Rs.1.024) million due from the Holding Company.

12.2 These are secured against collateral having fair market value amounting to Rs.22.030 (2013: Rs.20.961) million.

	Note	2014 ----- (Rupees in '000) -----	2013
12.3 Movement in provision for doubtful debts			
Opening balance		65,277	71,070
Reversal during the year		(2,646)	(5,793)
Closing balance		<u>62,631</u>	<u>65,277</u>

13. SHORT-TERM LOANS, DEPOSITS, PREPAYMENTS AND OTHERS

Short-term loans	13.1	253	164
Deposits and prepayments	13.2	<u>54,156</u>	<u>20,372</u>
		<u>54,409</u>	<u>20,536</u>

13.1 Short-term loans

Staff loans - unsecured	13.1.1		
- Executives		73	-
- Employees		<u>180</u>	<u>164</u>
		<u>253</u>	<u>164</u>

13.1.1 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. The maximum aggregate balance outstanding at the end of any month during the year from executives amounted to Rs.0.195 (2013: Rs.0.295) million.

13.2 Deposits and prepayments

Exposure deposits	13.2.1	53,841	20,000
Prepayments		<u>315</u>	<u>372</u>
		<u>54,156</u>	<u>20,372</u>

13.2.1 This represents exposure deposit held with the Karachi Stock Exchange Limited in respect of Karachi Future Market amounting to Rs.3.841 (2013: Rs.1.000) million and Karachi Regular Market amounting to Rs.50.000 (2013: Rs.19.000) million.

14. ACCRUED MARK-UP

On PLS savings accounts	14.1	<u>905</u>	<u>806</u>
-------------------------	------	------------	------------

14.1 It includes profit amounting to Rs.0.905 (2013: Rs.0.806) million receivable from a related party.

ERM

	Note	2014 ----- (Rupees in '000) -----	2013
15. SHORT-TERM INVESTMENT			
At fair value through profit or loss - held-for-trading			
Listed ordinary shares	15.1	<u>6,861</u>	<u>12,976</u>

15.1 Particulars of investment in listed ordinary shares

2014 (Number of shares)	2013	Face value per share (Rupees)	Name of company	2014 Cost	2013 Market value ----- (Rupees in '000) -----	
5,000	-	10	Attock Cement Company Limited	989	976	-
-	6,000	10	Attock Refinery Limited	-	-	1,246
-	25,500	10	D.G Khan Cement Company Limited	-	-	2,186
-	18,500	10	Engro Foods Limited	-	-	1,932
-	40,000	10	Fauji Cement Company Limited	-	-	638
250	-	10	Gul Ahmed Textile Mills Limited	14	16	-
5,000	-	10	Honda Atlas Cars Pakistan Limited	1,105	991	-
-	100,000	10	Lafarge Pakistan Cement Limited	-	-	836
-	2,000	10	Lucky Cement Limited	-	-	600
-	14,000	10	Maple Leaf Cement Factory Limited	-	-	384
-	18,500	10	Nishat Chunian Limited	-	-	1,114
-	5,000	10	Oil & Gas Development Company Ltd.	-	-	1,382
-	8,000	10	Pakistan State Oil Limited	-	-	2,658
10,000	-	10	Searle Pakistan Limited	2,637	2,418	-
199,500	-	10	Soneri Bank Limited	2,809	2,460	-
				<u>7,554</u>	<u>6,861</u>	<u>12,976</u>

	Note	2014 ----- (Rupees in '000) -----	2013
16. CASH AND BANK BALANCES			
Cash in hand		1	5
Cash with banks:			
- Current accounts	16.1	76	76
- PLS savings accounts	16.2	87,056	95,504
		<u>87,133</u>	<u>95,585</u>

16.1 Included herein are accounts amounting to Rs.0.032 (2013: Rs.0.032) million maintained with the Holding Company.

16.2 This carries profit at rates ranging from 9.50% to 10.00% (2013: 9% to 10%) per annum and includes aggregate balance of Rs.86.957 (2013: Rs.95.444) million maintained with the Holding Company.

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

30,000,000 Ordinary shares of Rs.10 each issued
for consideration other than cash

<u>300,000</u>	<u>300,000</u>
----------------	----------------

18. TRADE AND OTHER PAYABLES

Due to clients in respect of securities transactions		94,601	61,349
Deposit from employees against vehicles	18.1	601	300
Accrued liabilities	18.2	8,726	4,930
Workers' Welfare Fund		483	439
Payable against purchase of securities to clearing house		-	11,673
Payable against defined benefit plan	18.3	-	-
		<u>104,411</u>	<u>78,691</u>

18.1 These represent vehicle deposits from employees under Company's policy. Deposits amounting to Rs.0.584 (2013: Rs.0.257) million have been received from executives.

EMA

18.2 This includes provision for staff compensated absences amounting to Rs.2.805 (2013: Rs.2.444) million.

	2014	2013
	----- (Rupees in '000) -----	
18.2.1 Provision for staff compensated absences		
Opening balance	2,444	2,385
Charge for the year	623	396
Encashment during the year	(262)	(337)
Closing balance	<u>2,805</u>	<u>2,444</u>

18.3 Gratuity payable - defined benefit plan

18.3.1 General description

The Company has a gratuity scheme that has been recognised by the Income Tax Authorities under Part III of Sixth Schedule to the Income Tax Ordinance, 2001 on November 03, 2007. The trust deed for the scheme has been duly executed on July 12, 2007.

The cost of providing benefits under each gratuity scheme is determined using the Projected Unit Credit method, with actuarial valuation being carried out as at balance sheet date. The latest valuation was carried out as at December 31, 2014.

18.3.2 Principal actuarial assumption

The following principal assumptions were used for the valuation:

Estimated rate of increase in salary of the employees - percent, per annum (%)	11.50	12.50
Expected rate of return on plan assets - percent, per annum (%)	11.50	12.50
Discount rate - per annum (%)	11.50	12.50

18.3.3 Reconciliation of payable to / (receivable from) defined benefit plan

Present value of defined benefit obligation	4,722	3,911
Fair value of plan assets	(4,722)	(5,072)
Receivable from Summit Bank Limited - Staff Gratuity Fund	-	(3,036)
Payable to Summit Bank Limited - Staff Gratuity Fund	-	4,197
Asset / liability recognised in balance sheet	<u>-</u>	<u>-</u>

18.3.4 Movement in payable to defined benefit plan

Opening balance	-	(314)
Charge for the year	329	383
Actuarial loss for the year	94	82
Contributions paid to the fund during the year	(423)	(151)
Closing balance	<u>-</u>	<u>-</u>

18.3.5 Expense recognised in the profit and loss account

Current service cost	501	590
Interest cost	(172)	(207)
	<u>329</u>	<u>383</u>

19. OTHER INCOME	Note	2014 ----- (Rupees in '000) -----	2013
Income from financial assets			
Profit on bank accounts		8,054	6,634
Profit on cash margins		1,731	1,786
Mark-up on Government Securities		3,802	-
Mark-up on loans and outstanding balance		19	1,736
Reversal of provision against doubtful debts		2,646	5,793
Other commission income		1,316	75
Income from non financial assets			
Rental income		991	901
Gain on sale of operating fixed assets		-	64
Others		-	113
		<u>18,559</u>	<u>17,102</u>

20. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries and benefits	20.1	44,361	36,914
KSE clearing house and CDC charges		4,617	3,415
Depreciation	7.1 & 9	4,111	3,998
Loss on sale of operating fixed assets	7.1.1	61	-
Amortisation	7.2	215	307
Stamps and fees expense		37	33
Telephone, fax and postage		3,996	3,711
Rent, rates and taxes		2,624	2,160
Fees and subscription		905	546
Vehicle running expense		2,609	2,250
Repairs and maintenance		1,782	1,720
Utilities		2,899	2,952
Printing and stationery		787	462
Travelling expense		507	578
Legal and professional charges		4,987	601
Entertainment		1,319	1,094
Auditors' remuneration	20.4	772	711
Insurance		1,326	1,138
Operating fixed assets written off		-	25
Advertising		101	-
Miscellaneous		4,299	252
		<u>82,315</u>	<u>62,867</u>

20.1 This includes an amount of Rs.1.862 (2013: Rs.1.642) million in respect of employees provident fund contribution and Rs.(0.836) (2013: Rs.0.383) million in respect of net reversal of payable amount to Summit Bank Limited (Atlas Bank Limited) - Staff Gratuity Fund.

20.2 Provident Fund (the Fund) Disclosures

The following information is based on the latest audited financial statements of the Fund:

	Audited	
	June 30, 2014	June 30, 2013
	----- (Rupees in '000) -----	
Size of the Fund - total assets	<u>12,534</u>	<u>10,185</u>
Cost of investment made - mutual funds only	<u>94</u>	<u>66</u>
Fair value of investments - mutual funds only	<u>137</u>	<u>94</u>
Percentage of investment made	<u>1.09%</u>	<u>0.93%</u>

20.3 The investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

ema

20.4 Auditors' remuneration	2014	2013
	----- (Rupees in '000) -----	
Audit fee	250	225
Sales tax on services	43	-
Other certifications	215	149
Taxation	200	261
Out of pocket expenses	64	76
	<u>772</u>	<u>711</u>

21. FINANCIAL CHARGES

Mark-up on:		
Repurchase agreement borrowing	3,446	8,026
Running finance	1	-
Bank charges	45	64
	<u>3,492</u>	<u>8,090</u>

22. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2014		2013	
	Chief Executive	Executives	Chief Executive	Executives
	----- (Rupees in '000) -----			
Managerial remuneration	2,297	9,345	2,089	7,314
Housing and utilities	1,264	4,849	1,149	4,003
Medical	-	391	-	285
Retirement benefits	230	934	209	812
Others	662	5,363	630	4,324
	<u>4,453</u>	<u>20,882</u>	<u>4,077</u>	<u>16,738</u>
	<u>1</u>	<u>11</u>	<u>1</u>	<u>10</u>

22.1 In addition to the above, chief executive and executives have been provided with free use of Company maintained vehicles under the service contracts.

23. RELATED PARTY TRANSACTIONS

The related parties comprise Holding 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	2014	2013
	----- (Rupees in '000) -----	
Equity brokerage income	5,931	5,129
Money market and forex brokerage income	890	569
Profit on bank accounts	8,047	6,619
Financial charges paid	3,487	8,087
Repurchase agreement borrowing	782,982	175,000
Repurchase agreement borrowing repaid	(782,982)	(175,000)
Rent paid	2,264	1,800
Shares purchased from Holding Company	80,560	-
Shares sold to Holding Company	(139,655)	(10,551)
Government Securities purchased from Holding Company	1,179,713	-
Government Securities sold to Holding Company	(1,200,640)	-
Equity and PMEX brokerage income -		
Directors, key management personnel	414	90
Remuneration paid to Director for holding office of the Chairman	500	-

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

5/2/2014

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

24.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on long-term deposits, trade debts, advances, deposits, other receivables, investments and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	2014	2013
	----- (Rupees in '000) -----	
Long-term deposits	2,492	2,587
Trade debts	68,492	42,198
Short-term loans, deposits and prepayments	54,409	20,536
Accrued mark-up	905	806
Bank balances	87,132	95,580
	<u>213,430</u>	<u>161,707</u>

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

24.1.1 Trade debts

Customers with no defaults in the past one year	68,492	42,198
Customers with some defaults in past one year which have been fully recovered	-	-
	<u>68,492</u>	<u>42,198</u>

24.1.1.1 The ageing of trade debts as at December 31 is as follows:

Neither past due nor impaired	42,533	22,026
Past due but not impaired		
- within 90 days	4,395	1,254
- 91 to 180 days	-	-
- over 180 days	21,564	18,918
	<u>68,492</u>	<u>42,198</u>

24.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	5 years	Total
	(Rupees in '000)					
Trade and other payables 2014	104,411	-	-	-	-	104,411
	<u>104,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,411</u>

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	5 years	Total
	(Rupees in '000)					
Trade and other payables 2013	78,691	-	-	-	-	78,691
	<u>78,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,691</u>

24.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company, currently has not exposure to the risk of changes in market interest rates.

24.4 Capital management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

24.5 Fair value of financial instruments

The carrying value of all financial assets and liabilities reflected in the financial statements approximates their fair value.

24.6 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	2014			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Asset measured at fair value				
At fair value through profit or loss				
- held-for-trading				
Equity securities	6,861	-	-	6,861
Available-for-sale				
Equity securities	-	-	24,886	24,886
	<u>6,861</u>	<u>-</u>	<u>24,886</u>	<u>31,747</u>

	2013			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Asset measured at fair value				
At fair value through profit or loss				
- held-for-trading				
Equity securities	12,976	-	-	12,976
Available-for-sale				
Equity securities	-	-	24,886	24,886
	<u>12,976</u>	<u>-</u>	<u>24,886</u>	<u>37,862</u>

25. NUMBER OF EMPLOYEES

The number of employees as at December 31, 2014 were 53 (December 31, 2013: 49) and average number of employees are 52 (December 31, 2013: 51).

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue in the Board of Directors meeting held on

11 FEB 2015

28. GENERAL

Figures have been rounded off to the nearest thousand rupees.

erm

Robert S...

Chief Executive Officer

Stewart...

Director