

2nd QUARTERLY REPORT
for the Quarter & Half Year
ended December 31, 2017

BRAINS SECURITIES (PRIVATE) LIMITED

DIRECTORS' REVIEW

I am pleased to present the interim financial results of the Company for the six months and quarter ended 31 December, 2017.


During the quarter, the Company's Brokerage Income reduced as compared to the quarter ended December 31, 2016, due to recession in the market.

Loss after tax for the quarter is Rs. 1,499,315, as compared to the profit quarter ended December 31,, 2016, which was Rs.1,320,988.

I would like to commend and acknowledge, on behalf of the Board, the devotion and hard work of our employees and all other stakeholders in creating Brains Securities (Pvt) Ltd. what it is today.

Lahore
January 25, 2018

For and on behalf of the Board


Chaudhary Zahid Hussain
Chairman



CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Chaudhary Zahid Hussain

CHIEF EXECUTIVE

Chaudhary Zahid Hussain

DIRECTORS

Chaudhary Zahid Hussain
Mr. Muhammad Rizwan Zafar Khan

AUDITORS

Amin Mudassar & Co
Chartered Accountants

LEGAL ADVISOR

Mian Asghar Mahmood

BANKERS

Habib Bank Limited

REGISTERED OFFICE

Room # 613, LSE Building,
19-Khayaban-e-Awan-e-Iqbal,
Lahore.

Tel: +92-42-36300161-3

Website: www.brainssecurities.com

Emai: info@brainssecurities.com



BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (Unaudited)

	Half Year ended December 31		Quarter ended December 31	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Brokerage and commission	3,056,855	3,433,055	2,061,361	2,578,796
Direct cost	3,056,855	3,433,055	2,061,361	2,578,796
	<u>329,380</u>	<u>963,270</u>	<u>32,086</u>	<u>812,797</u>
Operating expenses	2,727,475	2,469,785	2,029,275	1,765,999
Other (income)/ Expenses	1,781,701	1,448,295	982,349	851,877
	1,984,557	(422,658)	1,985,357	(411,158)
	3,766,258	1,025,637	2,967,706	440,719
PROFIT/(LOSS) FROM OPERATIONS	(1,038,783)	1,444,148	(938,431)	1,325,280
Finance cost	5,316	7,042	0	4,292
PROFIT/(LOSS) BEFORE TAXATION	(1,044,099)	1,437,106	(938,431)	1,320,988
Taxation	828,457	0	560,884	0
LOSS FOR THE PERIOD	<u>(1,872,556)</u>	<u>1,437,106</u>	<u>(1,499,315)</u>	<u>1,320,988</u>
EARNING PER SHARE - BASIC AND DILUTED	<u>(6.52)</u>	<u>14.37</u>	<u>(5.22)</u>	<u>13.21</u>

The annexed notes form an integral part of the condensed interim financial information.


CHIEF EXECUTIVE



DIRECTOR

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (Unaudited)

	Half Year ended December 31		Quarter ended December 31	
	2017	2016	2017	2016
	Rupees	Rupees	Rupees	Rupees
Loss for the period	(1,872,556)	1,437,106	(1,499,315)	1,320,988
Other comprehensive income/(loss) for the period	-	-	-	-
Total comprehensive loss for the period	(1,872,556)	1,437,106	(1,499,315)	1,320,988

The annexed notes form an integral part of the condensed interim financial information.


CHIEF EXECUTIVE



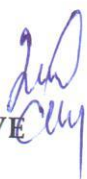

DIRECTOR

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (Unaudited)

	Note	Half year ended December 31 2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		(1,044,099)	1,437,106
Adjustments of items not involving movements of cash:			
Depreciation		80,167	93,717
Amortization		13,244	14,531
Finance Cost		5,316	7,042
		98,727	115,290
Operating Cash Flows Before Working Capital Changes		(945,372)	1,552,396
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Trade Debts		3,404,755	(6,542,016)
Trade deposits and short term prepayments		1,049,077	(2,363,175)
Increase / (decrease) in current liabilities			
Trade and other payables		(8,912,810)	3,397,364
		(4,458,978)	(5,507,827)
Cash Generated From / (Used in) Operations		(5,404,350)	(3,955,431)
Taxes paid		(828,457)	-
Finance Cost Paid		(5,316)	(7,042)
Net cash Flows From Operating Activities		(6,238,123)	(3,962,473)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed Capital Expenditure		-	(119,400)
Long Term Deposits		(500,000)	-
Investment at fair value through profit & loss		146,835	253,148
Net Cash Flows From Investing Activities		(353,165)	133,748
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital		18,700,000	-
Share Deposit Money		(12,500,000)	(331,772)
Director's Loan (Repayment)/Receipt		(1,000,000)	3,894,961
Net Cash Flows From Financing Activities		5,200,000	3,563,189
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,391,288)	(265,536)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		13,305,016	4,556,065
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	A	11,913,728	4,290,529
A Cash and Cash Equivalents			
Cash and bank balances		11,913,728	4,290,529
		11,913,728	4,290,529

The annexed notes form an integral part of the condensed interim financial information.

CHIEF EXECUTIVE




DIRECTOR



BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (Unaudited)

Paid up capital	Accumulated loss	Fair Value Adjustment Reserve	Share deposit money	Long Term Loan	Total
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----- (R u p e e s) -----

Balance as at June 30, 2016	10,000,000	(1,120,257)	8,227,940	4,019,253	0	21,126,936
Share Capital Issued During the Period	0	0	0	0	0	0
Loss After Taxation						
Other Comprehensive Loss	0	1,437,106	0	0	0	1,437,106
Total Comprehensive Loss for the Period	0	1,437,106	0	0	0	1,437,106
Balance as at December 31, 2016	10,000,000	316,849	8,227,940	4,019,253	0	22,564,042
Share Deposit Money	0	0	0	8,480,747	0	8,480,747
Director's Loan	0	0	0	0	1,183,000	1,183,000
Loss After Taxation	0	(1,595,300)	0	0	0	(1,595,300)
Other Comprehensive Loss	0	0	1,096,778	0	0	1,096,778
Total Comprehensive Loss for the Period	0	(1,595,300)	1,096,778	0	0	(498,522)
Balance as at June 30, 2017	10,000,000	(1,278,451)	9,324,718	12,500,000	1,183,000	31,729,267
Share Capital Issued During the Period	18,700,000	0	0	0	0	18,700,000
Share Deposit Money	0	0	0	(12,500,000)	0	(12,500,000)
Director's Loan	0	0	0	0	(1,000,000)	(1,000,000)
Loss After Taxation	0	(1,872,556)	0	0	0	(1,872,556)
Other Comprehensive Loss	0	0	0	0	0	0
Total Comprehensive Loss for the Period	0	(1,872,556)	0	0	0	(1,872,556)
Balance as at December 31, 2017	28,700,000	(3,151,007)	9,324,718	0	183,000	35,056,711

The annexed notes form an integral part of the condensed interim financial information.

CHIEF EXECUTIVE



DIRECTOR

BRAINS SECURITIES (PVT) LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (Unaudited)

1 COMPANY AND ITS OPERATION

The company was incorporated as Private Limited Company on July 24, 2015 under the Companies Ordinance, 1984. The company is engaged in the business of share brokerage and investment in securities. The registered office of the company is situated at Room # 613, LSE Building, 19-Khayaban-e-Awan-e-Iqbal, Lahore.

The company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited.

2 STATEMENT OF COMPLIANCE

This interim financial information of the Company for the quarter and half year ended December 31, 2017 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This interim financial information is un-audited and is being submitted to shareholders, as required by the Companies Act, 2017.

3 BASIS OF PREPARATION

This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2017.

The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2017.

4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2017.

5 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies since the date of preceding annual financial statements.

6 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on January 25, 2018 by the Board of Directors of the Company.

7 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

CHIEF EXECUTIVE



DIRECTOR

