

2nd QUARTERLY REPORT
for the Quarter & Half Year
ended December 31, 2019

BRAINS SECURITIES (PRIVATE) LIMITED

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

DIRECTORS' REVIEW

I am pleased to present the interim financial results of the Company for the six months and quarter ended 31 December, 2019.

During the quarter, the Company's Brokerage Income substantially increased as compared to the quarter ended December 31, 2018.

Profit after tax for the quarter is Rs. 2,554,620 as compared to the profit for the quarter ended December 31,, 2018, which was Rs.203,169.

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 24, 2020

For and on behalf of the Board



Chaudhary Zahid Hussain
Chairman

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019 (Unaudited)

	(Un-audited) December 31, 2019 Rupees	(Audited) June 30, 2019 Rupees
ASSETS		
NON CURRENT ASSETS		
Property and equipment	2,275,336	2,140,311
Intangible assets	9,754,057	9,767,253
Long term investments	16,881,300	16,881,300
Long term deposits	1,500,000	1,500,000
	30,410,693	30,288,864
CURRENT ASSETS		
Trade debts	19,601,514	2,029,814
Trade deposits ,short term prepayments and current account balance with statutory authorities	4,964,749	4,563,106
Cash and bank balances	5,422,766	4,654,404
	29,989,029	11,247,324
	60,399,722	41,536,188
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Share Capital 350,000 ordinary shares of Rs.100 each.	35,000,000	35,000,000
Issued, Subscribed and Paid up Capital 350,000 ordinary shares of Rs.100 each.	35,000,000	35,000,000
Accumulated loss	(11,112,936)	(13,194,714)
Fair Value Adjustment Reserve	15,571,033	15,571,033
	39,458,097	37,376,319
Director's Loan	1,183,000	1,183,000
	40,641,097	38,559,319
CURRENT LIABILITIES		
Trade and other payables	19,758,625	2,976,869
	19,758,625	2,976,869
CONTINGENCIES AND COMMITMENTS		
	60,399,722	41,536,188

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

CHIEF EXECUTIVE



DIRECTOR

BRAINS SECURITIES (PVT) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (Unaudited)

	Half Year ended December 31		Quarter ended December 31	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Brokerage and commission	7,012,778	2,282,966	4,901,792	1,209,322
Direct cost	1,672,493	392,430	1,143,785	185,771
Operating expenses	5,340,285	1,890,536	3,758,007	1,023,551
Other income	4,139,695	2,127,777	1,985,438	1,265,153
	(883,980)	(472,546)	(783,683)	(445,235)
	3,255,715	1,655,231	1,201,755	819,918
PROFIT/(LOSS) FROM OPERATIONS	2,084,570	235,305	2,556,252	203,633
Finance cost	2,792	2,111	1,632	464
PROFIT/(LOSS) BEFORE TAXATION	2,081,778	233,194	2,554,620	203,169
Taxation	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD	2,081,778	233,194	2,554,620	203,169
EARNING PER SHARE - BASIC AND DILUTE	5.95	0.67	7.30	0.58

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, 2019 (Unaudited)

	Half Year ended December 31		Quarter ended December 31	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Loss for the period	2,081,778	233,194	2,554,620	203,169
Other comprehensive income/(loss) for the period	-	-	-	-
Total comprehensive loss for the period	<u>2,081,778</u>	<u>233,194</u>	<u>2,554,620</u>	<u>203,169</u>

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, 2019 (Unaudited)

	Note	Half year ended December 31	
		2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		2,081,778	233,194
Adjustments of items not involving movements of cash:			
Depreciation		131,975	64,887
Amortization		13,196	11,770
Finance Cost		2,792	2,111
Operating Cash Flows Before Working Capital Changes		147,963	78,768
		2,229,741	311,962
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Trade Debts		(17,571,700)	(13,690,620)
Trade deposits and short term prepayments		(401,643)	(4,537,478)
Increase / (decrease) in current liabilities			
Trade and other payables		16,781,756	15,117,503
Cash Generated From / (Used in) Operations		(1,191,587)	(3,110,595)
Taxes paid		1,038,154	(2,798,633)
Finance Cost Paid		-	-
		(2,792)	(2,111)
Net cash Flows From Operating Activities		1,035,362	(2,800,744)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed Capital Expenditure		(267,000)	-
Short Term Investment		-	-
Net Cash Flows From Investing Activities		(267,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital		-	-
Share Deposit Money		-	-
Director's Loan (Repayment)/Receipt		-	-
Net Cash Flows From Financing Activities		-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		768,362	(2,800,744)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		4,654,404	8,237,666
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	A	5,422,766	5,436,922
A Cash and Cash Equivalents			
Cash and bank balances		5,422,766	5,436,922
		5,422,766	5,436,922

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, 2019 (Unaudited)

	Paid up capital	Accumulated loss	Fair Value Adjustment Reserve	Share deposit money	Long Term Loan	Total
----- (R u p e e s) -----						
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
Share Capital Issue	6,300,000	0	0	0	0	6,300,000
Director's Loan	0	0	0	0	1,000,000	1,000,000
Loss After Taxation	0	(13,354,704)	0	0	0	(13,354,704)
Other Comprehensive Loss	0	0	(2,588,831)	0	0	(2,588,831)
Total Comprehensive Loss for the Period	0	(13,354,704)	(2,588,831)	0	0	(15,943,535)
Balance as at June 30, 2018	35,000,000	(16,505,711)	6,735,887	0	1,183,000	26,413,176
Profit After Taxation	0	30,025	0	0	0	30,025
Other Comprehensive Loss	0	0	0	0	0	0
Total Comprehensive Loss for the Period	0	30,025	0	0	0	30,025
Balance as at September 30, 2018	35,000,000	(16,475,686)	6,735,887	0	1,183,000	26,443,201
Profit After Taxation	0	203,169	0	0	0	203,169
Other Comprehensive Loss	0	0	0	0	0	0
Total Comprehensive Loss for the Period	0	203,169	0	0	0	203,169
Balance as at December 31, 2018	35,000,000	(16,272,517)	6,735,887	0	1,183,000	26,646,370
Loss After Taxation	0	(48,329)	0	0	0	(48,329)
Other Comprehensive Loss	0	0	0	0	0	0
Total Comprehensive Loss for the Period	0	(48,329)	0	0	0	(48,329)
Balance as at March 31, 2019	35,000,000	(16,320,846)	6,735,887	0	1,183,000	26,598,041
Profit/(Loss) After Taxation	0	3,126,132	0	0	0	3,126,132
Other Comprehensive Loss	0	0	8,835,146	0	0	8,835,146
Total Comprehensive Loss for the Period	0	3,126,132	8,835,146	0	0	11,961,278
Balance as at June 30, 2019	35,000,000	(13,194,714)	15,571,033	0	1,183,000	38,559,319
Profit/(Loss) After Taxation	0	(472,842)	0	0	0	(472,842)
Other Comprehensive Loss	0	0	0	0	0	0
Total Comprehensive Loss for the Period	0	(472,842)	0	0	0	(472,842)
Balance as at September 30, 2019	35,000,000	(13,667,556)	15,571,033	0	1,183,000	38,086,477
Profit/(Loss) After Taxation	0	2,554,620	0	0	0	2,554,620
Other Comprehensive Loss	0	0	0	0	0	0
Total Comprehensive Loss for the Period	0	2,554,620	0	0	0	2,554,620
Balance as at December 31, 2019	35,000,000	(11,112,936)	15,571,033	0	1,183,000	40,641,097

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, 2019 (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, 2019 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, 2019.

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, 2019.



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, 2019.

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 24, 2020 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