

Brain Station 23 Ltd.
Statement of profit or loss and other comprehensive income
For the period (3 months ending) from 1 July to 30 September 2023

Amount in BDT

	Note	1 July to 30 September 2023	1 July to 30 September 2022
Revenue	20	331,275,312	277,060,263
Cost of service	21	(230,233,153)	(202,094,099)
Gross profit		101,042,159	74,966,164
Operating expenses:			
Administrative expenses	22	(29,800,822)	(20,089,415)
Selling and distribution expenses	23	(6,988,554)	(5,243,879)
		(36,789,376)	(25,333,294)
Operating profit		64,252,783	49,632,870
Non-operating income/(loss):			
Other income/(loss)	24	23,814,773	45,755,140
Finance income	25	3,401,628	1,867,158
Finance cost	26	(1,566,942)	(1,239,705)
		25,649,459	46,382,592
Profit before WPPF		89,902,243	96,015,462
Contribution to WPPF		(4,281,059)	(4,572,165)
Profit before tax		85,621,183	91,443,297
Income tax expense	27	(3,511,016)	(7,521,207)
Net profit for the period		82,110,168	83,922,090
Other comprehensive income/(expense)		-	-
Total comprehensive income for the period		82,110,168	83,922,090
Earnings Per Share (EPS):			
Basic EPS	29	1.92	1.96
Diluted EPS	29	1.91	1.95

These financial statements are to be read in conjunction with notes attached.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Sd/-
Ummay Sumaya Jahan
FCA, ACMA (UK), CGMA
Partner
ICAB Enrolment No: 1818
DVC No: 2311141818AO957007

Place: Dhaka, Bangladesh
Dated: 14 November 2023

Brain Station 23 Ltd.
Statement of changes in equity
For the period (3 months ending) from 1 July to 30 September 2023

		<i>Amount in BDT</i>			
		Attributable to equity shareholders of the company			
	Note	Share capital	Share premium	Retained earnings	Total
Balance at 01 July 2022		249,075,000	17,500,000	204,783,570	471,358,570
Total comprehensive income for the period	13	-	-	83,922,090	83,922,090
Balance at 30 September 2022		249,075,000	17,500,000	288,705,660	555,280,660
Balance at 01 July 2023		285,051,390	17,500,000	453,907,180	756,458,570
Bonus share issued for the period	11.2.1	142,525,700	-	(142,525,700)	-
Cash dividend during the period		-	-	(14,252,570)	(14,252,570)
Total comprehensive income for the period	13	-	-	82,110,168	82,110,168
Balance at 30 September 2023		427,577,090	17,500,000	379,239,078	824,316,168

These financial statements are to be read in conjunction with notes attached.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Place: Dhaka, Bangladesh
Dated: 14 November 2023

Brain Station 23 Ltd.
Statement of cash flows
For the period (3 months ending) from 1 July to 30 September 2023

			<i>Amount in BDT</i>
	Note	1 July to 30 September 2023	1 July to 30 September 2022
Cash flows from operating activities			
Cash received from customers and others		287,705,793	238,461,002
Cash paid to employees		(186,104,701)	(121,794,455)
Cash paid to suppliers and others		(56,322,869)	(76,124,829)
Cash generated from operating activities		45,278,223	40,541,719
Income tax paid	19	(1,236,565)	(3,480,200)
Net cash from operating activities		44,041,658	37,061,519
<i>(Reconciliation of indirect method in Annexure - C)</i>			
Cash flows from investing activities			
Payment for property, plant and equipment		(7,447,521)	(51,030,588)
Short term investments		(35,000,000)	(30,000,000)
Interest received		784,000	-
Net cash used in investing activities		(41,663,521)	(81,030,588)
Cash flows from financing activities			
Dividend payment		(11,087,381)	-
Capital element of lease rentals paid		(5,854,163)	(5,990,366)
Interest element of lease rentals paid	14	(1,566,942)	(1,288,190)
Net cash used in financing activities		(18,508,486)	(7,278,556)
Increase/(decrease) in cash and cash equivalents		(16,130,349)	(51,247,625)
Cash and cash equivalents at opening		216,264,170	125,167,996
Unrealized exchange gain/(loss)	24.01	1,005,057	-
Cash and cash equivalents at closing		201,138,878	73,920,371
Net operating cash flows per share (NOCFPS)	30	1.03	1.49

These financial statements are to be read in conjunction with notes attached.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Place: Dhaka, Bangladesh

Dated: 14 November 2023

Brain Station 23 Ltd.

Notes to the financial statements

For the period (3 months ending) from 1 July to 30 September 2023

1 The company and its activities

1.01 Legal form of the company

Brain Station 23 Ltd. (the Company), was registered as a 'Private Limited Company' with the Registrar of Joint Stock Companies and Firms (RJSC), Dhaka on 21 January 2015, vide registration number C- 120623/15. The Registered address of the Company is at Plot-2, (8th Floor), Bir Uttam A.K. Khandakar Road, Mohakhali C/A, Dhaka-1212.

1.02 Nature of business

Principal activities of the Company are to carry on IT Enabled Services (ITES) i.e. Software development; Software or application customization; Web hosting and related service; IT support and software maintenance service.

2 Basis of preparation of financial statements

2.01 Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), and the relevant provisions of the Companies Act, 1994 and other applicable laws and regulations. The elements in the financial statements have been measured on going concern concept, historical cost convention, and on an accrual basis.

2.02 Regulatory compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act, 1994 and other applicable laws and regulations:

The Income Tax Act, 2023;

The Income Tax Rules, 2023;

The Value Added Tax and Supplementary Duty Act, 2012;

The Value Added Tax and Supplementary Duty Rules, 2016;

The Bangladesh Labor Law, 2006;

The Securities and Exchange Ordinance, 1969;

The Securities and Exchange Rules, 2020; and

The Securities and Exchange Commission Act, 1993

2.03 Functional and presentational currency and level of precision

The Financial Statements are prepared in Bangladeshi Taka (Taka/Tk./BDT), which is the company's functional currency. All financial information are presented in BDT and has been rounded off to the nearest BDT.

2.04 Use of estimates and judgment

The presentation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognized 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.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

Notes	Particulars
4	Depreciation on property, plant and equipment
5	Right-of-use assets (RoU)
6	Inventories
7	Trade and other receivables
15	Gratuity benefit
19	Current tax liabilities

2.05 Reporting period

The company's financial statements cover one quarter from 01 July 2023 to 30 September 2023.

3 Summary of significant accounting policies

The accounting policies, set out below, have been applied consistently to all periods presented in these financial statements.

The accounting standards that underpin the policies adopted by the company can be found in the following notes to the financial statements:

Sl. No.	No. of IAS/IFRS	Name of IAS/IFRS
1	IAS-1	Presentation of Financial Statements
2	IAS-2	Inventories
3	IAS-7	Statement of Cash Flows
4	IAS-10	Events after the Reporting Period
5	IAS-12	Income Taxes
6	IAS-16	Property, Plant and Equipment
7	IAS-19	Employee Benefits
8	IAS-21	Effects of Changes in Foreign Exchange Rates
10	IAS-33	Earnings Per Share
11	IAS-34	Interim Financial Reporting
12	IAS-36	Impairment of Assets
13	IAS-37	Provisions, Contingent Liabilities and Contingent Assets
14	IFRS-15	Revenue from Contracts with Customers
15	IFRS-16	Leases

According to the International Accounting Standards (IAS) 1 “Presentation of Financial Statements”, the complete set of Financial Statements includes the following components:

- (i) Statement of Financial Position as at 30 September 2023;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the quarter ended 30 September 2023;
- (iii) Statement of Changes in Equity for the quarter ended 30 September 2023;
- (iv) Statement of Cash Flows for the quarter ended 30 September 2023; and
- (v) Notes to the Financial Statements containing accounting policies and other explanatory notes.

3.01 Property, plant and equipment

3.01.1 Recognition & measurement

Property, plant and equipment are capitalized at the cost of acquisition and subsequently reported at cost less accumulated depreciation and impairment loss in compliance with the cost model of IAS 16 “Property, Plant and Equipment”. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.01.2 Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other maintenance costs are charged to income statement.