

Company Registration No. 06469886 (England and Wales)

BRAC SAAJAN EXCHANGE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

BRAC SAAJAN EXCHANGE LTD

COMPANY INFORMATION

Directors	MR ABDUS SALAM MR SELIM RAZA FARHAD HUSSAIN (Appointed 8 November 2015) MR KAZI MAHMOOD SATTAR (Appointed 25 October 2015)
Secretary	MR RAIS UDDIN AHMED
Company number	06469886
Registered office	160-162 LOZELLS ROAD LOZELLS BIRMINGHAM B19 2SX
Auditors	Reddy Siddiqui & Kabani 183-189 The Vale Acton London W3 7RW

BRAC SAAJAN EXCHANGE LTD

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 7
Statement of total comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 29

BRAC SAAJAN EXCHANGE LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

On behalf of the Board of Directors, being the Managing Director and CEO of BRAC Saajan Exchange Limited, it is my immense pleasure to confirm that the results for the year ended 31 December 2015 and the financial position at the year-end were considered to be satisfactory. We are expecting continued growth as the previous years in the foreseeable future.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are similar to those facing other companies in the Payment Institution sector, namely, compliance risk, currency exchange fluctuation risk, liquidity risk and operational risk. The risk identification and mitigation activities are built into the day-to-day operations.

1. Compliance risk:

Payment Institutions are one of the highly regulated businesses and are often used by the money launderers. In order to remain on top of the regulatory requirements, policies and procedures are set based on risk based approach. The company has appointed a compliance team that works pro-actively along with the business team and the operations team to keep the policies & procedures up to date at all times. The policies and procedures are automated in the core software. The compliance team takes any issues raised by any internal or external stakeholder very seriously in order to resolve the issues in a timely manner.

2. Currency exchange fluctuation risk:

Currency exchange fluctuation risk is monitored by tracking conversion rate of the trading currencies. The payout currencies are mainly linked to USD and the company gets confirmed rates for most of the trading currencies from different providers. This gives the company a chance to not only minimise the foreign exchange loss, but also to make foreign exchange gains from the favorable shifts in the exchange rates. Economic Data with High, Medium and Low impact on exchange rates is collected from external sources at real time and their impact is closely monitored.

3. Liquidity risk:

The company maintains separate bank accounts for expenses and remittance funds. Periodically, the company separates the commission income and the foreign exchange income from customer funds and transfers this from the remittance bank account into the expense bank account. A budget is set at the start of the year, which is implemented throughout the year and cash supply is ensured through timely transfer of commission and foreign exchange earnings. The performance against the budget is monitored by the Board of Directors on a monthly basis.

4. Operational Risk:

As a growing organisation, the company is exposed to various operational risks. The risk management team works closely along with all operational teams to ensure that the risks are managed efficiently. The core software is also capable of flagging up a number of operational risks. Below are some of the key operational risks the company faces and how it deals with them:

- Agency Account Monitoring: The operations team monitors all the agencies' accounts on a daily basis. Automated limits are set up in the software to ensure that no agent exceeds the acceptable limit of risk. This monitoring helps the company to comply with the safeguarding of clients fund requirement.
- Business Continuity: The operations team remains pro-active at all times to ensure that they can deal with any unforeseen situations that can hamper the running of day to day operations.
- Human Resources Management: The Company manages its operations from four countries - UK, Italy, Spain and Bangladesh. It is a very big challenge to liaise between the teams in different locations with different time zones.

BRAC SAAJAN EXCHANGE LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Key Performance Indicators

The comparison of the KPIs shown below gives a clear idea that the company is investing heavily in its resources in order to retain its growth by remaining compliant at all times.

Key Performance Indicator	Growth from 2014
Gross commission income	5.62%
Other income	116.17%
Cover fund sent to Corresponding Banks in Beneficiary Countries	1.48%
Staff costs	13.30%
Operating costs	16.68%
Profit before tax	8.44%
Profit after tax	8.77%
Total number of transactions	5.36%
Total number of Agents	10.47%
Total number of Countries to where remittances are disbursed	20.00%
Total number of employees	31.25%

On behalf of the board



MR ABDUS SALAM

Director

15 March 2016

BRAC SAAJAN EXCHANGE LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of money remittance.

Foreign branches

The company operates through an overseas branch in Italy.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

MR ABDUS SALAM

MR MUHAMMAD ABDUL ALI

(Resigned 22 June 2015)

MR SELIM RAZA FARHAD HUSSAIN

(Appointed 8 November 2015)

MR KAZI MAHMOOD SATTAR

(Appointed 25 October 2015)

MR SYED MAHBUBUR RAHMAN

(Resigned 25 October 2015)

MR F ABED

(Appointed 22 June 2015 and resigned 11 November 2015)

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £51,966. The directors do not recommend payment of a final dividend.

Future developments

1. Outside of the UK, the company currently operates through agents in Greece, Italy, France, Spain and Portugal. The company is considering expanding this network further to all remaining EU countries. Also, the Company currently remits funds to Bangladesh, India, Pakistan, Sri Lanka, Poland and Romania. The company is considering to expanding its remittance countries in the coming months.
2. The company has launched the payment card business in 2015. The pre-paid payment card is expected to be rolled out by the second quarter of 2016 and start generating additional revenue.
3. In order to compete in the dynamic payment services sector, the company is developing its own online transaction platform. The introduction of the online transaction platform shall reduce the dependency on the third party agents, and shall allow the company to offer better services at lower costs to its customers. The platform is expected to be rolled out during the third quarter of 2016.
4. To take the benefit of the technological era, the company has also provided its requirement to developers to develop Smartphone app for sending money. As the app is dependent on the online transaction platform, it is planned to be rolled out during the fourth quarter of 2016. The implementation of this app will offer more convenience to BRAC Sajaan Customers in all operating countries.

Auditors

The auditors, Reddy Siddiqui & Kabani, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

BRAC SAAJAN EXCHANGE LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



MR ABDUS SALAM

Director

15 March 2016

BRAC SAAJAN EXCHANGE LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRAC SAAJAN EXCHANGE LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRAC SAAJAN EXCHANGE LTD

We have audited the financial statements of BRAC SAAJAN EXCHANGE LTD for the year ended 31 December 2015 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BRAC SAAJAN EXCHANGE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRAC SAAJAN EXCHANGE LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr. Omar Siddiqui (Senior Statutory Auditor)
for and on behalf of Reddy Siddiqui & Kabani

15 March 2016

Chartered Accountants
Statutory Auditor

183-189 The Vale
Acton
London
W3 7RW

BRAC SAAJAN EXCHANGE LTD

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	4	2,896,152	2,761,135
Cost of sales		(1,372,577)	(1,461,260)
Gross profit		1,523,575	1,299,875
Administrative expenses	6	(1,341,736)	(1,153,719)
Other operating income	5	90,328	103,364
Operating profit	7	272,167	249,520
Interest receivable and similar income	10	21,804	21,467
Interest payable and similar charges	11	(110)	-
Profit before taxation		293,861	270,987
Taxation	12	(54,802)	(51,201)
Profit for the financial year	24	239,059	219,786
Total comprehensive income for the year		239,059	219,786

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BRAC SAAJAN EXCHANGE LTD

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Intangible assets	14		89,531		18,650
Tangible assets	15		121,905		106,609
Investments	16		93,969		145,843
			<u>305,405</u>		<u>271,102</u>
Current assets					
Debtors	18	1,067,762		1,156,976	
Investments		40,505		-	
Cash at bank and in hand	19	2,482,414		1,325,622	
		<u>3,590,681</u>		<u>2,482,598</u>	
Creditors: amounts falling due within one year	20	(2,670,901)		(1,715,608)	
Net current assets			<u>919,780</u>		<u>766,990</u>
Total assets less current liabilities			<u>1,225,185</u>		<u>1,038,092</u>
Capital and reserves					
Called up share capital	22		333,333		333,333
Share premium account	23		208,383		208,383
Profit and loss reserves	24		683,469		496,376
Total equity			<u>1,225,185</u>		<u>1,038,092</u>

The financial statements were approved by the board of directors and authorised for issue on 15 March 2016 and are signed on its behalf by:



MR ABDUS SALAM
Director

Company Registration No. 06469886

BRAC SAAJAN EXCHANGE LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2014		333,333	208,383	276,590	818,306
Period ended 31 December 2014:					
Profit and total comprehensive income for the year		-	-	219,786	219,786
Balance at 31 December 2014		333,333	208,383	496,376	1,038,092
Period ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	239,059	239,059
Dividends	13	-	-	(51,966)	(51,966)
Balance at 31 December 2015		333,333	208,383	683,469	1,225,185

BRAC SAAJAN EXCHANGE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	29	1,339,921		536,888	
Interest paid		(110)		-	
Income taxes paid		(51,205)		(234,342)	
Net cash inflow from operating activities		1,288,606		302,546	
Investing activities					
Purchase of intangible assets		(80,829)		(18,650)	
Purchase of tangible fixed assets		(35,101)		(30,301)	
Proceeds on disposal of subsidiaries		51,874		(58,103)	
Proceeds from other investments and loans		(40,505)		-	
Interest received		21,804		21,467	
Net cash used in investing activities		(82,757)		(85,587)	
Financing activities					
Repayment of borrowings		-		(56,942)	
Dividends paid		(51,966)		-	
Net cash used in financing activities		(51,966)		(56,942)	
Net increase in cash and cash equivalents		1,153,883		160,017	
Cash and cash equivalents at beginning of year		1,324,016		1,163,999	
Cash and cash equivalents at end of year		2,477,899		1,324,016	
Relating to:					
Cash at bank and in hand		2,482,414		1,325,622	
Bank overdrafts included in creditors payable within one year		(4,515)		(1,606)	

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

BRAC SAAJAN EXCHANGE LTD is a company limited by shares incorporated in England and Wales. The registered office is 160-162 LOZELLS ROAD, LOZELLS, BIRMINGHAM, B19 2SX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of BRAC SAAJAN EXCHANGE LTD prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Group accounts are prepared by parent company, Brac Bank Limited. The consolidated group accounts are available at 1 Gulshan Avenue, Gulshan-I, Dhaka 1212, Bangladesh.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	Straight line over useful life of five years
-------------------	--

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	Reducing balance at 10%
Computers	Straight line over useful life of three years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Change in accounting policy

In the current year, the following new and revised accounting policy has been adopted by the company and has an effect on the current period and the prior period and may have an effect on future periods:

Commissions receivable, represented within Turnover, and Commissions payable, represented with Cost of sales, are recorded as gross amounts receivable and payable, respectively, in the current year. In prior years, Commissions receivable were net off against Commissions payable and the net amount was recorded within Turnover.

The comparative figures for Turnover and Cost of sales have been adjusted accordingly to make the financial statements comparable.

The management believes that the revised policy provides a more reliable and relevant information of the financial position of the company.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover		
Commission Income	2,708,882	2,747,463
Foreign exchange Income	187,270	13,672
	<u>2,896,152</u>	<u>2,761,135</u>

Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	2,742,551	2,703,741
Europe	153,601	57,394
	<u>2,896,152</u>	<u>2,761,135</u>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

4 Turnover and other revenue (Continued)

Remittance Volume	2015 £	2014 £
UK	140,791,768	142,520,200
Italy	3,197,638	986,382
Spain	2,569,574	2,309,250
Ireland	101,883	275,325
Greece	803,904	1,690,846
	<u>147,464,768</u>	<u>147,782,003</u>
	=====	=====

5 Other operating income

	2015 £	2014 £
Agents fees received	87,828	100,864
ATM rent	2,500	2,500
	<u>90,328</u>	<u>103,364</u>
	=====	=====

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Administrative expenses

	2015	2014
	£	£
Administrative expenses		
Wages and salaries	362,611	314,474
Social security costs	41,465	34,612
Staff welfare	1,467	1,000
Staff training	-	1,560
Directors' remuneration	86,560	81,967
Rent re operating leases	58,952	43,743
Domain Hosting	4,574	4,968
Rates	9,819	8,662
Cleaning	3,321	2,815
Power, light and heat	9,740	6,186
Repairs and maintenance	3,955	4,650
Insurance	3,809	4,162
Software costs	31,560	4,743
Hire of equipment (not operating lease)	7,734	704
Leasing - motor vehicles	10,460	9,577
Motor running expenses	2,658	3,075
Travelling expenses	43,592	42,000
Professional subscriptions	23,889	24,855
Legal and professional fees	27,036	17,861
Consultancy fees	9,398	1,159
Accountancy	1,134	2,964
Audit fees	15,552	12,120
Charitable donations	-	100
Bank charges	338,967	360,208
Credit card charges	32	192
Bad and doubtful debts	46,592	17,966
Printing and stationery	6,504	5,532
Advertising	45,524	29,738
Telecommunications	39,063	24,840
Entertaining	454	955
Entertaining N/A	1,480	-
Overseas costs	113,532	75,178
Sundry expenses	2,122	760
Amortisation	9,948	-
Depreciation	19,805	23,156
Profit or loss on foreign exchange	(41,573)	(12,763)
	<u>1,341,736</u>	<u>1,153,719</u>
	=====	=====

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

7 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(41,573)	(12,763)
Overseas costs	113,532	75,178
Fees payable to the company's auditors for the audit of the company's financial statements	15,552	12,120
Depreciation of owned tangible fixed assets	19,805	23,156
Amortisation of intangible assets	9,948	-
Cost of sales recognised as an expense	1,372,577	1,461,260
Operating lease charges	69,412	53,320
	<u> </u>	<u> </u>

8 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015	2014
	Number	Number
Administration	19	18
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2015	2014
	£	£
Wages and salaries	449,171	396,441
Social security costs	41,465	34,612
	<u> </u>	<u> </u>
	490,636	431,053
	<u> </u>	<u> </u>

9 Directors' remuneration

	2015	2014
	£	£
Remuneration for qualifying services	86,560	81,967
	<u> </u>	<u> </u>

10 Interest receivable and similar income

	2015	2014
	£	£
Interest income		
Interest on bank deposits	21,804	21,467
	<u> </u>	<u> </u>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

(Continued)

10 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	21,804	21,467
--	--------	--------

11 Interest payable and similar charges

2015	2014
£	£

Interest on financial liabilities measured at amortised cost:

Interest on bank overdrafts and loans	76	-
Interest on other loans	34	-
	110	-

12 Taxation

2015	2014
£	£

Current tax

UK corporation tax on profits for the current period	54,802	51,201
--	--------	--------

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

2015	2014
£	£

Profit before taxation	293,861	270,987
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	58,772	54,197
Tax effect of expenses that are not deductible in determining taxable profit	610	287
Permanent capital allowances in excess of depreciation	(8,541)	(7,914)
Depreciation on assets not qualifying for tax allowances	3,961	4,631
Tax expense for the year	54,802	51,201

13 Dividends

2015	2014
£	£

Interim paid	51,966	-
	51,966	-

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Intangible fixed assets

Development costs

	£
Cost	
At 1 January 2015	18,650
Additions - separately acquired	80,829
	<hr/>
At 31 December 2015	99,479
	<hr/>
Amortisation and impairment	
At 1 January 2015	-
Amortisation charged for the year	9,948
	<hr/>
At 31 December 2015	9,948
	<hr/>
Carrying amount	
At 31 December 2015	89,531
	<hr/> <hr/>
At 31 December 2014	18,650
	<hr/> <hr/>

15 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2015	139,422	34,227	173,649
Additions	14,379	20,722	35,101
	<hr/>	<hr/>	<hr/>
At 31 December 2015	153,801	54,949	208,750
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 January 2015	33,701	33,339	67,040
Depreciation charged in the year	12,010	7,795	19,805
	<hr/>	<hr/>	<hr/>
At 31 December 2015	45,711	41,134	86,845
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2015	108,090	13,815	121,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2014	105,721	888	106,609
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

16 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	27	36,823	38,842
Loans to subsidiaries	27	57,146	107,001
		<u>93,969</u>	<u>145,843</u>

Movements in fixed asset investments

	Loans £	Shares £	Total £
Cost or valuation			
At 31 December 2015	107,001	38,842	145,843
Additions	(16,482)	-	16,482
Foreign exchange difference	(2,203)	(2,019)	(4,222)
Disposals	(64,134)	-	(64,134)
	<u>57,146</u>	<u>36,823</u>	<u>93,969</u>
Carrying amount			
At 31 December 2015	<u>57,146</u>	<u>36,823</u>	<u>93,969</u>
At 31 December 2014	<u>107,001</u>	<u>38,842</u>	<u>145,843</u>

17 Financial instruments

	2015 £	2014
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,112,908	1,251,977
Equity instruments measured at cost less impairment	36,823	38,842
Instruments measured at fair value through profit or loss	40,505	-
	<u>1,190,236</u>	<u>1,290,819</u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,609,722	1,664,049
	<u>2,609,722</u>	<u>1,664,049</u>

18 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	1,055,173	1,104,050
Other debtors	589	40,926
Prepayments and accrued income	12,000	12,000
	<u>1,067,762</u>	<u>1,156,976</u>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

18 Debtors

(Continued)

	2015	2014
	£	£
Trade debtors		
Trade debtors	13,041	-
Cash held on account	25,219	2,651
Accrued bank interest	5,652	5,452
Oanda balance	11,360	-
Agent receivables	1,009,401	1,100,947
Bad debt provision	(9,500)	(5,000)
	<u>1,055,173</u>	<u>1,104,050</u>
	=====	=====
	2015	2014
	£	£
Other debtors		
Staff loans	589	-
Sun Trust Bank	-	40,926
	<u>589</u>	<u>40,926</u>
	=====	=====

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

19 Cash at bank and in hand

	2015 £	2014 £
Barclays Bank a/c 33361497	78,306	112,762
Barclays Bank dollar a/c	141	136
Barclays Bank a/c 03013235	33,802	20,981
Islami Bank a/c	44,095	42,036
Brac Bank a/c	29,276	8,177
Barclays Bank a/c 23618161	75	72,383
UCBL Bank a/c	13,923	9,564
AB Bank a/c	8,341	71,050
Barclays Bank a/c 03684431	6,118	61,318
Barclays Bank a/c 33422984	351	351
Barclays Bank a/c 13093441	40,094	16,803
Bank Pekao a/c *7994	1,053	39
Bank Pekao a/c *7864	633,421	146,307
Bank Pekao a/c *7705	2,555	121
Dhaka Bank a/c	15,555	7,838
Habib Bank a/c	54,738	23,738
Axis Bank a/c	4,884	19,628
Uttara Bank a/c	599,402	117,963
Commercial Bank of Ceylon a/c	19,695	20,829
Janata Bank a/c	31,285	22,705
Kotak Mahindra Bank a/c	29,351	11,052
Bank Pekao a/c *7620	1	-
Monte Dei Paschi Di Sienna Bank a/c	7,005	-
Rupali Bank a/c	20,484	-
Barclays Bank a/c 65068466 EUR	4	-
Bank Posta Italy- Client a/c	167,863	-
Catalunya Caixa Bank - Client a/c	44,157	-
Catalunya Caixa Bank a/c	749	-
Midland Bank a/c	8,891	-
Southeast Bank a/c	16,717	-
Monte Dei Paschi Di Sienna Bank- Operating a/c	917	-
EURO Bank Greece a/c	221	-
Bank Posta Italy- Operating a/c	213	-
Meghna Bank a/c	6,155	-
Brac Bank FDR deposit a/c	560,566	538,985
Petty cash account- Lozell Road	895	856
Petty cash account- Coventry Road	76	-
Petty cash account EUR	1,011	-
Petty cash account- Italy	28	-
	<u>2,482,414</u>	<u>1,325,622</u>
	=====	=====

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	21	4,515	1,606
Trade creditors		2,067,282	1,142,539
Corporation tax		54,798	51,201
Other taxation and social security		6,381	358
Other creditors		411,948	392,030
Accruals and deferred income		125,977	127,874
		<u>2,670,901</u>	<u>1,715,608</u>

Trade creditors refers to an aggregate of small amounts due to individuals in Bangladesh that have been remitted through the company but not yet paid to the respective beneficiaries.

21 Loans and overdrafts

	2015 £	2014 £
Bank overdrafts	<u>4,515</u>	<u>1,606</u>
Payable within one year	<u>4,515</u>	<u>1,606</u>

22 Share capital

	2015 £	2014 £
Ordinary share capital Issued and fully paid		
333,333 Ordinary shares of £1 each	<u>333,333</u>	<u>333,333</u>

23 Share premium account

	2015 £	2014 £
At beginning and end of year	<u>208,383</u>	<u>208,383</u>

24 Profit and loss reserves

	2015 £	2014 £
At the beginning of the year	496,376	276,590
Profit for the year	239,059	219,786
Dividends	(51,966)	-
At the end of the year	<u>683,469</u>	<u>496,376</u>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

25 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	58,600	58,600
Between two and five years	242,400	254,400
In over five years	362,220	382,720
	<u>663,220</u>	<u>695,720</u>

26 Related party transactions

Bank guarantees given by the parent company, Brac Bank Limited, for the company during the year are outlined below:

Beneficiary	Issue date	Value	Maturity
United Commercial Bank Limited	05 September 2013	\$25,000	04 September 2015
Dhaka Bank	27 March 2013	\$25,000	26 March 2016
AB Bank Limited	27 March 2013	\$25,000	26 March 2016
Islami Bank Bangladesh Ltd.	16 June 2013	\$15,000	15 June 2016
Uttara Bank Ltd.	10 December 2013	\$25,000	09 December 2015
Janata Bank Ltd.	23 April 2014	\$25,000	22 April 2016
Rupali Bank Ltd.	07 June 2015	\$25,000	06 June 2016
Southeast Bank Ltd.	07 June 2015	\$25,000	06 June 2016
Midland Bank Ltd.	07 June 2015	\$25,000	06 June 2016

27 Subsidiaries

These financial statements are separate company financial statements for Brac Saajan France.

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Brac Saajan France	France	Money exchange	Ordinary	100.00

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

27 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) EUR	Capital and Reserves EUR
Brac Saajan France	(17,986)	1,527

28 Liquid resources

	0-1 months £	1-3 months £	3-12 months £	1-5 years £	Over 5 years £	Total £
Assets						
Cash held on account	25,219					25,219
Trade debtors		13,042				13,042
Cash at bank and in hand	2,482,414					2,482,414
Agent receivables	1,009,401					1,009,401
Prepayments & accrued income	12,000					12,000
Bad debt provision	(5,000)					(5,000)
Staff loans	589					589
Total Assets	3,524,623	13,042	-	-	-	3,537,665
Liabilities						
Bank credit card	4,515					4,515
Trade creditors	2,067,282					2,067,282
Agent payables	52,032					52,032
Corporation tax payable			54,798			54,798
Agency deposit held			319,534			319,534
Social security taxes			6,381			6,381
Wages and salaries		40,382				40,382
Accruals	125,977					125,977
Total Liabilities	2,249,806	40,382	380,713	-	-	2,670,901
Net liquidity difference	1,274,817	(27,340)	(380,713)	-	-	866,764

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

29 Cash generated from operations	2015 £	2014
Profit for the year after tax	239,059	219,786
Adjustments for:		
Taxation charged	54,802	51,201
Finance costs	110	-
Investment income	(21,804)	(21,467)
Amortisation and impairment of intangible assets	9,948	-
Depreciation and impairment of tangible fixed assets	19,805	23,156
Movements in working capital:		
Decrease/(increase) in debtors	89,214	(187,167)
Increase in creditors	948,787	451,379
Cash generated from operations	<u>1,339,921</u>	<u>536,888</u>