

Company registration number 06469886 (England and Wales)

BRAC SAAJAN EXCHANGE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

BRAC SAAJAN EXCHANGE LTD

COMPANY INFORMATION

Directors	Mr Selim Reza Farhad Hussain Mr Abdus Salam Dr Z Hussain Mr M M Hasan	(Appointed 22 August 2024)
Secretary	Mr M Rana	
Company number	06469886	
Registered office	160-162 Lozells Road Lozells Birmingham United Kingdom B19 2SX	
Auditor	Reddy Siddiqui LLP 183-189 The Vale Acton London United Kingdom W3 7RW	

BRAC SAAJAN EXCHANGE LTD

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BRAC SAAJAN EXCHANGE LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the strategic report for the year ended 31 December 2024.

Fair Review of the Business

BRAC Saajan Exchange Ltd, a subsidiary of BRAC Bank PLC of Bangladesh, specialises in remittance services and cross-border payment solutions for Bangladeshi migrants residing in the UK. The company generates revenue through transaction fees and foreign exchange margins, ensuring value for its customers while maintaining a sustainable business model.

Key strategic priorities

- 1) Re-establishing its position** as a leading money transfer service provider for NRBs (non-resident Bangladeshis) in the UK.
- 2) Delivering reliable and compliant money transfer services** with competitive exchange rates and exceptional customer service.
- 3) Expanding business** through aggregator partnership and adopting a commercial business model to broaden the customer base and operational reach.

The total remittance volume in 2024 was 106% higher (£129.9m) than the previous year (£62.9m).

Income Statement Line Item	2024 (£)	2023 (£)	Change
Income	2,896,822	1,468,357	97%
Cost of Services	2,088,737	1,111,368	88%
Gross Profit	808,085	356,989	126%
Gross Margin	28%	24%	4%
Expenses	1,261,501	1,228,174	2.7%
Net Operating Income	(453,416)	(871,186)	(48%)
Total Other Income	69,901	127,335	(45%)
Loan Interest and similar	382,556	148,192	158%
Bad Debt	45,025	3,977	1032%
Tax	(1,084)	12,914	(108%)
Total Other Expenses	385,616	165,082	134%
Net Income	(770,833)	(908,933)	(15%)

BRAC SAAJAN EXCHANGE LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal Risks and Uncertainties

The principal risks and uncertainties facing the company are operational and compliance risk, financial risks and strategic risks. The risk identification and mitigation activities are built into the day-to-day operations of the company.

It is the responsibility of the Board to adopt and oversee the implementation of risk management and risk appetite throughout the company and its affiliates globally.

Operational & Compliance Risks

Operational risks stem from internal processes, systems, and regulatory obligations.

Internal & External Fraud – The company is exposed to fraudulent activities, whether from employees (internal fraud) or third parties (external fraud). Strict policies, monitoring systems, and disciplinary actions help detect and prevent fraud. The company has no tolerance for fraud and continuously improves its fraud detection framework.

Regulatory Risk – Changes in laws and regulations can impact business operations. The company ensures full compliance with all relevant legislation and conducts external audits to maintain the best practices.

Employment & Workplace Safety – Risks arise from workplace health and safety violations, discrimination, and harassment. The company is committed to creating a safe and respectful working environment and takes necessary steps to ensure employee well-being.

Business Disruption – Unexpected events, system failures, or operational breakdowns can cause business interruptions. A business continuity plan is in place to monitor and mitigate disruptions.

Execution, Delivery & Process Management – Failures in transaction processing, process management, or relationships with trading partners can impact operations. The company has systems in place to manage these risks.

Data & IT Security – Data breaches or cybersecurity threats can lead to financial and reputational damage. The company enforces strict IT security practices, data protection policies, and monitoring systems to safeguard sensitive information.

Financial Risks

Financial risks can impact the company's ability to meet its financial obligations and maintain profitability.

Currency Risk – The company operates in multiple currencies, making it vulnerable to exchange rate fluctuations. A dedicated team tracks real-time forex movements to mitigate losses and capitalize on favorable currency shifts.

Market Risk – Adverse market price changes can affect the company's financial position. As an Authorized Payment Institution (API), the company does not take outright market risks but implements policies to mitigate inherent structural risks.

Credit Risk – Losses may occur if customers, agents, or counterparties fail to meet financial obligations. The company manages this risk by setting credit limits and conducting daily reconciliations of outstanding transactions.

Liquidity & Capital Risks – The risk of failing to meet financial commitments is managed by maintaining sufficient liquidity and capital reserves. The company also has access to funding from its parent company for contingency purposes.

BRAC SAAJAN EXCHANGE LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Strategic Risks

These risks relate to the company's long-term success and market position.

Business Risk – Poor strategic decisions, market changes, or economic downturns can negatively impact profitability and growth. The company assesses risks associated with product offerings, geographical expansion, and evolving regulatory environments.

Reputation Risk – Brand damage can arise from ethical lapses, operational failures, or negative public perception. The company actively manages its reputation by adhering to core values, acting responsibly, and maintaining strong client relationships.

By identifying and managing these risks, the company ensures its resilience, regulatory compliance, and long-term sustainability.

Key Performance Indicators

Key Performance Indicators	2024 £'000	2023 £'000	Movement £'000	Movement (%)
Total remittance sent to Bangladesh	129,995	62,949	67,046	106.5%
Turnover	2,897	1,468	1,428	97.3%
UK Staff Costs	618	460	158	34.3%
Operating Costs	1,261	1,228	33	2.7%
PBT	(772)	(896)	124	13.8%
PAT	(771)	(909)	138	15.1%
Key Performance Indicators	2024 (Value)	2023 (Value)	Movement (Value)	Movement (%)
EPS	-£0.27	-£0.68	0.41	-60.3%
Number of agents	279	152	127	83.6%
Number of transactions	211,778	93,117	118,661	127.4%
Number of employees	50	40	10	25.0%
Employees	2024 (Value)	2023 (Value)	Movement (Value)	Movement (%)
UK	19	15	4	26.7%
Bangladesh	31	25	6	24.0%
Total	50	40	10	25.0%

BRAC SAAJAN EXCHANGE LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Development and performance

Business Restart and Agent Growth

The company has made significant progress in re-establishing business relationships with previously listed agents and onboarding new ones. As of December 2024, the number of active agents has grown to 279, a substantial increase from 152 in December 2023.

Growth in Remittance Volume

The expansion of agency network has played a pivotal role in boosting the company's remittance volume, which has surged from £62.9 million (2023) to £129.9 million (2024). Additionally, the number of transactions has increased significantly, reaching 211,778, reflecting stronger customer engagement and trust in BSEL's services.

Arrangements with Corresponding Banks

To further enhance payout coverage for beneficiaries in Bangladesh, BSEL has expanded its remittance drawing arrangements with 17 commercial banks in the country covering 15,000+ payout locations across Bangladesh. This strategic move has not only improved payout efficiency but also allowed BSEL to be more competitive, strengthening its position in the market.

Digital Remittance

There is a shift from cash to non-cash (digital) remittance not just for the UK to Bangladesh, but remittance channels globally. BSEL has completed significant development to its RemitNgo application to allow competitiveness in the growing marketplace for digital remittance, and enable the end user to send funds securely, easily and at a lower cost.

Organisational Expansion

To support the growing demands of the business, BSEL has strengthened its organisational structure by recruiting new staff in both its UK and Bangladesh offices. Key areas of expansion include Sales, Operations, Compliance, Finance and IT. This strategic focus on recruitment and departmental development aligns with BSEL's commitment to delivering superior service and sustaining its growth trajectory.

Capital injection

BRAC Bank PLC, the majority shareholder of BSEL, increased its capital by £1.5m in November 2024 to support the ongoing operating loss and capital requirements. The parent company has committed to continue its financial support during 2025.

Working Capital

A crucial component to achieving the remittance target, is a steady ongoing cash flow. To support this, BSEL's parent company, BRAC Bank Limited, has increased the overdraft (OD) facility up to £5 million.

Regulatory Compliance

The company has always placed the utmost importance on complying with all regulations and obligations, with a clear priority on compliance over profitability. The company will continue its investment in compliance and governance, in line with regulatory requirements and the company's own growth plans and initiatives.

On behalf of the board



Mr Abdus Salam
Director

21 May 2025

BRAC SAAJAN EXCHANGE LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activities

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

Operating modes

The company conducts its operations through multiple channels, including agency modality, physical branches, and a mobile application platform.

Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Mr Selim Reza Farhad Hussain

Mr Abdus Salam

Dr Z Hussain

Mr M M Hasan

(Appointed 22 August 2024)

Future developments

The Company anticipates year-on-year growth in remittance volumes within the UK retail sector as we are focused on regaining lost market share. Every month, new agents or previous agents of BSEL are onboarded to increase the volume. We are also in negotiations with several aggregators for bilateral agreements that promise to unlock opportunities for multi-corridor business expansion.

The company is overserving a significant growth in the digital remittance market of UK and interested to explore the digital remittance market. Significant modification and development have been made to our RemitNgo Application to make it faster and user friendly. BSEL is now focusing on to increase its customer base by extensive marketing through digital channels. Also, we are providing sponsorship to community-based programs to enhance our brand awareness. We have also planned to apply for EU license with which the RemitNgo Application can be used to grab the significant opportunity in EU Market. We have also plan to introduce agency reward program to be more competitive and ensure our growth of business.

Auditor

The auditor, Reddy Siddiqui LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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 auditor is 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 auditor is aware of that information.

BRAC SAAJAN EXCHANGE LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Going Concern

The current challenges of the business has been considered by the Directors:

- Management has considered updated financial forecasts. Based upon the information available, the directors consider that the Company has sufficient liquidity to continue in business for at least the next 12 months as a going concern.
- The directors have reviewed the assets of the business and do not believe there to be any impairments other than those recorded in the financial statements.
- In May 2024, the company identified excessive foreign currency revaluation gains booked in the accounting system in the financial year ended 31 December 2023. This was due to a change in accounting process implemented for recording foreign currency transactions and balances. The new accounting process automated foreign currency conversion in the accounting system used by the company. However, in practice, the company agreed daily deal rates with corresponding banks for the foreign currency transactions. The difference in the deal rate and the rate used by the accounting system resulted in excessive revaluation gains being booked in the accounting system of the company.
- The removal of the excess revaluation gain resulted in the capital reserve falling below the FCA minimum requirement of EUR 20,000 from August 2023.. The impact is that the company was in capital requirement breach until November 2024.
- In order to support the company and to meet its minimum capital requirement, the parent company converted £1.5 million debt to equity on 11 November 2024. As a result, the capital adequacy requirement has since been met as per FCA regulations.
- A crucial component to achieving this goal is a steady ongoing cash flow - to support this, BSEL's parent company, BRAC Bank PLC, has also approved an overdraft (OD) facility of up to £5 million for the company

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board



Mr Abdus Salam
Director

21 May 2025

BRAC SAAJAN EXCHANGE LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

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; and
- 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

Opinion

We have audited the financial statements of BRAC SAAJAN EXCHANGE LTD (the 'company') for the year ended 31 December 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

In May 2024, the Company identified excessive foreign currency revaluation gains recorded in its accounting system. The subsequent correction of this excess resulted in the Company's capital reserve falling below the Financial Conduct Authority (FCA) minimum requirement of EUR 20,000, commencing in August 2023.

As a result, the Company was in breach of FCA capital requirements. The FCA was notified of this breach on 2 October 2024. The Company remained in breach until 11 November 2024, when the parent company, Brac Bank PLC, converted £1.5 million of debt to equity.

While there is no evidence that customer funds were affected by this capital requirement breach, such breaches can have serious regulatory consequences. The FCA mandates these requirements to ensure firms maintain sufficient financial resources to manage business risks and safeguard client assets. Potential FCA actions include formal warnings, fines, penalties, or suspension of activities.

Due to the Company's financial position, its ability to continue as a going concern is dependent upon the ongoing financial support of its parent company, Brac Bank PLC.

BRAC SAAJAN EXCHANGE LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRAC SAAJAN EXCHANGE LTD (CONTINUED)

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to date of our report. However, future events or conditions may cause the company to cease to continue as a going concern,

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties, as well as company specific uncertainties related to cancellation, and eventual restatement of business license by HMRC, FCA regulations and support from the parent company. We assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

BRAC SAAJAN EXCHANGE LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRAC SAAJAN EXCHANGE LTD (CONTINUED)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates and determined which may influence the financial statements.

We determined that the following laws and regulations are the most significant which are directly relevant to specific assertions in the financial statements:

- Those that relate to reporting frameworks being international accounting standards in conformity with the requirements of the Companies Act 2006 and the Companies Act 2006 and the relevant tax compliance regulations.
- Those that relate to the operational activities of the company being compliance with the requirements of the Financial Conduct Authority.

We assessed the susceptibility of the company's financial statements to material misstatements, including how fraud might occur. We performed the following audit procedures to address the risks related to irregularities and fraud:

- evaluation of the processes and controls in place to address the risks related to irregularities and fraud;
- challenge of the assumptions and judgements made by management in its significant accounting estimates;
- review and testing of journal entries, in particular manual journal entries, relating to management estimates and journal entries impacting the reported result of the year;
- consideration of the potential for fraud in revenue recognition;
- identifying and testing related party transactions.

We enquired of management whether there was any awareness of instances of non-compliance with laws and regulations or whether they had any knowledge of actual or suspected fraud.

In assessing potential risks of material misstatement, we obtained an understanding of the company's operations, the applicable statutory provisions and business risks that may result in risk of material misstatement, and the company's control environment, including the adequacy of procedures for authorisation of transactions.

The engagement team's experience with similar engagements, their understanding and knowledge of the company's industry and their understanding of the industry and regulatory requirements were considered in assessing the appropriateness of the collective competence and capabilities of the engagement team.

BRAC SAAJAN EXCHANGE LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRAC SAAJAN EXCHANGE LTD (CONTINUED)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intention misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Omar Siddiqui (Senior Statutory Auditor)

For and on behalf of Reddy Siddiqui LLP, Statutory Auditor

Chartered Accountants

183-189 The Vale

Acton

London

W3 7RW

United Kingdom

21 May 2025

BRAC SAAJAN EXCHANGE LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	2,896,822	1,468,357
Cost of sales		(2,088,737)	(1,111,368)
Gross profit		808,085	356,989
Administrative expenses		(1,261,501)	(1,228,174)
Other operating income		64,091	123,404
Operating loss	4	(389,325)	(747,781)
Interest receivable and similar income	7	4,108	3,931
Interest payable and similar expenses	8	(382,556)	(148,192)
Amounts written off investments	9	(4,144)	(3,977)
Loss before taxation		(771,917)	(896,019)
Tax on loss	10	1,084	(12,914)
Loss for the financial year		(770,833)	(908,933)

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 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		30,012		42,019
Tangible assets	12		302,689		308,365
Investments	13		36,662		40,806
			<u>369,363</u>		<u>391,190</u>
Current assets					
Debtors	14	2,530,891		1,714,829	
Cash at bank and in hand		2,087,117		2,033,453	
		<u>4,618,008</u>		<u>3,748,282</u>	
Creditors: amounts falling due within one year	15	(4,543,682)		(4,405,516)	
Net current assets/(liabilities)			<u>74,326</u>		<u>(657,234)</u>
Total assets less current liabilities			443,689		(266,044)
Creditors: amounts falling due after more than one year	16		(93,157)		(111,507)
Provisions for liabilities					
Deferred tax liability	18	17,905		18,989	
		<u>(17,905)</u>		<u>(18,989)</u>	
Net assets/(liabilities)			<u>332,627</u>		<u>(396,540)</u>
Capital and reserves					
Called up share capital	21		2,833,333		1,333,333
Share premium account	20		249,999		249,999
Profit and loss reserves	22		(2,750,705)		(1,979,872)
Total equity			<u>332,627</u>		<u>(396,540)</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 21 May 2025 and are signed on its behalf by:



Mr Abdus Salam
Director

Company registration number 06469886 (England and Wales)

BRAC SAAJAN EXCHANGE LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2023		1,333,333	249,999	(1,070,939)	512,393
Year ended 31 December 2023:					
Loss and total comprehensive income		-	-	(908,933)	(908,933)
Balance at 31 December 2023		1,333,333	249,999	(1,979,872)	(396,540)
Year ended 31 December 2024:					
Loss and total comprehensive income		-	-	(770,833)	(770,833)
Conversion of loan to shares	21	1,500,000	-	-	1,500,000
Balance at 31 December 2024		<u>2,833,333</u>	<u>249,999</u>	<u>(2,750,705)</u>	<u>332,627</u>

BRAC SAAJAN EXCHANGE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29	(1,011,025)		1,601,949	
Interest paid		(382,556)		(148,192)	
Net cash (outflow)/inflow from operating activities		(1,393,581)		1,453,757	
Investing activities					
Purchase of intangible assets		(9,303)		(10,847)	
Purchase of tangible fixed assets		(25,898)		(1,512)	
Proceeds from disposal of subsidiaries		-		(1,818)	
Interest received		4,108		3,931	
Net cash used in investing activities		(31,093)		(10,246)	
Financing activities					
Repayment of borrowings		1,500,000		-	
Payment of finance leases obligations		(21,662)		(19,008)	
Net cash generated from/(used in) financing activities		1,478,338		(19,008)	
Net increase in cash and cash equivalents		53,664		1,424,503	
Cash and cash equivalents at beginning of year		2,033,453		608,950	
Cash and cash equivalents at end of year		2,087,117		2,033,453	

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

BRAC SAAJAN EXCHANGE LTD is a private company limited by shares incorporated in England and Wales. The registered office is 160-162 Lozells Road, Lozells, Birmingham, United Kingdom, 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 under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 401 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 PLC. The consolidated group accounts are available at 1 Gulshan Avenue, Gulshan-I, Dhaka 1212, Bangladesh.

Amendments to FRS 102 Interest rate benchmark reform (Phase 2) modify some accounting requirements in the context of interest rate benchmark reform, such as interbank offered rates (IBORs). The application of the amendment did not have a material impact on the financial statements.

1.2 Going concern

In preparation of these financial statements, the company has considered the trading conditions, budgets and forecasts for a period to 31 December 2024. The budgets have been sensitised and stress tested to allow the Board to consider the worst case scenario in respect of revenue generation on the liquidity of the company. The Board has received assurances from the ultimate parent undertaking to provide support to the company as required, and subject to any relevant laws, to enable it to continue to meet its liabilities as they fall due.

Following the review of these forecasts and the undertaking of financial support available from the ultimate controlling party, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Due to the financial position of this Company, the validity of the going concern is conditional upon the continued support of the parent Company, Brac Bank PLC. The Directors of the Company have received assurances from the parent Company that it will continue to support the Company to enable it to meet their liabilities as they fall due for at least the next twelve months from the date of the approval of these accounts.

Should the Company be unable to continue trading, as a result of the withdrawal of support of the parent Company, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Accordingly, 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.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable in the form of consumers' money transfer transaction fees. The transaction fees are based on the principal amount of the money transfer transaction and the locations from and to which funds are transferred. Transaction fees are set by the Company and recorded as revenue at the time of sale. The Company does not charge VAT on transactions owing to money transfer services being an exempt supply.

The Company also generates revenue based on the difference between the exchange rate set by the Company to the customer and the rate at which the Company or its agents are able to acquire the currency. This foreign exchange revenue is recognised at the same time at which the related money transfer transaction fee revenue is recognised.

1.4 Research and development expenditure

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.

1.5 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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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
-------------------	--

1.6 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:

Leasehold land and buildings	Straight line over the term of the lease
Fixtures and fittings	Straight line over ten years
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 credited or charged to profit or loss.

1.7 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.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period 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.

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) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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 balance sheet 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.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors 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. Financial assets classified as receivable within one year are not amortised.

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

Basic financial liabilities, including creditors, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

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.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 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.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

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.

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.17 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 in the period are included in profit or loss.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment. Uncertainties also relate to useful lives of fixtures and fittings.

3 Turnover and other revenue

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

	2024	2023
	£	£
Turnover analysed by class of business		
Commission Income	2,254,311	1,045,439
Foreign exchange Income	642,511	422,918
	<u>2,896,822</u>	<u>1,468,357</u>
	2024	2023
	£	£
Other revenue		
Interest income	4,108	3,931
	<u>4,108</u>	<u>3,931</u>

4 Operating loss

	2024	2023
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(192,805)	57,384
Fees payable to the company's auditor for the audit of the company's financial statements	19,800	21,139
Depreciation of owned tangible fixed assets	31,574	30,205
Amortisation of intangible assets	21,310	30,666
Operating lease charges	84,625	95,192
	<u>84,625</u>	<u>95,192</u>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Employees

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

	2024	2023
	Number	Number
Administration	50	40

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	684,670	503,436
Social security costs	44,406	37,041
Pension costs	7,632	6,012
	<u>736,708</u>	<u>546,489</u>

6 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	120,493	106,190

7 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Other interest income	4,108	3,931

8 Interest payable and similar expenses

	2024	2023
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	375,548	140,904
Other finance costs:		
Interest on finance leases and hire purchase contracts	7,008	7,288
	<u>382,556</u>	<u>148,192</u>

9 Amounts written off investments

	2024	2023
	£	£
Other gains and losses	(4,144)	(3,977)

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

10 Taxation

	2024 £	2023 £
Deferred tax		
Origination and reversal of timing differences	(1,084)	12,914

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2024 £	2023 £
Loss before taxation	(771,917)	(896,019)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	(192,979)	(224,005)
Tax effect of expenses that are not deductible in determining taxable profit	6,490	8,797
Unutilised tax losses carried forward	187,730	208,443
Permanent capital allowances in excess of depreciation	(9,135)	(786)
Depreciation on assets not qualifying for tax allowances	7,894	7,551
Other non-reversing timing differences	(1,084)	12,914
Taxation (credit)/charge for the year	(1,084)	12,914

11 Intangible fixed assets

	Development costs £
Cost	
At 1 January 2024	374,462
Additions	9,303
At 31 December 2024	383,765
Amortisation and impairment	
At 1 January 2024	332,443
Amortisation charged for the year	21,310
At 31 December 2024	353,753
Carrying amount	
At 31 December 2024	30,012
At 31 December 2023	42,019

More information on impairment movements in the year is given in note .

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2024	286,683	379,749	144,319	810,751
Additions	-	17,802	8,096	25,898
At 31 December 2024	286,683	397,551	152,415	836,649
Depreciation and impairment				
At 1 January 2024	47,302	312,540	142,544	502,386
Depreciation charged in the year	7,029	22,757	1,788	31,574
At 31 December 2024	54,331	335,297	144,332	533,960
Carrying amount				
At 31 December 2024	232,352	62,254	8,083	302,689
At 31 December 2023	239,381	67,209	1,775	308,365

13 Fixed asset investments

	Notes	2024 £	2023 £
Investments in subsidiaries	25	36,662	40,806

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2024	40,806
Write-off	(4,144)
At 31 December 2024	36,662
Carrying amount	
At 31 December 2024	36,662
At 31 December 2023	40,806

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

14 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	2,401,518	1,561,071
Other debtors	2,372	863
Prepayments and accrued income	31,612	61,614
	<u>2,435,502</u>	<u>1,623,548</u>
	2024	2023
	£	£
Amounts falling due after more than one year:		
Other debtors	95,389	91,281
	<u>95,389</u>	<u>91,281</u>
Total debtors	<u>2,530,891</u>	<u>1,714,829</u>

15 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	845,544	1,354,076
Amounts owed to group undertakings	3,429,028	2,895,669
Taxation and social security	18,778	25,927
Other creditors	110,581	105,476
Accruals and deferred income	139,751	24,368
	<u>4,543,682</u>	<u>4,405,516</u>

16 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
	Notes	
Obligations under finance leases	17	89,845
Payments received on account		111,507
		<u>3,312</u>
		<u>93,157</u>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Finance lease obligations

	2024	2023
	£	£
Future minimum lease payments due under finance leases:		
Within one year	23,305	17,248
In two to five years	66,540	82,278
In over five years	-	11,981
	<u>89,845</u>	<u>111,507</u>

Finance lease payments represent rentals payable by the company for leasehold property. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 12 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2024	2023
	£	£
Balances:		
ACAs	<u>17,905</u>	<u>18,989</u>
Movements in the year:		2024
		£
Liability at 1 January 2024		18,989
Credit to profit or loss		<u>(1,084)</u>
Liability at 31 December 2024		<u>17,905</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>7,632</u>	<u>6,012</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share premium account

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

20	Share premium account			(Continued)
			2024	2023
			£	£
	At beginning and end of year		249,999	249,999
			<u>249,999</u>	<u>249,999</u>

21	Share capital				
		2024	2023	2024	2023
		Number	Number	£	£
	Ordinary share capital Issued and fully paid				
	Ordinary shares of £1 each	1,333,333	1,333,333	2,833,333	1,333,333
		<u>1,333,333</u>	<u>1,333,333</u>	<u>2,833,333</u>	<u>1,333,333</u>

22	Profit and loss reserves			2024	2023
				£	£
	At the beginning of the year			(1,979,872)	(1,070,939)
	Loss for the year			(770,833)	(908,933)
				<u>(2,750,705)</u>	<u>(1,979,872)</u>
	At the end of the year			<u>(2,750,705)</u>	<u>(1,979,872)</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

		2024	2023
		£	£
	Aggregate compensation	120,493	106,190
		<u>120,493</u>	<u>106,190</u>

Transactions with related parties

During the year the company entered into the following transactions with related parties:

		Interest charge	
		2024	2023
		£	£
	Entities with control, joint control or significant influence over the company	375,548	140,904
		<u>375,548</u>	<u>140,904</u>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

23 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2024	2023
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	3,429,028	2,895,669

BRAC Bank PLC, Bangladesh has control over the company by virtue of it's controlling shareholding in the company.

The following amounts were outstanding at the reporting end date:

	2024	2023
	£	£
Amounts due from related parties		
Key management personnel	95,389	91,281

The company has control over BRAC Saajan France by virtue of it's controlling shareholding in that company.

24 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:

	2024	2023
	£	£
Within one year	35,100	35,100
Between two and five years	39,825	74,925
	<u>74,925</u>	<u>110,025</u>

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

25 Subsidiaries

These financial statements are separate company financial statements for Brac Saajan France. The company has stopped trading and remains dormant.

BRAC Saajan France is the only subsidiary of the company.

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.

Details of the company's subsidiaries at 31 December 2024 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 remittance	Ordinary	100.00	-

26 Directors' transactions

Description	% Rate	Opening balance £	Interest charged £	Closing balance £
Loan advanced in 2019 with a term of 10 years, repayable by monthly instalments	4.50	91,281	4,108	95,389
		<u>91,281</u>	<u>4,108</u>	<u>95,389</u>

27 Ultimate controlling party

The ultimate controlling party is BRAC Bank PLC, Bangladesh that owns 97% of the issued share capital of the company.

Group accounts are prepared BRAC Bank PLC. The consolidated group accounts are available at their registered office at 1 Gulshan Avenue, Gulshan-I, Dhaka 1212, Bangladesh.

BRAC SAAJAN EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

28 Going Concern

In May 2024, the company identified excessive foreign currency revaluation gains booked in the accounting. This was due to a change in accounting process implemented for recording foreign currency transactions and balances. The new accounting process automated foreign currency conversion in the accounting system used by the company. However, in practice, the company agreed daily deal rates with corresponding banks for the foreign currency transactions. The difference in the deal rate and the rate used by the accounting system resulted in excessive revaluation gains being booked in the accounting system of the company.

The removal of the excess revaluation gain resulted in the capital reserve falling below the FCA minimum requirement of EUR 20,000 from August 2023. The impact was that the company was in capital requirement breach.

FCA was notified of the breach on 02 October 2024.

In order to support the company to meet its minimum capital requirement, the parent company converted £1.5 million debt to equity on 11 November 2024. As a result, the capital adequacy requirement has since been met as per FCA regulations.

The parent company has further supported the company with an overdraft facility of £5 million.

No customer funds were affected by the breach in capital requirement.

29 Cash (absorbed by)/generated from operations

	2024 £	2023 £
Loss after taxation	(770,833)	(908,933)
Adjustments for:		
Taxation (credited)/charged	(1,084)	12,914
Finance costs	382,556	148,192
Investment income	(4,108)	(3,931)
Amortisation and impairment of intangible assets	21,310	30,666
Depreciation and impairment of tangible fixed assets	31,574	30,205
Other gains and losses	4,144	3,977
Movements in working capital:		
Increase in debtors	(816,062)	(1,373,813)
Increase in creditors	141,478	3,662,672
Cash (absorbed by)/generated from operations	(1,011,025)	1,601,949

30 Analysis of changes in net funds

	1 January 2024 £	Cash flows £	31 December 2024 £
Cash at bank and in hand	2,033,453	53,664	2,087,117
Obligations under finance leases	(111,507)	21,662	(89,845)
	<u>1,921,946</u>	<u>75,326</u>	<u>1,997,272</u>

BRAC SAAJAN EXCHANGE LTD

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2024 £	2023 £	2023 £
Turnover				
Commission Receivable		2,254,311		1,045,439
Exchange Income		642,511		422,918
		<hr/>		<hr/>
		2,896,822		1,468,357
Cost of sales				
Commissions	2,088,737		1,111,368	
	<hr/>		<hr/>	
Total cost of sales		(2,088,737)		(1,111,368)
		<hr/>		<hr/>
Gross profit	27.90%	808,085	24.31%	356,989
Other operating income				
Rent receivable	3,313		-	
Other income	60,778		123,404	
	<hr/>		<hr/>	
		64,091		123,404

BRAC SAAJAN EXCHANGE LTD

DETAILED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2024	2023	2023
	£	£	£	£
Administrative expenses				
Wages and salaries	445,680		310,747	
Social security costs	44,406		37,041	
Wages and salaries- non UK	118,497		86,499	
Staff recruitment costs	1,642		116	
Staff pension costs defined contribution	7,632		6,012	
Redundancy costs - staff	-		15,852	
Directors' remuneration	120,493		106,190	
Rent re operating leases	81,260		91,564	
Domain Hosting	43,638		40,065	
Rates	6,036		15,484	
Cleaning	6,807		5,836	
Power, light and heat	29,772		33,151	
Repairs and maintenance	8,269		5,286	
Insurance	6,225		3,981	
Software costs	20,200		14,299	
Leasing - motor vehicles	3,365		3,628	
Travelling expenses	34,083		34,451	
Postage, courier and delivery charges	111		585	
Legal and professional fees	89,382		150,772	
Consultancy fees	14,210		16,068	
Audit fees	19,800		21,139	
Bank charges	169,863		4,602	
Bad and doubtful debts	45,025		36,000	
Printing and stationery	3,866		2,551	
Advertising	39,710		17,157	
Telecommunications	29,052		38,756	
Sundry expenses	12,398		12,087	
Amortisation	21,310		30,666	
Depreciation	31,574		30,205	
Profit or loss on foreign exchange	(192,805)		57,384	
		(1,261,501)		(1,228,174)
Operating loss		(389,325)		(747,781)
Interest receivable and similar income				
Other interest received on financial instruments	4,108		3,931	
		4,108		3,931
Interest payable and similar expenses				
Finance lease interest payable	7,008		7,288	
Interest payable to group companies	375,548		140,904	
		(382,556)		(148,192)
Other gains and losses				
Subsidiaries - Amounts written back / gains on disposal		(4,144)		(3,977)

BRAC SAAJAN EXCHANGE LTD

DETAILED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2024	2023	2023
	£	£	£	£
Loss before taxation	26.65%	(771,917)	61.02%	(896,019)
