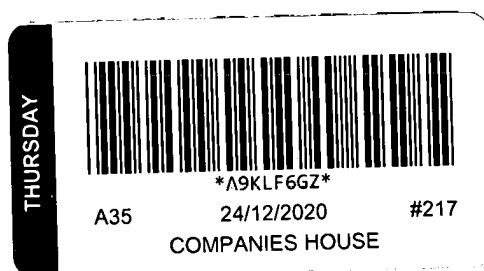


**BA EXCHANGE COMPANY (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**



# **BA EXCHANGE COMPANY (UK) LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Balance sheet	3
Notes to the financial statements	4 - 10

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# BA EXCHANGE COMPANY (UK) LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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The company is part of a group of inter-linked financial services companies based in Bangladesh, with office in UK which also provides bureau de change services.

### Business Review

#### Performance and strategy

Turnover for the period has increased on the prior year mainly due to improved performance of the existing business. Operating costs have increased as a result of same.

The Company continues to review all of its activities and service offerings and to actively pursue new opportunities. This ongoing strategy should enhance the profitability of the Company in the future.

### Principal Risks and Uncertainties

#### *Business continuity risk*

The continuous availability of the Company's IT systems, infrastructural services and people are critical to its success. Significant time and resources have and are being committed to this area to underpin the Company's ability to continue to operate should any disruptions take place.

#### *Economic and political risk*

The turmoil in the global financial markets has had, and is having, a significant negative impact on economic activity across the globe. People's mobility, on which the Company's business depends, can be impacted by economic factors, political instability, the threat of terrorism and global diseases. Such risks are outside of the Company's control.

#### *Information technology risk*

Information technology risk is recognised by the Company as one of the most significant corporate risks given the technological aspect of the business. The electronic transfer of money is dependent on IT including telecommunications and consequently the emerging markets telecommunications are a critical factor also. The Company has appropriate policies and procedures in place to address technology challenges that may arise for the year ended 31 December 2019.

#### *Interest and foreign exchange risks*

The Company is exposed to fluctuations in interest rates and foreign exchange rates. This foreign exchange risk is managed by the Company using the Parent's treasury function.

#### *Regulatory and legal risk*

Globally businesses in this industry have seen increased regulation and legislation over the past decade with legislation been driven by financial governing authorities. The Company ensures it complies with applicable regulations and legislation and reviews these regularly.

### Financial Key Performance Indicators

The results for the Company show a pre-tax profit of £17,312 (2018 - loss of £194,053) for the year and turnover of £308k (2018 - £103k).

### Other Key Performance Indicators

Gross profit	84.47 %	(2018: 6.98 %)
Net profit	5.62 %	(2018: -187.89%)
Net Liabilities	£ 392,359	(2018 £ 409,671)
Gross Assets	£ 458,508	(2018: £ 446,914)

# **BA EXCHANGE COMPANY (UK) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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On behalf of the board



Mr A K H Akad

**Director**

25 September 2020

# BA EXCHANGE COMPANY (UK) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	8		16,563		28,795
<b>Current assets</b>					
Debtors	9	21,898		21,644	
Cash at bank and in hand		420,047		396,475	
		441,945		418,119	
<b>Creditors: amounts falling due within one year</b>	10	(850,867)		(856,585)	
<b>Net current liabilities</b>			(408,922)		(438,466)
<b>Total assets less current liabilities</b>			(392,359)		(409,671)
<b>Capital and reserves</b>					
Called up share capital	12	300,000		300,000	
Profit and loss reserves		(692,359)		(709,671)	
<b>Total equity</b>			(392,359)		(409,671)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 25 September 2020 and are signed on its behalf by:



Mr A K H Azad

Director

Company Registration No. 7314397

# BA EXCHANGE COMPANY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

BA Exchange Company (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 125 Whitechapel Road, London, E1 1DT.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bank Asia Limited. These consolidated financial statements are available from its registered office. Head Office Bank Asia Corporate Office, Rangs Tower (2nd - 6th Floor), 68 Purana Paltan, Dhaka 1000, Bangladesh

#### 1.2 Going concern

The Company reported a profit during the year despite being in a very competitive market, however the company is carrying accumulated losses. The results are in line with expectations.

The directors consider that the Company will be able to rely upon sufficient additional support from the parent undertaking for at least the next 12 month or by arranging funds through and alternative means possibly by way of a loan from one of the directors and the Board of the Bank has approved this, to allow the Company to be able to meet all its commitments as they fall due.

Therefore the directors consider that the going concern basis is appropriate in respect of the financial statements for the year ended 31 December 2019.

# BA EXCHANGE COMPANY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Commission income

Income from remittance services is recognised when a customer gives instructions to the Company to make a remittance on their behalf.

#### 1.4 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	10% Straight line basis
Fixtures and fittings	25% Reducing balance basis

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.

#### 1.5 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 1.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

# BA EXCHANGE COMPANY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.7 Taxation

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

##### *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.

#### 1.8 Leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.



# **BA EXCHANGE COMPANY (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **1 Accounting policies**

**(Continued)**

##### **1.9 Foreign exchange**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non - monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

##### **1.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **1.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **2 Judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgments and estimates. Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing useful lives, factors such as technological advances. Residual value consider such things as projected disposal values.

#### **3 Turnover and other revenue**

100% Turnover of the company for the year ended 31 December 2019 (2018 - 100%) have arisen from within the United Kingdom.

# BA EXCHANGE COMPANY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Operating profit/(loss)

	2019 £	2018 £
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	3,000	3,000
Depreciation of owned tangible fixed assets	12,232	12,308
Operating lease charges	42,000	42,000

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	3,000	3,000

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was 7 (2018 - 7).

	2019 Number	2018 Number
Management	1	1
Counter Staff	6	6
	7	7

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	117,342	72,853
	117,342	72,853

### 7 Directors' remuneration and dividends

	2019 £	2018 £
Remuneration paid to directors	57,400	27,276

# BA EXCHANGE COMPANY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019 and 31 December 2019	122,846	19,914	142,760
<b>Depreciation and impairment</b>			
At 1 January 2019	94,206	19,759	113,965
Depreciation charged in the year	12,232	-	12,232
At 31 December 2019	106,438	19,759	126,197
<b>Carrying amount</b>			
At 31 December 2019	16,408	155	16,563
At 31 December 2018	28,640	155	28,795

### 9 Debtors

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	21,898	21,644

### 10 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	785,588	757,846
Taxation and social security	-	1,673
Other creditors	65,279	97,066
	850,867	856,585

### 11 Reserves

#### Profit and loss account

The profit and loss account consists of the profits retained within the business and is recorded at historic cost.

# BA EXCHANGE COMPANY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 300,000 Ordinary shares of £1 each	300,000	300,000

### 13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Forhad Ahmed.

The auditor was AGP Consulting.

### 14 Related party transactions

#### Transactions with related parties

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

All of the Company's remittances are routed through its parent entity Bank Asia Limited as part of the normal business cycles, these transactions are at arms length, these amounts have no transactional value and purely for settlement. All commission income is earned from the remitters. There is a position at the year end included in Trade Creditors of £757,846 (2018 - £757,846)

### 15 Parent company

The Company's ultimate parent undertaking is Bank Asia Limited, a company incorporated in Bangladesh. The accounts for this entity may be obtained from Head Office Bank Asia Corporate Office, Rangs Tower (2nd - 6th Floor), 68 Purana Paltan, Dhaka 1000, Bangladesh or on their website [www.bankasia-bd.com](http://www.bankasia-bd.com).