

INDIAN BUSINESS & PROFESSIONAL COUNCIL

STATEMENT OF FINANCIAL POSITION 30 SEPTEMBER 2018

	Notes	30 Sep 2018 AED	31 Dec 2017 AED
NON-CURRENT ASSETS		2,881	3,983
Property, plant and equipment (net)	3	2,881	3,983
CURRENT ASSETS		5,803,769	5,686,168
Prepayments, deposits and other receivables	4	32,168	121,778
Deposits	5	4,901,354	4,840,307
Cash and cash equivalents	6	870,247	724,083
TOTAL ASSETS		<u>5,806,650</u>	<u>5,690,151</u>
CURRENT LIABILITIES		342,774	345,247
Accrued Expenses and other payables	7	342,774	345,247
NON-CURRENT LIABILITIES		32,580	15,574
Provision for staff end of services gratuity		32,580	15,574
MEMBERS' FUNDS		5,431,296	5,329,330
Accumulated surplus		5,431,296	5,329,330
TOTAL EQUITY AND LIABILITIES		<u>5,806,650</u>	<u>5,690,151</u>

The accompanying notes form an integral part of these financial statements.
The report of independent auditors is set forth on page 2.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved by the management on:

For **INDIAN BUSINESS & PROFESSIONAL COUNCIL**

PRESIDENT

INDIAN BUSINESS & PROFESSIONAL COUNCIL

STATEMENT OF COMPREHENSIVE INCOME PERIOD ENDED 30 SEPTEMBER 2018

	Notes	01 Jan 2018 to 30 Sep 2018 AED	01 Jan 2017 to 31 Dec 2017 AED
REVENUE		839,320	3,058,812
Membership fees	8	608,998	1,594,775
Event income	Annexure 1	169,285	1,373,363
Interest on fixed assets		61,047	75,174
Other income		---	15,500
OPERATING EXPENSES		737,354	(2,788,581)
Event expenses	Annexure 1	(299,512)	(2,097,173)
General and administrative expenses	9	(436,741)	(680,502)
Depreciation	3	(1,101)	(10,906)
SURPLUS FOR THE YEAR		101,967	270,231
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		101,967	270,231

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The report of the independent auditors is set forth on page 2.

INDIAN BUSINESS & PROFESSIONAL COUNCIL

STATEMENT OF CHANGES IN MEMBERS' FUNDS PERIOD ENDED 30 SEPTEMBER 2018

	Accumulated Surplus AED
As on 01 Jan 2017	5,059,099
Total Comprehensive income for the year	270,231
As at 31 Dec 2017	5,329,330
Total Comprehensive income for the period	101,967
As at 30 Sep 2018	<u>5,431,297</u>

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INDIAN BUSINESS & PROFESSIONAL COUNCIL

CASH FLOW STATEMENT PERIOD ENDED 30 SEPTEMBER 2018

	Notes	01 Jan 2018 to 30 Sep 2018 AED	01 Jan 2017 to 31 Dec 2017 AED
Cash flows from operating activities			
Cash used in operations	10	146,163	(145,493)
Net cash used in operating activities (A)		146,163	(145,493)
Cash flows from investing activities			
Net cash from investing activities (B)		---	---
Cash flows from financing activities			
Net cash from financing activities (C)		---	---
Net decrease in cash and cash in cash equivalents (A+B+C)		146,163	(145,493)
Cash and cash equivalents at beginning of the year		724,083	869,576
Cash and cash equivalents at end of the period	6	<u>870,246</u>	<u>724,083</u>

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INDIAN BUSINESS & PROFESSIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2018

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) INDIAN BUSINESS & PROFESSIONAL COUNCIL (the "Organisation") is an organisation domiciled in Dubai, the United Arab Emirates (UAE). The Organisation is registered with the Dubai Chamber of Commerce and Industry with a permit no BC 239714.

The Organisation has been set up to promote business relationship and economic cooperation between the United Arab Emirates and India. The registered office of the Organisation is at P.O Box 25414, Office no.1402, 14th Floor, Dubai World Trade Centre, Sheikh Zayed Road, Dubai – United Arab Emirates.

The affairs of the Organisation are being managed by the Administrative Board.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting years beginning on or after 1 January 2018. The significant accounting policies adopted, and that has been consistently applied, are as follows:

a) **Revenue recognition**

Membership fees: Annual membership fees are split between current year and subsequent year on prorata basis and fees of the current year is recognised as income and balance treated as advance membership fees received for the subsequent year.

Entrance fees: Entrance fees are a onetime charge collected from new members joining the council. This is in addition to the annual membership fees. Entrance fees collected during the year are treated as income for the year.

Event income and expenses: Event income and event expenses represent income and expenses arising from events held by the Organisation for its members during the year. Event income includes events sponsorship fees, annual sponsorship fees and events expenses include cost of organising the events.

b) **Property, plant and office equipment**

Property, plant and office equipment are stated at cost less accumulated depreciation and impairment losses. The cost of fixed assets less estimated residual value, where material is depreciated using the straight - line method over the estimated useful lives as below;

Furniture & Fixtures	25%
Office Equipment	25%

An assessment of residual values is undertaken at each statement of financial position date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

c) **Accounts receivables**

Accounts receivable balances are stated at original invoice amounts less a provision for any uncollectible amounts. An estimate of doubtful debts is made when collection of full amount is no longer probable.

Bad debts are written off as incurred.

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2018

d) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

e) **Significant judgements and key assumptions**

The significant judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each statement of financial position date, management conducts an assessment of property, plant and equipment and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Key assumptions made concerning the future and the key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property, plant and office equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment

Assessments of net recoverable amounts of property, plant and office equipment and all financial assets other than receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

f) **Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services, whether billed by the supplier or not.

g) **Provision**

A provision is recognized when the organisation has an obligation, legal or constructive, arising from past event, and cost to settle the obligation are both probable and able to be reliably measured.

h) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are re-recognised when, and only when, they are extinguished cancelled or expired.

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2018

h) Financial instruments (Continued)

Current and non-current financial assets that have fixed or determinable payments and for which there is no active market, which comprise trade and other receivables and margin deposits are classified and stated at cost or, if the impact is material, at amortised cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognised in the statement of comprehensive income.

Current financial liabilities, which comprise trade and other payables are measured at cost or, if the impact is material, at amortised cost using the effective interest method.

i) Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services, whether billed by the supplier or not.

j) Provision

A provision is recognized when the organisation has an obligation, legal or constructive, arising from past event, and cost to settle the obligation are both probable and able to be reliably measured.

k) Employees, end of service benefits

The Organisation provides end of service benefits to its expatriate employee. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued.

l) Foreign currencies

Transactions in foreign currencies, if any, are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

m) Adoption of revised and new International Financial Reporting Standards

The company has applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2017. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Although these new standards and amendments applied for the first time in 2017, they did not have a material impact on the annual financial statements of the company. The following new standards and amendments became effective as of 1 January 2017:

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16 and IAS 41 Agriculture; Bearer Plants
- Amendments to IAS 27: Equity Method in Separate Financial Statements
- Annual Improvements Cycle - 2012-2014:

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2018

m) Adoption of revised and new International Financial Reporting Standards (Continued)

These improvements include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

These amendments do not have any impact on the company.

- Amendments to IAS 1: Disclosure Initiative
- Amendments to IAS 7: Disclosure Initiative
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses.
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

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NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2018

m) Adoption of revised and new International Financial Reporting Standards (Continued)

New and revised IFRSs in issue but not yet effective

The entity has not applied the following new and revised IFRSs that have been issued but not yet effective;

- IFRS 9: Financial Instrument, effective for annual periods beginning on or after January 2018 with earlier application permitted.
- IFRS 15: Revenue from Contracts with Customers (and related clarifications), effective for annual periods beginning on or after January 2018 with earlier application permitted.
- IFRS 16: Leases, effective for annual periods beginning on or after January 2019 with earlier application permitted.
- Amendment to IFRS 2: Classification and Measurement of Shared-based Payments Transactions, effective for annual periods beginning on or after January 2018 with earlier application permitted.
- Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective for annual period beginning on or after a date to be determined.
- Amendments to IAS 40: Transfer of Investment Property, effective for annual period beginning on or after 1 January 2018, with earlier application permitted.
- Amendments to IFRSs: Annual Improvements to IFRSs 2014-2016 cycle, effective for annual period beginning on or after 1 January 2018, with earlier application permitted.

INDIAN BUSINESS & PROFESSIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2018

3. PROPERTY, PLANT AND OFFICE EQUIPMENTS

	Office Equipment's AED	Furniture AED	Total AED
Cost			
As at December 31, 2017	58,414	59,750	118,164
Additions	----	----	---
As at September 30, 2018	58,414	59,750	118,164
Depreciation			
As at December 31, 2017	54,431	59,750	114,181
Charge for the year	1,101	---	364
As at September 30, 2018	55,532	59,750	114,545
Net book values			
As at September 30, 2018	2,882	---	3,619
As at December 31, 2017	3,983	---	3,983

	30 Sep 2018 AED	31 Dec 2017 AED
4. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES	32,168	121,778
Sponsorship fees receivables	---	10,555
Prepayments, other receivables	22,168	101,223
Other Deposits	10,000	10,000
5. DEPOSITS WITH BANK	4,901,354	4,840,307
Fixed deposits with Bank of Baroda, Dubai	4,901,354	4,840,307
6. BANK BALANCES AND CASH	870,039	724,083
Cash in hand	208	2,651
Bank of Baroda	869,739	721,432
Emirates NBD	300	---
7. ACCRUALS, PROVISIONS AND OTHER PAYABLES	342,774	345,247
Income received in advance	290,426	300,307
Provisions	38,234	26,798
Other payables	14,114	18,142

INDIAN BUSINESS & PROFESSIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2018

	01 Jan 2018 to 30 Sep 2018 AED	01 Jan 2017 to 31 Dec 2017 AED
8. MEMBERSHIP FEES	608,988	1,594,775
Membership fees	608,988	1,594,775
9. GENERAL AND ADMINISTRATIVE EXPENSES	436,741	680,502
Payroll related expenses	239,942	383,904
Office Rent	69,430	93,227
Telephone & Postage	30,871	76,846
Professional Expenses	25,500	24,195
Travelling Expenses	17,775	18,159
Insurance	3,446	5,424
Office expenses	49,778	75,747
Bad debts written off	---	3,000
10. CASH USED IN OPERATIONS	(146,163)	(145,493)
Surplus for the year	101,967	270,231
Adjustments for:		
Depreciation	1,101	10,906
Employees' end of service benefits	17,006	(28,155)
Interest on fixed deposits	(61,047)	(75,174)
Operating profit / (loss) before changes in operating assets and liabilities	59,026	177,808
(Increase) / decrease in Prepayments, deposits and other receivables	89,610	(79,038)
(Decrease) in provision and other payables	(2,473)	(244,263)
Changes in operating assets / liabilities	(87,136)	(323,301)

11. FINANCIAL INSTRUMENTS

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit, currency, liquidity and cash flow interest rate risks.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the company to concentrations of credit risk comprise principally bank accounts and trade and other receivables and amount due from related parties.

The company's bank accounts are placed with high credit quality financial institutions.

Trade and other receivables and amount due from related parties are stated net of the allowance for doubtful recoveries.

INDIAN BUSINESS & PROFESSIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 2018

11.FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

Call deposit with banks are subject to floating interest rates at levels generally obtained in the UAE or are linked to LIBOR and are therefore exposed to cash flow interest rate risk.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in US Dollar to which the Dirham is fixed.

Fair values

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. At the statement of financial position date, the fair values of the company's financial assets and financial liabilities, which are required to be carried at cost or at amortised cost approximates to their carrying value.

12.NUMBER OF PERSONNEL

There were two employees (Previous year 2) as at the date of the statement of financial position.

13. In the opinion of the management all the assets shown in the financial statements are existing and realizable at the amounts shown against them and there are no liabilities against the organization, contingent or otherwise, not included in the above financial statements.

14.GENERAL

a) These unaudited financial statements are issued by the Management of the Organisation, covering the period from January 01, 2018 to March 31, 2018. The Comparatives were issued covering the period from January, 01, 2017 to December 31, 2017.

b)The comparative figures as at December 31, 2017 have been reclassified wherever necessary to conform with the presentation of the current year. Such reclassification do not affect previously reported surplus of members' funds.

c) The figures in the financial statements are rounded to the nearest Dirham of United Arab Emirates.

For **INDIAN BUSINESS & PROFESSIONAL COUNCIL**

PRESIDENT

ANNEXURE 1

Event Income and Event Expenses

Event name	2018		2017	
	Event Income	Event expenses	Event Income	Event expenses
Annual General Meeting	-	-	-	127,458
Business Breakfast meetings	-	50,954	-	8,030
Business Network Meetings	-	33,541	-	53,879
Women Empowerment	-	-	30,000	72,736
Yoga	-	11,000	-	66,000
Republic Day Celebration	-	-	30,000	144,460
Independence Day Celebration	-	74,379	138,700	316,081
Various Other Events	-	54,027	7,065	199,548
Newsletter and Newspaper Advertisement	10,555	21,180	112,500	60,740
Corporate Social Responsibility	-	-	27,000	40,824
Social Events	-	54,431	115,535	670,492
Annual Sponsorship fees	158,730	-	615,063	-
BE Awards	-	-	297,500	336,925
Grand Total	169,285	299,512	1,373,363	2,097,173