

# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2018

|  | Notes | 31 Dec 2018<br>AED      | 31 Dec 2017<br>AED      |
|--|-------|-------------------------|-------------------------|
| <b>NON-CURRENT ASSETS</b>                    |       | <b>4,352</b>            | <b>3,983</b>            |
| Property, plant and equipment (net)          | 3     | 4,352                   | 3,983                   |
| <b>CURRENT ASSETS</b>                        |       | <b>5,620,948</b>        | <b>5,686,168</b>        |
| Prepayments, deposits and other receivables  | 4     | 9,532                   | 121,778                 |
| Deposits                                     | 5     | 4,859,384               | 4,840,307               |
| Cash and cash equivalents                    | 6     | 752,032                 | 724,083                 |
| <b>TOTAL ASSETS</b>                          |       | <b><u>5,625,300</u></b> | <b><u>5,690,151</u></b> |
| <b>CURRENT LIABILITIES</b>                   |       | <b>173,557</b>          | <b>345,247</b>          |
| Accrued expenses and other payables          | 7     | 173,557                 | 345,247                 |
| <b>NON-CURRENT LIABILITIES</b>               |       | <b>35,041</b>           | <b>15,574</b>           |
| Provision for staff end of services gratuity |       | 35,041                  | 15,574                  |
| <b>MEMBERS' FUNDS</b>                        |       | <b>5,416,702</b>        | <b>5,329,330</b>        |
| Accumulated surplus                          |       | 5,416,702               | 5,329,330               |
| <b>TOTAL EQUITY AND LIABILITIES</b>          |       | <b><u>5,625,300</u></b> | <b><u>5,690,151</u></b> |

The accompanying notes form an integral part of these financial statements.

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 YEAR ENDED 31 DECEMBER 2018

|  | Notes      | 01 Jan 2018<br>to 31 Dec 2018<br>AED | 01 Jan 2017<br>to 31 Dec 2017<br>AED |
|--|------------|--------------------------------------|--------------------------------------|
| <b>REVENUE</b>                                     |            | <b>1,203,103</b>                     | <b>3,058,812</b>                     |
| Membership fees                                    | 8          | 921,978                              | 1,594,775                            |
| Event income                                       | Annexure 1 | 231,310                              | 1,373,363                            |
| Interest on fixed assets                           |            | 49,815                               | 75,174                               |
| Other income                                       |            | ---                                  | 15,500                               |
| <b>OPERATING EXPENSES</b>                          |            | <b>(1,115,731)</b>                   | <b>(2,788,581)</b>                   |
| Event expenses                                     | Annexure 1 | (535,922)                            | (2,097,173)                          |
| General and administrative expenses                | 9          | (578,284)                            | (680,502)                            |
| Depreciation                                       | 3          | (1,525)                              | (10,906)                             |
| <b>SURPLUS FOR THE YEAR</b>                        |            | <b>87,372</b>                        | <b>270,231</b>                       |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE YEAR</b> |            | <b>87,372</b>                        | <b>270,231</b>                       |

The accompanying notes form an integral part of these financial statements.

# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## STATEMENT OF CHANGES IN MEMBERS' FUNDS YEAR ENDED 31 DECEMBER 2018

|   | <b>Accumulated<br/>Surplus<br/>AED</b> |
|---|--|
| <b>As on 01 Jan 2017</b>                | <b>5,059,099</b>                       |
| Total Comprehensive income for the year | 270,231                                |
| <b>As at 31 Dec 2017</b>                | <b>5,329,330</b>                       |
| Total Comprehensive income for the year | 87,372                                 |
| <b>As at 31 Dec 2018</b>                | <b><u>5,416,702</u></b>                |

The accompanying notes form an integral part of these financial statements.

# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2018

|  | Notes | 01 Jan 2018<br>to 31 Dec 2018<br>AED | 01 Jan 2017<br>to 31 Dec 2017<br>AED |
|--|-------|--------------------------------------|--------------------------------------|
| <b>Cash flows from operating activities</b>                        |       |                                      |                                      |
| Cash used in operations  | 10    | (895)                                | (145,493)                            |
| <b>Net cash used in operating activities (A)</b>                   |       | <b>(895)</b>                         | <b>(145,493)</b>                     |
| <b>Cash flows from investing activities</b>                        |       |                                      |                                      |
| Purchase of fixed assets   |       | (1,894)                              |                                      |
| <b>Net cash used in investing activities (B)</b>                   |       | <b>(1,894)</b>                       | ---                                  |
| <b>Cash flows from financing activities</b>                        |       |                                      |                                      |
| Increase in fixed deposit  |       | (19,077)                             |                                      |
| Interest on fixed deposit  |       | 49,815                               |                                      |
| <b>Net cash from financing activities (C)</b>                      |       | <b>30,738</b>                        | ---                                  |
| <b>Net (increase) in cash and cash in cash equivalents (A+B+C)</b> |       | <b>27,949</b>                        | <b>(145,493)</b>                     |
| Cash and cash equivalents at beginning of the year                 |       | 724,083                              | 869,576                              |
| <b>Cash and cash equivalents at end of the year</b>                | 6     | <b><u>752,032</u></b>                | <b><u>724,083</u></b>                |

The accompanying notes form an integral part of these financial statements.

# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 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, 14<sup>th</sup> 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 additional 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.

# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 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.

# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 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) 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.

### k) 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.

### l) 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:

# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 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



# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 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 YEAR ENDED 31 DECEMBER 2018

### 3. PROPERTY, PLANT AND OFFICE EQUIPMENTS

|                                | Office<br>Equipment's<br>AED | Furniture<br>AED | Total<br>AED   |
|--------------------------------|------------------------------|------------------|----------------|
| <b>Cost</b>                    |                              |                  |                |
| As at December 31, 2017        | 58,414                       | 59,750           | 118,164        |
| Additions                      | 1,894                        | ----             | 1,894          |
| <b>As at December 31, 2018</b> | <b>60,308</b>                | <b>59,750</b>    | <b>120,058</b> |
| <b>Depreciation</b>            |                              |                  |                |
| As at December 31, 2017        | 54,431                       | 59,750           | 114,181        |
| Charge for the year            | 1,525                        | ---              | 1,525          |
| <b>As at December 31, 2018</b> | <b>55,956</b>                | <b>59,750</b>    | <b>115,706</b> |
| <b>Net book values</b>         |                              |                  |                |
| <b>As at December 31, 2018</b> | <b>4,352</b>                 | <b>---</b>       | <b>4,352</b>   |
| As at December 31, 2017        | 3,983                        | ---              | 3,983          |

|  | 31 Dec 2018<br>AED | 31 Dec 2017<br>AED |
|--|--------------------|--------------------|
| <b>4. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES</b> | <b>9,532</b>       | <b>121,778</b>     |
| Sponsorship fees receivables                         | ---                | 10,555             |
| Prepayments, other receivables                       | (468)              | 101,223            |
| Other Deposits                                       | 10,000             | 10,000             |
| <b>5. DEPOSITS WITH BANK</b>                         | <b>4,859,384</b>   | <b>4,840,307</b>   |
| Fixed deposits with Bank of Baroda, Dubai            | 4,859,384          | 4,840,307          |
| <b>6. BANK BALANCES AND CASH</b>                     | <b>752,032</b>     | <b>724,083</b>     |
| Cash in hand   | 208                | 2,651              |
| Bank of Baroda                                       | 526,511            | 721,432            |
| Emirates NBD   | 225,313            | ---                |
| <b>7. ACCRUALS, PROVISIONS AND OTHER PAYABLES</b>    | <b>173,557</b>     | <b>345,247</b>     |
| Income received in advance                           | 152,296            | 300,307            |
| Provisions   | 5,013              | 26,798             |
| Other payables                                       | 16,248             | 18,142             |

# INDIAN BUSINESS & PROFESSIONAL COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

|   | 01 Jan 2018<br>to 31 Dec 2018<br>AED | 01 Jan 2017<br>to 31 Dec 2017<br>AED |
|---|--------------------------------------|--------------------------------------|
| <b>8. MEMBERSHIP FEES</b>   | <b>921,978</b>                       | <b>1,594,775</b>                     |
| Membership fees   | 921,978                              | 1,594,775                            |
| <b>9. GENERAL AND ADMINISTRATIVE EXPENSES</b>                                       | <b>578,284</b>                       | <b>680,502</b>                       |
| Payroll related expenses  | 317,464                              | 383,904                              |
| Office rent   | 92,830                               | 93,227                               |
| Telephone & postage   | 40,383                               | 76,846                               |
| Professional expenses   | 36,000                               | 24,195                               |
| Travelling expenses   | 23,856                               | 18,159                               |
| Insurance   | 4,121                                | 5,424                                |
| Office expenses   | 63,630                               | 75,747                               |
| Bad debts written off   | ---                                  | 3,000                                |
| <b>10. CASH USED IN OPERATIONS</b>  | <b>(895)</b>                         | <b>(145,493)</b>                     |
| Surplus for the year  | 87,372                               | 270,231                              |
| Adjustments for:  |                                      |                                      |
| Depreciation  | 1,525                                | 10,906                               |
| Employees' end of service benefits  | 19,467                               | (28,155)                             |
| Interest on fixed deposits  | (49,815)                             | (75,174)                             |
| <b>Operating profit / (loss) before changes in operating assets and liabilities</b> | <b>58,549</b>                        | <b>177,808</b>                       |
| (Increase) / decrease in prepayments, deposits and other receivables                | 112,246                              | (79,038)                             |
| (Decrease) in provision and other payables  | (171,690)                            | (244,263)                            |
| <b>Changes in operating assets / liabilities</b>                                    | <b>(59,444)</b>                      | <b>(323,301)</b>                     |

### 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 YEAR ENDED 31 DECEMBER 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 December 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            | -              | 79,830         | -                | 8,030            |
| Business Network Meetings              | -              | 37,644         | -                | 53,879           |
| Women Empowerment                      | -              | -              | 30,000           | 72,736           |
| Yoga                                   | -              | 11,000         | -                | 66,000           |
| Republic Day Celebration               | -              | -              | 30,000           | 144,460          |
| Independence Day Celebration           | 2,500          | 74,379         | 138,700          | 316,081          |
| Various Other Events                   | -              | 250,638        | 7,065            | 199,548          |
| Newsletter and Newspaper Advertisement | 10,555         | 28,000         | 112,500          | 60,740           |
| Corporate Social Responsibility        | -              | -              | 27,000           | 40,824           |
| Social Events                          | -              | 54,431         | 115,535          | 670,492          |
| Annual Sponsorship fees                | 218,255        | -              | 615,063          | -                |
| BE Awards                              | -              | -              | 297,500          | 336,925          |
|  |                |                |                  |                  |
| <b>Grand Total</b>                     | <b>231,310</b> | <b>535,922</b> | <b>1,373,363</b> | <b>2,097,173</b> |