INDIAN BUSINESS AND PROFESSIONAL COUNCIL

SHARJAH – UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND REPORTS

FOR THE YEAR ENDED 31 DECEMBER 2014

INDIAN BUSINESS AND PROFESSIONAL COUNCIL
SHARJAH – UNITED ARAB EMIRATES
FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Contents	**Pages**

INDIAN BUSINESS AND PROFESSIONAL COUNCIL
SHARJAH - UNITED ARAB EMIRATES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	31.12.2014 AED	31.12.2013 AED
Assets			
Current assets			
Accounts and other receivable	5	23,720	130,510
Cash and cash equivalents	6	540,211	411,810
Total assets		**563,931**	**542,320**
Members' funds and liabilities			
Members' funds			
Patrons' contribution	7	80,350	80,350
Accumulated surplus		116,228	121,637
Total members' funds		196,578	201,987
Current liabilities			
Accounts and other payable	8	367,353	340,333
Total current liabilities		367,353	340,333
Total members' funds and liabilities		**563,931**	**542,320**

The accompanying notes on pages 7 to 14 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 and 2.

Authorised for issue by the Elected Governing Body on 9 February 2015.

For Indian Business and Professional Council

Chairman

INDIAN BUSINESS AND PROFESSIONAL COUNCIL
SHARJAH - UNITED ARAB EMIRATES
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	31.12.2014 AED	31.12.2013 AED
Membership fees		61,625	72,000
Newsletter income	9	8,000	771
Affiliation fee	10	64,500	59,500
Other income		2,600	-
		136,725	132,271
Honorarium to Co-ordinator		(30,000)	(30,000)
Business and social events expenses	11	(42,340)	(15,242)
Communication		(12,083)	(13,675)
Office expenses		(16,149)	(11,513)
Utilities		(6,600)	(6,600)
Gifts and momentos		(10,785)	(15,307)
Legal and professional charges		(3,333)	(1,835)
Local conveyance		(8,195)	(3,648)
Bank charges		(2,487)	(100)
Other expenses		(6,612)	-
Bad debts written off		(3,550)	(11,112)
Depreciation	4	-	(97)
(Deficiency)/Excess of income over expenditure		**(5,409)**	**23,142**

The accompanying notes on pages 7 to 14 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 and 2.

INDIAN BUSINESS AND PROFESSIONAL COUNCIL
SHARJAH - UNITED ARAB EMIRATES
STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Patrons' contribution AED	Accumulated surplus AED	Total AED
Balance at 1 January 2013	80,350	98,495	178,845
Excess of income over expenditure	-	23,142	23,142
Balance at 31 December 2013	**80,350**	**121,637**	**201,987**
Deficiency of income over expenditure	-	(5,409)	(5,409)
Balance at 31 December 2014	**80,350**	**116,228**	**196,578**

The accompanying notes on pages 7 to 14 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 and 2.

INDIAN BUSINESS AND PROFESSIONAL COUNCIL
SHARJAH - UNITED ARAB EMIRATES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	31.12.2014 AED	31.12.2013 AED
Cash flows from operating activities		
(Deficiency)/Excess of income over expenditure	(5,409)	23,142
Adjustment for:		
Depreciation	-	97
Operating cash flows before changes in working capital	(5,409)	23,239
Decrease/(increase) in accounts and other receivable	106,790	(88,599)
Increase in accounts and other payable	27,020	98,840
Net cash generated from operating activities	128,401	33,480
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase in cash and cash equivalents	128,401	33,480
Cash and cash equivalents at beginning of year	411,810	378,330
Cash and cash equivalents at end of year (Note 6)	**540,211**	**411,810**

The accompanying notes on pages 7 to 14 form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 and 2.

1. GENERAL INFORMATION :

Indian Business and Professional Council (the Council) is a non-profit organisation operating under a license issued by the Economic Development Department, Government of Sharjah, United Arab Emirates. The registered office of the Council is P.O. Box. 28336, Sharjah, United Arab Emirates and the principal place of business of the Council is located in Sharjah.

The principal activity of the Council is to promote commerce and tourism between India and the emirate of Sharjah.

The affairs of the Council are being managed by the Elected Governing Body (EGB).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES :

2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest AED. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Statement of compliance

The financial statements of the Council have been prepared in accordance with International Financial Reporting Standards.

2.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted wherever applicable. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

IAS 32: Offsetting Financial Assets and Financial Liabilities
IFRS 10: Consolidated Financial Statements (Amendments to Investment entities)
IFRS 12: Disclosure of Interests in Other Entities (Amendments to Investment entities)
IAS 27 : Separate Financial Statements (Amendments to Investment entities)
IAS 36: Recoverable Amount Disclosures for Non-Financial Assets
IAS 39: Financial Instruments: Recognition and Measurement Amendment to IAS 39 'Novation of derivatives'
IFRIC 21: Levies

The following Standards, amendments thereto and Interpretations have been issued prior to 31 December 2014 but have not been applied in these financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

IFRS 9: Financial Instruments - 1 January 2018
IFRS 15: Revenue from Contracts with Customers - 1 January 2017
Amendments to IFRS 11: Accounting for Acquisitions of interests in Joint Operations - 1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization - 1 January 2016
Amendments to 19: Defined Benefit Plans: Employee Contributions -1 July 2014

2.4 Foreign currencies

(a) Functional and presentation currency

The financial statements are prepared and the items included in the financial statements are measured using the currency of the primary economic environment in which the Council operates ('the functional currency'). The financial statements are presented in AED, which is the Council's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are recognised in the income and expenditure. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income and expenditure during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows;

	Years
Furniture and office equipments	4

The assets' residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of property, plant and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in the income and expenditure.

2.6 Impairment of tangible assets

At the end of each reporting period, the Council reviews the carrying amounts of its tangible 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 Council estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

2.7 Financial instruments

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

Financial assets are de-recognized 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 de-recognized when, and only when, they are extinguished, cancelled or expired.

Current financial assets that have fixed or determinable payments and for which there is no active market, which comprise accounts and other receivable and cash and bank balances are classified as receivables and stated at cost or, if the impact is material, at amortized cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognized in the income and expenditure.

Current financial liabilities which comprise accounts and other payable are measured at cost or, if the impact is material, at amortized cost using the effective interest method.

2.8 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that a financial asset or a group of financial assets is impaired, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. Impairment losses are written off to the income and expenditure or if previously an allowance was made, it is written off against the allowance.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of previously recognised impairment loss is recognised in the income and expenditure.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

2.10 Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognised in the income and expenditure, net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognised for future operating losses.

2.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Council's activities.

Revenue is recognised based on the following specific recognition criteria.

Rendering of services

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably at the end of each reporting period. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Receipt of fees

Membership fees, affiliation fees and sponsorship fees received and receivable during the year from the members, affiliated associations and other non-members are recognised as income.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

a) *Impairment of assets*

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

INDIAN BUSINESS AND PROFESSIONAL COUNCIL
SHARJAH - UNITED ARAB EMIRATES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4. PROPERTY, PLANT AND EQUIPMENT :

	31.12.2014 AED	31.12.2013 AED
Furniture and office equipments		
Cost		
Balance at beginning of year	11,912	11,912
Balance at end of year	11,912	11,912
Accumulated depreciation		
Balance at beginning of year	11,912	11,815
Charge for the year	-	97
Balance at end of year	11,912	11,912
Net book amount	-	-

5. ACCOUNTS AND OTHER RECEIVABLE :

	31.12.2014 AED	31.12.2013 AED
Membership fee receivable	-	1,250
Receivable from event sponsors	14,924	16,388
Receivable from affiliated associations	1,754	12,872
Other receivables (Note 8)	-	100,000
Prepayments	7,042	-
	23,720	130,510

Other receivables represent payment of funds made during the previous year for humanitarian purpose in the personal name of the Director General of the Council which has been subsequently repaid.

6. CASH AND CASH EQUIVALENTS :

	31.12.2014 AED	31.12.2013 AED
Cash at bank :		
Current accounts	540,211	411,810

Current accounts include AED 104,820/- (2013 : AED 10,220/-) held by the Council for the exclusive benefit of an affiliated association.

7. PATRONS' CONTRIBUTION

	31.12.2014 AED	31.12.2013 AED
Balance at end of year	80,350	80,350

Patrons' contribution represents non-refundable contribution in cash received from the founding members. The founding members have made a commitment to contribute a further non-refundable amount of upto AED 10,000/- each as and when called for by the Council.

INDIAN BUSINESS AND PROFESSIONAL COUNCIL
SHARJAH - UNITED ARAB EMIRATES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. ACCOUNTS AND OTHER PAYABLE :

	31.12.2014 AED	31.12.2013 AED
Payable to affiliated associations	115,750	74,945
Humanitarian relief funds *	246,217	252,217
Advance fee received	3,000	10,750
Accrued expenses	2,386	2,421
	367,353	340,333

* Humanitarian relief funds include funds collected for Uttarakhand flood reliefs.

Movement in the humanitarian relief funds is as follows :

	31.12.2014 AED	31.12.2013 AED
Balance at beginning of year	252,217	146,494
Amount collected during the year	-	105,723
Amount paid during the year	(6,000)	-
Balance at end of year	246,217	252,217

9. NEWSLETTER INCOME :

	31.12.2014 AED	31.12.2013 AED
Income from advertisements	8,000	95,411
Less : Printing and publishing charges	-	(82,215)
Postage and others	-	(12,425)
	8,000	771

10. AFFILIATION FEE :

	31.12.2014 AED	31.12.2013 AED
All Kerala Medical Graduates Association	10,000	10,000
Indian Golfers Society	15,000	15,000
Jatab Mohra Community	10,000	10,000
Cardiology Society of India	10,000	-
Emirates Bengali club	10,000	10,000
Indian Institute of Quantity Surveyors	5,000	10,000
Indian Association of Paediatricians	2,500	2,500
Sharjah Indian Ladies Association	2,000	2,000
	64,500	59,500

11. BUSINESS AND SOCIAL EVENTS EXPENSES :

	31.12.2014 AED	31.12.2013 AED
Annual General Meeting expenses	5,274	5,218
Other events	37,066	9,524
Advertisement expenses	-	500
	42,340	15,242

12. FINANCIAL RISK MANAGEMENT :

Financial risk factors

The Council's activities expose to a variety of financial risks: market risk, credit risk and liquidity risk. The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Council's financial performance.

Risk management is carried out by the Council's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Council's operation.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises : interest rate risk and currency risk. The Council's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Council's exposure to the risk of changes in foreign exchange rates relates primarily to the Council's activities, when revenue or expense are denominated in a different currency from the Council's functional currency which is AED. The Council manages the risks through regular monitoring of the currency markets to determine appropriate action to minimise the exposure to the foreign currency risk.

There are no significant foreign currency risk as all the financial assets and financials liabilities are denominated in AED.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Council's exposure to the risk of changes in market interest rates is limited to its interest bearing assets and liabilities.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Council is exposed to credit risk from its operating activities (primarily for receivables and committed transactions) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Council deals only with highly reputed local and international banks. In respect of receivables, credit risk is limited to its carrying values as the Elected Governing Body regularly reviews the balances to assess recoverability and establishes appropriate allowances for amounts considered doubtful.

(c) Liquidity risks

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Council manages the liquidity risk through risk management framework for the Council and by maintaining sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

13. FAIR VALUE :

The fair value of a particular asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial assets and liabilities approximate their carrying amounts as reflected in these financial statements.

14. COMMITMENT AND CONTINGENCIES :

Details of the commitments and outstanding contingent liabilities of the Council which are in the normal course of the activities are as follows:

14.1 Operating lease arrangements

On the basis of the mutual understanding with Indian Trade and Exhibition Centre, an affiliated association, the council was provided with rent free office space in their premises upto the end of the reporting period. Hence, no provision is made for the liability towards office rent if any, in these financial statements.

14.2 Capital commitments and contingent liabilities

Except for the ongoing service commitments in the normal course of activities against which no loss is expected, there has been no other known capital commitments or contingent liabilities on the Council's account.