

**BARBEQUE NATION
HOLDINGS LIMITED**

Financial Statements

31 March 2017

Registered office:

P.O. Box 71241
Dubai, U.A.E.

BARBEQUE NATION HOLDINGS LIMITED

Financial Statements

31 March 2017

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BARBEQUE NATION HOLDINGS LIMITED

Director's Report

The director submits his report and financial statements for the financial year ended 31 March 2017.

Results

The loss for the year amounted to AED 125,243/-.

Review of the business

The company is registered to investment in limited liability companies, partnerships, joint ventures and any other company, general trading, investments in equities, shares and securities worldwide, investment in international properties worldwide, own real property of the Palm Islands or Jumeirah Islands or any property owned by Nakheel or Emaar Properties or any other real property approved by the authority and any other activity approved by Jebel Ali Free Zone Authority. During the year, the company was mainly engaged in investment activity.

Events since the end of the year

There were no important events, which have occurred since the year-end that materially affect the company.


Shareholder and its interest

The shareholder at 31 March 2017 and its interest as at that date in the share capital of the company was as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>No. of shares</i>	<i>AED</i>
Barbeque Nation Hospitality Limited	India	10,000	1,000,000

Auditors

A resolution to re-appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to the board at the annual general meeting.



Mr. Raof Abdul Razak Dhanani
 Director

Independent Auditors' Report to the Shareholder of BARBEQUE NATION HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BARBEQUE NATION HOLDINGS LIMITED** (the "Company"), which comprises of the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects the financial position of the company as of 31 March 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our audit opinion, we draw attention to note 2 (a) which states that these financial statements represent the assets, liabilities and results of operations of the company on a stand-alone basis.

The financial statements of its subsidiary company are not consolidated in these financial statements, as separate consolidated financial statements will be prepared by the holding company.

Other Information

Management is responsible for the other information. Other information comprises the director's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**Independent Auditors' Report to the Shareholder of
BARBEQUE NATION HOLDINGS LIMITED****Report on the Audit of the Financial Statements (contd.):**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Independent Auditors' Report to the Shareholder of
BARBEQUE NATION HOLDINGS LIMITED****Report on the Audit of the Financial Statements (contd.):**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)

8 May 2017



BARBEQUE NATION HOLDINGS LIMITED

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Statement of Financial Position
At 31 March 2017

	<i>Notes</i>	<i>2017</i> <i>AED</i>
ASSETS		
Non-current assets		
Investment in a subsidiary	6	147,000
Long term loan to a subsidiary	7	<u>5,020,084</u>
		<u>5,167,084</u>
Current assets		
Short term loan to a subsidiary	7	174,325
Bank balance	8	<u>184</u>
		<u>174,509</u>
TOTAL ASSETS		<u>5,341,593</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	9	1,000,000
Accumulated losses		<u>(125,243)</u>
Total equity		<u>874,757</u>
Non-current liabilities	10	<u>4,273,336</u>
Current liabilities		
Accruals		19,175
Bank borrowings	11	<u>174,325</u>
		<u>193,500</u>
TOTAL EQUITY AND LIABILITIES		<u>5,341,593</u>

The accompanying notes 1 to 16 form an integral part of these financial statements.
The report of auditors is set forth on pages 2 to 4.
Approved by the board of directors on 8th May 2017 and signed on their behalf by;

For BARBEQUE NATION HOLDINGS LIMITED

Mr. Raof Abdul Razak Dhanani
Director

BARBEQUE NATION HOLDINGS LIMITED

Statement of Comprehensive Income for the year ended 31 March 2017

	<i>Notes</i>	<i>25 Mar. 2015 to 31 Mar. 2017 AED</i>
Interest income from long term loan given	7, 12	32,235
Expenses		(53,473)
Foreign exchange currency loss		(71,770)
Finance charges to a bank		<u>(32,235)</u>
(Loss) for the year		(125,243)
Other comprehensive income		<u>-</u>
Total comprehensive income for the year		<u>(125,243)</u>

The accompanying notes 1 to 16 form an integral part of these financial statements.

BARBEQUE NATION HOLDINGS LIMITED

Statement of Changes in Equity for the year ended 31 March 2017

	<i>Share capital AED</i>	<i>Accumulated losses AED</i>	<i>Total AED</i>
Share capital introduced	1,000,000	-	1,000,000
Loss for the year	<u>-</u>	<u>(125,243)</u>	<u>(125,243)</u>
As at 31 March 2017	<u>1,000,000</u>	<u>(125,243)</u>	<u>874,757</u>

The accompanying notes 1 to 16 form an integral part of these financial statements.

BARBEQUE NATION HOLDINGS LIMITED

Statement of Cash Flows for the year ended 31 March 2017

	<i>Notes</i>	25 Mar. 2015 to 31 Mar. 2017 <u>AED</u>
<u>Cash flows from operating activities</u>		
(Loss) for the year		(125,243)
Adjustments for:		
Finance charges to a bank		32,235
Interest income from long term loan		<u>(32,235)</u>
Operating (loss) before working capital		(125,243)
Accruals		<u>19,175</u>
Net cash (used in) operating activities		<u>(106,068)</u>
<u>Cash flows from investing activities</u>		
Investment in a subsidiary during the year		(147,000)
Interest income from long term loan given		32,235
(Payments for) loan given to a subsidiary		<u>(5,194,409)</u>
Net cash (used in) investing activities		<u>(5,309,174)</u>
<u>Cash flows from financing activities</u>		
Share capital introduced		1,000,000
Proceeds from the shareholder		961,161
Proceeds from bank borrowings		3,486,500
Finance costs paid to a bank		<u>(32,235)</u>
Net cash from financing activities		<u>5,415,426</u>
Net changes in cash and cash equivalents		184
Cash and cash equivalents at beginning of the year		-
Cash and cash equivalents at end of the year	8	<u>184</u>

The accompanying notes 1 to 16 form an integral part of these financial statements.

BARBEQUE NATION HOLDINGS LIMITED

(Incorporated in Jebel Ali Free Zone)

(Registration No 171179)

Notes to the Financial Statements
*for the year ended 31 March 2017***1. Legal status**

- a) **BARBEQUE NATION HOLDINGS LIMITED** (“The Company”) is an Offshore company with limited liability, registered with the Jebel Ali Free Zone Authority, Dubai, United Arab Emirates, under the registration number 171179, issued on 25 March 2015.
- b) The company is registered to investment in limited liability companies, partnerships, joint ventures and any other company, general trading, investments in equities, shares and securities worldwide, investment in international properties worldwide, own real property of the Palm Islands or Jumeirah Islands or any property owned by Nakheel or Emaar Properties or any other real property approved by the authority and any other activity approved by Jebel Ali Free Zone Authority. During the year, the company was mainly engaged in investment activity.

2. Basis of preparation

- a) These financial statements do not include the financial statements of its subsidiary company, Barbeque Nation Restaurant LLC. The consolidated financial statements for the group are prepared by the holding company, Barbeque Nation Hospitality Limited, India.

- b) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2016 and the implementing rules and regulations of the Jebel Ali Free Zone Authority.

- c) **Basis of measurement**

The financial statements have been prepared on the historical cost as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety as described below:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

BARBEQUE NATION HOLDINGS LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2017***d) Functional and presentation currency**

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

3. Use of estimates and judgment

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments made in applying accounting policies

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

Impairment

At each reporting date, management conducts an assessment of all other 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. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to income statement or, if previously a provision was made, it is written off against the provision.

Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Classification of investment as a subsidiary

The company has classified its 49% investment in Barbeque Nation Restaurant LLC, a limited liability company, as its' subsidiary, considering all relevant circumstances, the management is of the opinion that it is in a position to control the investee company (Barbeque Nation Restaurant LLC).

Mr. Sulaiman Mohamed Khalifa Alsuwaidi acts as a local sponsor of Barbeque Nation Restaurant LLC and receives a sponsorship fees. As per verbal arrangement, he does not take part in the operational and financial management of the investee company, which is considered as a subsidiary.

BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2017

Key sources of estimation uncertainty and assumptions

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

Impairment

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

4. Adoption of new and revised International Financial Reporting Standards

a) New and revised International Financial Reporting Standards

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting period and which are applicable to the company are as follows:

- IFRS 14 Regulatory Deferral Accounts
- Disclosure Initiative (Amendments to IAS 1)
- Clarification on acceptable methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Investment Entities: Applying the Consolidation Exception (Amendment to IFRS 10, IFRS 12 and IAS 28)
- Accounting for acquisitions of Interest in Joint operations (Amendments to IFRS 11)
- Amendments to IAS 19 Employee Benefits
- Equity method in Separate Financial Statements (Amendments to IAS 27)
- Annual Improvements to IFRSs 2012-2014 Cycle

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from their effective dates.

These amendments have no significant impact on the amounts reported in these financial statements.

Their adoption has resulted in presentation and disclosure changes only.

b) International Financial Reporting Standards issued but not effective

IAS 7 – Disclosure initiatives – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2017

International Financial Reporting Standards issued but not effective (contd.):

IAS 12 – Recognition of Deferred Tax Assets for Unrealized losses – The effective date of the standard is set for annual periods beginning on or after 1 January 2017.

IFRS 9 – Financial Instruments (July 2014 version) this replaces the earlier IFRS 9 and is the final version – The effective date of the standard is set for annual periods beginning on or after 1 January 2018 with choice for early adoption. From February 2015 entities newly applying IFRS 9 will need to apply the version published in July 2014.

IFRS 15 – Revenue from contracts with customers – The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

IFRS 16 – Leases – The effective date of the standard is set for annual periods beginning on or after 1 January 2019.

The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5. Significant accounting policies

a) Depreciation of property, plant and equipment

Minor purchases of fixed assets are depreciated fully in the year of purchase.

b) Investment in subsidiaries

Subsidiary is an entity (investee) which is controlled by another entity (the Parent or the Investor). The control is based on whether,

- a) The Investor has power over the investee
- b) It is exposed to rights of variable returns and
- c) It has the ability to use its power to affect the amount of the returns.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

Investment in subsidiaries is stated at cost less provision for impairment if any.

Income from investment in subsidiaries is accounted only to the extent of receipt of distribution of accumulated net profits of subsidiary. Distributions received in excess of such profits are considered as a recovery of investments and are recorded as a reduction of the cost of investments.

BARBEQUE NATION HOLDINGS LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2017***c) Financial instruments**

Financial assets and financial liabilities are recognized when, and only when, the company 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.

Financial assets*Non derivative financial assets**Initial recognition and measurement*

Financial assets are recognized on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

When financials assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of non - derivative financial assets depends on their classification as follows:

The company classifies non-derivative financial assets into the following categories: Financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans and receivables.

During the year, the company has non-derivative financial assets in the form of loans and receivables only.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in income statement when the loans and receivables are derecognized or impaired, and through the amortization process.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

BARBEQUE NATION HOLDINGS LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2017****Offsetting of financial instruments***

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

d) Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the company.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows.

For financial assets carried at amortised cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

If a write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

e) Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

Where the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of comprehensive income.

f) Other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2017

g) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting year, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

h) Revenue recognition

Interest income is accounted on accrual basis.

i) Borrowing costs

Finance expense comprises interest expense on bank borrowings is recognised in Statement of comprehensive income.

j) Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date. Resulting exchange gains/losses are taken to the income statement.

k) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash on hand, bank current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

2017
AED

6. Investment in a subsidiary

Barbeque Nation Restaurant LLC, Dubai, U.A.E. ^a

147,000

a Represents investment in Barbeque Nation Restaurant LLC, incorporated in Dubai, U.A.E. - 49 % interest in share capital (147 shares of AED 1,000 each).

In the opinion of the management, there is no impairment in the above investment and hence the fair value approximates their book value as at the reporting date.

BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2017

2017
AED

7. Long term loan to a subsidiary

Total loan outstanding ^a	5,194,409
Payable within next 12 months	<u>(174,325)</u>
Payable after next 12 months	<u>5,020,084</u>

^a Represents secured and interest bearing loan with fixed repayment schedule taken from Axis Bank, India and given to a subsidiary company, Barbeque Nation Restaurant LLC, Dubai, U.A.E. (refer note 12).

8. Bank balance

In a current account with Axis bank, India	<u>184</u>
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9. Share capital

10,000 shares of AED 100/- each	<u>1,000,000</u>
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10. Non-current liabilities

Due to a shareholder ^a	961,161
Long term portion of term loan (refer note 11)	<u>3,312,175</u>
	<u>4,273,336</u>

^a Represents amount payable to the shareholder without any fixed interest and repayment terms (refer note 12).

11. Bank borrowings

Term loan	
Total amount outstanding	3,486,500
Payable after next twelve months (refer note 10)	<u>(3,312,175)</u>
	<u>174,325</u>

Bank borrowings are secured against:

- Corporate guarantee of the shareholder.

In addition, there are various conditions and financial covenants attached to the bank facilities, which are in the normal course of business.

BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2017

12. Related party transactions

For the purpose of these financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the company and the party are subject to common control and includes where the company has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other entities.

The relationship of related parties is as under –

- a) Sole shareholder
 - Barbeque Nation Hospitality Limited, India
- b) Subsidiary company
 - Barbeque Nation Restaurant LLC, U.A.E.

The nature and amount of related party transactions during the year are as under:

	<i>Subsidiary company 2017 AED</i>
Interest income from long term loan given	32,235

At the reporting date, balances with related parties were as follows:

	<i>Shareholder AED</i>	<i>Subsidiary company AED</i>	<i>Total 2017 AED</i>
Under non-current assets			
Investment in a subsidiary	-	147,000	147,000
Long term loan to a subsidiary	-	5,020,084	5,020,084
Under current assets			
Short term loan to a subsidiary	-	174,325	174,325
Under non-current liabilities			
Due to the shareholder	961,161	-	961,161

BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2017

13. Financial instrument risks

The company has exposure to the following risks from use of its financial instruments:

- a) Credit risk
- b) Market risk
- c) Liquidity risk

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of bank balance and short term loan.

Trade receivables

There is no significant exposure from trade receivables within and outside U.A.E. and outside the industry in which the company operates.

Bank balance

The company's bank balance in a current account is placed with a high credit quality financial institution in India.

b) 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, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The company has given loan to a related party at fixed rate of interest. Bank borrowings is at floating rate of interest prevailing in international market.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant, of the company's profit for the year (through the impact on floating rate borrowings).

	<i>Changes in basis points 2017 (bps)</i>	<i>Sensitivity of interest expenses 2017 US\$</i>
Interest rates	+ 50	(17,433)
Interest rates	- 50	17,433

There is no material impact on equity for a change in interest rate.

BARBEQUE NATION HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 March 2017

Exchange rate risk

Except for the following amounts there are no significant exchange rate risks as substantially all financial assets and financial liabilities are determined in U.A.E. Dirhams or US Dollars to which the Dirham is fixed:

	<i>2017 Equivalent AED</i>
Foreign currency liability:	
Indian rupees	961,161

The following table illustrates the sensitivity of profit for a reasonable change in foreign exchange rates, with all other variables held constant at 31 March 2017.

<i>Particulars</i>	<i>2017</i>		<i>Effect on income statement AED</i>
	<i>Balance AED</i>	<i>Change in currency rate in %</i>	
Foreign currency liabilities			
<i>INR currency</i>	961,161	+/- 2%	-/+ 19,223

A change in currency rates are considered for the exchange rate have been determined based on the average market volatility in exchange rates in the year 2016-17 and 2015-16 over period of 12 months.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the directors and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

14. Financial instruments: Fair value

Financial instruments comprise of financial assets and financial liabilities. The fair value of the company's financial assets comprising of short term loan and bank balance and financial liabilities comprising of bank borrowings and accruals approximate to their carrying values.

15. Contingent liability

There was no contingent liability of a significant amount outstanding as at the reporting date.

16. Comparative figures

There were no transactions during 25 March 2015 to 31 March 2016 as the Company commences its operations from 1 April 2016.