

Report of Factual Findings in Connection with agreed-upon procedures assignment related to translated financials

To,

The Board of Directors

Barbeque-Nation Hospitality Limited
Survey No. 62, Site No. 13, 6th cross, NS Palaya,
BTM Layout, Bengaluru – 560 076.

We have performed the procedures agreed with you and enumerated below with respect to the Translated Financial Information (referred to as 'INR Financial Information') of Barbeque Nation Mena Holding Limited, Dubai, ('Company' or 'Barbeque Mena') as at and for the year ended 31 March 2020, annexed to this report. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India. The procedures were performed solely to assist you in evaluating the validity of the INR Financial Information of the Company and are summarized as follows:

1. We obtained the standalone audited financials and the INR Financial Information of the Company as at and for the year ended 31 March 2020 and compared the AED balances considered for preparation of INR Financial Information with the standalone audited financials of the Company.
2. We compared the AED to INR exchange rates considered for translation of AED balances to INR with the sources data.
3. We verified the translation of AED balances to INR are in accordance with the Indian Accounting Standard 21 'The Effects of Changes in Foreign Exchange Rates' (Ind AS 21).

The management of the Barbeque-Nation Hospitality Limited, India ('Barbeque-Nation', the ultimate holding company) are responsible for preparation of the INR Financial Information in accordance with para 11(I)(A)(ii), Part A, Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 ('SECI ICDR 2018') and in accordance with Ind AS 21. Our responsibility is to perform above mentioned agreed upon procedures and to report our factual findings based on those procedures.

We report our finding below:

- (a) With respect to item 1 above, we found that the AED balances considered for preparation of INR Financial Information as at and for the year ended 31 March 2020 are in agreement with the standalone audited financials of the Company.
- (b) With respect to item 2 above, we found AED to INR exchange rates considered for translation of AED balances to INR are in agreement with the source data.
- (c) With respect to item 3, we found translation of AED balances to INR are in accordance with Ind AS 21.

Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the INR Financial Information of the Company. Had we performed additional procedures or had we performed an audit or review of the INR Financial Information in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.



S G M & Associates LLP

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. These INR Financial Information is intended solely for the use of the management of Barbeque-Nation for uploading on their website in connection with the proposed Initial Public Offer of equity shares of Barbeque-Nation. Our report should not be used or referred to or distributed for any other purpose without our consent in writing.

For **S G M & Associates LLP**
Chartered Accountants
(LLP Registration No. S200058)



S Vishwamurthy
S Vishwamurthy
Partner
Membership No. 215675

Bengaluru, 28 January 2021
UDIN: 21215675AAAAAE9800

Barbeque Nation Mena Holding Limited

Special Purpose Standalone Balance Sheet as at 31 March 2020

(Amount in Rupees, except for shares data or as otherwise stated)

Particulars as at	Note No.	31-Mar-20	31-Mar-19
ASSETS			
Non-current assets			
Property, plant and equipment	3	39,87,122	50,36,283
Financial Assets			
Investments	4	3,67,60,452	3,38,18,213
Loans	5	84,66,01,823	65,19,85,874
Total Non-current assets [A]		88,73,49,397	69,08,40,370
Current assets			
Financial assets			
Cash and cash equivalents	6	52,74,522	2,08,60,833
Loans	7	-	10,39,56,715
Other current assets	8	30,92,984	8,23,517
Total current assets [B]		83,67,506	12,56,41,065
Total assets [A+B]		89,57,16,903	81,64,81,435
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	32,73,42,570	26,54,41,888
Other equity	10	(8,98,45,942)	(7,26,49,004)
Equity attributable to owners of the Company [C]		23,74,96,628	19,27,92,884
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	11	53,86,95,096	12,93,97,164
Total Non-current liabilities [D]		53,86,95,096	12,93,97,164
Current liabilities			
Financial Liabilities			
Trade payables	12	31,71,563	1,09,89,757
Other financial liabilities	13	11,63,53,616	48,33,01,630
Total current liabilities [E]		11,95,25,179	49,42,91,387
Total liabilities [F= [D+E]]		65,82,20,275	62,36,88,551
Total equity and liabilities [F+C]		89,57,16,903	81,64,81,435

See accompanying notes forming part of the special purpose standalone financial statements



Barbeque Nation Mena Holding Limited

Special Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2020

(Amount in Rupees, except for shares data or as otherwise stated)

Particulars for the year ended	Note No.	31-Mar-2020	31-Mar-2019
REVENUE			
Revenue from operations	14	4,55,21,601	5,71,31,391
Other income	15	26,09,728	1,06,58,269
Total (A)		4,81,31,329	6,77,89,660
Expenses			
Employee benefits expenses	16	89,86,917	5,47,65,059
Other operating expenses	17	54,14,971	96,27,983
Total (B)		1,44,01,888	6,43,93,042
Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)		3,37,29,441	33,96,618
Finance costs (D)	18	4,31,35,370	5,19,68,749
Depreciation expense (E)	3	14,70,222	12,90,312
Loss before tax and exceptional items (F) = (C-D-E)		(1,08,76,151)	(4,98,62,443)
Exceptional items (G)			-
Loss before tax (H) = (F-G)		(1,08,76,151)	(4,98,62,443)
Tax expense / (benefit):			
Current tax		-	-
Deferred tax		-	-
Net tax expense / (benefit) (I)		-	-
Net Loss for the year (J) = (H-I)		(1,08,76,151)	(4,98,62,443)
Other Comprehensive Income / (Losses) (K)			
Items that will not be reclassified to Statement of Loss and loss			
Remeasurements of the defined benefit plans		-	-
Income tax on the above		-	-
Total comprehensive income for the year (J + K)		(1,08,76,151)	(4,98,62,443)

See accompanying notes forming part of the special purpose standalone financial statements



Barbeque Nation Mena Holding Limited
Special Purpose Standalone Statement of changes in equity
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars as at	Share capital	Foreign currency translation	Retained earnings	Total
As at 01 April 2018	1,76,53,300	57,208	(2,13,66,249)	(36,55,741)
Effect of increase in share capital	24,77,23,188	-	-	24,77,23,188
Loss for the year	-	-	(4,98,62,443)	(4,98,62,443)
Foreign currency translation	-	(14,12,120)	-	(14,12,120)
As at 31 March 2019	26,53,76,488	(13,54,912)	(7,12,28,692)	19,27,92,884
Effect of increase in share capital	6,19,00,682	-	-	6,19,00,682
Loss for the year	-	-	(1,08,76,151)	(1,08,76,151)
Foreign currency translation	-	-	(63,20,787)	(63,20,787)
As at 31 March 2020	32,72,77,170	(13,54,912)	(8,84,25,630)	23,74,96,628

See accompanying notes forming part of the special purpose standalone financial statements



Barbeque Nation Mena Holding Limited

Special Purpose Standalone Statement of Cashflow for the year ended 31 March 2020

(Amount in Rupees, except for shares data or as otherwise stated)

Particulars for the year ended	31-Mar-2020	31-Mar-2019
Cashflows from operating activities		
Loss for the year	(1,08,76,151)	(4,98,62,443)
Adjustments for:		
Depreciation	14,70,222	12,90,312
Interest expenses	4,31,35,370	5,19,68,749
Interest income	(4,30,85,677)	(5,14,21,451)
Operating loss before working capital changes	(93,56,236)	(4,80,24,833)
Changes in other receivables and prepayments	(21,72,845)	10,50,191
Changes in accruals and other payables	(86,81,107)	(34,70,349)
Net cash used in operating activities	(2,02,10,188)	(5,04,44,991)
Cashflows from investing activities		
Purchase of plant and equipments (including capital work-in-progress)	-	(39,44,027)
Investment in subsidiary companies	-	(1,33,48,640)
Interest income	4,30,85,677	5,14,21,451
Loan to / (repayment) subsidiary companies	(2,46,08,135)	(53,85,38,513)
Net cash used in investing activities	1,84,77,542	(50,44,09,729)
Cashflow from financing activities		
Proceeds from issued of shares including advance from shareholders	13,98,26,750	38,25,67,439
Process from long-term borrowings from banks (net)	(11,05,45,045)	18,16,67,332
Interest paid	(4,31,35,370)	(5,19,68,749)
Net cash flow from financing activities	(1,38,53,665)	51,22,66,022
Net changes in cash and cash equivalents	(1,55,86,311)	(4,25,88,698)
Cash and cash equivalents at beginning of theyear	2,08,60,833	6,34,49,531
Cash and cash equivalents at end of theyear	52,74,522	2,08,60,833

See accompanying notes forming part of the special purpose standalone financial statements



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements
(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

1 Corporate information

Barbeque Nation Mena Holding Limited (Company) is an offshore company with limited liability, registered with the Jebel Ali Free Zone Authority, Dubai, United Arab Emirates (UAE), under the registration number 171179, issued on 25 March 2015.

The Company is registered to investment is limited liability companies, partnership, joint ventures and any other company, general trading, investments in equities, shares and securities worldwide, investments 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.

2 Basis of preparation**(a) Statement of compliance**

The audited financials statements of the Company as at and for the year ended 31 March 2020 were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and the applicable requirements of the U.A.E. Federal Commercial Companies Law No. 8 of 1984.

The management of Barbeque-Nation Hospitality Limited ('BBQ-Nation', the ultimate holding company of the Company), have prepared these special purpose standalone financial statements in accordance with para 11(I)(A)(ii), Part A, Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 ('SECI ICDR 2018') and in accordance with Indian Accounting Standard 21 'The Effects of Changes in Foreign Exchange Rates' (Ind AS 21).

The Company's functional currency is United Arab Emirates Dirham (AED) and these special purpose standalone financial statements are presented in Indian Rupees (INR) ('INR Financials'). The results and financial position of the Company have been translated to INR using the following procedures:

- (i) assets and liabilities for each balance sheet presented (including comparatives) are translated at the closing rate at date of that balance sheet;
- (ii) income and expenses for each statement of profit and loss presented (including comparatives) are translated at average exchange rates for those periods; and
- (iii) all resulting exchange difference are recognised in 'Other comprehensive income'.

AED / INR conversion rates considered for translation

Exchange rates for*	31-Mar-20	31-Mar-19
- assets and liabilities	18.89	17.72
- income and expenses	19.03	17.56

* exchange rates taken from the data available in the public domain

Refer the audited financials statement of the Company as on and for the year ended 31 March 2020 for accounting policy and other details.



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements

(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

3 Property, plant and equipment

Particulars	Leasehold improvements	Furniture, fixtures, & office equipments	Vehicle	Total
Cost:				
As at 01 April 2018	-	1,19,176	-	1,19,176
Additions	24,73,451	19,95,129	18,13,354	62,81,934
Deletions	-	-	-	-
Transalation adjustment	(18,692)	(7,204)	-	(25,896)
Balance as at 31 March 2019	24,54,759	21,07,101	18,13,354	63,75,214
Additions	-	-	-	-
Deletions	-	-	-	-
Transalation adjustment	2,13,568	1,83,321	1,57,765	5,54,654
Balance as at 31 March 2020	26,68,327	22,90,423	19,71,119	69,29,868
Depreciation				
As at 01 April 2018	-	6,981	47,770	54,751
Charge for the year	2,47,297	5,86,220	4,56,795	12,90,312
Reversal	-	-	-	-
Transalation adjustment	(1,868)	(3,968)	(296)	(6,132)
Balance as at 31 March 2019	2,45,429	5,89,233	5,04,269	13,38,931
Charge for the year	2,95,193	6,86,829	4,88,200	14,70,222
Reversal	-	-	-	-
Transalation adjustment	24,746	59,159	49,689	1,33,594
Balance as at 31 March 2020	5,65,368	13,35,221	10,42,158	29,42,747
Net book value				
As at 31 March 2020	21,02,959	9,55,202	9,28,961	39,87,122
As at 31 March 2019	22,09,330	15,17,868	13,09,085	50,36,283
As at 31 March 2018	-	1,12,195	16,53,207	17,65,402



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements

(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

4 Investments

Particulars as at	31-Mar-2020	31-Mar-2019
(i) Barbeque Nation Restaurant L.L.C, Dubai	30,18,307	27,76,727
(ii) Barbeque Nation (Malaysia) SDN BHD, Malaysia	1,93,41,803	1,77,93,721
(iii) Barbeque Nation International LLC, Oman	1,44,00,342	1,32,47,765
Total	3,67,60,452	3,38,18,213

- (i) Investment in Barbeque Nation Restaurant LLC, incorporated in Dubai, U.A.E - 49% interest in share capital (147 Shares of AED 1,000 each).
- (ii) Investment in Barbeque Nation (Malaysia) SDN BHD, incorporated in Malaysia, 100% interest in share capital (500,000 shares of MYR 1 each).
- (iii) Investment in Barbeque Nation International LLC, incorporated in Oman - 49% interest in share capital (73,500 shares of OMR 1 each)

5 Loans

Particulars as at	31-Mar-2020	31-Mar-2019
Non-current		
(i) Barbeque Nation Restaurant LLC, Dubai	71,87,52,215	54,62,17,449
(i) Barbeque Nation (Malaysia) SDN BHD, Malaysia	7,13,42,755	5,86,02,145
(ii) Barbeque Nation International LLC, Oman	5,65,06,853	4,71,66,280
Total	84,66,01,823	65,19,85,874
Current maturities of long-term loan		10,39,56,715
Total	84,66,01,823	75,59,42,589

- (i) Secured and interest bearing loan with fixed repayment schedule taken from Axis Bank, India and Yes Bank, India.
- (ii) Unsecured and interest free loan with no repayment terms.

6 Cash and cash equivalents

Particulars as at	31-Mar-2020	31-Mar-2019
In current account	52,74,522	2,08,60,833
Total	52,74,522	2,08,60,833

7 Loan

Particulars as at	31-Mar-2020	31-Mar-2019
Current		
Barbeque Nation Restaurant LLC, Dubai	-	10,39,56,715
Total	-	10,39,56,715



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements

(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

8 Other current assets

Particulars as at	31-Mar-2020	31-Mar-2019
Prepaid expenses	30,92,984	8,23,517
Total	30,92,984	8,23,517

9 Equity share capital

Particulars as at	31-Mar-2020	31-Mar-2019
Authorised capital		
300,000 (300,000) shares of AED 100 each	61,59,81,000	56,66,79,000
Issued, subscribed and paid-up capital		
159,425 (140,525) shares of AED 100 each	32,73,42,570	26,54,41,888
Total	32,73,42,570	26,54,41,888

10 Other equity

Particulars as at	31-Mar-2020	31-Mar-2019
Retained earnings		
Opening balance	(7,26,49,004)	(2,13,74,441)
Total comprehensive loss for the year	(1,08,76,151)	(4,98,62,443)
Foreign currency translation	(63,20,787)	(14,12,120)
Closing balance	(8,98,45,942)	(7,26,49,004)

11 Borrowings

Particulars as at	31-Mar-2020	31-Mar-2019
Non-current		
Long-term loan from banks	40,89,89,311	10,44,30,213
(i) Long-term loan from related parties	12,97,05,785	2,49,66,951
Total	53,86,95,096	12,93,97,164
Current maturities of long-term debt	11,52,62,426	48,22,91,732
Total	65,39,57,522	61,16,88,896

(i) Unsecured and interest bearing loan at 0.25% over the lending rate received from Barbeque-Nation Hospitality Limited, without fixed repayment terms.

12 Trade payables

Particulars as at	31-Mar-2020	31-Mar-2019
Trade payables	31,71,563	1,09,89,757
Total	31,71,563	1,09,89,757

13 Other financial liabilities

Particulars as at	31-Mar-2020	31-Mar-2019
Current maturities of long-term borrowings	11,52,62,426	48,22,91,732
Interest accrued but not due on borrowings	10,91,190	10,09,898
Total	11,63,53,616	48,33,01,630



Barbeque Nation Mena Holding LimitedNotes forming part of special purpose standalone financial statements
(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

14 Revenue from operations

Particulars for the year ended	31-Mar-2020	31-Mar-2019
Management fees	24,35,924	57,09,940
Interest income on long-term loans	4,30,85,677	5,14,21,451
Total	4,55,21,601	5,71,31,391

15 Other income

Particulars for the year ended	31-Mar-2020	31-Mar-2019
Income from bank	26,09,728	15,322
Foreign exchange gain	-	1,06,42,947
Total	26,09,728	1,06,58,269

16 Employee benefits expenses

Particulars for the year ended	31-Mar-2020	31-Mar-2019
Salaries and wages	89,86,917	5,47,65,059
Total	89,86,917	5,47,65,059

17 Other expenses

Particulars for the year ended	31-Mar-2020	31-Mar-2019
Lease rent	12,17,962	11,41,988
Other expenses	41,97,009	84,85,995
Total	54,14,971	96,27,983

18 Finance costs

Particulars for the year ended	31-Mar-2020	31-Mar-2019
Interest on term-loan	3,71,26,878	3,66,95,422
Interest on loan from related parties	60,08,492	1,52,73,327
Total	4,31,35,370	5,19,68,749

19 Contingent liability and capital commitment

Particulars for the year ended	31-Mar-2020	31-Mar-2019
Contingent liability	-	-
Capital commitment	-	-



Barbeque Nation Mena Holding Limited

Notes forming part of special purpose standalone financial statements

(Amount in Rupees, except for shares data or as otherwise stated)

Note

No.

20 Related party transactions**A List of related parties**

Holding company	Barbeque-Nation Hospitality Limited
Subsidiary companies	Barbeque Nation Restaurant LLC, Dubai Barbeque Nation (Malaysia) SDN BHD, Malaysia Barbeque Nation International LLC, Oman

B Transactions with related parties

Particulars	Holding company	Subsidiary companies	Total	31-Mar-19
Revenue				
Management fees	-	24,35,924	24,35,924	57,09,940
Interest income on long-term loans	-	4,30,85,677	4,30,85,677	5,14,21,451
Expenses				
Interest on loan from related parties	60,08,492	-	60,08,492	1,52,73,327

C Balances with related parties

Investment in subsidiaries	-	3,67,60,452	3,67,60,452	3,38,18,213
Long-term loan to subsidiaries	-	84,66,01,823	84,66,01,823	75,59,42,589
Loan from shareholder	12,97,05,785	-	12,97,05,785	2,49,66,951
Interest payable to shareholder	-	-	-	-



**BARBEQUE NATION
MENA HOLDING LIMITED**

Financial Statements

31 March 2020

Registered office:

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

BARBEQUE NATION MENA HOLDING LIMITED

Financial Statements

31 March 2020

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BARBEQUE NATION MENA HOLDING LIMITED

Director's Report

The director submits his report and financial statements for the financial year ended 31 March 2020.

Results

The loss for the year amounted to AED 529,699/-.

Review of the business

The company is registered to invest 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 and has charged management fees, interest, royalty and commission to its subsidiary company.

The company also has a branch namely Barbeque Nation Holdings Limited (DMCC Branch), licensed to act as representative and regional liaison office to coordinate and supervise restaurant business in Middle East.

The global outbreak of the COVID-19 virus has severely affected the food and beverage industry globally and UAE is no different. The extent and duration of impact remains uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Local authorities in UAE have taken number of precautionary measures including full/partial closure of restaurants, timing restrictions and restrictions of seating capacity. These measures have resulted into consequential effects on the food and beverage industry.

Going concern basis

The Directors have reasonable expectation that the company has adequate support from the shareholder to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020.

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

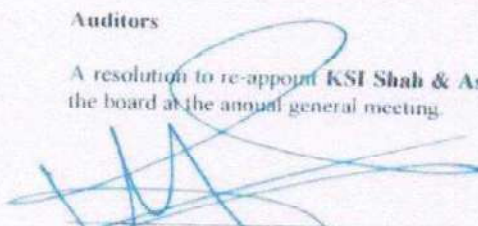
The shareholder at 31 March 2020 and its interest as at that date in the share capital of the company was as follows:

<i>Name of the shareholder</i>	<i>Country of incorporation</i>	<i>No. of shares</i>	<i>AED</i>
Barbeque-Nation Hospitality Limited*	India	159,425	15,942,500

* During the year, the paid up capital of the company increased from 140,525 shares of AED 100 each to 159,425 shares of AED 100 each as per amended memorandum and articles of association dated 23 December 2019.

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. Mansoor Mohamed Ismail Menon
 Director

Independent Auditors' Report to the Shareholder/Directors' of BARBEQUE NATION MENA HOLDING LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **BARBEQUE NATION MENA HOLDING LIMITED** (the "Company"), which comprises of the statement of financial position as at 31 March 2020, 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

Notes 8(b) and 9(b), 8(d) and 9(d) and 8(f) and 9(f) to the financial statements which states that no impairment is required in value of investment in subsidiaries and long term loan to subsidiaries based in U.A.E., Oman and Malaysia, considering negative equity/accumulated losses of the subsidiary companies. Adjustments required, if any, due to the above limitations are not included in the financial statements.

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 qualified opinion.

Other matter – Impact of Covid-19

As disclosed in note 23, COVID-19 affects the subsidiaries based in U.A.E., Malaysia and Oman engaged in restaurant business and results in certain uncertainties for the future financial position and performance of the subsidiaries. Uncertainties related to the potential effects of COVID-19 are relevant to understanding the audit of the financial statements. The audits assess and challenge the reasonableness of estimates made by the subsidiaries, the related disclosures and the appropriateness of the preparation of the financial statements on a going concern basis.

Independent Auditors' Report to the Shareholder/Directors' of BARBEQUE NATION MENA HOLDING LIMITED

Report on the Audit of the Financial Statements (contd.)

The appropriateness of the going concern basis depends on assessments of the economic environment and the subsidiaries' performance for the foreseeable future. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of this report, its effects are subject to significant levels of uncertainty. We have evaluated the risks and uncertainties as described in the aforementioned disclosure and consider the disclosure to be adequate. However, an audit cannot predict the unknowable factors or all possible future implications for Subsidiaries and this is particularly the case in relation to COVID-19.

Emphasis of matter

Without further 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 companies are not consolidated in these financial statements, as separate consolidated financial statements will be prepared by the 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.

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.

Independent Auditors' Report to the Shareholder/Directors' of BARBEQUE NATION MENA HOLDING LIMITED

Report on the Audit of the Financial Statements (contd.)


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.
- 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)



15 October 2020

BARBEQUE NATION MENA HOLDING LIMITED

Statement of Financial Position

At 31 March 2020

	<i>Notes</i>	<i>2020</i> <i>AED</i>	<i>2019</i> <i>AED</i>
ASSETS			
Non-current assets			
Fixed assets	7	194,194	266,621
Investments in subsidiary companies	8, 18	1,790,337	1,790,337
Long term loans to subsidiary companies	9, 18	41,231,880	40,019,619
		<u>43,216,411</u>	<u>42,076,577</u>
Current assets			
Other receivables and prepayment		150,637	43,597
Bank balances	10	256,884	1,104,373
		<u>407,521</u>	<u>1,147,970</u>
TOTAL ASSETS		<u>43,623,932</u>	<u>43,224,547</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	15,942,500	14,052,500
Accumulated losses		(4,375,739)	(3,846,040)
Total equity		<u>11,566,761</u>	<u>10,206,460</u>
Non-current liabilities			
Bank borrowings	13	19,918,925	25,52,536
Shareholder's loan account	12	6,317,035	1,318,804
Staff end of service benefits		-	2,947
		<u>26,235,960</u>	<u>26,854,287</u>
Current liabilities			
Accruals and other payables	14	207,608	635,262
Bank borrowings	13	5,613,603	5,528,538
		<u>5,821,211</u>	<u>6,163,800</u>
TOTAL EQUITY AND LIABILITIES		<u>43,623,932</u>	<u>43,224,547</u>

The accompanying notes 1 to 24 form an integral part of these financial statements

The Independent Auditors' Report is set forth on pages 2 to 4

Approved by the Board of directors on 15th October 2020 and signed on their behalf by:

For BARBEQUE NATION MENA HOLDING LIMITED

Mr Mansour Mohamed Ismail Menon
Director



BARBEQUE NATION MENA HOLDING LIMITED

Statement of Comprehensive Income
for the year ended 31 March 2020

	<i>Notes</i>	<i>2020</i> <i>AED</i>	<i>2019</i> <i>AED</i>
Revenue	15, 18	2,242,513	3,001,681
Expenses	16	(775,813)	(3,470,949)
Other income <i>(net)</i>	17	128,562	559,985
Finance charges	18, 19	<u>(2,124,961)</u>	<u>(2,730,436)</u>
(Loss) for the year		(529,699)	(2,639,719)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(529,699)</u>	<u>(2,639,719)</u>

The accompanying notes 1 to 24 form an integral part of these financial statements.



Statement of Changes in Equity
for the year ended 31 March 2020

	<i>Share capital AED</i>	<i>Accumulated losses AED</i>	<i>Total AED</i>
As at 31 March 2018	1,000,000	(1,206,321)	(206,321)
Effect of increase in share capital	13,052,500	-	13,052,500
Loss for the year	-	(2,639,719)	(2,639,719)
As at 31 March 2019	14,052,500	(3,846,040)	10,206,460
Effect of increase in share capital	1,890,000	-	1,890,000
Loss for the year	-	(529,699)	(529,699)
As at 31 March 2020	<u>15,942,500</u>	<u>(4,375,739)</u>	<u>11,566,761</u>

The accompanying notes 1 to 24 form an integral part of these financial statements.



BARBEQUE NATION MENA HOLDING LIMITED

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Statement of Cash Flows
for the year ended 31 March 2020

	2020	2019
Note	AED	AED
<u>Cash flows from operating activities</u>		
(Loss) for the year	(529,699)	(2,639,719)
Adjustments for:		
Depreciation	72,427	67,793
Provision for staff end of service gratuity (net)	(2,947)	(22,023)
Finance costs to banks	1,828,967	1,927,976
Finance costs to the shareholder	295,994	802,460
Interest income from long term loan	(2,122,513)	(2,701,681)
Operating (loss) before working capital changes	(457,771)	(2,565,194)
Changes in other receivables and prepayment	(107,040)	55,177
Changes in accruals and other payables	(427,654)	(160,309)
Net cash (used in) operating activities	<u>(992,465)</u>	<u>(2,670,326)</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	-	(207,219)
Payment made for investment in a subsidiary	-	(701,337)
Interest income from long term loan given	2,122,513	2,701,681
(Payments for) loan given to subsidiary companies	(1,212,261)	(28,294,792)
Net cash from/(used in) investing activities	<u>910,252</u>	<u>(26,501,667)</u>
<u>Cash flows from financing activities</u>		
Proceeds from the shareholder's loan	6,888,231	20,100,078
Proceeds from bank borrowings (net)	(5,503,470)	9,350,854
(Payment of)/proceeds from vehicle loan	(25,076)	(25,066)
Finance costs paid to banks	(1,828,967)	(1,927,976)
Finance costs paid to the shareholder	(295,994)	(802,460)
Net cash (used in)/from financing activities	<u>(765,276)</u>	<u>26,695,430</u>
Net changes in cash and cash equivalents	(847,489)	(2,476,563)
Cash and cash equivalents at beginning of the year	<u>1,104,373</u>	<u>3,580,936</u>
Cash and cash equivalents at end of the year	10 <u>256,884</u>	<u>1,104,373</u>

The accompanying notes 1 to 24 form an integral part of these financial statements.



BARBEQUE NATION MENA HOLDING LIMITED

(Incorporated in Jebel Ali Free Zone Authority)

(Registration No 171179)

Notes to the Financial Statements
*for the year ended 31 March 2020***1. Legal status**

- a) **BARBEQUE NATION HOLDINGS LIMITED** ("The Company") is an Offshore company with limited liability, registered on 25 March 2015 with the Jebel Ali Free Zone Authority, Dubai, United Arab Emirates, under the registration number 171179. The company also has a branch namely Barbeque Nation Holdings Limited (DMCC Branch), licensed to act as representative and regional liaison office to coordinate and supervise restaurant business in Middle East.
- b) The company is registered to invest 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 and has charged management fees and interest to its subsidiary company.
- c) During the year, the paid up capital of the company increased from 140,525 shares of AED 100 each to 159,425 shares of AED 100 each as per amended memorandum and articles of association dated 23 December 2019 in lieu of shareholder's loan account.

2. Basis of preparation

- a) These financial statements do not include the financial statements of its subsidiary companies, Barbeque Nation Restaurant LLC, Barbeque Nation (Malaysia) SDN BHD and Barbeque Nation International LLC. The company prepares separate consolidated financial statements in respect of its investments in subsidiaries.

b) Going concern

These financial statements have been prepared on a going concern basis notwithstanding the coronavirus outbreak that caused business and social disruption as detailed in Note 23. The continuation of the company's operations is dependent upon future profitable operations of the subsidiaries and continued financial support from the shareholder, Barbeque-Nation Hospitality Limited. The management of the company has developed plans to ensure the viability and continuity of the company as a going concern and to meet its obligations as they fall due. Furthermore, the shareholder has confirmed that they would arrange and provide such financial support to the Company as is necessary, for it to be able to continue its subsidiaries operations and meet its obligations as they fall due in the foreseeable future.

c) 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 2019 and the implementing rules and regulations of the Jebel Ali Free Zone Authority.



BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2020***d) Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are being measured at fair value. 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.

e) 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 fixed assets, investments 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.



BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2020****Classification of investment as a subsidiary***

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

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.

M/s. Green Land Development Trading LLC acts as a local sponsor of Barbeque Nation International 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.

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.

Residual values of fixed assets

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.

Estimated useful life of fixed assets

Management determines the estimated useful lives and depreciation charge for its fixed assets at the time of addition of the assets and is reviewed on annual basis.

Provision for expected credit losses of trade receivables

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Assessments of net recoverable amounts of fixed assets, investments and long term loans are based on assumptions regarding future cash flows expected to be received from the related assets.



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements for the year ended 31 March 2020

Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Going concern assumptions

The company's management has performed a preliminary assessment of the company's ability to continue as a going concern, which covers a period of twelve months from the date of approval of these financial statements. These forecasts have been prepared taking into consideration the nature and condition of its business, the degree to which it is affected by external factors and other financial and non-financial data available at the time of preparation of such forecasts. On the basis of such forecasts, the Company's management is of the opinion that the Company will be able to continue its subsidiaries' operations for the next twelve months from the financial position date and that the going concern assumption used in the preparation of these financial statements is appropriate. The appropriateness of the going concern assumption shall be reassessed on each reporting date.

4. Adoption of new 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 16 - Leases
- Amendments to IFRS 9 - Prepayment Features with Negative Compensation.
- Amendment to IAS 19- Employee Benefits Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 -Investment in Associates and Joint Ventures: Relating to long term interests in Associates and Joint Ventures.
- IFRIC 23-Uncertainty over Income Tax Treatments
- Annual improvements to IFRSs 2015-2017 Cycle -Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes, IAS 23 Borrowing costs.

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from the financial reporting period commencing on or after 1 January 2019.

The significant impacts of IFRS 16 and other amendments as listed above on the amounts reported and their presentation are disclosed wherever applicable.



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements for the year ended 31 March 2020

b) International Financial Reporting Standards issued but not effective

IFRS17 -Insurance Contracts- The effective date of the standard is set for annual periods beginning on or after 1 January 2021 (likely to be extended to 1 January 2022).

Amendments to IAS 1 and IAS 8-Definition of Material- The effective date of the amendment is set for annual periods beginning on or after 1 January 2020.

Amendments to IFRS 3-Definition of a Business- The effective date of the amendment is set for annual periods beginning on or after 1 January 2020.

Revised Conceptual Framework for Financial Reporting- The effective date of the revised framework is set for annual periods beginning on or after 1 January 2020.

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

5. Significant Changes in the current reporting period

IFRS 16 Leases:

The Company has adopted IFRS 16 Leases issued in January 2016 with the date of initial application of 1 January 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lease to recognize a right-of- use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

The Company has assessed that the impact of IFRS 16 is not material on the financial statements of the company as at the adoption date and the reporting date since the company pays an annual lease.

6. Significant accounting policies

a) Depreciation of fixed assets

The cost of fixed assets is depreciated by equal annual installments over their estimated useful lives as follows:

Office interior	9 years
Furniture and fixtures	5 years
Computers	3 years
Vehicle	4 years

Depreciation on additions is calculated on a pro-rata basis from the month of additions and on deletion up to the month of deletion of the asset.



BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2020***b) Investments 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 subsidiary. 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 are stated at cost less provision for impairment if any.

Income from investment in subsidiary 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.

c) Financial instruments**Recognition and Initial measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified as follows:

Financial assets at amortised cost (debt instruments)

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortised cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include other current financial assets, and cash and cash equivalents. Due to the short term nature of current receivables, their carrying amounts are considered to be the same as their fair values.



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements for the year ended 31 March 2020

Classification and subsequent measurement of financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as follows:

- Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.
- Fair values through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

The company's financial liabilities include accruals and other payables and bank borrowings. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short term nature.

Derecognition of financial assets and financial liabilities

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each



BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2020***d) 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.

e) Installment plans

Future installments payable under installment plan net of finance charges, are shown under bank borrowings with the corresponding asset value recorded as fixed assets and depreciated over their estimated useful lives. Payments are apportioned between the finance element charged to combined statement of comprehensive income and the capital element, which reduces the capital amount outstanding.

f) Provision

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.

g) Short-term lease

The Company applies the short-term lease recognition exemption to its short-term leases of office premise (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.



BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2020***h) Revenue recognition****Services**

The company is in the business of investing and providing hospitality management services.

Revenue from providing above services is recognized as the services are rendered. Revenue in respect of above services is recognised over time, if one of the following criteria is met –

- a) the customer simultaneously receives and consumes the benefits provided by the company's performance as and when the company performs; or
- b) the company's performance creates or enhances an asset that the customer controls as the asset is created or enhances; or
- c) the company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Management fees for providing managerial services to a related party are charged as per the agreement with the related party and are accounted on accrual basis.

Interest income

Interest income is presented as financial income where it is earned from financial asset that are held for cash management purposes.

i) Borrowing costs

Finance expense comprises interest expense on bank borrowings and shareholder's loan 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 statement of comprehensive income.

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.



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements
for the year ended 31 March 2020

7. Fixed assets	Office	Furniture, fixtures and office	Vehicle ^b	Total
	Interior ^a	Equipment ^a		
	AED	AED	AED	AED
Cost				
As at 01.04.2019	<u>129,955</u>	<u>111,550</u>	<u>95,999</u>	<u>337,504</u>
As at 31.03.2020	<u>129,955</u>	<u>111,550</u>	<u>95,999</u>	<u>337,504</u>
Depreciation				
As at 01.04.2019	<u>12,993</u>	<u>31,194</u>	<u>26,696</u>	<u>70,883</u>
Charge for the year	<u>14,542</u>	<u>33,835</u>	<u>24,050</u>	<u>72,427</u>
As at 31.03.2020	<u>27,535</u>	<u>65,029</u>	<u>50,746</u>	<u>143,310</u>
Net book value				
As at 31.03.2020	<u>102,420</u>	<u>46,521</u>	<u>45,253</u>	<u>194,194</u>
As at 31.03.2019	<u>116,962</u>	<u>80,356</u>	<u>69,303</u>	<u>266,621</u>

^a Office at Mazaya Tower, Jumeirah Lakes Towers, Dubai, U.A.E., vacated on 12 July 2020. Accordingly, assets lying at this office not useable will be written off in next year.

^b Registered in the name of a related party (Barbeque Nation Restaurant LLC) and is under installment plan liability (refer note 13).

8. Investment in subsidiary companies	2020	2019
	AED	AED
Barbeque Nation Restaurant LLC, Dubai, U.A.E. ^{ab}	147,000	147,000
Barbeque Nation (Malaysia) SDN BHD ^{c,d}	942,000	942,000
Barbeque Nation International LLC ^{e,f}	701,337	701,337
	<u>1,790,337</u>	<u>1,790,337</u>

^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).

^b As per the management accounts of the subsidiary for the year ended 31 March 2020, the subsidiary was having accumulated losses of AED 28,262,194/- and deficit in equity of AED 27,962,194/-. However, in the opinion of the management, no impairment is required in the value of this investment.

^c Represents investment in Barbeque Nation (Malaysia) SDN. BHD, incorporated in Malaysia. - 100 % interest in share capital (500,000 shares of MYR 1 each - converted @ 1 AED = 0.9418 MYR issued on 24.01.18) and (500,000 shares of MYR 1 each - converted @ 1 AED = 0.9422 MYR issued on 13.03.2018)

^d As per the draft accounts of the subsidiary for the year ended 31 March 2020, the subsidiary was having accumulated losses of RM 3,504,785/- and deficit in equity of RM 2,504,785/-. However, in the opinion of the management, no impairment is required in the value of this investment.

^e Represents investment in Barbeque Nation International LLC, incorporated in Oman - 49 % interest in share capital (73,500 shares of OMR 1 each - converted @ 1 AED = 9.542 OMR)

^f As per the draft accounts of the subsidiary for the year ended 31 March 2020, the subsidiary was having losses of OMR 43,131/- and accumulated losses of OMR 72,260/-. However, in the opinion of the management, no impairment is required in the value of this investment.



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements
for the year ended 31 March 2020

	2020	2019
	<u>AED</u>	<u>AED</u>
9. Long term loan to subsidiary companies		
Barbeque Nation Restaurant LLC, Dubai, U.A.E. ^{ab}		
Total loan outstanding	35,005,246	48,912,440
Waived during the year (refer note 18)	-	<u>(14,492,204)</u>
	<u>35,005,246</u>	<u>34,420,236</u>
Barbeque Nation (Malaysia) SDN BHD ^{cd}	3,474,592	3,102,399
Barbeque Nation International LLC ^{ef}	<u>2,752,042</u>	<u>2,496,984</u>
	<u>41,231,880</u>	<u>40,019,619</u>

^a Represents unsecured and interest bearing loan given to a subsidiary company, Barbeque Nation Restaurant LLC, Dubai, U.A.E.

^b As per the management accounts of the subsidiary for the year ended 31 March 2020, the subsidiary was having accumulated losses of AED 28,262,194/- and deficit in equity of AED 27,962,194/-. However, in the opinion of the management, no impairment is required in the value of this loan.

^c Represents unsecured and interest bearing loan given to a subsidiary company, Barbeque Nation (Malaysia) SDN BHD, Malaysia.

^d As per the draft accounts of the subsidiary for the year ended 31 March 2020, the subsidiary was having accumulated losses of RM 3,504,785/- and deficit in equity of RM 2,504,785/-. However, in the opinion of the management, no impairment is required in the value of this loan.

^e Represents unsecured and interest bearing loan given to a subsidiary company, Barbeque Nation International LLC, Oman.

^f As per the draft accounts of the subsidiary for the year ended 31 March 2020, the subsidiary was having losses of OMR 43,131/- and accumulated losses of OMR 72,260/-. However, in the opinion of the management, no impairment is required in the value of this loan.

	2020	2019
	<u>AED</u>	<u>AED</u>
10. Bank balances		
In current accounts	<u>256,884</u>	<u>1,104,373</u>

11. Share capital**Authorised capital**

300,000 shares of AED 100 each (pr. year 10,000 shares) 30,000,000 30,000,000

Issued, subscribed and paid up capital

159,425 shares of AED 100 each (pr. year 140,525 shares) ^a 15,942,500 14,052,500

^a During the year, the paid up capital of the company increased from 140,525 shares of AED 100 each to 159,425 shares of AED 100 each as per amended memorandum and articles of association dated 23 December 2019.



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements
for the year ended 31 March 2020

12. Shareholder's loan account

This amount represents unsecured and interest bearing loan at 0.25% over the lending rate received from the shareholder, Barbeque-Nation Hospitality Limited, without fixed repayment terms (refer notes 17, 18).

	2020 <u>AED</u>	2019 <u>AED</u>
Opening balance	1,318,804	8,763,430
Funds received during the year	6,888,231	20,100,078
Effect of increase in share capital (refer note 1 (c))	(1,890,000)	(13,052,500)
Waived during the year (refer notes 17 and 18)	-	<u>(14,492,204)</u>
Closing balance	<u>6,317,035</u>	<u>1,318,804</u>

13. Bank borrowings ^a

Term loans

Payable within next twelve months (current portion) - (A)	5,590,634	5,503,471
Payable after next twelve months (non-current portion) - (B)	<u>19,918,925</u>	<u>25,509,558</u>
	<u>25,509,559</u>	<u>31,013,029</u>

Vehicle loan

Payable within next twelve months (current portion) - (C)	22,969	25,067
Payable after next twelve months (non-current portion) - (D)	-	<u>22,978</u>
	<u>22,969</u>	<u>48,045</u>

Presented on statement of financial position as follows

Total payable within next twelve months (current portion) - (A+C)	<u>5,613,603</u>	<u>5,528,538</u>
Total payable after next twelve months (non-current portion) - (B+D)	<u>19,918,925</u>	<u>25,532,536</u>

Bank borrowings and other banking facilities are secured as per facility letter dated 26th September 2016 and 29th September 2017 against:

- 1) Irrevocable and unconditional corporate guarantee of the shareholder.
- 2) First pari passu charge on all current assets, movable fixed assets (present and future), security deposit of Barbeque Nation Hospitality Ltd, India. (Shareholder)
- 3) First pari passu charge on Barbeque Nation India Brand and other intangible assets.

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

^a The loan principal repayment due on 28th May 2020 and 27th August 2020 to a bank has been deferred (not paid by company) and moratorium for extension of repayment is requested to the bankers of the group in line with RBI guidelines by Barbeque Nation Hospitality Ltd, India, vide letter dated 28th August 2020.

14. Accruals and other payables

	2020 <u>AED</u>	2019 <u>AED</u>
Interest payable on term loan	53,144	53,464
Accruals	<u>154,464</u>	<u>581,798</u>
	<u>207,608</u>	<u>635,262</u>



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements
for the year ended 31 March 2020

	2020	2019
	<u>AED</u>	<u>AED</u>
15. Revenue		
Interest income from long term loan given (refer note 18)	2,122,513	2,701,681
Management fees (refer note 18)	<u>120,000</u>	<u>300,000</u>
	<u>2,242,513</u>	<u>3,001,681</u>
16. Expenses		
Staff salaries and benefits	442,719	2,877,354
Rent	60,000	60,000
Other administrative expenses	200,667	465,802
Depreciation (refer note 7)	<u>72,427</u>	<u>67,793</u>
	<u>775,813</u>	<u>3,470,949</u>
17. Other income		
Payable written back (refer note 12, 18) ^a	-	14,492,204
Loan to a subsidiary waived (refer note 9, 18) ^a	<u>-</u>	<u>(14,492,204)</u>
	-	-
Interest from bank	-	805
Foreign exchange gain	<u>128,562</u>	<u>559,180</u>
	<u>128,562</u>	<u>559,985</u>

^a Represented waiver of loan from Barbeque-Nation Hospitality Limited, India, the shareholder, which in turn has been waived to Barbeque Nation Restaurant LLC, U.A.E., the subsidiary, as per application acknowledged by a bank on 12 August 2020.

18. 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 companies
 - Barbeque Nation Restaurant LLC, U.A.E.
 - Barbeque Nation (Malaysia) SDN BHD MALAYSIA.
 - Barbeque Nation International LLC, Oman



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements
for the year ended 31 March 2020

Related party transactions (contd.)

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

	<i>Sole shareholder</i> AED	<i>Subsidiary companies</i> AED	<i>Total 2020</i> AED	<i>Total 2019</i> AED
Revenue				
Interest income from long term loan given	-	2,122,513	2,122,513	2,701,681
Management fees	-	120,000	120,000	300,000
Expenses				
Finance costs to the shareholder	295,994	-	295,994	802,460
Other income (net)				
Payable written back	-	-	-	14,492,204
Loan to a subsidiary waived	-	-	-	(14,492,204)

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

	<i>Shareholder</i> AED	<i>Subsidiary companies</i> AED	<i>Total 2020</i> AED	<i>Total 2019</i> AED
Under non-current assets				
Investment in subsidiaries	-	1,790,337	1,790,337	1,790,337
Long term loan to subsidiaries	-	41,231,880	41,231,880	34,516,148
Under non-current liabilities				
Loan from the shareholder	6,317,035	-	6,317,035	1,318,804
			2020	2019
			AED	AED

19. Finance charges

Interest on term loans	1,826,519	1,924,914
Interest on vehicle loan	2,448	3,062
Interest on shareholder's loan (refer note 18)	295,994	802,460
	<u>2,124,961</u>	<u>2,730,436</u>

20. 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



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements
for the year ended 31 March 2020

a) **Credit risk**

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of other receivables and bank balances.

Trade and other receivables

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

Bank balances

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

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 and obtained loan from the shareholder at fixed rate of interest. Bank borrowings is at fixed and floating rates 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 2020 (bps)</i>	<i>Sensitivity of interest expenses 2020 AED</i>	<i>Changes in basis points 2019 (bps)</i>	<i>Sensitivity of interest expenses 2019 AED</i>
Interest rates	+/- 40	9,065	+/- 50	14,382
6M LIBOR	+/- 60	139,460	+/- 99	278,553

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

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:



BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements
for the year ended 31 March 2020

Exchange rate risk (contd.)

	<i>2020</i> <i>Equivalent</i> <i>AED</i>	<i>2019</i> <i>Equivalent</i> <i>AED</i>
Foreign currency liability:		
Indian rupees	6,317,035	1,318,804

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 2020 and 2019.

<i>Particulars</i>	<i>2020</i>			<i>2019</i>		
	<i>Balance</i> <i>AED</i>	<i>Change in</i> <i>currency rate</i> <i>in %</i>	<i>Effect on</i> <i>income</i> <i>statement</i> <i>AED</i>	<i>Balance</i> <i>AED</i>	<i>Change in</i> <i>currency</i> <i>rate in %</i>	<i>Effect on</i> <i>income</i> <i>statement</i> <i>AED</i>
Foreign currency liabilities						
<i>INR</i>						
<i>currency</i>	6,317,035	+/- 10%	631,704	1,318,804	+/- 6%	79,128

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 2019-20 and 2018-19 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.

Global stress in the markets brought by the COVID-19 crisis is being felt globally through lack of liquidity in foreign funding markets. In this environment, the Company has already taken measures to manage its liquidity carefully until the crisis is over. The company's management has been closely monitoring the cash flows and forecasts on a weekly basis to maintain a reasonably healthy balance sheet during this time and beyond.

21. Financial instruments: Fair value

Financial instruments comprise of financial assets and financial liabilities. The fair value of the company's financial assets comprising of other receivables and prepayment and bank balances and financial liabilities comprising of bank borrowings and accruals and other payables approximate to their carrying values.

22. Contingent liability

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



BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements**
*for the year ended 31 March 2020***23. Impact of Covid-19**

The global outbreak of the COVID-19 virus has severely affected food and beverages industry globally, including UAE. The extent and duration of the impact of COVID-19 remains uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorization of these financial statements.

Local authorities in UAE has taken a number of precautionary measures including travel restrictions, quarantine of certain people, full/partial closure of restaurants, timing restrictions and restrictions of seating capacity at restaurant outlets. These measures have resulted into consequential effects on the food and beverage industry.

Management has implemented initiatives to mitigate the effect on the business of the Subsidiaries including increasing health and safety measures at its outlets. While the effects of the outbreak are expected to have an adverse impact on profits and operating cash flows, management believes that the Company has adequate financial support from the shareholder to continue to meet its financial commitments for the foreseeable future when they become due.

24. Comparative figures

Previous year's figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.

