

**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, 6<sup>th</sup> 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 Restaurant LLC, Dubai, ('Company' or 'Barbeque LLC') as at and for the year ended 31 March 2018, 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 2018 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 2018 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)



A handwritten signature in black ink, appearing to read "Hemanth M Kumar".

**Hemanth M Kumar**  
Partner  
Membership No. 216251

**Bengaluru**, 06 February 2020  
UDIN: 20216251AAAAABK3711

Encl: INR Financial Information and Standalone audited financials of Barbeque Nation Restaurant LLC, Dubai as at and for the year ended 31 March 2018.

**Barbeque Nation Restaurant LLC**  
Special Purpose Standalone Balance Sheet as at 31 March 2017  
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars as at	Note No.	31-Mar-18	31-Mar-17
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	111,534,697	67,019,589
Capital work-in-progress	4	42,599,440	845,346
Intangible assets	5	563,401	915,183
Financial assets			
Loans	6	34,313,591	7,867,793
Other non-current assets	7	136,429,046	-
<b>Total Non-current assets [A]</b>		<b>325,440,175</b>	<b>76,647,911</b>
<b>Current assets</b>			
Inventories	8	4,658,707	7,396,874
Financial assets			
Cash and cash equivalents	9	12,151,290	7,414,068
Other current assets	10	56,928,040	32,023,687
<b>Total current assets [B]</b>		<b>73,738,037</b>	<b>46,834,629</b>
<b>Total assets [A+B]</b>		<b>399,178,212</b>	<b>123,482,540</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	5,315,610	5,295,990
Other equity	12	(91,197,974)	(8,787,246)
<b>Equity attributable to owners of the Company [C]</b>		<b>(85,882,364)</b>	<b>(3,491,256)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	13	432,121,352	88,621,049
Provision	14	1,591,476	443,045
<b>Total Non-current liabilities [D]</b>		<b>433,712,828</b>	<b>89,064,094</b>
<b>Current liabilities</b>			
Financial Liabilities			
Trade payables	15	24,376,307	14,645,459
Other financial liabilities	16	26,971,441	23,264,243
<b>Total current liabilities [E]</b>		<b>51,347,748</b>	<b>37,909,702</b>
<b>Total liabilities [F= [D+E]]</b>		<b>485,060,576</b>	<b>126,973,796</b>
<b>Total equity and liabilities [F+C]</b>		<b>399,178,212</b>	<b>123,482,540</b>

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



**Barbeque Nation Restaurant LLC**

Special Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2017

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

Particulars for the year / period ended	Note No.	31-Mar-18	31-Mar-17
<b>REVENUE</b>			
Revenue from operations	17	161,714,677	51,630,066
Other income	18	-	-
<b>Total (A)</b>		<b>161,714,677</b>	<b>51,630,066</b>
<b>Expenses</b>			
Cost of revenue		82,628,021	31,863,431
Employee benefits expenses	19	62,379,200	10,382,132
Other operating expenses	20	66,480,104	13,495,057
<b>Total (B)</b>		<b>211,487,325</b>	<b>55,740,620</b>
<b>Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)</b>		<b>(49,772,648)</b>	<b>(4,110,554)</b>
Finance costs (D)	21	18,678,554	588,942
Depreciation expense (E)	3	13,177,521	4,395,807
<b>Loss before tax and exceptional items (F) = (C-D-E)</b>		<b>(81,628,723)</b>	<b>(9,095,303)</b>
Exceptional items (G)		-	-
<b>Loss before tax (H) = (F-G)</b>		<b>(81,628,723)</b>	<b>(9,095,303)</b>
<b>Tax expense / (benefit):</b>			
Current tax		-	-
Deferred tax		-	-
<b>Net tax expense / (benefit) (I)</b>		<b>-</b>	<b>-</b>
<b>Net Loss for the year / period (J) = (H-I)</b>		<b>(81,628,723)</b>	<b>(9,095,303)</b>
<b>Other Comprehensive Income / (Losses) (K)</b>			
Items that will not be reclassified to Statement of Loss and loss			
Remeasurements of the defined benefit plans		-	-
Income tax on the above		-	-
<b>Total comprehensive income for the year / period (J + K)</b>		<b>(81,628,723)</b>	<b>(9,095,303)</b>

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



**Barbeque Nation Restaurant LLC**

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 31 March 2016	-	-	-	-
Effect of increase in share capital	5,295,990	-	-	5,295,990
Loss for the year	-	-	(9,095,303)	(9,095,303)
Exchange	-	308,057	-	308,057
As at 31 March 2017	5,295,990	308,057	(9,095,303)	(3,491,256)
As at 31 March 2017	5,295,990	308,057	(9,095,303)	(3,491,256)
Loss for the year	-	-	(81,628,723)	(81,628,723)
Exchange	-	(762,385)	-	(762,385)
As at 31 March 2018	5,295,990	(454,328)	(90,724,026)	(85,882,364)

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



**Barbeque Nation Restaurant LLC**

Special Purpose Standalone Statement of Cashflow for the year year 31 March 2017

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

<b>Particulars for the year / period ended</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>Cashflows from operating activities</b>		
Loss for the year / period	(81,628,723)	(9,095,303)
Adjustments for:		
Depreciation	13,177,521	4,395,807
Interest expenses	18,678,554	588,942
Loss on disposal / write-off of property, plant and equipments	-	-
Payable written back	-	-
<b>Operating loss before working capital changes</b>	<b>(49,772,648)</b>	<b>(4,110,554)</b>
Changes in inventories	2,740,491	(7,655,387)
Changes in other receivables and prepayments	(179,259,791)	(41,285,643)
Changes in accruals and other payables	(9,247,863)	36,098,511
<b>Net cash used in operating activities</b>	<b>(235,539,811)</b>	<b>(16,953,073)</b>
<b>Cashflows from investing activities</b>		
Purchase of property, plant and equipments (including capital work-in-progress) (net)	(104,770,421)	(75,428,217)
<b>Net cash used in investing activities</b>	<b>(104,770,421)</b>	<b>(75,428,217)</b>
<b>Cashflow from financing activities</b>		
Proceeds from issue of shares	-	5,481,079
Proceeds from loan from shareholders	362,650,913	94,903,221
Process from long-term borrowings from banks (net)	1,075,095	-
Interest paid	(18,678,554)	(588,942)
<b>Net cash flow from financing activities</b>	<b>345,047,454</b>	<b>99,795,358</b>
<b>Net changes in cash and cash equivalents</b>	<b>4,737,222</b>	<b>7,414,068</b>
Cash and cash equivalents at beginning of the year	7,414,068	-
<b>Cash and cash equivalents at end of the year</b>	<b>12,151,290</b>	<b>7,414,068</b>

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



## Barbeque Nation Restaurant LLC

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 Restaurant LLC (Company) is a limited liability company registered in the Emirate of Dubai, under commercial license no. 753555, issued on 2 March 2016, in accordance with the provision of U.A.E. Federal Commercial Companies Law No. 8 of 1984 (as amended).

The Company is registered and engaged in restaurant business. The restaurant at Al Barsha, Dubai, U.A.E. commenced operations during the year. The Company also has a branch in Karama, Dubai, U.A.E. licensed to carry out restaurant business vide commercial licence 777058 issued on 27 February 2017.

#### 2 Basis of preparation

##### (a) Statement of compliance

The audited financial statements of the Company as at and for the year ended 31 March 2018 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-18	31-Mar-17
- assets and liabilities	17.72	17.65
- income and expenses	17.56	18.27

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

Refer the audited financial statement of the Company as on and for the year ended 31 March 2018 for accounting policy and other details.



**Barbeque Nation Restaurant LLC**

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 as at	Leasehold improvements	Kitchen equipments	Furniture, fixtures, & office equipments	Computer	Vehicle	Total
<b>Cost:</b>						
As at 01 April 2016	-	-	-	-	-	-
Additions	36,455,771	18,588,184	17,085,254	1,476,950	-	73,606,159
Deletions	-	-	-	-	-	-
Transalation adjustment	(1,231,065)	(627,699)	(576,947)	(49,875)	-	(2,485,586)
<b>Balance as at 31 March 2017</b>	<b>35,224,706</b>	<b>17,960,485</b>	<b>16,508,307</b>	<b>1,427,075</b>	-	<b>71,120,573</b>
As at 01 April 2017	35,224,706	17,960,485	16,508,307	1,427,075	-	71,120,573
Additions	33,487,216	11,455,203	8,089,436	2,143,272	1,765,547	56,940,674
Deletions	-	-	-	-	(272,413)	(272,413)
Transalation adjustment	436,953	171,369	135,188	24,901	13,664	782,075
<b>Balance as at 31 March 2018</b>	<b>69,148,875</b>	<b>29,587,057</b>	<b>24,732,931</b>	<b>3,595,248</b>	<b>1,506,798</b>	<b>128,570,909</b>
<b>Depreciation</b>						
As at 01 April 2016	-	-	-	-	-	-
Charge for the period	1,669,171	961,235	1,413,625	195,346	-	4,239,377
Reversal relating to deletion	-	-	-	-	-	-
Transalation adjustment	(56,366)	(32,460)	(47,736)	(1,831)	-	(138,393)
<b>Balance as at 31 March 2017</b>	<b>1,612,805</b>	<b>928,775</b>	<b>1,365,889</b>	<b>193,515</b>	-	<b>4,100,984</b>
As at 01 April 2017	1,612,805	928,775	1,365,889	193,515	-	4,100,984
Charge for the year	5,318,096	2,775,501	3,909,925	734,066	87,983	12,825,571
Reversal relating to deletion	-	-	-	-	(22,703)	(22,703)
Transalation adjustment	54,643	28,841	40,841	7,435	598	132,358
<b>Balance as at 31 March 2018</b>	<b>6,985,544</b>	<b>3,733,117</b>	<b>5,316,655</b>	<b>935,016</b>	<b>65,878</b>	<b>17,036,211</b>
<b>Net book value</b>						
As at 31 March 2018	62,163,330	25,853,940	19,416,275	2,660,232	1,440,920	111,534,697
As at 31 March 2017	33,611,901	17,031,710	15,142,418	1,233,560	-	67,019,589

**4 Capital work-in-progress**

Particulars	31-Mar-18	31-Mar-17
Capital work-in-progress	42,599,440	845,346
<b>Total</b>	<b>42,599,440</b>	<b>845,346</b>

**5 Intangible assets**

Particulars	Software
<b>Cost:</b>	
As at 01 April 2016	-
Additions	1,098,664
Deletions	-
Transalation adjustment	(37,100)
<b>Balance as at 31 March 2017</b>	<b>1,061,564</b>
As at 01 April 2017	1,061,564
Additions	-
Deletions	-
Transalation adjustment	3,932
<b>Balance as at 31 March 2018</b>	<b>1,065,496</b>
<b>Depreciation</b>	
As at 01 April 2016	-
Charge for the year	151,497
Reversal relating to deletion	-
Transalation adjustment	(5,116)
<b>Balance as at 31 March 2017</b>	<b>146,381</b>
As at 01 April 2017	146,381
Charge for the year	351,950
Reversal relating to deletion	-
Transalation adjustment	3,764
<b>Balance as at 31 March 2018</b>	<b>502,095</b>
<b>Net book value</b>	
As at 31 March 2018	563,401
As at 31 March 2017	915,183





**Barbeque Nation Restaurant LLC**

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

**Note**

No.

<b>6</b>	<b>Loans</b>		
	<b>Particulars as at</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	<b>Non-current</b>		
	Security deposit	34,313,591	7,867,793
	<b>Total</b>	<b>34,313,591</b>	<b>7,867,793</b>
<b>7</b>	<b>Other non-current assets</b>		
	<b>Particulars as at</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Capital advance	136,429,046	-
	<b>Total</b>	<b>136,429,046</b>	<b>-</b>
<b>8</b>	<b>Inventories</b>		
	<b>Particulars as at</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Food and beverages	3,434,983	1,906,574
	Crockery and cutlery	-	5,107,223
	Other consumables items	1,223,724	383,077
	<b>Total</b>	<b>4,658,707</b>	<b>7,396,874</b>
<b>9</b>	<b>Cash and cash equivalents</b>		
	<b>Particulars as at</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Cash-in-hand	391,566	278,763
	In current account	11,759,724	7,135,305
	<b>Total</b>	<b>12,151,290</b>	<b>7,414,068</b>
<b>10</b>	<b>Other current assets</b>		
	<b>Particulars as at</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Prepaid expenses	38,621,982	24,500,591
	Advance to suppliers	3,340,241	4,787,999
	Employee advance	4,209,237	7,662
	Due from related parties	2,710,961	2,700,955
	Other receivables	8,045,619	26,480
	<b>Total</b>	<b>56,928,040</b>	<b>32,023,687</b>
<b>11</b>	<b>Equity share capital</b>		
	<b>Particulars as at</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Authorised capital		
	300,000 shares of AED 100 each	5,315,610	5,295,990
	Issued, subscribed and paid-up capital		
	300,000 shares of AED 100 each	5,315,610	5,295,990
	<b>Total</b>	<b>5,315,610</b>	<b>5,295,990</b>



**Barbeque Nation Restaurant LLC**

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

**Note**

No.

<b>12 Other equity</b>		<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>Particulars as at</b>			
<b>Retained earnings</b>			
Opening balance		(8,787,246)	-
Total comprehensive loss for the year / period		(81,628,723)	(9,095,303)
Foreign currency translation		(782,005)	308,057
<b>Closing balance</b>		<b>(91,197,974)</b>	<b>(8,787,246)</b>
<b>13 Borrowings</b>			
<b>Particulars as at</b>		<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>Non-current</b>			
Long-term loan from banks		801,913	-
Long-term loan from related parties		431,319,439	88,621,049
<b>Total</b>		<b>432,121,352</b>	<b>88,621,049</b>
Current maturities of long-term debt		85,909	74,651
<b>Total</b>		<b>432,207,261</b>	<b>88,695,700</b>
<b>14 Provision</b>			
<b>Particulars as at</b>		<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>Non-current</b>			
Provision for gratuity		1,591,476	443,045
<b>Total</b>		<b>1,591,476</b>	<b>443,045</b>
<b>15 Trade payables</b>			
<b>Particulars as at</b>		<b>31-Mar-18</b>	<b>31-Mar-17</b>
Trade payables		24,376,307	14,645,459
<b>Total</b>		<b>24,376,307</b>	<b>14,645,459</b>
<b>16 Other financial liabilities</b>			
<b>Particulars as at</b>		<b>31-Mar-18</b>	<b>31-Mar-17</b>
Current maturities of long-term borrowings		26,971,441	23,264,243
Interest accrued but not due on borrowings		-	-
<b>Total</b>		<b>26,971,441</b>	<b>23,264,243</b>



**Barbeque Nation Restaurant LLC**

Notes forming part of special purpose standalone financial statements

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

**Note****No.**

<b>17 Revenue from operations</b>		
<b>Particulars for the year / period ended</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Sale of food & beverages	161,714,677	51,630,066
<b>Total</b>	<b>161,714,677</b>	<b>51,630,066</b>
<b>18 Other income</b>		
<b>Particulars for the year / period ended</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Payable written back	-	-
Foreign exchange gain	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>19 Employee benefits expenses</b>		
<b>Particulars for the year / period ended</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Salaries and wages	62,379,200	10,382,132
<b>Total</b>	<b>62,379,200</b>	<b>10,382,132</b>
<b>20 Other expenses</b>		
<b>Particulars for the year / period ended</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Lease rent	37,126,677	11,155,366
Royalty expenses	8,077,233	-
Management fees	2,897,073	-
Other expenses	18,379,121	2,339,691
<b>Total</b>	<b>66,480,104</b>	<b>13,495,057</b>
<b>21 Finance costs</b>		
<b>Particulars for the year / period ended</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Interest on term-loan	23,141	-
Interest on loan from related parties	18,655,413	588,942
<b>Total</b>	<b>18,678,554</b>	<b>588,942</b>
<b>22 Contingent liability and capital commitment</b>		
<b>Particulars for the year / period ended</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Contingent liability	-	-
Capital commitment	152,105,206	-
<b>23 Lease commitments</b>		
<b>Particulars for the year / period ended</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
The un-expired portion of the lease rent are as under:		
Upto one year	101,479,938	36,654,482
More than one year and upto five years	569,314,163	163,662,350
More than five years	394,117,948	157,761,505
<b>Total</b>	<b>1,064,912,049</b>	<b>358,078,337</b>



**Barbeque Nation Restaurant LLC**

Notes forming part of special purpose standalone financial statements

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

**Note****No.****24 Related party transactions****A List of related parties**

Ultimated holding company	Barbeque-Nation Hospitality Limited, India
Holding company	Barbeque Nation Mena Holding Limited, U.A.E

**B Transactions with related parties**

Particulars for the year / period ended	Holding company	31-Mar-18	31-Mar-17
Included under other expenses			
Interest on loan from related parties	18,655,413	18,655,413	588,942

**C Balances with related parties as at**

	Holding company	31-Mar-18	31-Mar-17
Loan from shareholder (non-current)	431,319,439	431,319,439	88,621,049
Loan from shareholder (current)	26,688,420	26,688,420	3,077,412
Accruals and other payables	-	-	-



**BARBEQUE NATION  
RESTAURANT LLC**

**Financial Statements**

*31 March 2018*

*Registered Address:*

P.O. Box 390347  
Dubai, U.A.E.

# BARBEQUE NATION RESTAURANT LLC

## Financial Statements 31 March 2018

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## BARBEQUE NATION RESTAURANT LLC Director's Report

The director submits his report and accounts for the financial year ended 31 March 2018.

### Results

The loss for the year amounted to AED 4,649,222/-.

### Review of the business

The company is registered and engaged in restaurant business. During the year, the restaurant at Karama, Dubai, U.A.E. commenced its operations on 12 November 2017.

### Events since the end of the year

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

### Shareholders and their interests

The shareholders at 31 March 2018 and their interests as at that date in the share capital of the company were as follows:

<i>Name of the shareholders</i>	<i>Nationality/ country of incorporation</i>	<i>No. of shares</i>	<i>AED</i>
Mr. Sulaiman Mohamed Khalifa Alsuwaidi	U.A.E.	153	153,000
Barbeque Nation Holdings Limited	U.A.E.	<u>147</u>	<u>147,000</u>
		<u>300</u>	<u>300,000</u>

### 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 Memon  
Director



## **Independent Auditors' Report to the Shareholders/Directors' of BARBEQUE NATION RESTAURANT LLC**

### **Report on the Audit of Financial Statements**

We have audited the accompanying financial statements of **BARBEQUE NATION RESTAURANT LLC** (the "Company"), which comprises of the statement of financial position as at 31 March 2018, 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 2018 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.

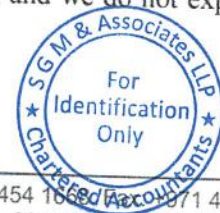
### **Emphasis of matter**

Without qualifying our opinion, we draw attention to note 2(a) to the financial statements which states that these financial statements are prepared on a going concern basis. However, in view of the accumulated losses of AED 5,146,990/- and the deficit of AED 4,846,990/- in the equity funds, the continuance of the business as a going concern is dependent upon the company's ability to generate positive cash flows from its future operations to meet its financial obligations and the continued financial support from the shareholder.

### **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 Shareholders/Directors' of BARBEQUE NATION RESTAURANT LLC**

### **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.

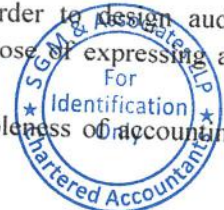
Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **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.
- 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.



## Independent Auditors' Report to the Shareholders/Directors' of BARBEQUE NATION RESTAURANT LLC

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

- 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.

### Report on Other Legal and Regulatory Requirements

Further as required by the UAE Federal Law No (2) of 2015, we report that:

- i) we have obtained all the information necessary for the purpose of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No (2) of 2015, and the articles of association of the company
- iii) the company has maintained proper books of account
- iv) the financial information in the Director's Report is consistent with the books of account of the company
- v) the company has not made any investments in shares and stocks during the year ended 31 March 2018.
- vi) note 16 reflects material related party transactions and terms under which they were conducted.
- vii) based on the information made available to us, nothing has come to our attention which causes us to believe that the company has contravened during the financial year ended 31 March 2018 any of the applicable provisions of the UAE Federal Law No (2) of 2015 or of its activities which would materially affect its activities or its financial position as at 31 March 2018.

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



28 April 2018


## BARBEQUE NATION RESTAURANT LLC

### Statement of Financial Position At 31 March 2018

	<i>Notes</i>	<i>2018</i> <i>AED</i>	<i>2017</i> <i>AED</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	6,294,745	3,796,434
Capital work in progress	7	2,404,094	47,886
Intangible assets	8	<u>31,797</u>	<u>51,842</u>
		<b><u>8,730,636</u></b>	<b><u>3,896,162</u></b>
<b>Current assets</b>			
Inventories	9	642,815	419,008
Other receivables	10	10,289,556	871,842
Prepayments		2,179,730	1,387,876
Cash and bank balances	11	<u>685,789</u>	<u>419,982</u>
		<b><u>13,797,890</u></b>	<b><u>3,098,708</u></b>
<b>TOTAL ASSETS</b>		<b><u>22,528,526</u></b>	<b><u>6,994,870</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	300,000	300,000
Accumulated (loss)		<u>(5,146,990)</u>	<u>(497,768)</u>
<b>Total equity</b>		<b><u>(4,846,990)</u></b>	<b><u>(197,768)</u></b>
<b>Non-current liabilities</b>			
	13, 17	<b><u>24,477,689</u></b>	<b><u>5,045,181</u></b>
<b>Current liabilities</b>			
Trade and other payables	14	1,375,625	1,973,132
Due to the shareholder	13, 17	1,506,229	174,325
Installment plan liability	13	<u>15,973</u>	<u>-</u>
		<b><u>2,897,827</u></b>	<b><u>2,147,457</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>22,528,526</u></b>	<b><u>6,994,870</u></b>

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 director on 28<sup>th</sup> April 2018.

For BARBEQUE NATION RESTAURANT LLC

  
Mr. Mansoor Mohamed Ismail Memon  
Director



## BARBEQUE NATION RESTAURANT LLC

### Statement of Comprehensive Income for the year ended 31 March 2018

	<i>Notes</i>	<i>Year ended 31 March 2018 AED</i>	<i>2 Mar. 2016 to 31 Mar. 2017 AED</i>
<b>Revenue</b>		<b>9,210,303</b>	<b>2,825,907</b>
Cost of revenue	15	<u>(11,056,909)</u>	<u>(3,144,178)</u>
<b>Gross loss</b>		<b>(1,846,606)</b>	<b>(318,271)</b>
Expenses	16	<u>(1,738,797)</u>	<u>(147,262)</u>
<b>Loss from operations</b>		<b>(3,585,403)</b>	<b>(465,533)</b>
Finance costs	17, 18	<u>(1,063,819)</u>	<u>(32,235)</u>
<b>Loss for the year/period</b>		<b>(4,649,222)</b>	<b>(497,768)</b>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year/period</b>		<b><u>(4,649,222)</u></b>	<b><u>(497,768)</u></b>

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



## BARBEQUE NATION RESTAURANT LLC

### Statement of Changes in Equity for the year ended 31 March 2018

	<i>Share capital AED</i>	<i>Accumulated (loss) AED</i>	<i>Total AED</i>
Introduced during the period	300,000	-	300,000
Loss for the period	-	(497,768)	(497,768)
<b>As at 31 March 2017</b>	<b>300,000</b>	<b>(497,768)</b>	<b>(197,768)</b>
Loss for the year	-	(4,649,222)	(4,649,222)
<b>As at 31 March 2018</b>	<b><u>300,000</u></b>	<b><u>(5,146,990)</u></b>	<b><u>(4,846,990)</u></b>

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



## BARBEQUE NATION RESTAURANT LLC

### Statement of Cash Flows for the year ended 31 March 2018

	<i>Notes</i>	<i>Year ended 31 March 2018 AED</i>	<i>2 Mar. 2016 to 31 Mar. 2017 AED</i>
<b><u>Cash flows from operating activity</u></b>			
(Loss) for the year		(4,649,222)	(497,768)
Adjustments for:			
Depreciation and amortization		750,513	232,307
Loss on sale of vehicle		2,222	-
Finance costs		1,063,819	32,235
Provision for staff end of service gratuity		<u>64,722</u>	<u>25,097</u>
<b>Operating (loss) before working capital changes</b>		<b>(2,767,946)</b>	<b>(208,129)</b>
Changes in inventories		(223,807)	(419,008)
Changes in other receivables and prepayments		(10,209,568)	(2,259,718)
Changes in trade and other payables		<u>(597,507)</u>	<u>1,973,132</u>
<b>Net cash (used in) operating activities</b>		<b><u>(13,798,828)</u></b>	<b><u>(913,723)</u></b>
<b><u>Cash flows from investing activities</u></b>			
Purchase of property, plant and equipment		(3,243,001)	(4,028,741)
Proceeds from sale of vehicle		12,000	-
Payments for capital work in progress		(2,356,208)	(47,886)
Payments for intangible assets		-	<u>(51,842)</u>
<b>Net cash (used in) investing activities</b>		<b><u>(5,587,209)</u></b>	<b><u>(4,128,469)</u></b>
<b><u>Cash flows from financing activities</u></b>			
Share capital introduced during the year		-	300,000
Proceeds from vehicle installment plan liability		61,231	-
Finance costs paid		(1,063,819)	(32,235)
Proceeds from shareholder's loan		<u>20,654,432</u>	<u>5,194,409</u>
<b>Net cash from financing activities</b>		<b><u>19,651,844</u></b>	<b><u>5,462,174</u></b>
<b>Net changes in cash and cash equivalents</b>		<b>265,807</b>	<b>419,982</b>
<b>Cash and cash equivalents at beginning of the year/period</b>		<b><u>419,982</u></b>	<b><u>-</u></b>
<b>Cash and cash equivalents at end of the year/period</b>	11	<b><u>685,789</u></b>	<b><u>419,982</u></b>

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



**BARBEQUE NATION RESTAURANT LLC**

(Registered in Emirates of Dubai)

(Register number 1216679)

**Notes to the Financial Statements**  
*for the year ended 31 March 2018***1. Legal status and principal activity**

- a) **BARBEQUE NATION RESTAURANT LLC** ("The Company") is a limited liability company registered in the Emirate of Dubai, under commercial license no. 753555, issued on 2 March 2016, in accordance with the provision of U.A.E. Federal Commercial Companies Law No.2 of 2015.
- b) The Company has the following restaurant outlets branches within U.A.E.

<u>Name of the Branch</u>	<u>Commercial/ Professional license no.</u>
Karama, Dubai	777058
Al Hamra Mall, Ras Al Khaimah <sup>a</sup>	48217
Al Wahda Mall, Abudhabi <sup>a</sup>	CN-2444589
Jumeirah, Dubai <sup>a</sup>	792479

<sup>a</sup> Under construction

- b) The company is registered and engaged in restaurant business. During the year, the restaurant at Karama, Dubai, U.A.E. commenced its operations on 12 November 2017.

**2. Basis of preparation****a) Going concern**

These financial statements have been prepared on a going concern basis, which assumes that the company will continue to operate as a going concern for the foreseeable future. The statement of financial position shows that the accumulated losses as at 31 March 2018 amounted to AED 5,146,990/- (*previous period AED 497,768/-*) and there was a deficit of AED 4,846,990/- (*previous period AED 197,768/-*) in the equity funds. The shareholder has agreed to continue with the operations of the company and will provide the financial support enabling the company to meet its liabilities as and when they fall due.

**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 2017 and the applicable requirements of the Company Commercial Law number 2 of 2015.



**Notes to the Financial Statements**  
*for the year ended 31 March 2018*

**c) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value 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.

**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:





**Notes to the Financial Statements**  
*for the year ended 31 March 2018*

***Impairment***

At each reporting date, management conducts an assessment of property, plant, equipment, intangible assets 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. 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.

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

**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 sheet 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 property, plant and equipment***

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

***Estimated useful life of property, plant and equipment***

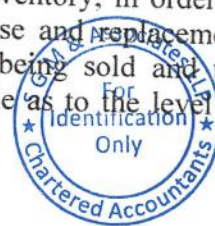
Management determines the estimated useful lives and depreciation charge for its property, plant and equipment at the time of addition of the assets and is reviewed on annual basis.

***Carrying value of intangible assets***

Carrying values of the intangible assets are assessed for premiums as commanded by the market forces on a periodic basis. Based on such assessments the premiums are reduced to their estimated market valuation.

***Inventory provision***

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.



**Notes to the Financial Statements**  
*for the year ended 31 March 2018*

***Impairment***

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

***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 affects.

**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:

- IAS 7 – Statement of Cash Flows-Disclosure Initiative Amendment
- IAS 12 – Recognition of Deferred Tax Assets for Unrealized losses
- Amendments to IFRS 12 as per annual improvements to IFRS standards 2014-16 cycle

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

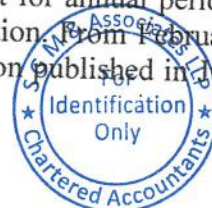
These amendments have no significant impact on the amounts reported in these financial statements.

Their adoption has resulted in presentation and disclosure changes only.

**b) International Financial Reporting Standards issued but not effective**

Amendments to IFRS 2- Classification and Measurement of Share- based Payment Transactions- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

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.



**Notes to the Financial Statements**  
*for the year ended 31 March 2018*

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

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.

IFRS17 -Insurance Contracts The effective date of the standard is set for annual periods beginning on or after 1 January 2021.

Amendment to IAS 28 (long term interest in Associates and Joint Ventures The effective date of the standard is set for annual periods beginning on or after 1 January 2019.

Amendments to IAS 40 – Transfer of Investment Property- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

Amendments to IFRSs- Annual improvements to IFRS Standards 2014-16 Cycle

IFRIC22- Foreign Currency Transactions and Advance Consideration- The effective date of the standard is set for annual periods beginning on or after 1 January 2018.

IFRIC23-uncertainty of Income Tax Position- 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**

The cost of property, plant and equipment is depreciated by equal annual installments over their estimated useful lives as follows:

Restaurant improvements	9 years
Kitchen equipment	8 years
Furniture and fixture	5 years
Computers	3 years
Vehicles	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.

**b) Capital work in progress**

Capital work in progress is stated at cost less accumulated impairment, if any and is transferred to respective items of property and equipment as and when available for intended use. No depreciation is charged on capital work-in-progress.



**Notes to the Financial Statements**  
*for the year ended 31 March 2018*

c) **Intangible assets**

Intangible assets, representing amount paid for software, are measured on initial recognition at cost.

Intangible assets with indefinite useful lives are stated at cost less impairment, if any and are not amortized. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount. Such impairment losses are reported in the statement of comprehensive income.

Amount paid for software are amortised over a period of 3 years.

d) **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.



## BARBEQUE NATION RESTAURANT LLC

### Notes to the Financial Statements for the year ended 31 March 2018

#### *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.

#### *Offsetting of financial assets and liabilities*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the concern 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.

#### e) **Inventories**

Inventories representing foodstuff, beverages, crockery and cutlery, consumables and other related items are valued at cost.

#### f) **Other receivables**

An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts.

Bad debts are written off when identified.

#### g) **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.



## BARBEQUE NATION RESTAURANT LLC

### Notes to the Financial Statements for the year ended 31 March 2018

#### h) 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 gain or loss is taken to the Statement of comprehensive income.

#### i) Trade and other payables

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

#### j) 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 period, 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.

#### k) Staff end of service gratuity

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

#### m) Value Added Tax

The revenue, expenses and assets are recognised net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from or VAT payable to FTA is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.



## BARBEQUE NATION RESTAURANT LLC

### Notes to the Financial Statements for the year ended 31 March 2018

#### l) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and the lease payments are charged to the income statement on a straight line basis over the period of lease.

#### m) Revenue recognition

Revenue comprises of the amounts invoiced from serving of foodstuff and related services falling within the company's ordinary activities, after deduction of discount and value-added tax (VAT).

#### n) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in 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.

#### 6. Property, plant and equipment

	<i>Restaurant improvements<sup>a</sup></i> <i>AED</i>	<i>Kitchen equipment</i> <i>AED</i>	<i>Furniture and fixtures</i> <i>AED</i>	<i>Computers</i> <i>AED</i>	<i>Vehicle</i> <i>AED</i>	<i>Total</i> <i>AED</i>
<b>Cost</b>						
As at 01.04.2017	1,995,361	1,017,401	935,140	80,839	-	4,028,741
Additions during the period	1,907,232	652,420	460,726	122,068	100,555	3,243,001
Disposal during the period	-	-	-	-	(15,515)	(15,515)
As at 31.03.2018	<u>3,902,593</u>	<u>1,669,821</u>	<u>1,395,866</u>	<u>202,907</u>	<u>85,040</u>	<u>7,256,227</u>
<b>Depreciation</b>						
As at 01.04.2017	91,360	52,612	77,373	10,962	-	232,307
Charge for the period	302,887	158,076	222,686	41,808	5,011	730,468
Relating to disposal	-	-	-	-	(1,293)	(1,293)
As at 31.03.2018	<u>394,247</u>	<u>210,688</u>	<u>300,059</u>	<u>52,770</u>	<u>3,718</u>	<u>961,482</u>
<b>Net book value</b>						
As at 31.03.2018	<u>3,508,346</u>	<u>1,459,133</u>	<u>1,095,807</u>	<u>150,137</u>	<u>81,322</u>	<u>6,294,745</u>
As at 31.03.2017	<u>1,904,001</u>	<u>964,789</u>	<u>857,767</u>	<u>69,877</u>	-	<u>3,796,434</u>

Note:

<sup>a</sup> Restaurant premises are located at Al Barsha, Dubai, U.A.E. on lease period of 9 years and 120 days and at Karama, Dubai, U.A.E. on lease period of 8 years and 90 days. For lease commitments, refer note 23.



Notes to the Financial Statements  
for the year ended 31 March 2018

	<u>2018</u> <u>AED</u>	<u>2017</u> <u>AED</u>
<b>7. Capital work in progress <sup>a</sup></b>		
Opening balance	47,886	-
Payments made during the year	<u>2,356,208</u>	<u>47,886</u>
Closing balance	<u><b>2,404,094</b></u>	<u><b>47,886</b></u>

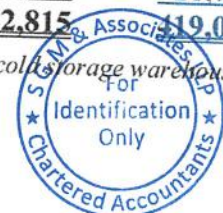
<sup>a</sup> Represents the amount paid for new restaurant branches related expenses located at:

- i. Jumeirah, Dubai, U.A.E. on lease period of 9 years and 6 months which is expected to be ready for its intended use by 19 May 2018.
- ii. Ras Al Khaimah, U.A.E on lease period of 5 years which is ready for its intended use on 12 April 2018.
- iii. Abu Dhabi (Al Wahda Mall), U.A.E. on lease period of 6 years which is expected to be ready for its intended use by 15 May 2018.
- iv. Abu Dhabi (Reem Mall), U.A.E. on lease period of 5 years which is expected to be ready for its intended use by 15 December 2020.
- v. Abu Dhabi (Dalma Mall), U.A.E. on lease period of 6 years which is expected to be ready for its intended use by 25 July 2018.
- vi. Al Ain, U.A.E on lease period of 9 years which is expected to be ready for its intended use by 20 May 2018.
- vii. Sharjah (Saefer Mall), U.A.E on lease period of 9 years which is expected to be ready for its intended use by 18 August 2018.

For capital and lease commitments, refer notes 22 and 23.

	<u>2018</u> <u>AED</u>	<u>2017</u> <u>AED</u>
<b>8. Intangible assets</b>		
<b>Computer software</b>		
<b>Cost</b>		
Opening balance	60,134	-
Payments made during the year	-	<u>60,134</u>
Closing balance	<u><b>60,134</b></u>	<u><b>60,134</b></u>
<b>Amortisation</b>		
Opening balance	8,292	-
Amortised during the year	<u>20,045</u>	<u>8,292</u>
Closing balance	<u><b>28,337</b></u>	<u><b>8,292</b></u>
<b>Net book value</b>	<u><b>31,797</b></u>	<u><b>51,842</b></u>
<b>9. Inventories</b>		
Food and beverages <sup>a</sup>	193,862	108,001
Crockery and cutlery	379,889	289,307
Other consumables items	<u>69,064</u>	<u>21,700</u>
	<u><b>642,815</b></u>	<u><b>419,008</b></u>

<sup>a</sup> Includes items costing AED 86,752/- (previous year AED 54,228/-) lying at cold storage warehouse in Dubai, U.A.E.





# BARBEQUE NATION RESTAURANT LLC

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## Notes to the Financial Statements for the year ended 31 March 2018

	<u>2018</u> <u>AED</u>	<u>2017</u> <u>AED</u>
<b>10. Other receivables</b>		
Deposits	1,936,575	445,684
Advance to suppliers	7,888,236	271,224
Staff advances	237,559	434
Due from a shareholder	153,000	153,000
Other receivables	74,186	1,500
	<u>10,289,556</u>	<u>871,842</u>
<b>11. Cash and bank balances</b>		
Cash in hand	22,099	15,791
Cheques on hand	12,500	-
Bank balances in:		
Current accounts	651,190	404,191
	<u>685,789</u>	<u>419,982</u>
<b>12. Share capital</b>		
Authorized, issued and paid up share capital: 300 shares of AED 100 each	<u>300,000</u>	<u>300,000</u>
<b>13. Non-current liabilities</b>		
<b>Vehicles installment plan liability</b>		
Total amount outstanding	61,231	-
Payable within next twelve months ( <i>current portion</i> )	(15,973)	-
Payable after next twelve months ( <i>non-current portion</i> )	<u>45,258</u>	<u>-</u>
<b>Due to the shareholder <sup>a</sup></b>		
Total amount outstanding ( <i>refer note 17</i> )	25,848,841	5,194,409
Payable within next twelve months ( <i>current portion</i> )	(1,506,229)	(174,325)
Payable after next twelve months ( <i>non-current portion</i> )	24,342,612	5,020,084
Staff end of service gratuity	89,819	25,097
	<u>24,432,431</u>	<u>5,045,181</u>
<b>14. Trade and other payables</b>		
Trade payables	484,731	317,292
Payables for capital goods	211,079	300,940
Short term loans <sup>a</sup>	-	1,143,516
Accruals	679,815	211,384
	<u>1,375,625</u>	<u>1,973,132</u>

<sup>a</sup> Represents amount advanced by the shareholder, Barbeque Nation Holdings Limited, which were received from Axis Bank and Yes Bank, India (with fixed repayment schedule) and its parent company in India towards secured and interest bearing loan (previous period received from Axis Bank, India).

<sup>a</sup> Represented unsecured and interest free loans, repaid during the period.



**BARBEQUE NATION RESTAURANT LLC**

**Notes to the Financial Statements**  
for the year ended 31 March 2018

	<i>Year ended 31 March 2018 <u>AED</u></i>	<i>2 Mar. 2016 to 31 Mar. 2017 <u>AED</u></i>
<b>15. Cost of revenue</b>		
Materials consumed	2,985,639	1,040,676
Staff salaries and benefits	3,552,747	568,253
Rent	2,114,514	610,575
Other operating expenses	1,720,360	703,329
Depreciation (refer note 16)	<u>683,649</u>	<u>221,345</u>
	<b><u>11,056,909</u></b>	<b><u>3,144,178</u></b>
<b>16. Expenses</b>		
Management fees (refer note 17)	165,000	-
Royalty expenses (refer note 17)	460,031	-
Other administrative expense	1,046,902	128,008
Amortisation of intangible assets	20,045	8,292
Depreciation (refer below)	<u>46,819</u>	<u>10,962</u>
	<b><u>1,738,797</u></b>	<b><u>147,262</u></b>
<b>Total depreciation</b>	730,468	232,307
Taken to cost of revenue (refer note 15)	<u>(683,649)</u>	<u>(221,345)</u>
Taken to expenses (as above)	<u>46,819</u>	<u>10,962</u>

**17. Related party transactions**

For the purpose of this 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) Shareholder:

1. Barbeque Nation Holdings Limited, U.A.E.

The nature of significant related party transactions and the amounts involved during the year are as under:

	<i>Year ended 31 March 2018 <u>AED</u></i>	<i>Shareholder 2 Mar. 2016 to 31 Mar. 2017 <u>AED</u></i>
Management fees	165,000	-
Royalty expenses	460,031	-
Interest on shareholder's loan	062,501	32,235



**Notes to the Financial Statements**  
for the year ended 31 March 2018

**Related party transactions (contd.)**

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

	<i>Shareholder</i>	
	<i>2018</i>	<i>2017</i>
	<i>AED</i>	<i>AED</i>
<b>Included under non-current liabilities:</b>		
Due to the shareholder	24,342,612	5,020,084
<b>Included under current liabilities:</b>		
Due to the shareholder	1,506,229	174,325
<b>18. Finance costs</b>		
Interest on vehicle loan	1,318	-
Interest on shareholder's loan (refer note 17)	<u>1,062,501</u>	<u>32,235</u>
	<u><b>1,063,819</b></u>	<u><b>32,235</b></u>
<b>19. Financial instrument risks</b>		

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 concentration of credit risk comprise principally of bank balances and other receivables.

There is no significant concentration of credit risk from trade receivables situated within or outside U.A.E. and outside the industry in which the entities 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 interest rate risk, exchange rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Financial instruments affected by market risk include financial assets in the form of loans and receivables only. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



## BARBEQUE NATION RESTAURANT LLC

### Notes to the Financial Statements for the year ended 31 March 2018

#### *Interest rate risk*

Since loan from the shareholder and vehicle loan are at fixed rate of interest, interest rate risk is minimum.

#### *Exchange rate risk*

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which U.A.E. Dirham is fixed.

#### a) **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 owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

#### 20. **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 bank balances and financial liabilities comprising of trade and other payables and due to the shareholder approximate to their carrying values.

#### 21. **Contingent liability**

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

	<u>2018</u> <u>AED</u>	<u>2017</u> <u>AED</u>
22. <b>Capital commitments</b>		
Improvement to a restaurants in U.A.E. (refer note 7)	<u>8,584,445</u>	<u>896,758</u>

#### 23. **Lease commitments**

The un-expired portion of the lease rent as at 31<sup>st</sup> March 2018 are as under –

	<u>2018</u> <u>AED</u>	<u>2017</u> <u>AED</u>
<b>Lease commitments (leasehold premises at Dubai, Ras Al Khaimah, Abu Dhabi, Al Ain, Sharjah)</b> (refer notes 6 and 7)		
Up to one year	5,727,279	2,076,353
More than one year and up to five years	32,130,696	9,270,921
More than five years	22,243,051	8,936,658
	<u>60,101,026</u>	<u>20,283,932</u>

#### 24. **Comparative figures**

- a) Previous period's figures have been regrouped/reclassified where necessary to confirm to the presentation adopted in the current year.
- b) Previous period's financial statements are prepared for a period of fifteen months and hence the previous period's figures are not comparable with the current year.

