

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 Restaurant LLC, Dubai, ('Company' or 'Barbeque LLC') as at and for the year ended 31 March 2019, 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 2019 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 2019 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 be "H M" followed by a few dots.

Hemanth M Kumar
Partner
Membership No. 216251

Bengaluru, 06 February 2020
UDIN: 20216251AAAABL3271

Encl: INR Financial Information and Standalone audited financials of Barbeque Nation Restaurant LLC, Dubai as at and for the year ended 31 March 2019.

Barbeque Nation Restaurant LLC
Special Purpose Standalone Balance Sheet as at 31 March 2019
(Amount in Rupees, except for shares data or as otherwise stated)

Particulars as at	Note No.	31-Mar-19	31-Mar-18
ASSETS			
Non-current assets			
Property, plant and equipment	3	402,944,414	111,534,697
Capital work-in-progress	4	18,667,313	42,599,440
Intangible assets	5	426,218	563,401
Financial assets			
Loans	6	39,966,453	34,313,591
Other non-current assets	7	6,257,874	136,429,046
Total Non-current assets [A]		468,262,272	325,440,175
Current assets			
Inventories	8	9,054,265	4,658,707
Financial assets			
Cash and cash equivalents	9	27,718,499	12,151,290
Other current assets	10	56,267,126	56,928,040
Total current assets [B]		93,039,890	73,738,037
Total assets [A+B]		561,302,162	399,178,212
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	5,666,790	5,315,610
Other equity	12	(184,821,280)	(91,197,974)
Equity attributable to owners of the Company [C]		(179,154,490)	(85,882,364)
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	546,770,622	432,121,352
Provision	14	3,034,264	1,591,476
Total Non-current liabilities [D]		549,804,886	433,712,828
Current liabilities			
Financial Liabilities			
Trade payables	15	86,393,332	24,376,307
Other financial liabilities	16	104,258,434	26,971,441
Total current liabilities [E]		190,651,766	51,347,748
Total liabilities [F= [D+E]]		740,456,652	485,060,576
Total equity and liabilities [F+C]		561,302,162	399,178,212

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



Barbeque Nation Restaurant I.L.C

Special Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2019

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

Particulars for the year ended	Note No.	31-Mar-19	31-Mar-18
REVENUE			
Revenue from operations	17	365,674,297	161,714,677
Other income	18	276,445,146	-
Total (A)		642,119,443	161,714,677
Expenses			
Cost of revenue		215,257,700	82,628,021
Employee benefits expenses	19	168,485,986	62,379,200
Other operating expenses	20	133,114,248	66,480,104
Total (B)		516,857,934	211,487,325
Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)		125,261,509	(49,772,648)
Finance costs (D)	21	50,445,603	18,678,554
Depreciation expense (E)	3	55,509,710	13,177,521
Loss before tax and exceptional items (F) = (C-D-E)		19,306,196	(81,628,723)
Exceptional items (G)		(107,573,302)	-
Loss before tax (H) = (F-G)		(88,267,106)	(81,628,723)
Tax expense / (benefit):			
Current tax		-	-
Deferred tax		-	-
Net tax expense / (benefit) (I)		-	-
Net Loss for the year (J) = (H-I)		(88,267,106)	(81,628,723)
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)		(88,267,106)	(81,628,723)

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 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)
Effect of increase in share capital	351,180	-	-	351,180
Loss for the year	-	-	(88,267,106)	(88,267,106)
Exchange	-	(5,356,200)	-	(5,356,200)
As at 31 March 2019	5,647,170	(5,810,528)	(178,991,132)	(179,154,490)

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 2019

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

Particulars for the year ended	31-Mar-19	31-Mar-18
Cashflows from operating activities		
Loss for the year	(88,267,106)	(81,628,723)
Adjustments for:		
Depreciation	55,509,710	13,177,521
Interest expenses	50,445,603	18,678,554
Loss on disposal / write-off of property, plant and equipments	74,269,850	-
Payable written back	(275,832,032)	-
Operating loss before working capital changes	(183,873,975)	(49,772,648)
Changes in inventories	(4,118,903)	2,740,491
Changes in other receivables and prepayments	(6,186,586)	(179,259,791)
Changes in accruals and other payables	63,107,564	(9,247,863)
Net cash used in operating activities	(131,071,900)	(235,539,811)
Cashflows from investing activities		
Purchase of property, plant and equipments (including capital work-in-progress) (net)	(241,583,796)	(104,770,421)
Net cash used in investing activities	(241,583,796)	(104,770,421)
Cashflow from financing activities		
Proceeds from issue of shares	-	-
Proceeds from loan from shareholders	438,972,525	362,650,913
Process from long-term borrowings from banks (net)	(304,016)	1,075,095
Interest paid	(50,445,604)	(18,678,554)
Net cash flow from financing activities	388,222,905	345,047,454
Net changes in cash and cash equivalents	15,567,209	4,737,222
Cash and cash equivalents at beginning of the year	12,151,290	7,414,068
Cash and cash equivalents at end of the year	27,718,499	12,151,290

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 financials statements of the Company as at and for the year ended 31 March 2019 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(1)(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-19	31-Mar-18
- 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 2019 for accounting policy and other details.



Barbeque Nation Restaurant L.L.C

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
Cost:						
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
Balance as at 31 March 2018	69,148,875	29,587,057	24,732,931	3,595,248	1,506,798	128,570,909
As at 01 April 2018	69,148,875	29,587,057	24,732,931	3,595,248	1,506,798	128,570,909
Additions	299,281,384	79,296,349	23,207,421	6,402,403	-	408,187,557
Deletions	(65,423,042)	(9,741,442)	(5,562,071)	(1,051,885)	-	(81,778,440)
Transalation adjustment	2,802,843	8,604,908	1,500,656	197,090	99,548	13,205,045
Balance as at 31 March 2019	305,810,060	107,746,872	43,878,937	9,142,856	1,606,346	468,185,071
Depreciation						
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
Balance as at 31 March 2018	6,985,544	3,733,117	5,316,655	935,016	65,878	17,036,211
As at 01 April 2018	6,985,544	3,733,117	5,316,655	935,016	65,878	17,036,211
Charge for the year	29,934,663	13,662,915	8,267,802	2,675,982	404,644	54,946,006
Reversal relating to deletion	(5,858,512)	(739,380)	(683,899)	(226,799)	-	(7,508,590)
Transalation adjustment	279,563	148,969	293,939	43,265	1,295	767,031
Balance as at 31 March 2019	31,341,259	16,805,621	13,194,497	3,427,463	471,817	65,240,658
Net book value						
As at 31 March 2019	274,468,801	90,941,251	30,684,440	5,715,393	1,134,529	402,944,414
As at 31 March 2018	62,163,330	25,853,940	19,416,275	2,660,232	1,440,920	111,534,697

4 Capital work-in-progress

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

5 Intangible assets

Particulars	Software
Cost:	
As at 01 April 2017	1,061,564
Additions	-
Deletions	-
Transalation adjustment	3,932
Balance as at 31 March 2018	1,065,496
As at 01 April 2018	1,065,496
Additions	586,772
Deletions	(293,377)
Transalation adjustment	68,177
Balance as at 31 March 2019	1,427,068
Depreciation	
As at 01 April 2017	146,381
Charge for the year	351,950
Reversal relating to deletion	-
Transalation adjustment	3,764
Balance as at 31 March 2018	502,095
As at 01 April 2018	502,095
Charge for the year	563,704
Reversal relating to deletion	(94,576)
Transalation adjustment	29,627
Balance as at 31 March 2019	1,000,850
Net book value	
As at 31 March 2019	426,218
As at 31 March 2018	563,401



Barbeque Nation Restaurant I.L.C

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

Note**No.**

6	Loans		
	Particulars as at	31-Mar-19	31-Mar-18
	Non-current		
	Security deposit	39,966,453	34,313,591
	Total	39,966,453	34,313,591
7	Other non-current assets		
	Particulars as at	31-Mar-19	31-Mar-18
	Capital advance	6,257,874	136,429,046
	Total	6,257,874	136,429,046
8	Inventories		
	Particulars as at	31-Mar-19	31-Mar-18
	Food and beverages	4,702,019	3,434,983
	Crockery and cutlery	-	-
	Other consumables items	4,352,246	1,223,724
	Total	9,054,265	4,658,707
9	Cash and cash equivalents		
	Particulars as at	31-Mar-19	31-Mar-18
	Cash-in-hand	436,607	391,566
	In current account	27,281,892	11,759,724
	Total	27,718,499	12,151,290
10	Other current assets		
	Particulars as at	31-Mar-19	31-Mar-18
	Prepaid expenses	37,620,497	38,621,982
	Advance to suppliers	6,642,498	3,340,241
	Employee advance	273,158	4,209,237
	Due from related parties	2,890,063	2,710,961
	Other receivables	8,840,910	8,045,619
	Total	56,267,126	56,928,040
11	Equity share capital		
	Particulars as at	31-Mar-19	31-Mar-18
	Authorised capital		
	300,000 shares of AED 100 each	5,666,790	5,315,610
	Issued, subscribed and paid-up capital		
	300,000 shares of AED 100 each	5,666,790	5,315,610
	Total	5,666,790	5,315,610



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.**

12 Other equity		
Particulars as at	31-Mar-19	31-Mar-18
Retained earnings		
Opening balance	(91,197,974)	(8,787,246)
Total comprehensive loss for the year	(88,267,106)	(81,628,723)
Foreign currency translation	(5,356,200)	(782,005)
Closing balance	(184,821,280)	(91,197,974)
13 Borrowings		
Particulars as at	31-Mar-19	31-Mar-18
Non-current		
Long-term loan from banks	553,173	801,913
Long-term loan from related parties	546,217,449	431,319,439
Total	546,770,622	432,121,352
Current maturities of long-term debt	292,199	85,909
Total	547,062,821	432,207,261
14 Provision		
Particulars as at	31-Mar-19	31-Mar-18
Non-current		
Provision for gratuity	3,034,264	1,591,476
Total	3,034,264	1,591,476
15 Trade payables		
Particulars as at	31-Mar-19	31-Mar-18
Trade payables	86,393,332	24,376,307
Total	86,393,332	24,376,307
16 Other financial liabilities		
Particulars as at	31-Mar-19	31-Mar-18
Current maturities of long-term borrowings	104,258,434	26,971,441
Interest accrued but not due on borrowings	-	-
Total	104,258,434	26,971,441



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.**

17 Revenue from operations		
Particulars for the year ended	31-Mar-19	31-Mar-18
Sale of food & beverages	365,674,297	161,714,677
Total	365,674,297	161,714,677
18 Other income		
Particulars for the year ended	31-Mar-19	31-Mar-18
Payable written back	275,832,032	-
Foreign exchange gain	613,114	-
Total	276,445,146	-
19 Employee benefits expenses		
Particulars for the year ended	31-Mar-19	31-Mar-18
Salaries and wages	168,485,986	62,379,200
Total	168,485,986	62,379,200
20 Other expenses		
Particulars for the year ended	31-Mar-19	31-Mar-18
Lease rent	72,543,527	37,126,677
Royalty expenses	-	8,077,233
Management fees	5,709,940	2,897,073
Other expenses	54,860,781	18,379,121
Total	133,114,248	66,480,104
21 Finance costs		
Particulars for the year ended	31-Mar-19	31-Mar-18
Interest on term-loan	181,633	23,141
Interest on loan from related parties	50,263,970	18,655,413
Total	50,445,603	18,678,554
22 Contingent liability and capital commitment		
Particulars for the year ended	31-Mar-19	31-Mar-18
Contingent liability	-	-
Capital commitment	-	152,105,206
23 Lease commitments		
Particulars for the year ended	31-Mar-19	31-Mar-18
The un-expired portion of the lease rent are as under:		
Upto one year	83,610,918	101,479,938
More than one year and upto five years	443,094,451	569,314,163
More than five years	148,696,985	394,117,948
Total	675,402,354	1,064,912,049



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 period ended	Holding company	Ultimated holding company	31-Mar-19	31-Mar-18
Expenses				
Management fees	5,709,940	-	5,709,940	2,897,073
Royalty expenses	-	-	-	8,077,233
Included under other expenses				
Other shared expenses	15,897,823	-	15,897,823	-
Interest on loan from related parties	50,445,603	-	50,445,603	18,655,413

C Balances with related parties as at

	Holding company		31-Mar-18	
Loan from shareholder (non-current)	546,217,449	-	546,217,449	431,319,439
Loan from shareholder (current)	103,956,715	-	103,956,715	26,688,420
Accruals and other payables	6,971,039	-	6,971,039	-



**BARBEQUE NATION
RESTAURANT LLC**

Financial Statements

31 March 2019

Registered Address:

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

BARBEQUE NATION RESTAURANT LLC

Financial Statements *31 March 2019*

<i>CONTENTS</i>	<i>PAGE</i>
Director's Report	1
Independent Auditors' Report	2 – 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 28

BARBEQUE NATION RESTAURANT LLC

Director's Report

The director submits his report and accounts for the financial year ended 31 March 2019.

Results

The loss for the year amounted to AED 4,637,453/-.

Review of the business

The company is registered and engaged in restaurant business. The company has following retail outlets in U.A.E. During the year, the outlet at Ras Al Khaimah closed and outlets at Al Ain and Sharjah terminated.

- 1) Al Barsha II, Dubai
- 2) Al Karama, Dubai
- 3) Al Hamra Mall, Ras Al Khaimah (*commenced its operations on 12 April 2018 and closed on 3 December 2018*)
- 4) Al Wahda Mall, Abu Dhabi (*commenced its operations on 8 May 2018*)
- 5) Atmosfire, Jumeirah, Dubai (*commenced its operations on 25 July 2018 and under renovation from January 2019 onwards*)
- 6) Al Dalma Mall, Abu Dhabi (*commenced its operations on 8 September 2018*)

Events since the end of the year

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

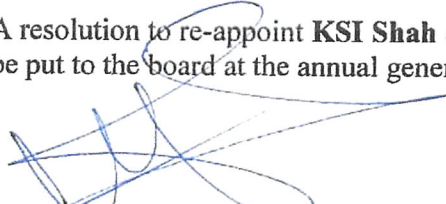
Shareholders and their interests

The shareholders at 31 March 2019 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 Alouwaidi	U.A.E.	153	153,000
Barbeque Nation Mena Holding 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 the 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 2019, 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 2019 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 9,784,443/- (*previous year AED 5,116,990/-*) and the deficit of AED 9,484,443/- (*previous year 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, Barbeque Nation Mena Holding Limited, U.A.E.

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.

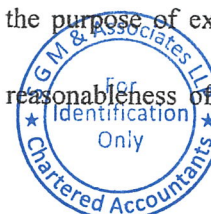
Those charged with governance are responsible for overseeing the Company's financial reporting process.

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:

- we have obtained all the information necessary for the purpose of our audit;
- 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;
- the company has maintained proper books of account;
- the financial information in the Director's Report is consistent with the books of account of the company;
- the company has not made any investments in shares and stocks during the year ended 31 March 2019;
- note 19 reflects material related party transactions and terms under which they were conducted;
- 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 2019 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 2019.

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



28 May 2019

BARBEQUE NATION RESTAURANT LLC

Statement of Financial Position

At 31 March 2019

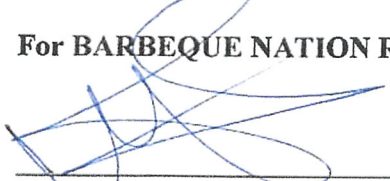
	<i>Notes</i>	<i>2019</i> <i>AED</i>	<i>2018</i> <i>AED</i>
ASSETS			
Non-current assets			
Property, plant and equipment	7	21,331,887	6,674,634
Capital work in progress	8	988,248	2,404,094
Advance for capital goods		331,292	7,699,721
Intangible assets	9	22,564	31,797
		<u>22,673,991</u>	<u>16,810,246</u>
Current assets			
Inventories	10	479,333	262,926
Other receivables	11	3,102,978	2,589,835
Prepayments		1,991,630	2,179,730
Cash and bank balances	12	1,467,418	685,789
		<u>7,041,359</u>	<u>5,718,280</u>
TOTAL ASSETS		<u>29,715,350</u>	<u>22,528,526</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	300,000	300,000
Accumulated losses		(9,784,443)	(5,146,990)
Total equity		<u>(9,484,443)</u>	<u>(4,846,990)</u>
Non-current liabilities	14, 19	<u>29,106,684</u>	<u>24,477,689</u>
Current liabilities			
Trade and other payables	15, 19	4,573,665	1,375,625
Due to the shareholder	14, 19	5,503,471	1,506,229
Installment plan liability	14	15,973	15,973
		<u>10,093,109</u>	<u>2,897,827</u>
TOTAL EQUITY AND LIABILITIES		<u>29,715,350</u>	<u>22,528,526</u>

The accompanying notes 1 to 26 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 28th May 2019 and signed on their behalf by;

For BARBEQUE NATION RESTAURANT LLC


 Mr. Mansoor Mohmed Ismail Memon
 Director



BARBEQUE NATION RESTAURANT LLC

Statement of Comprehensive Income
for the year ended 31 March 2019

	<i>Notes</i>	<i>2019</i> <i>AED</i>	<i>2018</i> <i>AED</i>
Revenue		19,212,513	9,210,303
Cost of revenue	16	<u>(28,862,593)</u>	<u>(11,056,909)</u>
Gross loss		(9,650,080)	(1,846,606)
Expenses	17	<u>(12,543,786)</u>	<u>(1,738,797)</u>
Loss from the operations		(22,193,866)	(3,585,403)
Other income	18	15,356,084	-
Finance costs	19, 20	<u>(2,816,430)</u>	<u>(1,063,819)</u>
Loss for the year		(4,637,453)	(4,649,222)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(4,637,453)</u>	<u>(4,649,222)</u>

The accompanying notes 1 to 26 form an integral part of these financial statements.



BARBEQUE NATION RESTAURANT LLC

Statement of Changes in Equity for the year ended 31 March 2019

	<i>Share capital AED</i>	<i>Accumulated (loss) AED</i>	<i>Total AED</i>
As at 31 March 2017	300,000	(497,768)	(197,768)
Loss for the year	-	(4,649,222)	(4,649,222)
As at 31 March 2018	300,000	(5,146,990)	(4,846,990)
Loss for the year	-	(4,637,453)	(4,637,453)
As at 31 March 2019	<u>300,000</u>	<u>(9,784,443)</u>	<u>(9,484,443)</u>

The accompanying notes 1 to 26 form an integral part of these financial statements.



BARBEQUE NATION RESTAURANT LLC

Statement of Cash Flows
for the year ended 31 March 2019

	<i>Notes</i>	2019	2018
		<u>AED</u>	<u>AED</u>
<u>Cash flows from operating activity</u>			
(Loss) for the year		(4,637,453)	(4,649,222)
Adjustments for:			
Depreciation and amortization		2,916,478	750,513
Loss on sale of vehicle		-	2,222
Payable written back		(14,492,204)	-
Loss on disposal/write-off of property, plant and equipment and intangible assets		3,912,580	-
Finance costs		2,650,410	1,063,819
Provision for staff end of service gratuity		70,815	64,722
Operating (loss) before working capital changes		(9,579,374)	(2,767,946)
Changes in inventories		(216,407)	156,082
Changes in other receivables and prepayments		(325,043)	(10,209,568)
Changes in trade and other payables		3,198,040	(597,507)
Net cash (used in) operating activities		<u>(6,922,784)</u>	<u>(13,418,939)</u>
<u>Cash flows from investing activities</u>			
Proceeds/purchase of property, plant and equipment		-	(3,622,890)
Proceeds from sale of vehicle		-	12,000
Payments for capital work in progress		(20,030,403)	(2,356,208)
Payments for intangible assets		(30,829)	-
Changes in advance for capital goods		7,368,429	-
Net cash (used in) investing activities		<u>(12,692,803)</u>	<u>(5,967,098)</u>
<u>Cash flows from financing activities</u>			
(Payments of)/proceeds from vehicle loans		(15,973)	61,231
Finance costs paid		(2,650,410)	(1,063,819)
Proceeds from shareholder's loan		23,063,599	20,654,432
Net cash from financing activities		<u>20,397,216</u>	<u>19,651,844</u>
Net changes in cash and cash equivalents		781,629	265,807
Cash and cash equivalents at beginning of the year		<u>685,789</u>	<u>419,982</u>
Cash and cash equivalents at end of the year	12	<u>1,467,418</u>	<u>685,789</u>

The accompanying notes 1 to 26 form an integral part of these financial statements.



BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2019***c) 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.

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:



BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2019****Impairment***

At each reporting date, management conducts an assessment of fixed assets, 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.

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

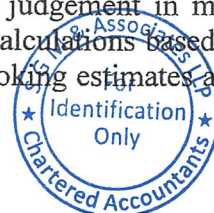
Carrying values of the intangible assets are assessed for premiums as commanded by the market forces on a periodic basis. Based on such assessments the premiums are reduced to their estimated market valuation.

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.

Provision for expected credit losses of other receivables and contract assets

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.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

Impairment of non-financial assets

Assessments of net recoverable amounts of property, plant and equipment, capital work in progress, advance for capital goods and intangible assets 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:

- IFRS 9 - Financial Instruments
- IFRS 15 – Revenue from contracts with customers
- Clarifications to IFRS 15- Revenue from contracts with customers
- IFRIC Interpretation 22-Foreign Currency Transactions and Advance Consideration
- Amendments to IAS 40- Transfers of Investment Property
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IFRS 1 and IAS 28 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 the financial reporting period commencing on or after 1 January 2018.

The significant impacts of IFRS 9, IFRS 15 and other amendments as listed above on the amounts reported and their presentation are disclosed wherever applicable.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

b) International Financial Reporting Standards issued but not effective

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.

IFRIC23-uncertainty of Income Tax Position- The effective date of the interpretation is set for annual periods beginning on or after 1 January 2019.

Amendments to IFRS9-Prepayment features with negative compensation. The effective date of the amendment is set for annual periods beginning on or after 1 January 2019.

Amendments to IAS 28- Long term interests in Associates and Joint Ventures. The effective date of the amendment is set for annual periods beginning on or after 1 January 2019.

Amendments to IFRSs- Annual improvements to IFRS Standards 2015-17 Cycle.

Amendments to IAS19-Plan amendments, curtailments or settlements. The effective date of the amendment is set for annual periods beginning on or after 1 January 2019.

Amendments to IFRS10 and IAS 28-Sale or contribution of assets between an investor and its associate or joint venture. These amendments will apply when they become effective.

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

a) IFRS 9 Financial Instruments

The Company has adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

As permitted by transitional provisions of IFRS 9, the Company elected not to restate the comparative figures. Any adjustments to carrying amounts of financial assets and liabilities at the date of transitions were recognized in opening retained earnings and other reserves of the current year.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

IFRS 9 Financial Instruments (contd.)

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 - Financial Instruments: Disclosures.

There is no material impact on adoption of IFRS 9 in the financial statements at the adoption date and the reporting date, however the presentation and disclosure requirements of IFRS 9 have been dealt with as relevant to the Company.

b) IFRS 15 Revenue from contracts with customers:

This standard on revenue recognition replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" and related interpretations.

IFRS 15 is more perspective, provides detailed guidance on revenue recognition and reduced the use of judgment in applying revenue recognition policies and practices as compared to the replaced IFRS and related interpretations.

Revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service.

The core principle of IFRS 15 is that an entity recognizes revenue as it transfers the promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods or services.

IFRS 15 also includes a comprehensive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company has assessed that the impact of IFRS 15 is not material on the financial statements of the company as at the adoption date and the reporting date.

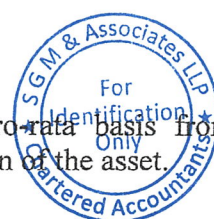
6. Significant accounting policies

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 fixtures	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.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

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.

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

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.

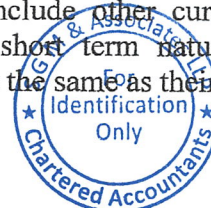
Classification and subsequent measurement of financial assets

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 value.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)

Financial assets that are held within a business model whose objective is achieved by both holding the asset in order to collect contractual cash flows that are solely payments of principal and interest and by selling the financial assets, are subsequently measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest income calculated using EIR method and impairment loss, if any are recognised in the statement of profit and loss.

Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

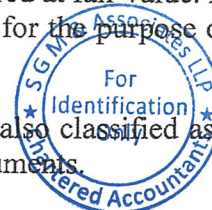
Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss. Changes in fair value and income on these assets are recognised in the statement of profit and loss. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

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 trade and other payables, due to the shareholder and vehicle loans. 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.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

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.

Expected credit losses are recognised in two stages.

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months.
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For other 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 reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

e) Inventories

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

Cost comprises invoice value plus attributable direct expenses.

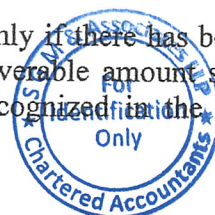
f) Impairment of non-financial assets

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.



BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2019***g) 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.

h) 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.

i) Staff end of service benefits

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.

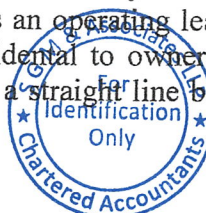
j) Value Added Tax

The revenue, expenses and assets are recognized 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, Federal Tax Authority is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.

k) 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.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

l) Revenue recognition

Services

The company is in the business of restaurant and having retail outlets across U.A.E.

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 –

- the customer simultaneously receives and consumes the benefits provided by the company's performance as and when the company performs; or
- the company's performance creates or enhances an asset that the customer controls as the asset is created or enhances; or
- 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.

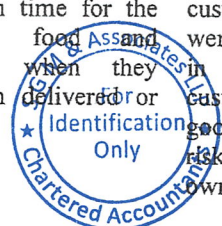
For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The services rendered (including food and beverage sales) are distinct performance obligations, for which prices invoiced to the customers are representative of their stand-alone selling prices. These obligations are fulfilled at a point in time, when they have been delivered or rendered.

The amount of revenue is shown as net of discounts and VAT on services rendered.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicable from 1 January 2018)	Revenue recognition under IAS 18 (applicable before 1 January 2018)
Food and beverage sales	Customers obtain control of the services at the time of consumption of food and beverage. Invoices are generated at the time of the consumption. Invoices are usually payable on the spot.	Revenue is recognised at a point in time for the sale of food and beverage, when they have been delivered or rendered.	Revenue was recognised when the meals were delivered to the customer's tables, which were taken to be the point in time at which the customer accepted the goods and the related risks and rewards of ownership transferred.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

m) Borrowing costs

Finance expense comprises interest expense on vehicle loans and shareholder's loan is recognised in Statement of Comprehensive Income.

n) 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.

o) 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.

7. Property, plant and equipment

	<i>Restaurant improvements^a AED</i>	<i>Kitchen equipment AED</i>	<i>Furniture and fixtures AED</i>	<i>Computers AED</i>	<i>Vehicles^d AED</i>	<i>Total AED</i>
Cost						
As at 01.04.2018	3,902,593	2,049,710	1,395,866	202,907	85,040	7,636,116
Transfer from capital work in progress ^b	15,724,323	4,166,227	1,219,317	336,382	-	21,446,249
Disposal / written off during the year ^c	<u>(3,437,324)</u>	<u>(511,815)</u>	<u>(292,231)</u>	<u>(55,266)</u>	-	<u>(4,296,636)</u>
As at 31.03.2019	<u>16,189,592</u>	<u>5,704,122</u>	<u>2,322,952</u>	<u>484,023</u>	<u>85,040</u>	<u>24,785,729</u>
Depreciation						
As at 01.04.2018	394,247	210,688	300,059	52,770	3,718	961,482
Charge for the year	1,572,766	717,849	434,390	140,596	21,260	2,886,861
Relating to disposal / write-offs	<u>(307,806)</u>	<u>(38,847)</u>	<u>(35,932)</u>	<u>(11,916)</u>	-	<u>(394,501)</u>
As at 31.03.2019	<u>1,659,207</u>	<u>889,690</u>	<u>698,517</u>	<u>181,450</u>	<u>24,978</u>	<u>3,453,842</u>
Net book value						
As at 31.03.2019	<u>14,530,385</u>	<u>4,814,432</u>	<u>1,624,435</u>	<u>302,573</u>	<u>60,062</u>	<u>21,331,887</u>
As at 31.03.2018	<u>3,508,346</u>	<u>1,839,022</u>	<u>1,095,807</u>	<u>150,137</u>	<u>81,322</u>	<u>6,674,634</u>

Note:

^a Restaurant premises are located at Al Barsha II, Dubai, U.A.E. on lease period of 9 years and 120 days, at Al Karama, Dubai, U.A.E. on lease period of 8 years and 90 days, at Atmosfire, Jumeirah, Dubai, U.A.E. on lease period of 9 years and 180 days, at Al Wahda Mall, Abudhabi, U.A.E. on lease period of 6 years and at Al Dalma Mall, Abudhabi, U.A.E. on lease period of 6 years. For lease commitments, refer note 25.

^b Refer note 8.

^c During the year, the outlet at Ras Al Khaimah closed and outlets at Al Ain and Sharjah terminated.



^d Under installment plan liability (refer note 14).

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

	<u>2019</u> <u>AED</u>	<u>2018</u> <u>AED</u>
8. Capital work in progress ^a		
Opening balance	2,404,094	47,886
Payments made during the year	20,030,403	2,356,208
Transfer to property, plant and equipment (refer note 7)	<u>(21,446,249)</u>	<u>-</u>
Closing balance	<u>988,248</u>	<u>2,404,094</u>

^a Represents the amount paid for new restaurant branches related expenses located at.:

- i. Atmosfire, Jumeirah, Dubai, U.A.E. on lease period of 9 years and 6 months which commenced its commercial operations on 25 July 2018.
- ii. Ras Al Khaimah (Al Hamra Mall), U.A.E on lease period of 5 years which commenced its commercial operations on 12 April 2018 and closed on 3 December 2018.
- iii. Abu Dhabi (Al Wahda Mall), U.A.E. on lease period of 6 years which commenced its commercial operations on 8 May 2018.
- iv. Abu Dhabi (Dalma Mall), U.A.E. on lease period of 6 years which commenced its commercial operations on 08 September 2018.
- v. Cental Kitchen (DIP) Dubai, U.A.E. on annual lease which is expected to be ready for its intended use by 31 August 2019.
- vi. 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.

The expenses paid for restaurant branches are transferred to property, plant and equipment when the branches are ready for its intended use.

For capital and lease commitments, refer notes 24 and 25.

	<u>2019</u> <u>AED</u>	<u>2018</u> <u>AED</u>
9. Intangible assets		
Computer software		
Cost		
Opening balance	60,134	60,134
Payments made during the year	30,829	-
Write-off during the year ^a	<u>(15,414)</u>	<u>-</u>
Closing balance	<u>75,549</u>	<u>60,134</u>
Amortisation		
Opening balance	28,337	8,292
Amortised during the year	29,617	20,045
Relating to write-offs ^a	<u>(4,969)</u>	<u>-</u>
Closing balance	<u>52,985</u>	<u>28,337</u>
Net book value	<u>22,564</u>	<u>31,797</u>

^a On closure of outlet at Al Hamra Mall, Ras Al Khaimah, U.A.E.

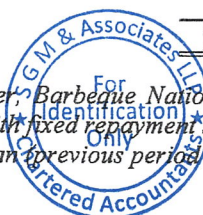


BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

	<u>2019</u> <u>AED</u>	<u>2018</u> <u>AED</u>
10. Inventories		
Food and beverages ^a	248,925	193,862
Other consumables items	<u>230,408</u>	<u>69,064</u>
	<u>479,333</u>	<u>262,926</u>
^a Includes items costing AED 87,588/- (previous year AED 86,752/-) lying at cold storage warehouse in Dubai, U.A.E.		
11. Other receivables		
Deposits	2,115,825	1,936,575
Advance to suppliers	351,654	188,515
Staff advances	14,461	237,559
Due from a shareholder	153,000	153,000
Other receivables	<u>468,038</u>	<u>74,186</u>
	<u>3,102,978</u>	<u>2,589,835</u>
12. Cash and bank balances		
Cash in hand	23,114	22,099
Cheques on hand	-	12,500
Bank balances in:		
Current accounts	<u>1,444,304</u>	<u>651,190</u>
	<u>1,467,418</u>	<u>685,789</u>
13. Share capital		
Authorized, issued and paid up share capital: 300 shares of AED 1,000 each	<u>300,000</u>	<u>300,000</u>
14. Non-current liabilities		
Vehicles installment plan liability		
Total amount outstanding	45,258	61,231
Payable within next twelve months (current portion)	<u>(15,973)</u>	<u>(15,973)</u>
Payable after next twelve months (non-current portion)	<u>29,285</u>	<u>45,258</u>
Due to the shareholder ^a		
Total amount outstanding (refer note 19)	48,912,440	25,848,841
Waived during the year (refer note 18)	(14,492,204)	-
Payable within next twelve months (current portion)	<u>(5,503,471)</u>	<u>(1,506,229)</u>
Payable after next twelve months (non-current portion)	<u>28,916,765</u>	<u>24,342,612</u>
Staff end of service gratuity	<u>160,634</u>	<u>89,819</u>
	<u>29,077,399</u>	<u>24,432,431</u>

^a 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 for previous period received from Axis Bank, India.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements
for the year ended 31 March 2019

	<i>2019</i>	<i>2018</i>
	<i>AED</i>	<i>AED</i>
15. Trade and other payables		
Trade payables	1,788,991	484,731
Payables for capital goods	384,058	211,079
Accruals and other payables (refer note 19)	<u>2,400,616</u>	<u>679,815</u>
	<u>4,573,665</u>	<u>1,375,625</u>
16. Cost of revenue		
Materials consumed	6,886,245	2,985,639
Staff salaries and benefits	8,852,247	3,552,747
Rent	3,811,434	2,114,514
Other operating expenses	4,423,386	1,720,360
Depreciation (refer note 17)	<u>2,725,005</u>	<u>683,649</u>
	<u>26,698,317</u>	<u>11,056,909</u>
17. Expenses		
Management fees (refer note 19)	300,000	165,000
Other administrative expenses (refer note 19)	2,882,286	1,506,933
Loss on discontinuation of outlets ^a	5,651,897	-
Amortisation of intangible assets	29,617	20,045
Depreciation (refer below)	<u>161,856</u>	<u>46,819</u>
	<u>9,025,656</u>	<u>1,738,797</u>
Total depreciation	2,886,861	730,468
Taken to cost of revenue (refer note 16)	<u>(2,725,005)</u>	<u>(683,649)</u>
Taken to expenses (as above)	<u>161,856</u>	<u>46,819</u>
	<i>2019</i>	<i>2018</i>
	<i>AED</i>	<i>AED</i>
18. Other income		
Payable written back (refer note 14, 19) ^a	14,492,204	-
Foreign exchange gain	32,213	-
	<u>14,524,417</u>	<u>-</u>

^a Represents expenses (including fixed assets and capital work in progress) written off on account of closure, discontinuation and refurbishment of retail outlets at Al Hamra Mall (Ras Al Khaimah), Sufeer Mall (Sharjah), Al Ain Mall (Al Ain), Doira City Centro, Atmosfire Jumeirah (Dubai), and Central Kitchen (DIP-Dubai).

^a Represents waiver of loan from Barbeque Nation Mena Holding Limited, U.A.E., the shareholder.



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

19. 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) Companies under common management control

1. Barbeque Nation Mena Holding Limited, U.A.E. (shareholder)
2. Barbeque-Nation Hospitality Limited, India

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

	<i>Companies under common management control</i>	
	<i>2019</i>	<i>2018</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
Management fees	300,000	165,000
Included under other administrative expenses		
Guarantee commission expenses	233,139	162,698
Royalty expenses	380,948	460,031
Other shared expenses	835,271	-
Interest on shareholder's loan	2,640,867	1,062,501

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

	<i>Shareholder</i>	
	<i>2019</i>	<i>2018</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
Included under non-current liabilities:		
Due to the shareholder	28,916,765	24,342,612
Included under current liabilities:		
Due to the shareholder	5,503,471	1,506,229
Accruals and other payables	369,047	-

20. Finance costs

Interest on vehicle loan	9,543	1,318
Interest on shareholder's loan (refer note 19)	2,640,867	1,062,501
	<u>2,650,410</u>	<u>1,063,819</u>



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

21. Financial instrument risks

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

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

a) Credit risk

Financial assets, which potentially expose the company to 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.

Interest rate risk

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

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:

	2019	2018
	Equivalent	Equivalent
	AED	AED
Foreign currency liability:		
Indian rupees	369,047	-



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

Exchange rate risk (contd.)

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 2019 and 2018.

Particulars	2019			2018		
	Balance AED	Change in currency rate in %	Effect on income statement AED	Balance AED	Change in currency rate in %	Effect on income statement AED
Foreign currency liabilities						
<i>INR</i>						
<i>currency</i>	369,047	+/-6%	22,143	-	-	-

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 2017-18 and 2016-17 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 owners and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

22. 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.

23. Contingent liability

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

24. Capital commitments

	2019	2018
	<u>AED</u>	<u>AED</u>
Improvement to a restaurants in U.A.E. (refer note 8)	-	<u>8,584,445</u>



BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2019

25. Lease commitments

The un-expired portion of the lease rent are as under –

	<i>2019</i>	<i>2018</i>
	<u>AED</u>	<u>AED</u>
Lease commitments (leasehold premises at Dubai, Ras Al Khaimah, Abu Dhabi, Al Ain, Sharjah) <i>(refer notes 7 and 8)</i>		
Up to one year	4,426,364	5,727,279
More than one year and up to five years	23,457,431	32,130,696
More than five years	<u>7,872,022</u>	<u>22,243,051</u>
	<u>35,755,817</u>	<u>60,101,026</u>

During the year, the outlet at Ras Al Khaimah closed and outlets at Al Ain and Sharjah terminated.

26. Comparative figures

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

