

**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 2020, annexed to this report. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India. The procedures were performed solely to assist you in evaluating the validity of the INR Financial Information of the Company and are summarized as follows:

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

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

We report our finding below:

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

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



**S G M & Associates LLP**

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



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

A handwritten signature in blue ink, appearing to read "S Vishwamurthy".

**S Vishwamurthy**  
Partner

Membership No. 215675

**Bengaluru**, 28 January 2021  
UDIN: 21215675AAAAAG2837

Encl: INR Financial Information and Standalone audited financials of Barbeque Nation Restaurant LLC, Dubai as at and for the year ended 31 March 2020.

**Barbeque Nation Restaurant LLC**

Special Purpose Standalone Balance Sheet as at 31 March 2020

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

Particulars as at	Note No.	31-Mar-2020	31-Mar-2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	24,57,33,567	40,29,44,414
Right-to-Use assets	4	17,36,67,671	33,64,84,017
Capital work-in-progress	5	24,28,094	1,86,67,313
Intangible assets	6	-	4,26,218
Financial assets			
Loans	7	2,27,53,640	3,99,66,453
Other non-current assets	8	2,37,153	62,57,874
<b>Total Non-current assets [A]</b>		<b>44,48,20,125</b>	<b>80,47,46,289</b>
<b>Current assets</b>			
Inventories	9	81,23,003	90,54,265
Financial assets			
Cash and cash equivalents	10	42,76,120	2,77,18,499
Other current assets	11	4,56,39,428	5,62,67,126
<b>Total current assets [B]</b>		<b>5,80,38,551</b>	<b>9,30,39,890</b>
<b>Total assets [A+B]</b>		<b>50,28,58,676</b>	<b>89,77,86,179</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	61,59,810	56,66,790
Other equity	13	(57,97,25,509)	(26,35,28,307)
<b>Equity attributable to owners of the Company [C]</b>		<b>(57,35,65,699)</b>	<b>(25,78,61,517)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	14	71,90,25,546	54,67,70,622
Lease liabilities	4	20,55,67,828	36,38,60,695
Provision	15	44,76,560	30,34,264
<b>Total Non-current liabilities [D]</b>		<b>92,90,69,934</b>	<b>91,36,65,581</b>
<b>Current liabilities</b>			
Financial Liabilities			
Lease liabilities	4	3,83,96,827	5,13,30,350
Trade payables	16	10,86,29,645	8,63,93,331
Other financial liabilities	17	3,27,969	10,42,58,434
<b>Total current liabilities [E]</b>		<b>14,73,54,441</b>	<b>24,19,82,115</b>
<b>Total liabilities [F= [D+E]]</b>		<b>1,07,64,24,375</b>	<b>1,15,56,47,696</b>
<b>Total equity and liabilities [F+C]</b>		<b>50,28,58,676</b>	<b>89,77,86,179</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 2020

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

Particulars for the year ended	Note No.	31-Mar-2020	31-Mar-2019
<b>REVENUE</b>			
Revenue from operations	18	41,91,53,815	36,56,74,297
Other income	19	2,38,55,840	27,64,45,146
<b>Total (A)</b>		<b>44,30,09,655</b>	<b>64,21,19,443</b>
<b>Expenses</b>			
Cost of revenue		17,49,32,297	21,52,57,700
Employee benefits expenses	20	14,46,34,310	16,84,85,986
Other operating expenses	21	3,67,52,923	6,71,66,463
<b>Total (B)</b>		<b>35,63,19,530</b>	<b>45,09,10,149</b>
<b>Earnings before exceptional items, finance costs, depreciation and amortisation (EBITDA) (C) = (A-B)</b>		<b>8,66,90,125</b>	<b>19,12,09,294</b>
Finance costs (D)	22	7,81,93,883	9,31,80,466
Depreciation and amortisation expense (E)	23	12,14,54,013	10,81,23,244
<b>Loss before tax and exceptional items (F) = (C-D-E)</b>		<b>(11,29,57,771)</b>	<b>(1,00,94,416)</b>
Exceptional items (G)		(18,03,12,037)	(10,75,73,302)
<b>Loss before tax (H) = (F-G)</b>		<b>(29,32,69,808)</b>	<b>(11,76,67,718)</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 (J) = (H-I)</b>		<b>(29,32,69,808)</b>	<b>(11,76,67,718)</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 (J + K)</b>		<b>(29,32,69,808)</b>	<b>(11,76,67,718)</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
<b>As at 01 April 2018</b>	<b>52,95,990</b>	<b>(4,54,328)</b>	<b>(9,07,24,026)</b>	<b>(8,58,82,364)</b>
Effect of increase in share capital	3,51,180	-	-	3,51,180
Adjustment arising on account of change in accounting policy	-	-	(4,95,28,595)	(4,95,28,595)
Loss for the year	-	-	(11,76,67,718)	(11,76,67,718)
Exchange	-	(51,34,020)	-	(51,34,020)
<b>As at 31 March 2019</b>	<b>56,47,170</b>	<b>(55,88,348)</b>	<b>(25,79,20,339)</b>	<b>(25,78,61,517)</b>
Effect of increase in share capital	4,93,020	-	-	4,93,020
Loss for the year	-	-	(29,32,69,808)	(29,32,69,808)
Exchange	-	(2,90,87,204)	-	(2,90,87,204)
<b>As at 31 March 2020</b>	<b>61,40,190</b>	<b>(3,46,75,552)</b>	<b>(55,11,90,147)</b>	<b>(57,97,25,509)</b>

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 2020

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

<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Cashflows from operating activities</b>		
Loss for the year	(29,32,69,808)	(11,76,67,718)
Adjustments for:		
Depreciation and amortisation expense	12,14,54,013	10,81,23,244
Interest expenses	7,81,93,883	9,31,80,466
Loss on disposal / write-off of property, plant and equipments	13,69,36,566	7,42,69,850
Capital work-in-progress written off	1,81,34,747	
Payable written back	-	(27,58,32,032)
Gain on early termination of lease contracts	(2,28,83,886)	-
<b>Operating loss before working capital changes</b>	<b>3,85,65,515</b>	<b>(11,79,26,190)</b>
Changes in inventories	16,99,463	(41,18,903)
Changes in other receivables and prepayments	3,58,01,491	(61,86,586)
Changes in accruals and other payables	2,11,68,004	6,31,07,564
<b>Net cash used in operating activities</b>	<b>9,72,34,473</b>	<b>(6,51,24,115)</b>
<b>Cashflows from investing activities</b>		
Purchase of property, plant and equipments (including capital work-in-progress) (net)	(1,24,71,649)	(24,15,83,796)
<b>Net cash used in investing activities</b>	<b>(1,24,71,649)</b>	<b>(24,15,83,796)</b>
<b>Cashflow from financing activities</b>		
Proceeds from issue of shares	-	-
Proceeds from loan from shareholders	1,18,75,334	43,89,72,525
Process from long-term borrowings from banks (net)	(3,24,242)	(3,04,016)
Lease liabilities paid	(7,95,76,169)	(6,59,47,785)
Interest paid	(4,01,80,126)	(5,04,45,604)
<b>Net cash flow from financing activities</b>	<b>(10,82,05,203)</b>	<b>32,22,75,120</b>
<b>Net changes in cash and cash equivalents</b>	<b>(2,34,42,379)</b>	<b>1,55,67,209</b>
Cash and cash equivalents at beginning of the year	2,77,18,499	1,21,51,290
<b>Cash and cash equivalents at end of the year</b>	<b>42,76,120</b>	<b>2,77,18,499</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 financials statements of the Company as at and for the year ended 31 March 2020 were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and the applicable requirements of the U.A.E. Federal Commercial Companies Law No. 8 of 1984.

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

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

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

**AED / INR conversion rates considered for translation**

Exchange rates for*	31-Mar-20	31-Mar-19
- assets and liabilities	20.53	18.89
- income and expenses	20.30	19.03

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

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



**Barbeque Nation 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 2018	6,91,48,875	2,95,87,057	2,47,32,931	35,95,248	15,06,798	12,85,70,909
Additions	29,92,81,384	7,92,96,349	2,32,07,421	64,02,403	-	40,81,87,557
Deletions	(6,54,23,042)	(97,41,442)	(55,62,071)	(10,51,885)	-	(8,17,78,440)
Transalation adjustment	28,02,843	86,04,908	15,00,656	1,97,090	99,548	1,32,05,045
<b>Balance as at 31 March 2019</b>	<b>30,58,10,060</b>	<b>10,77,46,872</b>	<b>4,38,78,937</b>	<b>91,42,856</b>	<b>16,06,346</b>	<b>46,81,85,071</b>
As at 01 April 2019	30,58,10,060	10,77,46,872	4,38,78,937	91,42,856	16,06,346	46,81,85,071
Additions	99,62,403	76,81,363	8,23,830	20,178	-	1,84,87,774
Deletions	(16,85,01,741)	(10,12,269)	-	(3,68,028)	-	(16,98,82,038)
Transalation adjustment	2,47,83,654	94,50,811	38,27,009	7,91,445	1,39,755	3,89,92,674
<b>Balance as at 31 March 2020</b>	<b>17,20,54,376</b>	<b>12,38,66,777</b>	<b>4,85,29,776</b>	<b>95,86,451</b>	<b>17,46,101</b>	<b>35,57,83,481</b>
<b>Depreciation</b>						
As at 01 April 2018	69,85,544	37,33,117	53,16,655	9,35,016	65,878	1,70,36,211
Charge for the year	2,99,34,663	1,36,62,915	82,67,802	26,75,982	4,04,644	5,49,46,006
Reversal relating to deletion	(58,58,512)	(7,39,380)	(6,83,899)	(2,26,799)	-	(75,08,590)
Transalation adjustment	2,79,563	1,48,969	2,93,939	43,265	1,295	7,67,031
<b>Balance as at 31 March 2019</b>	<b>3,13,41,259</b>	<b>1,68,05,621</b>	<b>1,31,94,497</b>	<b>34,27,463</b>	<b>4,71,817</b>	<b>6,52,40,658</b>
As at 01 April 2018	3,13,41,259	1,68,05,621	1,31,94,497	34,27,463	4,71,817	6,52,40,658
Charge for the year	4,12,27,107	1,79,78,604	87,59,158	29,43,084	7,26,027	7,16,33,980
Reversal relating to deletion	(3,15,65,175)	(10,12,269)	-	(3,68,028)	-	(3,29,45,472)
Transalation adjustment	28,37,799	16,57,136	12,48,625	3,27,795	49,394	61,20,749
<b>Balance as at 31 March 2020</b>	<b>4,38,40,990</b>	<b>3,54,29,092</b>	<b>2,32,02,280</b>	<b>63,30,314</b>	<b>12,47,238</b>	<b>11,00,49,914</b>
<b>Net book value</b>						
As at 31 March 2020	12,82,13,386	8,84,37,685	2,53,27,496	32,56,137	4,98,863	24,57,33,567
As at 31 March 2019	27,44,68,801	9,09,41,251	3,06,84,440	57,15,393	11,34,529	40,29,44,414

**5 Capital work-in-progress**

Particulars	31-Mar-2020	31-Mar-2019
Capital work-in-progress	24,28,094	1,86,67,313
<b>Total</b>	<b>24,28,094</b>	<b>1,86,67,313</b>

**6 Intangible assets**

Particulars	Software
As at 01 April 2018	10,65,496
Additions	5,86,772
Deletions	(2,93,377)
Transalation adjustment	68,177
<b>Balance as at 31 March 2019</b>	<b>14,27,068</b>
As at 01 April 2019	14,27,068
Additions	-
Deletions	-
Transalation adjustment	1,24,157
<b>Balance as at 31 March 2020</b>	<b>15,51,225</b>
<b>Depreciation</b>	
As at 01 April 2018	5,02,095
Charge for the year	5,63,704
Reversal relating to deletion	(94,576)
Transalation adjustment	29,627
<b>Balance as at 31 March 2019</b>	<b>10,00,850</b>
As at 01 April 2019	10,00,850
Charge for the year	4,58,035
Reversal relating to deletion	-
Transalation adjustment	92,340
<b>Balance as at 31 March 2020</b>	<b>15,51,225</b>
<b>Net book value</b>	
As at 31 March 2020	-
As at 31 March 2019	4,26,218





**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.

**4 Leases**

The Company has adopted IFRS 16 Leases issued in January 2016 with the date of initial application of 01 April 2019. IFRS 16 introduces significant changes to lease accounting. It removes the distinction between operating and finance lease under IAS 17 and requires a lease to recognize a Right-of-Use Asset [RoU] and a Lease Liability [OLL] at lease commencement for all leases, except for short term leases and leases of low value assets. The Company has applied IFRS 16 using the retrospective approach.

The Company initially measures the RoU at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the OLL.

The Company initially measures the OLL at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the OLL is adjusted for profit and lease payments, as well as the impact of lease modification, amongst others.

The Company has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. For this the Company recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the leasee's benefits, similar to the current accounting for operating leases.

The following table summarise the impacts of adopting IFRS 16 on the Company's financial statements.

Particulars	As Previously reported	Adjustments	As restated
RoU	-	38,86,99,954	38,86,99,954
OLL	-	(43,82,28,549)	(43,82,28,549)
Accumulated loss	9,79,63,340	4,99,05,729	14,78,69,069

**Disclosure on RoU**

Particulars	31-Mar-2020	31-Mar-2019
<b>At Cost</b>		
Opening balance	44,53,57,616	41,77,58,096
Modification during the year	(4,92,88,312)	-
Terminated during the year	(12,68,70,596)	
Transalation adjustment	3,67,21,993	2,75,99,520
<b>Closing balance</b>	<b>30,59,20,701</b>	<b>44,53,57,616</b>
<b>Depreciaton</b>		
Opening balance	10,88,73,599	5,66,57,662
Relating to termination / deletion	(3,56,12,788)	-
Charge for the year	4,93,61,998	5,26,13,534
Transalation adjustment	96,30,221	(3,97,597)
<b>Closing balance</b>	<b>13,22,53,030</b>	<b>10,88,73,599</b>
<b>Net block</b>	<b>17,36,67,671</b>	<b>33,64,84,017</b>

**Disclosure on OLL**

Particulars	31-Mar-2020	31-Mar-2019
<b>At Cost</b>		
Opening balance	41,51,91,045	41,10,70,828
Modification during the year	(4,98,54,853)	-
Terminated during the year	(11,54,53,688)	-
Finance cost	3,80,13,757	4,27,34,863
Payments during the year	(7,95,76,169)	(6,59,47,785)
Transalation adjustment	3,56,44,563	2,73,33,139
<b>Closing balance</b>	<b>24,39,64,655</b>	<b>41,51,91,045</b>
Current portion	3,83,96,827	5,13,30,350
Non-current portion	20,55,67,828	36,38,60,695
Expense on short-term lease	1,74,290	65,95,742



**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.

**7 Loans**

Particulars as at	31-Mar-2020	31-Mar-2019
<b>Non-current</b>		
Security deposit	2,27,53,640	3,99,66,453
<b>Total</b>	<b>2,27,53,640</b>	<b>3,99,66,453</b>

**8 Other non-current assets**

Particulars as at	31-Mar-2020	31-Mar-2019
Capital advance	2,37,153	62,57,874
<b>Total</b>	<b>2,37,153</b>	<b>62,57,874</b>

**9 Inventories**

Particulars as at	31-Mar-2020	31-Mar-2019
Food and beverages	63,25,488	47,02,019
Other consumables items	17,97,515	43,52,246
<b>Total</b>	<b>81,23,003</b>	<b>90,54,265</b>

**10 Cash and cash equivalents**

Particulars as at	31-Mar-2020	31-Mar-2019
Cash-in-hand	2,31,712	4,36,607
In current account	40,44,408	2,72,81,892
<b>Total</b>	<b>42,76,120</b>	<b>2,77,18,499</b>

**11 Other current assets**

Particulars as at	31-Mar-2020	31-Mar-2019
Prepaid expenses	2,88,92,445	3,76,20,497
Advance to suppliers	52,63,126	66,42,498
Employee advance	-	2,73,158
Due from related parties	31,41,503	28,90,063
Other receivables	83,42,354	88,40,910
<b>Total</b>	<b>4,56,39,428</b>	<b>5,62,67,126</b>

**12 Equity share capital**

Particulars as at	31-Mar-2020	31-Mar-2019
Authorised capital		
300 shares of AED 1,000 each	61,59,810	56,66,790
Issued, subscribed and paid-up capital		
300 shares of AED 1,000 each	61,59,810	56,66,790
<b>Total</b>	<b>61,59,810</b>	<b>56,66,790</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.

**13 Other equity**

Particulars as at	31-Mar-2020	31-Mar-2019
<b>Retained earnings</b>		
Opening balance	(26,35,28,307)	(9,11,97,974)
Adjustment arising on account of change in accounting policy	-	(4,95,28,595)
Total comprehensive loss for the year	(29,32,69,808)	(11,76,67,718)
Foreign currency translation	(2,29,27,394)	(51,34,020)
<b>Closing balance</b>	<b>(57,97,25,509)</b>	<b>(26,35,28,307)</b>

**14 Borrowings**

Particulars as at	31-Mar-2020	31-Mar-2019
<b>Non-current</b>		
Long-term loan from banks	2,73,331	5,53,173
Long-term loan from related parties	71,87,52,215	54,62,17,449
<b>Total</b>	<b>71,90,25,546</b>	<b>54,67,70,622</b>
Current maturities of long-term debt	3,27,969	10,42,58,434
<b>Total</b>	<b>71,93,53,515</b>	<b>65,10,29,056</b>

**15 Provision**

Particulars as at	31-Mar-2020	31-Mar-2019
<b>Non-current</b>		
Provision for gratuity	44,76,560	30,34,264
<b>Total</b>	<b>44,76,560</b>	<b>30,34,264</b>

**16 Trade payables**

Particulars as at	31-Mar-2020	31-Mar-2019
Trade payables	10,86,29,645	8,63,93,331
<b>Total</b>	<b>10,86,29,645</b>	<b>8,63,93,331</b>

**17 Other financial liabilities**

Particulars as at	31-Mar-2020	31-Mar-2019
Current maturities of long-term borrowings	3,27,969	10,42,58,434
<b>Total</b>	<b>3,27,969</b>	<b>10,42,58,434</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>18 Revenue from operations</b>		
<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Sale of food & beverages	41,91,53,815	36,56,74,297
<b>Total</b>	<b>41,91,53,815</b>	<b>36,56,74,297</b>
<b>19 Other income</b>		
<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Payable written back	-	27,58,32,032
Gain on early termination of lease contracts	2,28,83,886	-
Foreign exchange gain	9,71,954	6,13,114
<b>Total</b>	<b>2,38,55,840</b>	<b>27,64,45,146</b>
<b>20 Employee benefits expenses</b>		
<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Salaries and wages	14,46,34,310	16,84,85,986
<b>Total</b>	<b>14,46,34,310</b>	<b>16,84,85,986</b>
<b>21 Other expenses</b>		
<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Lease rent	1,74,290	65,95,742
Royalty expenses	83,83,214	72,51,319
Management fees	24,35,924	57,09,940
Guarantee commission expenses	42,82,680	44,37,365
Other expenses	2,14,76,815	4,31,72,097
<b>Total</b>	<b>3,67,52,923</b>	<b>6,71,66,463</b>
<b>22 Finance costs</b>		
<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Interest on term-loan	42,121	1,81,633
Interest on lease liabilities	3,80,13,757	4,27,34,863
Interest on loan from related parties	4,01,38,005	5,02,63,970
<b>Total</b>	<b>7,81,93,883</b>	<b>9,31,80,466</b>
<b>23 Depreciation and amortisation</b>		
<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Depreciation on property, plant and equipments	7,16,33,980	5,49,46,006
Amortisation of RoU	4,93,61,998	5,26,13,534
Amortisation of intangible assets	4,58,035	5,63,704
<b>Total</b>	<b>12,14,54,013</b>	<b>10,81,23,244</b>
<b>24 Contingent liability and capital commitment</b>		
<b>Particulars for the year ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
Contingent liability	-	-
Capital commitment	-	-



**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.

**25 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-2020	31-Mar-2019
<b>Expenses</b>				
Management fees	24,35,924	-	<b>24,35,924</b>	57,09,940
Royalty expenses	83,83,214	-	<b>83,83,214</b>	72,51,319
<b>Included under other expenses</b>				
Guarantee commission expenses	42,82,680	-	<b>42,82,680</b>	44,37,365
Other shared expenses	-	-	-	1,58,97,823
Interest on loan from related parties	4,01,38,005	-	<b>4,01,38,005</b>	5,02,63,970

**C Balances with related parties as at**

	Holding company		31-Mar-2020	31-Mar-2019
Loan from shareholder (non-current)	71,87,52,215	-	<b>71,87,52,215</b>	65,01,74,164
Accruals and other payables	79,12,153	-	<b>79,12,153</b>	69,71,039



**BARBEQUE NATION  
RESTAURANT LLC**

**Financial Statements**

*31 March 2020*

*Registered Address:*

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

## BARBEQUE NATION RESTAURANT LLC

### Financial Statements

31 March 2020

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## BARBEQUE NATION RESTAURANT LLC

### Director's Report

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

#### Results

The loss for the year amounted to AED 14,283,061/-.

#### 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 Atmosfire, Jumeirah closed on 24 March 2020.

- 1) Al Barsha II, Dubai
- 2) Al Karama, Dubai
- 3) Al Wahda Mall, Abu Dhabi
- 4) Atmosfire, Jumeirah, Dubai (closed on 24 March 2020)
- 5) Al Dalma Mall, Abu Dhabi

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

#### Going concern basis

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

#### Events since the end of the year

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

#### Shareholders and their interests

The shareholders at 31 March 2020 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 Mena Holding Limited	U.A.E.	147	147,000
		<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**

#### **Qualified Opinion**

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 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **Basis for Qualified Opinion**

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 28,234,256/- (*previous year restated accumulated losses of AED 13,951,195/-*) and the deficit of AED 27,934,256/- (*previous year restated deficit of AED 13,651,195/-*) 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. and the ultimate shareholder, Barbeque-Nation Hospitality Limited, India.

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

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

#### **Emphasis of matters**

Without qualifying our audit opinion, we draw attention to -

- 1) Note No. 11 (a) to the financial statements which states that the inventories amounting to AED 395,613/- were physically verified by the management. Due to COVID-19 pandemic and ongoing lockdown, it was impracticable for us to attend the physical stock count at outlets in Dubai and Abudhabi, U.A.E. and hence we have relied upon the management certification for the physical existence of inventories as on the reporting date.

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

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

- 2) Note No. 26 to the financial statements which states that the company has filed a legal case with Dubai Courts against the landlord of restaurant outlet at Atmosfire, Jumeirah, Dubai, U.A.E. whereby court instructed on 29 September 2020 to pay penalty of AED 83,000/- alongwith regular rental till date of actual eviction. The landlord has filed legal cases on 1st September 2020 and 3rd September 2020 against the company for the bounced cheques for rent amounts, whereby court instructed to the company for payment of the rental amounts.

The above verdicts were disputed by the company and the company is under process of filling appeal against the court verdicts.

In the opinion of the management, the payment of rent and penalty under dispute are for rentals for the period of May 2020 to January 2021. Hence, no provision is required to be created in the books for these claim amounts, if any, for the current financial year.

### Other matter – Impact of Covid-19

As disclosed in note 27, COVID-19 affects the company's operations and results in certain uncertainties for the future financial position and performance of the company. Uncertainties related to the potential effects of COVID-19 are relevant to understanding the audit of the financial statements. The audits assess and challenge the reasonableness of estimates made by the company, the related disclosures and the appropriateness of the preparation of the financial statements on a going concern basis.

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

### Other Information

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

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

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

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

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

#### **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


- 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 2020;
- vi) note 21 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 2020 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 2020.

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



15 October 2020

BARBEQUE NATION RESTAURANT LLC

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Statement of Financial Position

At 31 March 2020

	Notes	2020 AED	2019 (Restated)* AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	11,967,913	21,331,887
Capital work in progress	8	118,255	988,248
Right-of-use-assets	9	8,458,102	17,813,472
Advance for capital goods		11,550	331,292
Intangible assets	10	-	22,564
		<u>20,555,820</u>	<u>40,487,463</u>
<b>Current assets</b>			
Inventories	11	395,613	479,333
Other receivables	12	1,923,791	3,102,978
Prepayments		1,407,143	1,991,631
Cash and bank balances	13	208,259	1,467,418
		<u>3,934,806</u>	<u>7,041,360</u>
<b>TOTAL ASSETS</b>		<u>24,490,626</u>	<u>47,528,823</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	300,000	300,000
Accumulated losses		(28,234,256)	(13,951,195)
<b>Total equity</b>		<u>(27,934,256)</u>	<u>(13,651,195)</u>
<b>Non-current liabilities</b>			
	15, 21	<u>45,248,308</u>	<u>53,872,949</u>
<b>Current liabilities</b>			
Trade and other payables	16	5,290,568	4,573,666
Lease liabilities	17	1,870,033	2,717,430
Installment plan liability	15	15,973	15,973
		<u>7,176,574</u>	<u>7,307,069</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>24,490,626</u>	<u>47,528,823</u>

\* See note 5.

The accompanying notes 1 to 28 form an integral part of these financial statements.

The Independent Auditors Report is set forth on pages 2 to 5.

Approved by the board of directors on 15<sup>th</sup> October 2020 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 2020

		2020	2019
	Notes	AED	(Restated) <sup>a</sup> AED
<b>Revenue</b>		20,648,612	19,212,513
Cost of revenue	18	<u>(21,485,944)</u>	<u>(25,997,736)</u>
<b>Gross loss</b>		(837,332)	(6,785,223)
Expenses	19	<u>(10,768,895)</u>	<u>(9,025,656)</u>
<b>Loss from the operations</b>		(11,606,227)	(15,810,879)
Other income	20	1,175,201	14,524,417
Finance costs	21, 22	<u>(3,852,035)</u>	<u>(4,895,698)</u>
<b>Loss for the year</b>		(14,283,061)	(6,182,160)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>(14,283,061)</u>	<u>(6,182,160)</u>

<sup>a</sup> See note 5.

The accompanying notes 1 to 28 form an integral part of these financial statements.



## BARBEQUE NATION RESTAURANT LLC

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

	<i>Share capital AED</i>	<i>Accumulated (losses) AED</i>	<i>Total AED</i>
As at 31 March 2018 as previously reported	300,000	(5,146,990)	(4,846,990)
Impact of change in accounting policy (refer note 5)	-	<u>(2,622,045)</u>	<u>(2,622,045)</u>
Restated balance at 1 April 2018	300,000	(7,769,035)	(7,469,035)
Restated loss for the year	-	<u>(6,182,160)</u>	<u>(6,182,160)</u>
<b>As at 31 March 2019</b>	<b>300,000</b>	<b>(13,951,195)</b>	<b>(13,651,195)</b>
Loss for the year	-	<u>(14,283,061)</u>	<u>(14,283,061)</u>
As at 31 March 2020	<u>300,000</u>	<u>(28,234,256)</u>	<u>(27,934,256)</u>

The accompanying notes 1 to 28 form an integral part of these financial statements.



BARBEQUE NATION RESTAURANT LLC

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Statement of Cash Flows  
for the year ended 31 March 2020

	2020	2019
	<u>AED</u>	<u>(Restated) <sup>a</sup></u>
<u>Notes</u>	<u>AED</u>	<u>AED</u>
<b><u>Cash flows from operating activity</u></b>		
(Loss) for the year	(14,283,061)	(6,182,160)
Adjustments for:		
Depreciation and amortization	3,480,393	2,916,478
Impairment of property, plant and equipment	71,048	-
Depreciation on right-of-use-assets	2,431,701	2,764,313
Payable written back	-	(14,492,204)
Loss on disposal/write-off of property, plant and equipment and intangible assets	7,639,218	3,912,580
Gain on early termination of lease	(1,127,320)	-
Finance costs	3,852,035	4,895,698
Provision for staff end of service gratuity <i>(net)</i>	57,387	70,815
<b>Operating profit/(loss) before working capital changes</b>	<b>2,121,401</b>	<b>(6,114,480)</b>
Changes in inventories	83,720	(216,407)
Changes in other receivables and prepayments	1,763,675	(325,043)
Changes in trade and other payables	716,902	3,198,040
<b>Net cash from/(used in) operating activities</b>	<b><u>4,685,698</u></b>	<b><u>(3,457,890)</u></b>
<b><u>Cash flows from investing activities</u></b>		
Payment for purchase of property, plant and equipment	(76,076)	-
Payments for capital work in progress	(858,052)	(20,030,403)
Payments for intangible assets	-	(30,829)
Changes in advance for capital goods	319,742	7,368,429
<b>Net cash (used in) investing activities</b>	<b><u>(614,386)</u></b>	<b><u>(12,692,803)</u></b>
<b><u>Cash flows from financing activities</u></b>		
(Repayments of) vehicle loans	(15,973)	(15,973)
Finance costs paid	(1,979,378)	(2,650,410)
Lease liabilities paid	(3,920,130)	(3,464,894)
Proceeds from shareholder's loan	585,010	23,063,599
<b>Net cash (used in)/from financing activities</b>	<b><u>(5,330,471)</u></b>	<b><u>16,932,322</u></b>
<b>Net changes in cash and cash equivalents</b>	<b>(1,259,159)</b>	<b>781,629</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,467,418</b>	<b>685,789</b>
<b>Cash and cash equivalents at end of the year</b>	<b>13 <u>208,259</u></b>	<b><u>1,467,418</u></b>

<sup>a</sup> See note 5.

The accompanying notes 1 to 28 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 2020***1. Legal status and principal activity**

- a) **BARBEQUE NATION RESTAURANT LLC** ("The Company") is a limited liability company registered on 2 March 2016, in the Emirate of Dubai, under commercial license no. 753555, in accordance with the provisions 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>
Al Karama, Dubai	777058
Al Wahda Mall, Abudhabi	CN-2444589
Atmosfire, Jumeirah, Dubai *	792479
Al Dalma Mall, Abudhabi	CN-2501789

\* *Re-commenced its operations in November 2019 and closed on 24 March 2020.*

- c) The company is registered and engaged in restaurant business.

**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 2020 amounted to AED 28,234,256/- (*previous year restated accumulated losses of AED 13,951,195/-*) and there was a deficit of AED 27,934,256/- (*previous year restated deficit of AED 13,651,195/-*) in the equity funds. The shareholder (*Barbeque Nation Mena Holding Limited*) and its ultimate parent company (*Barbeque-Nation Hospitality Limited*) have 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 2019 and the applicable requirements of the Company Commercial Law number 2 of 2015.



**BARBEQUE NATION RESTAURANT LLC****Notes to the Financial Statements**  
*for the year ended 31 March 2020***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 2020****Impairment***

At each reporting date, management conducts an assessment of property, plant and 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.

***Determination of incremental borrowing rate used to measure lease liability***

The incremental borrowing rate of 9.58% to 10.27% per annum is used to discount lease payments. The carrying amount of lease liability over the lease period is discounted at the same rate that is applied at the time of the lease commencement / adoption of IFRS 16.

**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***

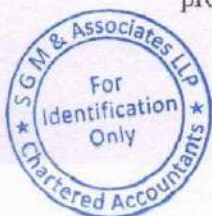
Management determines the estimated useful lives and depreciation charge for its property, plant and equipment at the time of addition of the assets and is reviewed on annual basis.

***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.



**BARBEQUE NATION RESTAURANT LLC****Notes to the Financial Statements**  
*for the year ended 31 March 2020****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.

***Impairment of non-financial assets***

Assessments of net recoverable amounts of property, plant and equipment, capital work in progress, advance for capital goods, right of use assets 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 effects.

***Going concern assumptions***

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

- 4. Adoption of new 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:



## BARBEQUE NATION RESTAURANT LLC

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

#### New and revised International Financial Reporting Standards (contd.)

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

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

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

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

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

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

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

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

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

## 5. **Significant Changes in the current reporting period**

### IFRS 16 Leases:

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



## BARBEQUE NATION RESTAURANT LLC

### Notes to the Financial Statements

for the year ended 31 March 2020

#### IFRS 16 Leases (contd.):

The Company has applied IFRS 16 using the retrospective approach.

The Company initially measures the right-of-use asset at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The Company initially measures the lease liability at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for profit and lease payments, as well as the impact of lease modifications, amongst others.

The Company has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. For this the Company recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

The following table summarise the impacts of adopting IFRS 16 on the company's financial statements.

1 April 2018	As previously reported	Adjustments	As restated
Right-of-use-assets	-	20,577,785	20,577,785
Lease liabilities	-	(23,199,830)	(23,199,830)
Accumulated losses	5,146,990	2,622,045	7,769,035

#### 6. Significant accounting policies

##### a) Depreciation of property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates and any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

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

Restaurant improvements	6 – 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 2020***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) Leases****Right of use assets**

The Company recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if any. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the respective lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the insubstance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of staff accommodation (i.e., those leases that have a lease term of 12 months or less from the commencement date). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.



**BARBEQUE NATION RESTAURANT LLC****Notes to the Financial Statements**  
*for the year ended 31 March 2020***Transition**

Effective April 1, 2019, the Company adopted IFRS and AS 116 "Leases" and applied the standard using the full retrospective method and has accordingly adjusted the comparative figures for each of the years presented in these restated financial information in accordance with the policy mentioned above. Pursuant to the above, the cumulative adjustment on application of this Standard has been adjusted to retained earnings as at April 1, 2018 as disclosed in note 5.

**d) 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.

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

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

**Classification and subsequent measurement of financial assets**

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

***Financial assets at amortised cost (debt instruments)***

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

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





## BARBEQUE NATION RESTAURANT LLC

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

#### Classification and subsequent measurement of financial liabilities

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

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

The company's financial liabilities include trade and other payables, lease liabilities 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 2020***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.

**f) Inventories**

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

Cost comprises invoice value plus attributable direct expenses.

**g) 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.



**BARBEQUE NATION RESTAURANT LLC****Notes to the Financial Statements**  
*for the year ended 31 March 2020***Impairment of non-financial assets (contd.)**

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.

**h) 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.

**i) 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.

**j) 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.

**k) 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.



## BARBEQUE NATION RESTAURANT LLC

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

#### 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 –

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

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

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 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 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.

#### m) Borrowing costs

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



## BARBEQUE NATION RESTAURANT LLC

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

#### 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<sup>a</sup></i> AED	<i>Kitchen equipment</i> AED	<i>Furniture and fixtures</i> AED	<i>Computers</i> AED	<i>Vehicles<sup>d</sup></i> AED	<i>Total</i> AED
<b>Cost</b>						
As at 01.04.2019	16,189,592	5,704,122	2,322,952	484,023	85,040	24,785,729
Transfer from capital work in progress <sup>b</sup>	486,625	337,754	10,301	-	-	834,680
Additions during the year	4,149	40,650	30,283	994	-	76,076
Written off during the year <sup>c</sup>	(8,300,836)	(49,867)	-	(18,130)	-	(8,368,833)
As at 31.03.2020	<u>8,379,530</u>	<u>6,032,659</u>	<u>2,363,536</u>	<u>466,887</u>	<u>85,040</u>	<u>17,327,652</u>
<b>Depreciation</b>						
As at 01.04.2019	1,659,207	889,690	698,517	181,450	24,978	3,453,842
Charge for the year	2,030,955	842,321	429,695	119,092	35,766	3,457,829
Relating to write-offs	(1,554,983)	(49,867)	-	(18,130)	-	(1,622,980)
As at 31.03.2020	<u>2,135,179</u>	<u>1,682,144</u>	<u>1,128,212</u>	<u>282,412</u>	<u>60,744</u>	<u>5,288,691</u>
<b>Impairment</b>	-	<u>43,352</u>	<u>1,804</u>	<u>25,892</u>	-	<u>71,048</u>
<b>Net book values</b>						
As at 31.03.2020	<u>6,244,351</u>	<u>4,307,163</u>	<u>1,233,520</u>	<u>158,583</u>	<u>24,296</u>	<u>11,967,913</u>
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>

Note:

<sup>a</sup> 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.

<sup>b</sup> Refer note 8.

<sup>c</sup> During the year, the outlet at Atmosfire, Jumeirah was closed and accordingly, all the assets of this outlet have been impaired. The management is of the opinion to utilize kitchen equipment, furniture and fixtures and computers as replacement for other outlets in U.A.E. and hence not written off fully.

<sup>d</sup> Under installment plan liability (refer note 15).



## BARBEQUE NATION RESTAURANT LLC

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

	2020 <u>AED</u>	2019 <u>AED</u>
<b>8. Capital work in progress</b>		
Opening balance	988,248	2,404,094
Payments made during the year	858,052	20,030,403
Written off during the year <sup>b</sup>	(893,365)	-
Transfer to property, plant and equipment (refer note 7)	(834,680)	(21,446,249)
Closing balance <sup>a</sup>	<u>118,255</u>	<u>988,248</u>
<sup>a</sup> Represents the amount paid for extension in existing outlets to serve Hooka at Dalma and Al Wahda outlets in Abudhabi, U.A.E.		
<sup>b</sup> On account of outlet at Atmosfire, Junneirah closed during the year.		
<b>9. Right to use assets <sup>a</sup></b>		
<b>Cost</b>		
Opening balance	23,577,243	23,577,243
Modifications during the year	(2,428,071)	-
Terminated during the year	(6,249,977)	-
As at 31.03.2020	<u>14,899,195</u>	<u>23,577,243</u>
<b>Depreciation</b>		
Opening balance	5,763,771	2,999,458
Relating to termination	(1,754,379)	-
Charge for the year	2,431,701	2,764,313
As at 31.03.2020	<u>6,441,093</u>	<u>5,763,771</u>
<b>Net book values</b>	<u>8,458,102</u>	<u>17,813,472</u>
<sup>a</sup> Represents restaurant outlets at Al Barsha II, Al Karama, Al Wahda Mall, Atmosfire, Junneirah and Al Dalma Mall, U.A.E. are on non-cancellable long term leases, of which outlet at Atmosfire, Junneirah was closed during the year.		
<b>10. Intangible assets</b>		
<b>Computer software</b>		
<b>Cost</b>		
Opening balance	75,549	60,134
Payments made during the year	-	30,829
Write-off during the year <sup>a</sup>	-	(15,414)
Closing balance	<u>75,549</u>	<u>75,549</u>
<b>Amortisation</b>		
Opening balance	52,985	28,337
Amortised during the year	22,564	29,617
Relating to write-offs	-	(4,969)
Closing balance	<u>75,549</u>	<u>52,985</u>
<b>Net book value</b>	<u>-</u>	<u>22,564</u>



## BARBEQUE NATION RESTAURANT LLC

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

	<u>2020</u> <u>AED</u>	<u>2019</u> <u>AED</u>
<b>11. Inventories</b>		
Food and beverages <sup>a b</sup>	308,069	248,925
Other consumables items	<u>87,544</u>	<u>230,408</u>
	<u><b>395,613</b></u>	<u><b>479,333</b></u>
<i><sup>a</sup> As physically verified, valued and certified by the management.</i>		
<i><sup>b</sup> Includes items costing AED 182,960/- (previous year AED 87,588/-) lying at cold storage warehouse in Dubai, U.A.E.</i>		
<b>12. Other receivables</b>		
Deposits	2,046,211	2,115,825
Provision for doubtful deposits	<u>(938,045)</u>	<u>-</u>
	<b>1,108,166</b>	<b>2,115,825</b>
Advance to suppliers	302,464	351,654
Provision for doubtful advances	<u>(46,135)</u>	<u>-</u>
	<b>256,329</b>	<b>351,654</b>
Staff advances	-	14,461
Due from a shareholder	153,000	153,000
Other receivables	<u>406,296</u>	<u>468,038</u>
	<u><b>1,923,791</b></u>	<u><b>3,102,978</b></u>
<b>13. Cash and bank balances</b>		
Cash in hand	11,285	23,114
Bank balances in:		
Current accounts	<u>196,974</u>	<u>1,444,304</u>
	<u><b>208,259</b></u>	<u><b>1,467,418</b></u>
<b>14. Share capital</b>		
Authorized, issued and paid up share capital: 300 shares of AED 1,000 each	<u><b>300,000</b></u>	<u><b>300,000</b></u>
<b>15. Non-current liabilities</b>		
<b>Vehicles installment plan liability</b>		
Total amount outstanding	29,285	45,258
Payable within next twelve months ( <i>current portion</i> )	<u>(15,973)</u>	<u>(15,973)</u>
Payable after next twelve months ( <i>non-current portion</i> )	<b>13,312</b>	<b>29,285</b>
Loan from the shareholder ( <i>refer note 21</i> ) <sup>a</sup>	35,005,246	34,420,236
Lease liabilities ( <i>refer note 17</i> )	10,011,729	19,262,794
Staff end of service gratuity	<u>218,021</u>	<u>160,634</u>
	<u><b>45,248,308</b></u>	<u><b>53,872,949</b></u>

<sup>a</sup> Represents amount advanced by the shareholder, Barbeque Nation Mena Holdings Limited, U.A.E., which was received from Axis Bank and Yes Bank, India (with fixed repayment schedule) and its parent company in India towards secured and interest bearing loan. Interest charged by the above lenders has been charged back to the company (refer note 22).



## BARBEQUE NATION RESTAURANT LLC

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

	2020 <i>AED</i>	2019 <i>AED</i>
<b>16. Trade and other payables</b>		
Trade payables	1,582,474	1,788,991
Payables for capital goods	491,733	384,058
Accruals and other payables (refer note 21)	<u>3,216,361</u>	<u>2,400,617</u>
	<b><u>5,290,568</u></b>	<b><u>4,573,666</u></b>
<b>17. Lease liabilities</b>		
Opening balance	21,980,224	23,199,830
Modifications during the year (refer note 9)	(2,428,071)	-
Terminated during the year	(5,622,918)	-
Finance costs (refer note 22)	1,872,657	2,245,288
Payments during the year	<u>(3,920,130)</u>	<u>(3,464,894)</u>
	<b><u>11,881,762</u></b>	<b><u>21,980,224</u></b>
<b>Presented on statement of financial position as follows</b>		
Current portion (payable within one year)	1,870,033	2,717,430
Non-current portion (payable after one year) (refer note 15)	<u>10,011,729</u>	<u>19,262,794</u>
	<b><u>11,881,762</u></b>	<b><u>21,980,224</u></b>
<b>18. Cost of revenue</b>		
Materials consumed	6,381,077	6,886,245
Staff salaries and benefits	7,125,064	8,852,247
Rent	8,586	346,540
Other operating expenses	2,236,545	4,423,386
Depreciation (refer note 19)	3,302,971	2,725,005
Depreciation on right of use assets (refer note 9)	<u>2,431,701</u>	<u>2,764,313</u>
	<b><u>21,485,944</u></b>	<b><u>25,997,736</u></b>
<b>19. Expenses</b>		
Management fees (refer note 21)	120,000	300,000
Other administrative expenses (refer note 21)	1,517,783	2,882,286
Loss on discontinuation of outlets <sup>a</sup>	8,882,642	5,651,897
Impairment of property, plant and equipment (refer note 7)	71,048	-
Amortisation of intangible assets	22,564	29,617
Depreciation (refer below)	<u>154,858</u>	<u>161,856</u>
	<b><u>10,768,895</u></b>	<b><u>9,025,656</u></b>
<b>Total depreciation</b>	3,457,829	2,886,861
Taken to cost of revenue (refer note 18)	<u>(3,302,971)</u>	<u>(2,725,005)</u>
Taken to expenses (as above)	<u>154,858</u>	<u>161,856</u>

<sup>a</sup> Represents expenses (including fixed assets and capital work in progress) written off on account of closure of retail outlet at Atmosfire - Jumeirah, Dubai (previous year on account of closure, discontinuation and refurbishment of retail outlets at Al Hamra Mall (Ras Al Khaimah), Safeer Mall (Sharjah), Al Ain Mall (Al Ain), Deira City Centre, Atmosfire - Jumeirah (Dubai), and Central Kitchen (DIP-Dubai)).

