

**BARBEQUE NATION
RESTAURANT LLC**

Financial Statements

31 March 2021

Registered Address:

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

BARBEQUE NATION RESTAURANT LLC

Financial Statements *31 March 2021*

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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 2021.

Results

The loss for the year amounted to AED 4,727,594/-.

Review of the business

The company is registered and engaged in restaurant business. The company has following retail outlets in U.A.E.

- 1) Al Barsha II, Dubai
- 2) Al Karama, Dubai
- 3) Al Wahda Mall, Abu Dhabi
- 4) 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 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 2021.

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 2021 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
		300	300,000

Auditors

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

Mr. Mansoor Mohmed 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 2021, 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 2021 and its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Policies.

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 32,961,850/- (*previous year accumulated losses of AED 28,234,256/-*) and the deficit of AED 32,661,850/- (*previous year deficit of AED 27,934,256/-*) 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 matter

Without qualifying our audit opinion, we draw attention to note No. 23 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.

**Independent Auditors' Report to the Shareholders'/Directors' of
BARBEQUE NATION RESTAURANT LLC****Report on the Audit of the Financial Statements (contd.)****Emphasis of matter (contd.)**

Further, as described in detail the court verdict and present status of case in note 23 and in the opinion of the management, the company has sufficient provision to pay the claim amounts if claimed, and hence no further 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 24, 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.

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 Generally Accepted Accounting Policies, 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.

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 (contd.)

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.
- 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.

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

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

- 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 2021;
- vi) note 18 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 2021 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 2021.

KSI Shah & Associates
CHARTERED ACCOUNTANTS
Dubai



20 May 2021

BARBEQUE NATION RESTAURANT LLC

Statement of Financial Position

At 31 March 2021

	<i>Notes</i>	<i>2021</i> <i>AED</i>	<i>2020</i> <i>AED</i>
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,487,710	11,967,913
Capital work in progress	6	-	118,255
Right-of-use-assets	7	6,750,816	8,458,102
Advance for capital goods		-	11,550
		<u>16,238,526</u>	<u>20,555,820</u>
Current assets			
Inventories	8	343,853	395,613
Other receivables	9	1,024,621	1,923,791
Prepayments		1,081,677	1,407,143
Cash and bank balances	10	179,586	208,259
		<u>2,629,737</u>	<u>3,934,806</u>
TOTAL ASSETS		<u>18,868,263</u>	<u>24,490,626</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	300,000	300,000
Accumulated losses		(32,961,850)	(28,234,256)
Total equity		<u>(32,661,850)</u>	<u>(27,934,256)</u>
Non-current liabilities	12, 18	<u>45,363,690</u>	<u>45,248,308</u>
Current liabilities			
Trade and other payables	13	4,057,182	5,290,568
Lease liabilities	14	2,086,578	1,870,033
Installment plan liability	12	22,663	15,973
		<u>6,166,423</u>	<u>7,176,574</u>
TOTAL EQUITY AND LIABILITIES		<u>18,868,263</u>	<u>24,490,626</u>

The accompanying notes 1 to 25 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 20th May 2021 and signed on their behalf by:

For BARBEQUE NATION RESTAURANT LLC

Mr. Mansoor Mohamed Ismail Memon

Director



BARBEQUE NATION RESTAURANT LLC

Statement of Comprehensive Income
for the year ended 31 March 2021

	<i>Notes</i>	<i>2021</i> <i>AED</i>	<i>2020</i> <i>AED</i>
Revenue		13,378,071	20,648,612
Cost of revenue	15	<u>(14,583,103)</u>	<u>(21,485,944)</u>
Gross loss		(1,205,032)	(837,332)
Expenses	16	<u>(1,677,292)</u>	<u>(10,768,895)</u>
Loss from the operations		(2,882,324)	(11,606,227)
Other income	17	775,905	1,175,201
Finance costs	18, 19	<u>(2,621,175)</u>	<u>(3,852,035)</u>
Loss for the year		(4,727,594)	(14,283,061)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(4,727,594)</u>	<u>(14,283,061)</u>

The accompanying notes 1 to 25 form an integral part of these financial statements.

BARBEQUE NATION RESTAURANT LLC

Statement of Changes in Equity
for the year ended 31 March 2021

	<i>Share capital <u>AED</u></i>	<i>Accumulated (losses) <u>AED</u></i>	<i>Total <u>AED</u></i>
As at 31 March 2019	300,000	(13,951,195)	(13,651,195)
Loss for the year	-	<u>(14,283,061)</u>	<u>(14,283,061)</u>
As at 31 March 2020	300,000	(28,234,256)	(27,934,256)
Loss for the year	-	<u>(4,727,594)</u>	<u>(4,727,594)</u>
As at 31 March 2021	<u>300,000</u>	<u>(32,961,850)</u>	<u>(32,661,850)</u>

The accompanying notes 1 to 25 form an integral part of these financial statements.

BARBEQUE NATION RESTAURANT LLC

Statement of Cash Flows

for the year ended 31 March 2021

	<i>Notes</i>	<i>2021</i> <u>AED</u>	<i>2020</i> <u>AED</u>
<u>Cash flows from operating activity</u>			
(Loss) for the year		(4,727,594)	(14,283,061)
Adjustments for:			
Depreciation and amortization		2,620,607	3,480,393
Impairment of property, plant and equipment		-	71,048
Depreciation on right-of-use-assets		1,707,286	2,431,701
Loss on disposal/write-off of property, plant and equipment and intangible assets		-	7,639,218
Gain on early termination of lease		-	(1,127,320)
Covid-19 related rent concessions		(775,905)	-
Finance costs		2,621,175	3,852,035
Provision for staff end of service gratuity <i>(net)</i>		<u>18,596</u>	<u>57,387</u>
Operating profit before working capital changes		1,464,165	2,121,401
Changes in inventories		51,760	83,720
Changes in other receivables and prepayments		1,224,636	1,763,675
Changes in trade and other payables		<u>(1,233,386)</u>	<u>716,902</u>
Net cash from operating activities		<u>1,507,175</u>	<u>4,685,698</u>
<u>Cash flows from investing activities</u>			
Payment for purchase of property, plant and equipment		(48,506)	(76,076)
Changes in capital work in progress		26,357	(858,052)
Changes in advance for capital goods		<u>11,550</u>	<u>319,742</u>
Net cash (used in) investing activities		<u>(10,599)</u>	<u>(614,386)</u>
<u>Cash flows from financing activities</u>			
(Repayments of) vehicle loans		(6,622)	(15,973)
Finance costs paid		(1,522,805)	(1,979,378)
Lease liabilities paid		(2,192,500)	(3,920,130)
Proceeds from shareholder's loan		<u>2,196,678</u>	<u>585,010</u>
Net cash (used in) financing activities		<u>(1,525,249)</u>	<u>(5,330,471)</u>
Net changes in cash and cash equivalents		(28,673)	(1,259,159)
Cash and cash equivalents at beginning of the year		<u>208,259</u>	<u>1,467,418</u>
Cash and cash equivalents at end of the year	10	<u>179,586</u>	<u>208,259</u>

The accompanying notes 1 to 25 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 2021***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
Al Dalma Mall, Abudhabi	CN-2501789

- 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 2021 amounted to AED 32,961,850/- (*previous year accumulated losses of AED 28,234,256/-*) and there was a deficit of AED 32,661,850/- (*previous year deficit of AED 27,934,256/-*) 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 Generally Accepted Accounting Policies adopted by the company and the applicable requirements of the Company Commercial Law number 2 of 2015.

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.

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2021

Basis of measurement (contd.)

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 Generally Accepted Accounting Policies 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:

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.

BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2021****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.

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.

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

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 and right of use assets are based on assumptions regarding future cash flows expected to be received from the related assets.

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2021

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.

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. 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.

b) Capital work in progress

Capital work in progress was 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 was charged on capital work-in-progress.

BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2021***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 2021***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 values.

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 loan. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short term nature.

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements *for the year ended 31 March 2021*

Derecognition of financial assets and financial liabilities

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

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

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

Offsetting of financial instruments

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

Impairment of financial assets

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

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.

BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2021***Impairment of financial assets (contd.)**

- 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.

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.

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.

BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2021***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) 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.

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2021

Revenue recognition (contd.)

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
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 beverages, when they have been delivered or rendered.

l) Borrowing costs

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

m) 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.

n) Cash and cash equivalents

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

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements
for the year ended 31 March 20215. 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^c AED</i>	<i>Total AED</i>
Cost						
As at 01.04.2020	8,379,530	6,032,659	2,363,536	466,887	85,040	17,327,652
Transfer from capital work in progress ^b	88,614	-	3,284	-	-	91,898
Additions during the year	-	42,415	6,091	-	-	48,506
As at 31.03.2021	<u>8,468,144</u>	<u>6,075,074</u>	<u>2,372,911</u>	<u>466,887</u>	<u>85,040</u>	<u>17,468,056</u>
Depreciation						
As at 01.04.2020	2,135,179	1,682,144	1,128,212	282,412	60,744	5,288,691
Charge for the year	1,232,124	807,642	442,123	124,713	14,005	2,620,607
As at 31.03.2021	<u>3,367,303</u>	<u>2,489,786</u>	<u>1,570,335</u>	<u>407,125</u>	<u>74,749</u>	<u>7,909,298</u>
Impairment	-	43,352	1,804	25,892	-	71,048
Net book values						
As at 31.03.2021	<u>5,100,841</u>	<u>3,541,936</u>	<u>800,772</u>	<u>33,870</u>	<u>10,291</u>	<u>9,487,710</u>
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>

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 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.

^b Refer note 6.

^c Under installment plan liability (refer note 12).

6. Capital work in progress

	<u>2021 AED</u>	<u>2020 AED</u>
Opening balance	118,255	988,248
Payments made during the year	-	858,052
Expensed out/written off during the year	(26,357)	(893,365)
Transfer to property, plant and equipment (refer note 5)	(91,898)	(834,680)
Closing balance ^a	<u>-</u>	<u>118,255</u>

^a Represented the amount paid for extension in existing outlets to serve Hooka at Dalma and Al Wahda outlets in Abudhabi, U.A.E., capitalized during the year on completion.

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements
for the year ended 31 March 2021

	<u>2021</u> <u>AED</u>	<u>2020</u> <u>AED</u>
7. Right to use assets ^a		
Cost		
Opening balance	14,899,195	23,577,243
Modifications during the year	-	(2,428,071)
Terminated during the year	-	(6,249,977)
Closing balance	<u>14,899,195</u>	<u>14,899,195</u>
Depreciation		
Opening balance	6,441,093	5,763,771
Relating to termination	-	(1,754,379)
Charge for the year	<u>1,707,286</u>	<u>2,431,701</u>
Closing balance	<u>8,148,379</u>	<u>6,441,093</u>
Net book values	<u>6,750,816</u>	<u>8,458,102</u>

^a Represents restaurant outlets at Al Barsha II, Al Karama, Al Wahda Mall, and Al Dalma Mall, U.A.E. are on non-cancellable long term leases.

	<u>2021</u> <u>AED</u>	<u>2020</u> <u>AED</u>
8. Inventories		
Food and beverages ^{a b}	318,276	308,069
Other consumables items	<u>25,577</u>	<u>87,544</u>
	<u>343,853</u>	<u>395,613</u>

^a As physically verified, valued and certified by the management.

^b Includes items costing AED 236,579/- (previous year AED 182,960/-) lying at cold storage warehouse in Dubai, U.A.E.

9. Other receivables		
Deposits	2,257,283	2,046,211
Provision for doubtful deposits	(1,434,020)	(938,045)
	<u>823,263</u>	<u>1,108,166</u>
Advance to suppliers	363,359	302,464
Provision for doubtful advances	(333,399)	(46,135)
	<u>29,960</u>	<u>256,329</u>
Staff advances	13,750	-
Due from a shareholder	153,000	153,000
Other receivables	<u>4,648</u>	<u>406,296</u>
	<u>1,024,621</u>	<u>1,923,791</u>

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2021

	<i>2021</i>	<i>2020</i>
	<u>AED</u>	<u>AED</u>
10. Cash and bank balances		
Cash in hand	8,875	11,285
Bank balances in:		
Current accounts	170,711	196,974
	<u>179,586</u>	<u>208,259</u>
11. Share capital		
Authorized, issued and paid up share capital:		
300 shares of AED 1,000 each	<u>300,000</u>	<u>300,000</u>
12. Non-current liabilities		
Vehicles installment plan liability		
Total amount outstanding	22,663	29,285
Payable within next twelve months (<i>current portion</i>)	<u>(22,663)</u>	<u>(15,973)</u>
Payable after next twelve months (<i>non-current portion</i>)	-	13,312
Loan from the shareholder (<i>refer note 18</i>) ^a	37,000,000	35,000,000
Due to the shareholder (<i>refer note 18</i>)	201,924	5,246
Lease liabilities (<i>refer note 14</i>)	7,925,149	10,011,729
Staff end of service gratuity	236,617	218,021
	<u>45,363,690</u>	<u>45,248,308</u>
^a 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 (<i>refer note 18</i>).		
13. Trade and other payables		
Trade payables	1,768,400	1,582,474
Payables for capital goods	-	491,733
Accruals and other payables (<i>refer note 18</i>)	2,288,782	3,216,361
	<u>4,057,182</u>	<u>5,290,568</u>
14. Lease liabilities		
Opening balance	11,881,762	21,980,224
Modifications during the year (<i>refer note 7</i>)	-	(2,428,071)
Terminated during the year	-	(5,622,918)
Covid-19 related rent concessions (<i>refer note 17</i>)	(775,905)	-
Finance costs (<i>refer note 19</i>)	1,098,370	1,872,657
Payments during the year	<u>(2,192,500)</u>	<u>(3,920,130)</u>
	<u>10,011,727</u>	<u>11,881,762</u>
Presented on statement of financial position as follows		
Current portion (<i>payable within one year</i>)	2,086,578	1,870,033
Non-current portion (<i>payable after one year</i>) (<i>refer note 12</i>)	7,925,149	10,011,729
	<u>10,011,727</u>	<u>11,881,762</u>

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements
for the year ended 31 March 2021

	<u>2021</u> <u>AED</u>	<u>2020</u> <u>AED</u>
15. Cost of revenue		
Materials consumed	4,326,038	6,381,077
Staff salaries and benefits	4,404,065	7,125,064
Rent	161,678	8,586
Other operating expenses	1,502,147	2,236,545
Depreciation (refer note 16)	2,481,889	3,302,971
Depreciation on right of use assets (refer note 7)	<u>1,707,286</u>	<u>2,431,701</u>
	<u>14,583,103</u>	<u>21,485,944</u>

16. Expenses

Management fees (refer note 18)	120,000	120,000
Other administrative expenses (refer note 18)	1,387,978	1,517,783
Loss on discontinuation of outlets ^a	-	8,882,642
Impairment of property, plant and equipment	-	71,048
Amortisation of intangible assets	-	22,564
Bad debts written off	30,596	-
Depreciation (refer below)	<u>138,718</u>	<u>154,858</u>
	<u>1,677,292</u>	<u>10,768,895</u>
Total depreciation	2,620,607	3,457,829
Taken to cost of revenue (refer note 15)	<u>(2,481,889)</u>	<u>(3,302,971)</u>
Taken to expenses (as above)	<u>138,718</u>	<u>154,858</u>

^a Represented 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)).

	<u>2021</u> <u>AED</u>	<u>2020</u> <u>AED</u>
17. Other income		
Rent concessions (refer note 14)	775,905	-
Gain on early termination of lease	-	1,127,320
Foreign exchange gain	<u>-</u>	<u>47,881</u>
	<u>775,905</u>	<u>1,175,201</u>

18. 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.

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2021

Related party transactions (contd.)

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>2021</i>	<i>2020</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
Management fees	120,000	120,000
Included under other administrative expenses		
Guarantee commission expenses	186,954	210,976
Royalty expenses	267,479	412,979
Interest on shareholder's loan (refer note 19)	1,518,288	1,977,303

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

	<i>Shareholder</i>	
	<i>2021</i>	<i>2020</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
Included under non-current liabilities:		
Loan from the shareholder	37,201,924	35,000,000
Due to the shareholder	201,924	5,246
Included under current liabilities:		
Accruals and other payables	678,540	385,344

19. Finance costs

Interest on vehicle loan	4,517	2,075
Interest on lease liabilities	1,098,370	1,872,657
Interest on shareholder's loan (refer note 18)	1,518,288	1,977,303
	<u>2,621,175</u>	<u>3,852,035</u>

20. Financial instrument risks

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

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

BARBEQUE NATION RESTAURANT LLC

Notes to the Financial Statements for the year ended 31 March 2021

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:

	<i>2021 Equivalent AED</i>	<i>2020 Equivalent AED</i>
Foreign currency liability:		
Indian rupees	678,540	385,344

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 2021 and 2020.

<i>Particulars</i>	<i>2021</i>			<i>2020</i>		
	<i>Balance AED</i>	<i>Change in currency rate in %</i>	<i>Effect on income statement AED</i>	<i>Balance AED</i>	<i>Change in currency rate in %</i>	<i>Effect on income statement AED</i>
Foreign currency liabilities						
<i>INR</i>						
<i>currency</i>	678,540	+/- 2	13,571	385,344	+/- 9%	34,681

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 2020-21 and 2019-20 over period of 12 months.

BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2021***Liquidity risk**

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

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

21. Financial instruments: Fair value

Financial instruments comprise of financial assets and financial liabilities. The fair value of the company's financial assets comprising of other receivables, cash and bank balances and financial liabilities comprising of trade and other payables, lease liabilities and due to the shareholder approximate to their carrying values.

22. Contingent liability

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

23. Litigations

The company has long term lease contract with the landlord of restaurant outlet at Atmosfire, Jumeirah, Dubai, U.A.E. for period of 9 years and 6 months (from 30 July 2017 to 29 January 2027). The said contract was early terminated by the company. The company served notice to the landlord in November 2019 to vacate the premise by January 2020, but continued to occupy till 22 March 2020. The company has paid rental covering period till April 2020.

The landlord disputed the notice, refused to accept the handover and demanded to pay rent till 31 January 2021. The company has filed a legal case with Dubai Courts against the landlord dated 13th July 2020 whereby court instructed on 29 September 2020 to pay penalty of AED 83,000/- alongwith regular rental till date of actual eviction. The landlord deposited cheques due on 30 April 2020 and 30 July 2020 for amount of AED 268,750/- each. These cheques were bounced due to insufficient balance and hence landlord filed legal case on 1st September 2020 and 3rd September 2020 respectively against the company for the bounced cheques. The court instructed on 8 September 2020 and 6th October 2020 to the company for payment of the above rentals.

BARBEQUE NATION RESTAURANT LLC**Notes to the Financial Statements**
*for the year ended 31 March 2021**Litigations (contd.)*

The above verdicts were disputed by the company and the company has filed appeal against these court verdicts. On 3 November 2020, the court ordered the company to pay rental till 19 October 2020 and return the premise to landlord in original condition. The company has paid rental to land lord as per the court order. In addition to this, the company has created additional provision of AED 422,327/- in the books of account to meet the future liability towards the litigation.

In the opinion of the management, the company has sufficient provision to pay the claim amounts if claimed, and hence no further provision is required to be created in the books for these claim amounts, if any, for the current financial year.

24. Impact of Covid-19

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

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

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

25. Comparative figures

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