

**BARBEQUE NATION
MENA HOLDING LIMITED**

Financial Statements

31 March 2023

Registered office:

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

BARBEQUE NATION MENA HOLDING LIMITED

Reports and Financial Statements

For the year ended 31 March 2023

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BARBEQUE NATION MENA HOLDING LIMITED

Director's Report

The Director submits his report and financial statements for the financial year ended 31 March 2023.

Results and dividend

The profit for the year amounted to AED 2,895,853/- (including foreign exchange gain of AED 2,809,981/-).

Review of the business

The company is registered to invest in limited liability companies, partnerships, joint ventures and any other company, general trading, investments in equities, shares and securities worldwide, investment in international properties worldwide, own real property of the Palm Islands or Jumeirah Islands or any property owned by Nakheel or Emaar Properties or any other real property approved by the authority and any other activity approved by Jebel Ali Free Zone Authority. During the year, the company was mainly engaged in investment activity and has charged management fees and interest to its subsidiary companies.

Events since the end of the year

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

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 2023.

Shareholder and its interest

The shareholder at 31 March 2023 and its interest as at that date in the share capital of the company was as follows:

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

Auditors

A resolution to re-appoint KSI Shah & Associates as auditors and fix their remuneration will be put to board at the Annual General Meeting.

Mansoor
Mohmed Ismail
Memon

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Mohmed Ismail Memon
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Mr. Mansoor Mohmed Ismail Menon
Director



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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **BARBEQUE NATION MENA HOLDING LIMITED** (the "Company"), which comprises of the statement of financial position as at 31 March 2023, 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 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

As stated in notes 7(b) and 8(b), 7(d) and 8(d) and 7(f) and 8(f) to the financial statements and as per the management opinion no impairment is required in value of investment in subsidiaries and long term loan given to the subsidiaries based in U.A.E., Oman and Malaysia, considering negative equity/accumulated losses of the subsidiary companies. Adjustments required, if any, due to the above limitations are not included in these financial statements.

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

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

Emphasis of matter

Without further qualifying our audit opinion, we draw attention to note 2.2 which states that these financial statements represent the assets, liabilities and results of operations of the company on a stand-alone basis.

The financial statements of its subsidiary companies are not consolidated in these financial statements, as separate consolidated financial statements will be prepared by the company.

Other Information

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

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

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

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

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.
- 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.

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



17 May 2023

BARBEQUE NATION MENA HOLDING LIMITED

Statement of Financial Position

As at 31 March 2023

	Notes	2023 <u>AED</u>	2022 <u>AED</u>
ASSETS			
Non-current assets			
Fixed assets	6	458	5,443
Investments in subsidiary companies	7	1,943,337	1,790,337
Long term loans to subsidiary companies	8	43,595,518	44,702,231
Other receivable	9	354,759	-
Total non-current assets		45,894,072	46,498,011
Current assets			
Cash and cash equivalents	10	153,022	120,504
Total current assets		153,022	120,504
TOTAL ASSETS		46,047,094	46,618,515
EQUITY AND LIABILITIES			
Equity			
Share capital	11	15,942,500	15,942,500
Accumulated losses		(1,957,788)	(4,853,641)
Total equity		13,984,712	11,088,859
LIABILITIES			
Non-current liabilities			
Shareholder's loan account	12	31,925,000	35,390,225
Total non-current liabilities		31,925,000	35,390,225
Current liabilities			
Accruals and other payables		137,382	139,431
Total current liabilities		137,382	139,431
TOTAL EQUITY AND LIABILITIES		46,047,094	46,618,515

The accompanying notes 1 to 21 form an integral part of these financial statements.

The Independent Auditors' Report is set forth on pages 2 and 3.

Approved by the board of directors on 17th May 2023 and signed on their behalf by;

For BARBEQUE NATION MENA HOLDING LIMITED

Mansoor Mohmed
Mohmed Ismail Memon
Ismail Memon

Digitally signed by Mansoor
Mohmed Ismail Memon
Date: 2023.05.19 08:21:20
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Mr. Mansoor Mohmed Ismail Menon
Director



BARBEQUE NATION MENA HOLDING LIMITED

Statement of Comprehensive Income
For the year ended 31 March 2023

	Notes	2023 <u>AED</u>	2022 <u>AED</u>
Revenue	13	2,129,188	2,072,068
Foreign exchange gain	15	2,809,981	732,929
Expenses	14	(34,128)	(92,943)
Finance costs	17	(2,009,188)	(2,886,856)
Profit/(Loss) for the year		<u>2,895,853</u>	<u>(174,802)</u>
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		<u><u>2,895,853</u></u>	<u><u>(174,802)</u></u>

The accompanying notes 1 to 21 form an integral part of these financial statements.

BARBEQUE NATION MENA HOLDING LIMITED

Statement of Changes in Equity For the year ended 31 March 2023

	<i>Share capital</i> <i>AED</i>	<i>Accumulated</i> <i>losses</i> <i>AED</i>	<i>Total</i> <i>AED</i>
At 1 April 2021	15,942,500	(4,678,839)	11,263,661
(Loss) for the year	-	(174,802)	(174,802)
At 31 March 2022	15,942,500	(4,853,641)	11,088,859
Profit for the year	-	2,895,853	2,895,853
At 31 March 2023	15,942,500	(1,957,788)	13,984,712

The accompanying notes 1 to 21 form an integral part of these financial statements.

BARBEQUE NATION MENA HOLDING LIMITED

Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023 <u>AED</u>	2022 <u>AED</u>
Cash flows from operating activities			
Profit/(Loss) for the year		2,895,853	(174,802)
Adjustments for:			
Depreciation of fixed assets	6	4,985	28,696
Finance costs	17	2,009,188	1,691,624
Finance costs to banks		-	1,195,232
Interest income from long term loan		(2,009,188)	(1,952,068)
Operating cash flows before changes in operating assets and liabilities		2,900,838	788,682
(Increase)/decrease in trade and other receivables		(354,759)	12,000
Decrease in trade and other payables		(2,049)	(146,697)
Net cash generated from operating activities		2,544,030	653,985
Cash flows from investing activities			
Interest income from long term loan given		2,009,188	1,952,068
Proceeds from/(payments for) loan given to subsidiary companies		1,106,713	(975,749)
Payment for investment in subsidiary		(153,000)	-
Net cash generated from investing activities		2,962,901	976,319
Cash flows from financing activities			
Repayments of bank borrowings		-	(23,937,576)
(Repayment of)/proceeds from the shareholder's loan		(3,465,225)	25,209,647
Repayment of vehicle loan		-	(4,697)
Finance costs paid to banks		-	(1,195,232)
Finance costs paid to the shareholder		(2,009,188)	(1,691,624)
Net cash used in financing activities		(5,474,413)	(1,619,482)
Net increase in cash and cash equivalents		32,518	10,822
Cash and cash equivalents at the beginning of the year		120,504	109,682
Cash and cash equivalents at the end of the year	10	153,022	120,504

The accompanying notes 1 to 21 form an integral part of these financial statements.

BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements

For the year ended 31 March 2023

1 General information

a) **BARBEQUE NATION MENA HOLDINGS LIMITED** ("The Company") is an Offshore company with limited liability, registered on 25 March 2015 with the Jebel Ali Free Zone Authority, Dubai, United Arab Emirates, under the registration number 171179.

b) The company is registered to invest in limited liability companies, partnerships, joint ventures and any other company, general trading, investments in equities, shares and securities worldwide, investment in international properties worldwide, own real property of the Palm Islands or Jumeirah Islands or any property owned by Nakheel or Emaar Properties or any other real property approved by the authority and any other activity approved by Jebel Ali Free Zone Authority. During the year, the company was mainly engaged in investment activity and has charged management fees and interest to its subsidiary companies.

2 Basis of preparation

2.1 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 2022 and the implementing rules and regulations of the Jebel Ali Free Zone Authority.

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

2.3 Going concern

These financial statements have been prepared on a going concern basis notwithstanding the fact that the company has accumulated losses of AED 1,957,788/- (previous year AED 4,853,641/-). The continuation of the company's operations is dependent upon future profitable operations of the subsidiaries and continued financial support from the shareholder, Barbeque-Nation Hospitality Limited. The management of the company has developed plans to ensure the viability and continuity of the company as a going concern and to meet its obligations as they fall due. Furthermore, the shareholder has confirmed that they would arrange and provide such financial support to the Company as is necessary, for it to be able to continue its subsidiaries operations and meet its obligations as they fall due in the foreseeable future.

2.4 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.

BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements

For the year ended 31 March 2023

2 Basis of preparation (continued)

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 (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- 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.

2.5 Functional and presentation currency

These financial statements are presented in Emirati Dirham, which is the Establishment's functional currency.

3 Use of estimates and judgments

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.

The 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.

3.1 Critical judgements in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of fixed assets, investments and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Classification of investment as a subsidiary

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

M/s. Green Land Development Trading LLC acts as a local sponsor of Barbeque Nation International LLC and receives a sponsorship fees. As per verbal arrangement, he does not take part in the operational and financial management of the investee company, which is considered as a subsidiary.

BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements***For the year ended 31 March 2023***3 Use of estimates and judgments****3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Residual values of fixed assets

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

Estimated useful life of fixed assets

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

Provision for expected credit losses of trade receivables

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

Impairment of non-financial assets

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

Staff end-of-service gratuity

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

Going concern assumptions

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

BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements***For the year ended 31 March 2023***4 Application of new and revised International Financial Reporting Standards (IFRSs)****4.1 New and revised International Financial Reporting Standards**

The following International Financial Reporting Standards (IFRSs), amendments and interpretations issued by IASB that became effective for the current reporting period:

- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use.
- Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRS 3 - References to the Conceptual
- Annual Improvements to IFRS Standards 2018 – 2020 – Amendments to IFRS 1, IFRS 9, IFRS 16 Leases and IAS 41.

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

These amendments have no significant impact on the amounts reported in these financial statements. Their adoption has resulted in presentation and disclosure changes only.

4.2 International Financial Reporting Standards issued but not effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8 - Definition of accounting estimates – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

IFRS17 - Insurance Contracts and amendments to IFRS 17- The effective date of the standard is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 - Non-current liabilities with Covenants - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 16 - Liability in a sale and leaseback - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture – The effective date of the amendments is not yet stated.

BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements

For the year ended 31 March 2023

5 Significant accounting policies

5.1 Depreciation of fixed assets

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

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

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

5.2 Investment in subsidiaries

Subsidiary is an entity (investee) which is controlled by another entity (the Parent or the Investor). The control is based on whether,

- a) The Investor has power over the investee
- b) It is exposed to rights of variable returns and
- c) It has the ability to use its power to affect the amount of the returns.

Investment in subsidiaries is stated at cost less provision for impairment if any.

Income from investment in subsidiary is accounted only to the extent of receipt of distribution of accumulated net profits of subsidiary. Distributions received in excess of such profits are considered as a recovery of investments and are recorded as a reduction of the cost of investments.

5.3 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.

BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements

For the year ended 31 March 2023

5 Significant accounting policies (continued)

5.3 Financial instruments (continued)

The Company's financial assets at amortised cost include 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 accruals and other payables. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short term nature.

Derecognition of financial assets and financial liabilities

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

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

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

Offsetting of financial instruments

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

Impairment of financial assets

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

BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements***For the year ended 31 March 2023***5 Significant accounting policies (continued)****5.4 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.

5.5 Provisions

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.

5.6 Short-term lease

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

5.7 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

5.8 Revenue recognition**Services**

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

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

BARBEQUE NATION MENA HOLDING LIMITED**Notes to the Financial Statements***For the year ended 31 March 2023***5 Significant accounting policies (continued)****5.8 Revenue recognition (continued)**

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

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

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

Interest income

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

5.9 Borrowing costs

Finance expense comprises interest expense on bank borrowings and shareholder's loan is recognised in Statement of comprehensive income.

5.10 Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date. Resulting exchange gains/losses are taken to the statement of comprehensive income.

5.11 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of 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 MENA HOLDING LIMITED

Notes to the Financial Statements

For the year ended 31 March 2023

6 Fixed assets

	<i>Furniture and office equipment</i>	<i>Vehicle</i>	<i>Total</i>
	<u>AED</u>	<u>AED</u>	<u>AED</u>
<i>Cost</i>			
At 1 April 2021	111,550	95,999	207,549
At 31 March 2022	<u>111,550</u>	<u>95,999</u>	<u>207,549</u>
At 31 March 2023	<u>111,550</u>	<u>95,999</u>	<u>207,549</u>
<i>Accumulated depreciation</i>			
At 1 April 2021	98,664	74,746	173,410
Depreciation expense	7,443	21,253	28,696
At 31 March 2022	<u>106,107</u>	<u>95,999</u>	<u>202,106</u>
Depreciation expense	4,985	-	4,985
At 31 March 2023	<u>111,092</u>	<u>95,999</u>	<u>207,091</u>
<i>Carrying amount</i>			
At 31 March 2022	<u>5,443</u>	<u>-</u>	<u>5,443</u>
At 31 March 2023	<u>458</u>	<u>-</u>	<u>458</u>

Vehicle is registered in the name of a related party (Barbeque Nation Restaurant LLC).

7 Investments in subsidiary companies

	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Barbeque Nation Restaurant LLC, Dubai, U.A.E. ab	300,000	147,000
Barbeque Nation (Malaysia) SDN BHD c d	942,000	942,000
Barbeque Nation International LLC e f	<u>701,337</u>	<u>701,337</u>
	<u>1,943,337</u>	<u>1,790,337</u>

a Represents investment in Barbeque Nation Restaurant LLC, incorporated in Dubai, U.A.E. - 100 % interest in share capital (300 shares of AED 1,000 each). As per Amended Memorandum of Association of a subsidiary Barbeque Nation Restaurant LLC, Mr. Sulaiman Mohamed Khalifa Alsuwaidi has transferred his entire 153 shares to Barbeque Nation Mena Holding Limited effective 22 November 2022.

b As per the management accounts of the subsidiary for the year ended 31 March 2023, the subsidiary was having accumulated losses of AED 32,952,903/- (previous year AED 34,369,375/-) and deficit in equity of AED 32,652,903/- (previous year AED 34,069,375/-). However, in the opinion of the management, no impairment is required in the value of this investment.

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

d As per the draft audited accounts of the subsidiary for the year ended 31 March 2023, the subsidiary was

BARBEQUE NATION MENA HOLDING LIMITED

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For the year ended 31 March 2023

7 Investments in subsidiary companies (continued)

having accumulated losses of RM 4,554,528/- (previous year RM 4,725,668/-) and deficit in equity of RM 3,554,528/- (previous year RM 3,725,668/-). However, in the opinion of the management, no impairment is required in the value of this investment.

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

f As per the draft audited accounts of the subsidiary for the year ended 31 March 2023, the subsidiary was having accumulated losses of OMR 277,625/- (previous year OMR 249,713/-) and deficit in equity of OMR 127,625/- (previous year OMR 99,713/-). However, in the opinion of the management, no impairment is required in the value of this investment.

8 Long term loans to subsidiary companies

	<u>2023</u> <u>AED</u>	<u>2022</u> <u>AED</u>
Barbeque Nation Restaurant LLC, Dubai, U.A.E. ab	36,174,726	37,579,552
Barbeque Nation (Malaysia) SDN BHD c d	4,080,681	3,893,391
Barbeque Nation International LLC e f	<u>3,340,111</u>	<u>3,229,288</u>
	<u>43,595,518</u>	<u>44,702,231</u>

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

b As per the management accounts of the subsidiary for the year ended 31 March 2023, the subsidiary was having accumulated losses of AED 32,952,903/- (previous year AED 34,369,375/-) and deficit in equity of AED 32,652,903/- (previous year AED 34,069,375/-). However, in the opinion of the management, no impairment is required in the value of this loan.

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

d As per the draft audited accounts of the subsidiary for the year ended 31 March 2023, the subsidiary was having accumulated losses of RM 4,554,528/- (previous year RM 4,725,668/-) and deficit in equity of RM 3,554,528/- (previous year RM 3,725,668/-). However, in the opinion of the management, no impairment is required in the value of this loan.

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

f As per the draft audited accounts of the subsidiary for the year ended 31 March 2023, the subsidiary was having accumulated losses of OMR 277,625/- (previous year OMR 249,713/-) and deficit in equity of OMR 127,625/- (previous year OMR 99,713/-). However, in the opinion of the management, no impairment is required in the value of this loan.

9 Other receivable

This amount represents funds paid towards security deposit and lease rental to Dana Mall WLL, Bahrain and other company formation expenses. The company is in process of incorporating a new subsidiary in Bahrain and commercial registration certificate received for trade name Barbeque Nation Bahrain WLL dated 1 April 2023.

BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements

For the year ended 31 March 2023

10 Cash and cash equivalents

	<i>2023</i> <u>AED</u>	<i>2022</i> <u>AED</u>
Bank balances in current accounts with Bank of Baroda, U.A.E.	153,022	120,504

11 Share capital

	<i>2023</i> <u>AED</u>	<i>2022</i> <u>AED</u>
Authorised capital		
300,000 shares of AED 100 each	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
Issued, subscribed and paid up capital		
159,425 shares of AED 100 each	15,942,500	15,942,500
	<u>15,942,500</u>	<u>15,942,500</u>

12 Shareholder's loan account

This amount represents unsecured and interest bearing loan at 8.55% p.a., received from the shareholder, Barbeque-Nation Hospitality Limited, without fixed repayment terms (refer notes 16, 17). This loan balance is denominated in INR currency and as a result foreign exchange gain of AED 2,809,981/- (previous year AED 732,929/-) recorded in the income statement (refer note 15).

	<i>2023</i> <u>AED</u>	<i>2022</i> <u>AED</u>
Opening balance	35,390,225	10,180,578
Funds (repaid)/received during the year	(3,465,225)	25,209,647
	<u>31,925,000</u>	<u>35,390,225</u>

13 Revenue

	<i>2023</i> <u>AED</u>	<i>2022</i> <u>AED</u>
Interest income from long term loan given (refer note 16)	2,009,188	1,952,068
Management fees (refer note 16)	120,000	120,000
	<u>2,129,188</u>	<u>2,072,068</u>

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Notes to the Financial Statements

For the year ended 31 March 2023

14 Expenses

	<u>2023</u> <u>AED</u>	<u>2022</u> <u>AED</u>
Other general and administrative expenses	29,143	64,247
Depreciation of property, plant and equipment	4,985	28,696
	<u>34,128</u>	<u>92,943</u>

15 Foreign exchange gain

Represents gain arrived on conversion of INR denominated loan received from Barbeque-Nation Hospitality Limited, shareholder of the company at closing INR-AED conversion rate (refer note 12).

16 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the company and the party are subject to common control and includes where the company has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other entities.

The relationship of related parties is as under –

- a) Sole shareholder
 - 1) Barbeque-Nation Hospitality Limited, India
- b) Subsidiary companies
 - 1) Barbeque Nation Restaurant LLC, U.A.E.
 - 2) Barbeque Nation (Malaysia) SDN BHD MALAYSIA.
 - 3) Barbeque Nation International LLC, Oman

a) Transactions

During the year, the Company entered into the following transactions with the related parties:

	<u>2023</u> <u>AED</u>	<u>2022</u> <u>AED</u>
Interest income from long term loan given (subsidiaries)	2,009,188	1,952,068
Management fees (subsidiary in UAE)	120,000	120,000
Finance costs to the shareholder	<u>2,009,188</u>	<u>1,691,624</u>

b) Balances

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

BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements

For the year ended 31 March 2023

	<u>2023</u> <u>AED</u>	<u>2022</u> <u>AED</u>
Under non-current assets		
Investment in subsidiaries	1,943,337	1,790,337
Long term loan to subsidiaries	43,595,518	44,702,231
Under non-current liabilities		
Shareholder's loan account	31,925,000	35,390,225

17 Finance costs

	<u>2023</u> <u>AED</u>	<u>2022</u> <u>AED</u>
Interest on term loans	-	260,444
Pre-closure fees of term loans	-	934,788
Interest on shareholder's loan (refer note 16)	2,009,188	1,691,624
	<u>2,009,188</u>	<u>2,886,856</u>

18 Financial instruments: Credit, Market risk and Liquidity risk exposures

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

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

a) Credit risk

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

Trade and other receivables

There is no significant concentration of credit risk from trade receivables situated within and outside U.A.E. and outside the industry in which the Company operates.

Bank balances

The company's bank balances in current accounts is placed with a high credit quality financial institution.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as exchange rate risk, interest rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Interest rate risk

The company has given loan to a related party and obtained loan from the shareholder at fixed rate of interest. In absence of any other borrowings, interest rate risk is minimum.

BARBEQUE NATION MENA HOLDING LIMITED

Notes to the Financial Statements

For the year ended 31 March 2023

18 Financial instruments: Credit, Market risk and Liquidity risk exposures (continued)

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:

Foreign currency risk

The carrying amounts of the BARBEQUE NATION MENA HOLDING LIMITED's foreign currency denominated monetary liabilities at the end of the reporting date are as follows:

	<i>2023</i>	<i>2022</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
Liabilities		
INR	<u>31,925,000</u>	<u>35,390,225</u>

Foreign currency sensitivity analysis

	<i>2023</i>	<i>2022</i>
	<u><i>AED</i></u>	<u><i>AED</i></u>
Profit and loss at the end of the year		
INR currency (current year: 3% and previous year: 4%)	957,750	1,415,609

c) Liquidity risk

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

19 Financial instruments: Fair value

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

20 Contingent liabilities

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

21 Comparative figures

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