GOURMET GULF CO.LLC
DUBAI - UNITED ARAB EMIRATES
FINANCIAL STATEMENTS
31 DECEMBER 2023

Private & Confidential

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DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

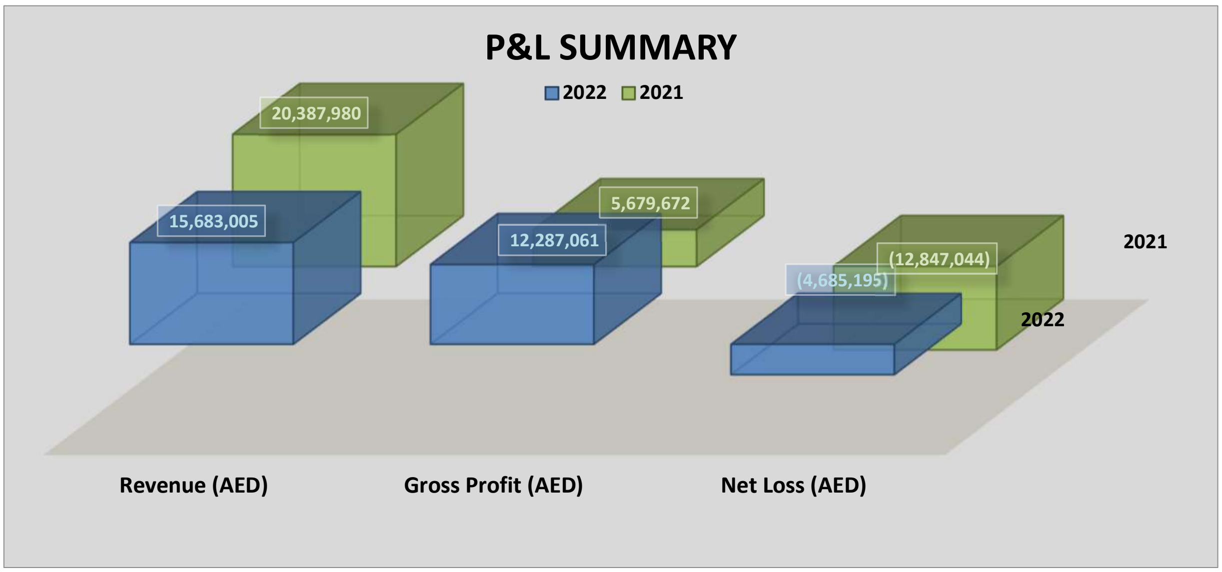
The directors of ZAYA HIDEOUT RESTAURANT L.L.C have pleasure in submitting the statement of financial position as at 31 December 2022 and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2022.

We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

PRINCIPAL ACTIVITY

The principal activity of the Entity during the year ended 31 December 2022 is Business in Restaurant.

FINANCIAL RESULTS:



Shareholders and their interests

The shareholders at 31 December 2022 and their interests as at that date in the share capital of the company were as follows:

NAME	No. of Shares	Total Share Value (AED)
Nadia Zaal Mohammad	51	51,000
Ghassan Saroufim	25	25,000
Adib Moukheiber	24	24,000
	100	**100,000**

Auditors

Spicer Pegler Accounting was appointed as an independent auditor for the year ended 31 December 2022 and it is proposed that they be re-appointed for the year ending 31 December 2023.

Authorized Signatory

26 June 2024

GOURMET GULF CO.LLC

DUBAI - UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	31 December 2023 AED	31 December 2022 AED
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	3,354,818	3,196,322
Right-of-use asset	5	-	1040473
Investment		7,105,671	7,105,671
Intangible asset	6	160,040	584,895
Capital work in progress		25,000	-
		10,645,529	**11,927,361**
CURRENT ASSETS			
Inventory		640,414	707,013
Trade receivables	7	278,640	295,429
Due from related parties	14.1	10,544,141	11,649,573
Advances, prepayment and other receivables	8	3,643,696	4,749,533
Cash and cash equivalents	9	951,061	177,129
		16,057,952	**17,578,677**
TOTAL ASSETS		**26,703,481**	**29,506,038**
EQUITY			
Share capital	10	379,000	379,000
Share premium		53,638,634	53,638,634
Accumulated Losses		(55,763,079)	(189,175,392)
Retained earnings			-
		(1,745,445)	**(135,157,758)**
NON-CURRENT LIABILITIES			
End of service benefits	11	1,283,056	2,212,707
Non-current portion of lease liability	12	1,238,832	181,747
		2,521,888	**2,394,454**
CURRENT LIABILITIES			
Trade payables	13	7,169,563	8,128,465
Current portion of lease liability	12	-	1,057,085
Due to a related party	14.1	17,899,689	149,578,448
Accrued expenses and other payables	15	857,786	3,505,344
		25,927,038	**162,269,342**
TOTAL EQUITY & LIABILITIES		**26,703,481**	**29,506,038**

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

The report of the independent auditor is set forth on page 2.

Authorized Signatory

GOURMET GULF CO.LLC

DUBAI - UNITED ARAB EMIRATES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	31 December 2023 AED	31 December 2022 AED
Revenue	16	15,683,005	20,387,980
Cost of revenue	17	(3,395,944)	(14,708,308)
Gross profit		**12,287,061**	**5,679,672**
Administrative and general expenses	18	(16,695,988)	17,781,599
Operating loss for the year/period		**(4,408,927)**	**(12,101,927)**
Other income	19	153,998	-
Finance charges	20	(430,266)	(745,117)
Net loss for the year		**(4,685,195)**	**(12,847,044)**
Other comprehensive income:			
- Items that will not be reclassified to profit or loss		-	-
- Items that will or may be reclassified to profit or loss		-	-
Total comprehensive loss for the year		**(4,685,195)**	**(12,847,044)**

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

The report of the independent auditor is set forth on page 2.

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DUBAI - UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share prenium	Accumulated loss	Total
	AED	AED	AED	AED
As at 01 January 2022	379,000	53,638,634	##########	##########
Net loss for the year	-		(12,847,044)	(12,847,044)
Net movement during the year			-	-
As at 31 December 2022	**379,000**	**53,638,634**	**##########**	**##########**
Net loss for the year	-		(4,685,195)	##########
Net movement during the year	-	-	138,097,508	138,097,508
As at 31 December 2023	**379,000**	**53,638,634**	**(55,763,079)**	**##########**

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 2.

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GOURMET GULF CO.LLC

DUBAI - UNITED ARAB EMIRATES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	31 December 2023	31 December 2022
		AED	AED
Cash flows from operating activities			
Net loss for the year		(4,685,195)	(12,847,044)
Adjustments for non-cash items:			
Depreciation on property, plant and equipment	4		1,667,572
Amortization on intangible asset - software	6		662,110
Finance cost			507,917
Depreciation on right-of-use asset	5		1,603,157
Provision for end of service benefits	11	(929,651)	893,583
Finance charges on lease	20		237,200
Operating loss before changes in working capital		**(5,614,846)**	**(7,275,505)**
Increase in inventory		66,599	(61,424)
Decrease/(increase) in trade receivables	7	16,789	2,077,073
Decrease/(increase) in prepayments and other receivables	8	1,105,837	-
Increase in due from related parties' balances	14.1	1,105,432	(4,809,774)
Increase in trade payables	13	(958,902)	3,875,565
Increase in other payables		(2,647,558)	
Increase in due to related parties' balances	15	(131,678,759)	39,991,552
Net cash generated from operations		**(138,605,408)**	**33,797,487**
End of service benefits paid			(490,130)
Less finance charges paid	20	-	(507,917)
Net cash generated from operating activities (A)		**(138,605,408)**	**32,799,440**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(158,496)	(28,343)
Disposal of intangible asset - software	6	424,855	-
ROUA		1,040,473	
Purchase of capital work in progress		(25,000)	-
Net cash used in investing activities (B)		**1,281,832**	**(28,343)**
Cash flows from financing activities			
Repayment of lease liability			(1,188,628)
Repayment of bank borrrowing			(31,750,000)
Net movement in accumulated loss		138,097,508	-
Net cash generated from financing activities (C)		**138,097,508**	**(32,938,628)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		773,932	(167,531)
Cash and cash equivalents at beginning of the year		177,129	344,660
Cash and cash equivalents at end of the year		**951,061**	**177,129**

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

The report of the independent auditor is set forth on page 2.

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Authorized Signatory

1 LEGAL STATUS AND BUSINESS ACTIVITY

Zaya Hideout Restaurant L.L.C was registered on 22 November 2020 as Limited Liability Company and license is issued by Dubai Economy, Dubai, United Arab Emirates.

The principal activity of the entity during the year ended 31 December 2022 under trading license number 915716 was Restaurant.

The registered office of the company is at Al Barari - E 311 Sheikh Mohammed Bin Zayed Rd - opposite to Global village - Al Barari - Dubai, United Arab Emirates.

Shareholders and their interests

The shareholder at 31 December 2022 and their interests as at that date in the share capital of the company were as follows:

SHARE CAPITAL

NAME	No. of Shares	Total Share Value (AED)
Nadia Zaal Mohammad	51	51,000
Ghassan Saroufim	25	25,000
Adib Moukheiber	24	24,000
	100	**100,000**

The authorized and paid up share capital of the company is AED 100,000/- divided into 100 shares of AED 1000/- each.

1.1 During the year, the management of the company has appointed Mr. Fadi Charchar as Manager of the company to supervise all the affairs of the company. For the appointment of Mr. Fadi Charchar as Manager, the negotiations for the terms and conditions are in process and will be finalized vide an agreement between Mr. Fadi Charchar and the company. Mr. Fadi Charchar will have extensive rights and duties (including purchase of fixed assets, hiring of new staff, management of operations, reimbursement of expenses incurred by the owner and entitlement to proportion of revenue) which will be mentioned in the agreement also. Mr. Fadi Charchar has already commenced his duties as Manager during the current year. Mr. Fadi Charchar shall be entitled to benefits and liable for claims arising since the date of commencement of his duties.

2 GENERAL INFORMATION

The significant accounting policies adopted and which have been consistently applied are as follows:

2.1 Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and in accordance with applicable laws in U.A.E.

2 GENERAL INFORMATION - continued from the previous page

2.2 Presentation currency

These financial statements have been expressed in AED, which is the functional and presentation currency of the company.

Figures of the company have been rounded off to nearest AED 1/-.

2.3 Changes in accounting policies and disclosures

New and amended standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the new and amendments to standards, effective as of 1 January 2022. Management believes that these amendments do not have a material impact on the annual financial statements of the Company.

- Interest rate benchmark reforms- phase 2- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- COVID - 19 related rent concession (Amendment to IFRS -16) - Effective from 01 April 2021
- Annual Improvements to IFRS Standards 2018-2020 Cycle - Amendments to IFRS 1 First- time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture - Effective from 01 January 2022)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) - Effective from 01 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) - Effective from 01 January 2022
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Effective from 01 January 2022

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective are disclosed below. These standards and interpretations will become effective for annual periods beginning on or after the dates as respectively mentioned there against. Entity intends to adopt these standards, if applicable, when they become effective.

- Classification of liabilities as current or non-current (Amendments to IAS 1) - Effective from 01 January 2023
- IFRS 17 Insurance Contracts - Effective from 01 January 2023
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 - Effective from 01 January 2023
- Amendments regarding the definition of accounting estimates - Effective from 01 January 2023
- IAS 1 (Amendments regarding the disclosure of accounting policies) - 01 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 - Effective from 01 January 2023
- Sale or Contribution of Assets between an Investor and ts Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 - Available for optional adoption/effective date deferred indefinitely

The Entity is currently assessing the impact of these standards on the future financial statements.

2 GENERAL INFORMATION - continued from the previous page

2.4 Use of going concern assumption

During the year the company has incurred net loss of AED 1,413,692 (2021: AED 854,626). The accumulated losses of the company amount to AED 2,010,224 (2021: AED 866,532) and net shareholders' equity is negative by AED 1,810,224 (2021: AED 866,532). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a Going Concern. However, the going concern assumption is used for the preparation of these financial statements on the grounds that shareholders will continue to provide additional funds as and when required to meet the working capital and other requirements.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting standards requires the use of certain accounting estimates. It requires the management to exercise its judgments during applying the company's accounting policies. The areas where assumptions and estimates are significant to the financial statements, are residual and useful life of property, plant and equipment and provision for impairment of trade and other receivables.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.6 Impact of COVID-19 on critical management judgments

With the outbreak of the COVID-19 pandemic since March 2020 in the U.A.E., the company has been exposed to various risks. Despite of the launch of company in July 2021, the risks include:

- Risk to achievement of revenue targets
- Fluctuations in foreign exchange rates
- Obtaining and restructuring of loans
- Increase in the expected credit losses after the initiation of revenue and
- Impairment of assets due to the expected slowdown in the operating sectors

Based on the possible effects of the pandemic the Entity has launched its analysis and considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the financial statements. Since the company has initiated its operations in 2020, therefore the possible effects is already evident. Below are the key assumptions about the future and other key sources of estimation that may have a significant risk of causing material adjustments to the financial statements:

Impairment of non-financial assets

The Entity has considered all impairment indicators arising and any significant uncertainties around its property and equipment, intangible assets and right-of-use of assets especially arising from any change in lease terms and concluded that there is no material impact due to COVID-19.

Expected credit losses and impairment of financial assets

The Entity has applied management overlays on the existing ECL models by applying probability weightage scenarios on the relevant macroeconomic factors relative to the economic. The company has also assessed the exposure in potentially affected sectors for any indicators of impairment and concluded that there is no material impact on account of COVID-19.

2 GENERAL INFORMATION - continued from the previous page

2.6 Impact of COVID-19 on critical management judgments - continued from the previous page

Commitments and contingent liabilities

The Entity has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the customers and suppliers, with a view of potential increase in commitments and contingent liabilities and no issues were noted.

Going concern

The impact of COVID-19 continues to evolve therefore, the Company has performed a detailed assessment of its going concern status in the light of current economic conditions and all available information about future risks and uncertainties and the assessment concludes that the Company has ample resources to continue in operational existence and its going concern position due to COVID-19 remains largely unaffected.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current / non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3.2 Property, plant and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. All repair and maintenance costs are recognized in the statement of comprehensive income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property, plant, and equipment. All other expenditure is recognized in the statement of profit or loss and other comprehensive income as the expense is incurred.

3 SIGNIFICANT ACCOUNTING POLICIES - continued from the previous page

3.2 Property, plant and equipment - continued from the previous page

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets are depreciated over their useful lives as follows:

ASSET	USEFUL LIFE (YEARS)
Plant and machinery	10
Furniture and fixtures	5
Motor vehicles	3
Office equipment	10

3.3 Leases and right-of-use assets

As per IFRS 16, there is no difference between operational lease and finance lease from the lessee's point of view and following accounting approach will be applied.

The company assesses whether a contract is or contains a lease at inception of the contract, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Lease payments for short-term leases and leases if low value assets are recognized as an expense on a straight-line basis over the period of the lease terms.

Right-of-use assets

The Company recognized right-of-use assets using the modified retrospective approach as at 01st January 2019. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Leases liabilities

The lease liability is initially measured at the present value of the lease payments to be made over the remaining lease term and that are not paid at the commencement date, discounted by using its incremental borrowing rate as the interest rate implicit in the lease is not readily determinable.

After the initial measurement 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 re-measured if there is a modification, a change in a lease term, a change in the lease payments (e.g., changes to future payments resulting from a change of index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets and lease liabilities are presented as separate line items in the statement of financial position. Depreciation related to right-of-use assets and interest costs on lease liabilities are charged to depreciation expenses and finance costs respectively.

3 SIGNIFICANT ACCOUNTING POLICIES - continued from the previous page

3.4 Employees' end of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees’ salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment under the U.A.E Labor Law applicable to employees.

3.5 Foreign currencies

The Company's financial statements are presented in AE Dirham (AED), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the income statement with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

Transactions in foreign currencies are converted into UAE Dirhams at the rate of exchange prevailing on the date of transaction. All assets and liabilities denominated in foreign currencies are translated into functional currency at exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items at year end exchange rates, are charges to the statement of comprehensive income.

3.6 Revenue recognition

The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

3 SIGNIFICANT ACCOUNTING POLICIES - continued from the previous page

3.6 Revenue recognition - continued from the previous page

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Revenue from sale of food and beverage items

Revenue from food and beverage is recognized after the food and beverages are provided to the customers. Being the restaurant, most of the company sales are for cash. However, a nominal proportion of credit sales is also recognized when the food items are sold to the credit clients.

3.7 Financial instruments

Financial Assets and Financial Liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient, the Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3 SIGNIFICANT ACCOUNTING POLICIES - continued from the previous page

3.7 Financial instruments - continued from the previous page

Financial assets - continued from the previous page

Initial recognition - continued from the previous page

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Entity commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Entity measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Entity's financial assets at amortized cost includes trade receivables, due from related parties, advances, deposits & other receivables, times deposits and cash & bank balances.

Financial assets at fair value through OCI (debt instruments)

The Entity measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3 SIGNIFICANT ACCOUNTING POLICIES - continued from the previous page

3.7 Financial instruments - continued from the previous page

Financial assets - continued from the previous page

Initial recognition - continued from the previous page

Subsequent measurement - continued from the previous page

Financial assets designated at fair value through OCI (equity instruments) - continued from the previous page

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Entity's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Entity 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 Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Entity continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Entity also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

3 SIGNIFICANT ACCOUNTING POLICIES - continued from the previous page

3.7 Financial instruments - continued from the previous page

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Entity's financial liabilities include end of service benefits, lease liabilities, bank borrowings, trade payables, due to related parties and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Entity has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or canceled 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 recognized in the statement of profit or loss.

The accounting policies associated with individual items are disclosed in relevant notes.

3.8 Offsetting financial instruments

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

3 SIGNIFICANT ACCOUNTING POLICIES - continued from the previous page

3.9 Impairment of financial assets

For trade receivables and due from related parties, the entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

3.10 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an 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. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or CGUs recoverable amount. 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. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.11 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at cost less provision for expected credit loss. A provision for expected credit loss is established when there is objective evidence that company will not be able to collect all amounts due according to the original term of the trade receivables. The provision for expected credit loss is charged to the statement of comprehensive income for the year. When the trade receivables are uncollectible, it is written off against provision. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

3 SIGNIFICANT ACCOUNTING POLICIES - continued from the previous page

3.12 Bank balances

Bank balances comprise bank balances in current accounts and highly liquid short term investments with original maturities of three months or less, that are easily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.13 Trade and other payables

Liabilities for creditors and other payables are carried out at cost which is the fair value of the consideration to be paid in the future for the services received whether or not billed.

3.14 Provisions

Provisions are recognized when a company has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliable.

The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.15 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.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

GOURMET GULF CO.LLC
DUBAI - UNITED ARAB EMIRATES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4 PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Leasehold improvements	Total
	AED	AED	AED	AED	AED	AED
Cost						
Balance as at 01 January 2022	11,394,774	3,559,289	597,269	2,036,200	9,994,342	27,581,874
Additions during the year	13,800	-	-	14,548	-	28,348
Disposals during the year	(169,944)	(15,206)	-	(19,543)	-	(204,693)
As at 31 December 2022	**11,238,630**	**3,544,083**	**597,269**	**2,031,205**	**9,994,342**	**27,405,529**
Additions during the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
As at 31 December 2023	**11,238,630**	**3,544,083**	**597,269**	**2,031,205**	**9,994,342**	**27,405,529**
Accumulated depreciation						
Opening	10,266,751	3,031,184	574,455	1,939,855	6,934,083	22,746,328
Charge for the year	542,200	167,379	18,175	28,149	911,669	1,667,572
Disposales during the year	(169,944)	(15,206)	-	(19,543)	-	(204,693)
As at 31 December 2022	**10,808,951**	**3,183,357**	**592,630**	**1,968,004**	**7,845,752**	**24,209,207**
Charge for the year	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-
As at 31 December 2023	**10,808,951**	**3,183,357**	**592,630**	**1,968,004**	**7,845,752**	**24,209,207**
Net book value as on 31 December 2023	**429,679**	**360,726**	**4,639**	**63,201**	**2,148,590**	**3,196,322**
Net book value as on 31 December 2022	**429,679**	**360,726**	**4,639**	**63,201**	**2,148,590**	**3,196,322**

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Authorized Signatory

		Notes	31 December 2023 AED	31 December 2022 AED
5	**RIGHT-OF-USE ASSET**			
	Cost			
	Opening balance		-	-
	Addition during the year		-	-
	Closing balance		**-**	**-**
	Accumulated depreciation			
	Opening balance		-	-
	Charge for the year			-
	Closing balance		-	**-**
	Net book value as at 31 December 2022		**-**	**-**
5.1	**Amounts recognized in statement of profit or loss:**			
	Depreciation charge on right-of-use asset		-	-
	Interest charge on lease liability (included in finance cost)		-	-
			-	**-**
6	**INTANGIBLE ASSET - SOFTWARE**			
	Cost			
	Opening balance		7,750	**7,750**
	Addition during the year		-	**-**
	Disposal during the year		(7,750)	-
	Closing balance		**-**	**7,750**
	Accumulated amortization			
	Opening balance		-	**2,583**
	Charge during the year		-	-
	Disposal during the year		-	-
	Closing balance		**-**	**2,583**
	Net book value		**-**	**5,167**
7	**TRADE RECEIVABLES**			
	Trade receivables	**7.1**	278,640	
			278,640	**-**
7.1	**Aging analysis**			
	0-30 days		278,640	295,429
			278,640	**295,429**

		31 December 2023	31 December 2022
		AED	AED
		-	-
7	**TRADE RECEIVABLES - continued from the previous page**		
7.2	**Geographical allocation**		
	Within U.A.E.	278,640	295,429
		278,640	**295,429**
8	**ADVANCES, PREPAYMENT AND OTHER RECEIVABLES**		
	Deposits	2,019,933	2,885,531
	Prepayments	1,534,214	1,541,308
	Advance to employees	4,000	23,016
	Other receivables	85,549	299,678
		3,643,696	**4,749,533**
9	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	740,189	147,847
	Balances at bank - current account	210,872	29,282
		951,061	**177,129**
10	**SHARE CAPITAL**		
	Issued and paid up	100,000	100,000
		100,000	**100,000**
11	**END OF SERVICE BENEFITS**		
	Opening balance	-	-
	Provided during the year	-	-
	Closing balance	**-**	**-**
12	**LEASE LIABILITY**		
	Non-current portion of lease liability	-	-
	Current portion of lease liability		-
		-	**-**
12.1	**Movements in lease liabilities during the year:**		
	Opening balance	-	-
	Addition during the year		-
	Accretion of interest	-	-
	Closing balance	**-**	**-**
13	**TRADE PAYABLES**		
	Trade creditors	7,169,563	8,128,465
		7,169,563	**8,128,465**

14 RELATED PARTIES' BALANCES AND TRANSACTIONS

The entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Such transactions are in the normal course of business and at terms that correspond to those of normal arms-length transactions (except revenue related transactions) with third parties. Related parties comprise entities under common ownership and/or common management and control, their partners and key management personnel.

	31 December 2023	31 December 2022
	AED	AED
	-	-
14.1 RELATED PARTIES' BALANCES		
<u>Due from related parties</u>		
Intercompany Customer Receivables	181,782	
Emarati Modern Rest. Co - KSA (IC)	3,173,299	
Gourmet Gulf Investment - UAE (IC)	5,482,220	
Al Tamuz International KSA (PXTMM) (IC)	814,676	
Royal Avenue Investments LLC	147,498	
High Concept-Related Party	457,581	
Daud Arabian Trading Company_ Related Party	287,085	
	10,544,141	**-**
<u>Due to a related party</u>		
Azkadenya - Qatar (IC)	550,414	
Appetite FoodStuff Trading - Qatar (IC)	1,343,334	
King Fu Investments - UAE (IC)	13,112,930	
Middle East Retail Arabia	1,558,365	
Mr. Sami Kamal Daud	1,334,646	
	17,899,689	**-**
14.2 RELATED PARTIES' TRANSACTIONS		
Sales		83,382
Direct expenses		2,322,762

15 ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2023	31 December 2022
Accrued expenses	744,496	727,074
VAT payable	35,264	759
Other payable	78,026	2,777,511
	857,786	**3,505,344**

			31 December 2023	31 December 2022
			AED	AED
			-	-
		Timing of revenue recognition		
16	**REVENUE**			
	Sales - Food Dine in	Point in time	10,321,716	
	Sales - Food Delivery	Point in time	5,063,459	
	Sales - Beverages Dine In	Point in time	2,404,542	
	Sales - Beverages Delivery	Point in time	8,974	
	Sales - Others Dine In	Point in time	11,210	
	Sales - Others Delivery	Point in time	3,956	
			17,813,857	**-**
	Less:Sale discount		(2,130,852)	
			15,683,005	**-**
16.1	**Geographical allocation of revenue**			
	Within U.A.E.		17,813,857	-
			17,813,857	**-**
17	**COST OF REVENUE**			
	Food		(31,218)	
	Beverages		3,325,659	
	Alcohol		-	
	Tobacco		-	
	Others		101,503	
			3,395,944	**-**
18	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Salaries and benefits		4,470,278	
	Rent		4,126,070	
	Communication and utilities		895,681	
	Marketing and Advertment		102,861	
	Repair maintenance and office		415,986	
	Legal & professional		446,358	
	Insurance expense		24,410	
	Printing & stationery expenses		66,488	
	Travelling		171,723	
	IT related expenses		34,293	
	Office overhead		2,276,547	
	Depreciation		625,636	
	Amortization		269,177	

Commission expense	1,501,984	
Training	14,411	
Royalties	786,639	
Other Expense	467,446	
	16,695,988	**-**

		31 December 2023	31 December 2022
		AED	AED
19	**OTHER INCOME**		
	Delivery Income	49,118	-
	Rebate/Bonus from Supplier_Income	198	-
	Other income	104,682	-
		153,998	
20	**FINANCE CHARGES**		
	Bank charges	277,641	
	Interest on lease liability	152,625	
		430,266	**-**

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

21.1 Financial instruments by categories

	31 December 2023	31 December 2022
Financial assets		
At amortized cost	11,859,391	476,807
Financial liabilities		
At amortized cost	25,927,038	11,633,809

21.2 Financial risk factors

The Entity's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk, other price risk), credit risk and liquidity risk. The Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the finance department. The finance department provides principles for overall risk management, as well as policies covering specific areas such as interest rate risk, currency risk, other price risk, credit risk and liquidity risk.

(a) Market risk

Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at reporting date, the Entity is not exposed to interest rate risk.

Fixed rate financial instruments

Fair value sensitivity for fixed rate instruments:

The Entity does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at reporting date would not affect the profit or loss.

Variable rate financial instruments

The Entity does not account for any variable rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rate at reporting date would not affect the profit or loss.

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued from the previous page

21.2 Financial risk factors - continued from the previous page

(a) Market risk - continued from the previous page

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Since the exchange parity between USD and AED has been fixed by the UAE Central Bank, the Entity is not exposed to currency risk in respect of financial assets and financial liabilities that are invoiced and denominated in AED. The Entity does not have any financial instruments denominated in currencies other than AED. Therefore, the Entity is not exposed to currency risk.

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Entity is not exposed to equity and commodity price risks.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	31 December 2023	31 December 2022
	AED	AED
	-	-
Trade receivables	278,640	-
Due from related parties	10,544,141	-
Advances, deposits and others	85,549	299,678
Bank balances	210,872	29,282
	11,119,202	**328,960**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or historical information about counterparty default rate:

	Rating			AED
	Short term	Long term	Agency	
Mashreq Bank PSC - United Arab Emirates	P-2	Baa1	Moody's	210,872
				210,872

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued from the previous page

21.2 Financial risk factors - continued from the previous page

(c) Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Entity manages liquidity risk by maintaining sufficient cash and cash equivalents for working capital needs and actively monitoring the realization against its trade receivables. At 31 December 2022 the Entity had cash and cash equivalents of AED 251,872 (2021: AED 360,046). Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 31 December 2022:

	Carrying amount	Contractual cash flows	Less than one year	More than one year
	AED	AED	AED	AED
	(Audited)	(Audited)	(Audited)	(Audited)
Lease liability	-	3,564,551	-	-
Trade creditors	7,169,563	7,169,563	7,169,563	-
Due to related parties	17,899,689	17,899,689	17,899,689	-
Other payables	727,833	727,833	727,833	-
	25,797,085	**29,361,636**	**25,797,085**	**-**

Contractual maturities of financial liabilities as at 31 December 2021:

	Carrying amount	Contractual cash flows	Less than one year	More than one year
	AED	AED	AED	AED
	(Audired)	(Audired)	(Audired)	(Audired)
Lease liability	-	3,564,551	-	-
Trade creditors	7,169,563	7,169,563	-	7,169,563
Due to related parties	17,899,689	17,899,689	-	17,899,689
Other payables	857,786	857,786	-	857,786
	25,927,038	**29,491,589**	**-**	**25,927,038**

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair value.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumption could significantly affect estimates.

23 CAPITAL MANAGEMENT

Capital risk management policies and procedures.

The Entity's objective when managing the capital are:

- To safe guard ability to continue as a going concern so that it can continue to provide return to shareholders and benefits other stakeholders; and
- To maintain a strong capital base to support the sustained development of its business.

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity’s overall strategy remains unchanged from prior year.

The Entity monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as trade and other payables, less cash and cash equivalents. Total capital is equivalent to shareholder equity as shown in the statement of financial position.

24 CONTINGENCIES AND COMMITMENTS

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, and the above mentioned, there has been no other known contingent liability or commitment on entity's financial statements as of financial position date.

25 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the directors of the company on 01 July 2024.

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Authorized signatory