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information for an overseas company

Companies House

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✓ What this form is for
You may use this form to
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COMPANIES HOUSE

Part 1 Corporate company nameCorporate name of
overseas company ①

AMERICAN SPECIALTY FOODSTUFF TRADING CO.

L.L.C.

UK establishment
number

B R 0 2 3 2 4 2

→ Filing in this form
Please complete in typescript or in
bold black capitals.All fields are mandatory unless
specified or indicated by *① This is the name of the company in
its home state.**Part 2 Statement of details of parent law and other
information for an overseas company****A1****Legislation**Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

IFRS

② This means the relevant rules or
legislation which regulates the
preparation of accounts.**A2****Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.③ Please insert the name of the
appropriate accounting organisation
or body.Name of organisation
or body ③

The International Accounting Standards Board (IASB)

OS AA01

Statement of details of parent law and other information for an overseas company

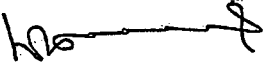
A3

Audited accounts

Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>① Please insert the name of the appropriate accounting organisation or body:</p>
Name of organisation or body ①	The International Accounting Standards Board (IASB)	

Part 3

Signature

Signature	I am signing this form on behalf of the overseas company.	
	Signature	
	<p>X </p>	X
This form may be signed by: Director, Secretary, Permanent representative.		

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Statement of details of parent law and other information for an overseas company



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You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



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**AMERICAN SPECIALTY FOODSTUFF TRADING CO. L.L.C.
DUBAI - UNITED ARAB EMIRATES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2023**



AMERICAN SPECIALTY FOODSTUFF TRADING CO. L.L.C.
DUBAI - UNITED ARAB EMIRATES

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General Information

Principal Office Address : Warehouse No. 2
Near Tasjeel 34th St,
Al Qusais Ind. Area 5
P.O. Box 116732
Dubai – United Arab Emirates

Shareholders : Mr. Marwan Ibrahim Mohammad Altamimi
Mr. Hany Muhammad Haneef
Mrs. Shahanaz Haneef

Auditor : S.K.M. International - Chartered Accountants
P. O. Box 183059
Dubai – United Arab Emirates



Directors' Report

The Directors have the pleasure in presenting their report and audited consolidated financial statements of American Specialty Foodstuff Trading Co. L.L.C. based in Dubai and its subsidiaries ("The Group") for the year from April 1, 2022 to the year ended March 31, 2023.

Principal activities of the Company:

The principal activities of the Group are trading in a) flour, b) snack food, c) pastry, d) dairy products, e) canned & preserved food, f) food & beverages, g) soft drinks & carbonated water, h) salted, preserved fish & seafood, i) vegetables & fruit and j) bread & bakery products.

Financial review:

The table below summarises the results for the year ended March 31, 2023 and for the year ended March 31, 2022.

	<u>For the year ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
	<u>AED</u>	<u>AED</u>
Revenue	27,426,416	18,908,090
Cost of revenue	(20,940,447)	(13,639,055)
Gross profit	6,485,969	5,269,035
Selling, general & administrative expenses	(4,013,443)	(2,248,176)
Finance expenses	(96,046)	(94,397)
Net profit for the year (before other income, managerial remuneration and legal reserve)	2,376,480	2,926,462
Other income	24,274	12,535
Management remuneration	(851,147)	(780,000)
Net profit (before legal reserve)	1,549,607	2,158,997
Less: Legal reserve	-	(50,626)
Net profit for the year end (transferred to retained earnings)	1,549,607	2,108,371
Other comprehensive income/ (expenses)	-	-
Total comprehensive income for the year	1,549,607	2,108,371

Role of the Directors:

The Directors are the Group's principal decision-making forum. The Directors are responsible for leading and supervising the Group and are accountable to the shareholders for delivering sustainable shareholders' value through their guidance and supervision of the Group's business. The Directors sets the strategies and policies of the Group. They monitor the Group's business performance and guide and supervise the management.

Directors' report (continued):

Risk management and internal control systems:

The Group's risk management framework identifies, assesses, manages and reports risks on a consistent and reliable basis. The Group is committed to the ongoing process of identifying risk factors, analysing the risks, and deciding upon measures of risk handling and control to achieve sustainability of business operations, employment, and surpluses. The Directors consider primary risk areas to be credit risk, profit rate risk, foreign exchange and liquidity risk.

The Directors recognise their responsibility to ensure the existence of the internal control system and review its continued effectiveness. In view of the above, the management has a management information system that facilitates financial and other information is periodically reported on a transparent basis to the management. That, in turn, helps initiate action to mitigate risks to the extent feasible.

Going concern:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has assessed the Group's ability to continue as a going concern. The management has not come across any evidence that causes them to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Group's ability to continue as a going concern.

Auditor:

M/s. S.K.M. International - Chartered Accountants, Dubai – United Arab Emirates has been re-appointed as an External Auditor as proposed in the Annual General Meeting.

Statement of Directors' responsibilities:

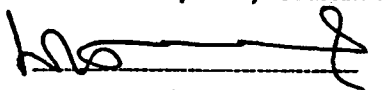
The applicable laws require the Directors to prepare the financial statements for each financial year that present fairly in all material respects the Group's financial position and its financial performance for the year then ended.

The financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Group and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that financial statements reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Group's financial conditions and results of its operations.

Acknowledgement:

The Directors wish to place on record their sincere gratitude for the continuous support extended by various government departments, banks, customers, suppliers, employees as well as all the well-wishers.

For American Specialty Foodstuff Trading Co. L.L.C.



Mr. Hany Muhammad Haneef
Shareholder & Managing Director
Dubai - United Arab Emirates
Date: June 8, 2023



Mrs. Shahanaz Haneef
Shareholder & Managing Director
Dubai - United Arab Emirates
Date: June 8, 2023



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Independent Auditor's Report

Ref: MS/7500/Jun'2023

To

The Shareholders

American Specialty Foodstuff Trading Co. L.L.C.

P.O. Box 116732

Dubai – United Arab Emirates

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of the Group, American Specialty Foodstuff Trading Co. L.L.C. based in Dubai – United Arab Emirates, which comprise the consolidated financial statements, company accounts and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Group's financial position as of March 31, 2023, and its financial performance and cash flows for the year then ended according to International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (I.S.A.s). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the requirements of the Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants (IESBA), together with ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, in compliance with the applicable provisions of the U.A.E. Federal Law No. (32) of 2021 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.



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Independent Auditor's Report (continued)
For American Specialty Foodstuff Trading Co. L.L.C.
For the year ended March 31, 2023

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 I.S.A.s 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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

As part of an audit in accordance with I.S.A.s, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.



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Independent Auditor's Report (continued)
For American Specialty Foodstuff Trading Co. L.L.C.
For the year ended March 31, 2023

Report on Other Legal and Regulatory Requirements

As required by the rules & regulations of the Company, American Specialty Foodstuff Trading Co. L.L.C. based in Dubai – United Arab Emirates and Entities Memorandum and Articles of Association, we further confirm that,

1. We have obtained all the information and explanations which we have considered necessary for our audit.
2. The consolidated financial statements have been prepared and comply in all material respects with the applicable rules and regulations the Entities under the Group or the Entities' Memorandum & Articles of Association.
3. The Group has maintained proper book of accounts and the contents of the Directors' report are consistent with the book of accounts.
4. Adequate stock count procedures have been carried out by the management at the year end.
5. The Company has not made any investment in shares and stocks during the year ended March 31, 2023.
6. According to the information available to us, we are not aware of any contraventions during the year of the above-mentioned laws or the Company by-laws, which may materially affect the financial position or the result of the operations of American Specialty Foodstuff Trading Co. L.L.C. for the year ended March 31, 2023.

For S.K.M. International Chartered Accountants

Dubai – United Arab Emirates

Sushil Malhotra
Chartered Accountant, Certified Internal Auditor (U.S.A.)
Managing Partner
(Auditor's Registration No. 473)



Date: June 8, 2023

AMERICAN SPECIALTY FOODSTUFF TRADING CO. L.L.C.
DUBAI - UNITED ARAB EMIRATES

Consolidated Statement of Financial Position
As of March 31, 2023

	<u>Notes</u>	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Assets			
Non-current assets			
Property, plant and equipment	4	247,148	306,598
Right of use assets	5	282,777	388,637
Intangible assets	6	52,891	1,516
Total non-current assets		582,816	696,751
Current assets			
Inventories	7	1,894,108	3,113,909
Trade & other receivables	8	812,031	1,234,136
Cash & bank balances	9	3,509,245	4,567,427
Total current assets		6,215,384	8,915,472
Total Assets		6,798,200	9,612,223
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share capital	2	300,000	300,000
Legal reserve	10	150,000	150,000
Retained earnings	11	4,552,344	3,002,737
Shareholders' current accounts	12	(2,331,065)	(1,269,070)
Total Shareholders' Equity		2,671,279	2,183,667
Liabilities			
Non-current liabilities			
Employee's terminal benefits	13	74,383	33,865
Lease liability (non-current portion)	14 (a)	173,688	282,597
Vehicle loans (non - current portion)	15 (a)	-	89,588
Total non-current liabilities		248,071	406,050
Current liabilities			
Lease liability (current - portion)	14 (b)	108,909	103,752
Vehicle loans (current portion)	15 (b)	-	67,198
Trade and other payables	16	2,901,409	3,448,203
Advance from customers	17	336,087	3,132,528
Amount due to related parties	18	274,646	-
Accruals & provisions	19	257,799	270,825
Total current liabilities		3,878,850	7,022,506
Total Liabilities		4,126,921	7,428,556
Total Shareholders' Equity and Liabilities		6,798,200	9,612,223

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

The report of the Auditor is set out on page 4 to 6.

These consolidated financial statements on pages 7 to 25 were approved and signed on June 8, 2023.



Mr. Hany Muhammad Haneef
Shareholder & Managing Director
American Specialty Foodstuff Trading Co. L.L.C.
Dubai - United Arab Emirates



Mrs. Shahanaz Haneef
Shareholder & Managing Director
American Specialty Foodstuff Trading Co. L.L.C.
Dubai - United Arab Emirates



AMERICAN SPECIALTY FOODSTUFF TRADING CO. L.L.C.
DUBAI - UNITED ARAB EMIRATES

Consolidated Statement of Comprehensive Income
For the year ended March 31, 2023

	<u>Notes</u>	<u>For the year ended</u> <u>March 31, 2023</u> <u>AED</u>	<u>For the year ended</u> <u>March 31, 2022</u> <u>AED</u>
Revenue	20	27,426,416	18,908,090
Cost of revenue	21	(20,940,447)	(13,639,055)
Gross profit		6,485,969	5,269,035
Selling, general & administrative expenses	22	(4,013,443)	(2,248,176)
Finance expenses	23	(96,046)	(94,397)
Net profit for the year (before other income, managerial remuneration and legal reserve)		2,376,480	2,926,462
Other income	24	24,274	12,535
Management remuneration	25	(851,147)	(780,000)
Net profit (before legal reserve)		1,549,607	2,158,997
Less: Legal reserve	10	-	(50,626)
Net profit for the year end (transferred to retained earnings)		1,549,607	2,108,371
Other comprehensive income/ (expenses)		-	-
Total comprehensive income for the year		1,549,607	2,108,371

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

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These consolidated financial statements on pages 7 to 25 were approved and signed on June 8, 2023.



Mr. Hany Muhammad Haneef
Shareholder & Managing Director
American Specialty Foodstuff Trading Co. L.L.C.
Dubai - United Arab Emirates



Mrs. Shahanaz Haneef
Shareholder & Managing Director
American Specialty Foodstuff Trading Co. L.L.C.
Dubai - United Arab Emirates



AMERICAN SPECIALTY FOODSTUFF TRADING CO. L.L.C.
DUBAI - UNITED ARAB EMIRATES

Consolidated Statement of Changes in the Shareholders' Equity
For the year ended March 31, 2023

	<u>Share capital</u> <u>AED</u>	<u>Legal reserve</u> <u>AED</u>	<u>Retained earnings</u> <u>AED</u>	<u>Shareholder s' current accounts</u> <u>AED</u>	<u>Total</u> <u>AED</u>
Balance at March 31, 2021	300,000	99,374	894,366	(323,540)	970,200
<u>Changes in equity:</u>					
a. Transferred	-	50,626	-	-	50,626
b. Net profit for the year	-	-	2,108,371	-	2,108,371
c. Net movements	-	-	-	(945,530)	(945,530)
Balance at March 31, 2022	300,000	150,000	3,002,737	(1,269,070)	2,183,667
<u>Changes in equity:</u>					
a. Net profit for the year	-	-	1,549,607	-	1,549,607
b. Net movements	-	-	-	(1,061,995)	(1,061,995)
Balance at March 31, 2023	300,000	150,000	4,552,344	(2,331,065)	2,671,279

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

The report of the Auditor is set out on page 4 to 6.



AMERICAN SPECIALTY FOODSTUFF TRADING CO. L.L.C.
DUBAI - UNITED ARAB EMIRATES

Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	<u>For the year ended</u> <u>March 31, 2023</u> <u>AED</u>	<u>For the year ended</u> <u>March 31, 2022</u> <u>AED</u>
Cash flows from operating activities:		
Net profit for the year (before legal reserve)	1,549,607	2,158,997
<i>Adjustments for:</i>		
Depreciation on right of use asset	105,860	105,859
Depreciation and amortization	155,726	125,350
Operating profit (before changes in operating assets and liabilities)	1,811,193	2,390,206
Decrease / (increase) in inventory and goods in transit	1,219,801	(2,363,558)
Decrease / (increase) in trade & other receivables	422,105	(512,179)
(Decrease)/ increase in trade & other payables	(546,794)	1,689,848
(Decrease)/ increase in advance from customers	(2,796,441)	3,046,379
(Decrease)/ increase in accruals and provisions	(13,026)	75,313
Increase in due to related parties	274,646	-
Increase in employees' terminal benefits	40,518	21,281
Net cash inflows from operating activities	412,002	4,347,290
Cash flows from investing activities:		
Purchase of property, plant & equipment	(94,760)	(62,388)
Addition to intangible assets	(52,891)	-
Net cash (outflows) from investing activities	(147,651)	(62,388)
Cash flows from financing activities:		
Net movements in vehicle loans	(156,786)	(67,198)
Net movements in shareholders' current accounts	(1,061,995)	(945,530)
Net movement in lease payments	(103,752)	(98,817)
Net cash (outflows) from financing activities	(1,322,533)	(1,111,545)
Net (decrease)/ increase in cash and cash equivalents	(1,058,182)	3,173,357
Cash and cash equivalents, beginning of the year	4,567,427	1,394,070
Cash and cash equivalents, end of the year	3,509,245	4,567,427
Represented by:		
Cash in hand	8,579	8,258
Bank balance: current accounts	3,500,666	4,559,169
	3,509,245	4,567,427

The accompanying notes form an integral part of these consolidated financial statements.
The report of the Auditor is set out on page 4 to 6.



AMERICAN SPECIALTY FOODSTUFF TRADING CO. L.L.C.
DUBAI - UNITED ARAB EMIRATES

Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

1. Legal status and business activity:

These consolidated financial statements represent the consolidated financial statements of **American Specialty Foodstuff Trading Co. L.L.C.**, Dubai, United Arab Emirates and its following subsidiaries ("The Group"):

- American Specialty Foods Co U.K. based in U.K.
 - American Specialty Foodstuff Trading Co S.P.C. based in Sultanate of Oman
- 1.1. The Parent company, **American Specialty Foodstuff Trading Co. L.L.C.** ("Company"), was incorporated as a Limited Liability Company on January 24, 2018 with a commercial license No. 799143 and is registered with the Dubai Economy and Tourism, Government of Dubai - United Arab Emirates.
- 1.2. The details of the subsidiaries are as follows:
- a) **American Specialty Foods Co UK Ltd.** is based in United Kingdom was incorporated as an overseas Company on January 2, 2021 under the Companies Act 2006 with Company No. FC038150 and UK Establishment No. BR023242.
 - b) **American Specialty Foodstuff Trading Co S.P.C.** based in Sultanate of Oman was incorporated as a Sole Proprietor Company on August 8, 2021 under the Commercial Registration Law No. (3/1974) with the CR number 1392738.
- 1.3. The principal activities of the Group are trading in a) flour, b) snack food, c) pastry, d) dairy products, e) canned & preserved food, f) vegetables & fruit, g) food & beverages, h) soft drinks & carbonated water, i) salted, preserved fish & seafood and j) bread & bakery products.
- 1.4. The Parent company's registered office is located Warehouse #2, Near Tasjeel 34th St, Al Qusais Ind. Area 5, Dubai – United Arab Emirates.
- 1.5. The control and management of the Company is vested with the Shareholders and Managing Directors - Mr. Hany Muhammad Haneef (Indian National, Holder of Passport No. Z5308478) and Mrs. Shahanaz Haneef (Indian National, Holder of Passport No. Z5309304).
- 1.6. These consolidated financial statements have been prepared for the year starting from April 1, 2022 to the year ended on March 31, 2023. Also, refer note 28 to the consolidated financial statements on the comparative figures.

2. Share capital:

The authorised, issued and paid up share capital of the Company is AED 300,000 (Dirhams Three Hundred Thousand only) divided into 300 (Three Hundred) shares of AED 1,000 (Dirhams One Thousand only).

The break-up of the shareholding at March 31, 2023 is as follows:

Sr. No.	Name of the Shareholders	No. of shares	Percentage holding	Amount (AED)
1	Mr. Marwan Ibrahim Mohammad Altamimi	153	51%	153,000
2	Mr. Hany Muhammad Haneef	105	35%	105,000
3	Mrs. Shahanaz Haneef	42	14%	42,000
	Total	300	100%	300,000



AMERICAN SPECIALTY FOODSTUFF TRADING CO. L.L.C.
DUBAI - UNITED ARAB EMIRATES

Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

2. Share capital (continued):

As per the Memorandum and Articles of Association, the net profit or (loss) of the Company shall be distributed between the Shareholders in the following pattern:

Sr. No.	Name of the Shareholders	Profit / (loss) sharing percentage
1	Mr. Marwan Ibrahim Mohammad Altamimi	20%
2	Mr. Hany Muhammad Haneef	40%
3	Mrs. Shahanaz Haneef	40%
	Total	100%

Share capital details of Subsidiary:

a) American Specialty Foodstuff Trading Co S.P.C.

The break-up of the shareholding at March 31, 2023 is as follows:

Sr. No.	Name of the Shareholders	No. of shares	Percentage holding	Amount (Omani Riyal)
1	American Speciality Foodstuff Trading Co. L.LC	150000	100 %	150,000
	Total	150000	100%	150,000

b) American Specialty Foods Co UK Ltd

American Specialty Foods Co UK Ltd is registered as an overseas branch of American Specialty Foodstuff Trading Co. L.LC, Dubai – United Arab Emirates under the Companies Act 2006 of United Kingdom and does not have its own share capital.

3. Significant accounting policies:
Summary of significant accounting policies:

Basis of preparation:

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Company's accounting policies and rules and regulations of commercial Company laws based in Dubai - United Arab Emirates. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed after significant accounting policies.

The principal accounting policies, which have been applied consistently, are set out below:

a) Accounting convention

These consolidated financial statements have been prepared under a hybrid method of accounting wherein historical cost convention, and fair value method of accounting have been adopted.



Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies (continued):
Summary of significant accounting policies (continued):

b) Revenue recognition

Revenue from the sale of goods is recognised when control of the goods has transferred, at which time all the following conditions are satisfied:

- the performance obligation has been satisfied by the entity;
- the entity has transferred physical possession/control of the goods to the customer;
- the entity has transferred the significant risks and rewards related to the ownership of the goods to the customer;
- the entity has a present right to payment for the goods delivered, whereby it should be noted that financing components are not included in the Company's sales contracts;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

c) Financial expenses

Financial expenses are accounted in the statement of profit and loss in the year in which they are incurred.

d) Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the statement of financial position date. Gains and losses arising are included in the statement of profit and loss.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprises of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition. The cost of property, plant and equipment's are depreciated using the straight-line method over their expected useful lives.

f) Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment; wherever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit and loss.



Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies (continued):
Summary of significant accounting policies (continued):

g) Financial instruments

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets expire, or if the Group transfers the financial asset to another party and does not retain control of the asset.

At initial recognition, the Group measures its financial assets at fair value. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The Group only has trade and other receivables classified as debt instruments measured subsequently at amortised cost.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The carrying amount of trade and other receivables is reduced through the use of an allowance account based on the expected lifetime losses following the simplified approach as per IFRS 9. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss.



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For the year ended March 31, 2023

3. Significant accounting policies (continued) :
Summary of significant accounting policies (continued):

g) Financial instruments (continued)

Impairment of financial assets (continued)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognised when the Group's obligations specified in the contract expire or are discharged or cancelled. When financial liabilities are initially recognised, they are measured at their fair value.

All financial liabilities are measured subsequently at amortised cost.

h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the First-In First-Out (FIFO) method and comprises invoice value plus applicable landing charges. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, the Group will probably be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows 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, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

j) Legal reserve

According to the Articles of Association of the Company and U.A.E. Federal Commercial Companies Laws, 10% of annual profit is allocated to the legal reserve, until the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.



Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies (continued):
Summary of significant accounting policies (continued):

k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprises of cash in hand, balances with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.

l) Employees' terminal benefits

Provision is made for employees' end of service gratuities on the basis prescribed in the U.A.E. Labour laws, for the accumulated years of service at the statement of financial position date.

m) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less), and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The incremental borrowing rate applied to the lease liabilities on March 31, 2023 was 5.0%.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- The amount expected to be payable by the lessee under residual value guarantees;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect profit rate on the lease liability (using the effective profit rate method) and by reducing the carrying amount to reflect the lease payments made.



Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies (continued):
Summary of significant accounting policies (continued):

m) Leases (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating profit rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a unilateral purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of consolidated financial position.

n) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.1 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Group's accounting policies, which are described in policy notes, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that considered being relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period or in the period of the revision and future periods if the revision affects both current and future period.



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Notes to the Consolidated Financial Statements
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3.1 Critical accounting judgements and key source of estimation uncertainty: (continued)

The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are described below:

Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Allowance for doubtful debts

The allowance for doubtful debts is based on the expected lifetime losses following the simplified approach as per IFRS 9. Estimations and assumptions are applied to determine the size of the allowance. Where the actual future cash flows based on these estimations and assumptions are less than expected, a material effect on this allowance may arise.

Provision for obsolescence of inventory

The provision for obsolescence of inventory is based on the Company's best estimates taking into account the market conditions and expectations on these market conditions. If market conditions significantly change during the coming years this may have a material effect on the provision.

4. Property, plant and equipment

	<u>Furniture & fixtures</u>	<u>Computers & office equipment</u>	<u>Tools & equipment</u>	<u>Vehicles</u>	<u>Total</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Cost:					
Opening balance	42,871	57,109	50,354	476,643	626,977
Additions	21,925	53,320	19,515	-	94,760
At March 31, 2023	64,796	110,429	69,869	476,643	721,737
Accumulated depreciation:					
Opening balance	23,244	30,202	21,961	244,972	320,379
Depreciation for the year	10,708	15,265	12,247	115,990	154,210
At March 31, 2023	33,952	45,467	34,208	360,962	474,589
Net book value:					
At March 31, 2023	30,844	64,962	35,661	115,681	247,148
At March 31, 2022	19,627	26,907	28,393	231,671	306,598

One of the above motor vehicles has been mortgaged against the vehicle loan. Also, refer note 15 to the financial statements.



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Notes to the Consolidated Financial Statements
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5. Right-of-use assets

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Opening Balance	388,637	494,496
Depreciation expense	(105,860)	(105,859)
At 31 March 2023	<u>282,777</u>	<u>388,637</u>

The above amount of right-to-use asset represent the right to use the warehouse and office located in Dubai Al Qusais Industrial area, Dubai - United Arab Emirates which has been taken on lease as a 'lessee' from a lessor which will expire in November 2025. Also, refer note 3 (m), note 14, note 22 & note 23 to the consolidated financial statements.

6. Intangible assets

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Opening balance	1,516	3,046
Additions	52,891	-
Amortization for the year	(1,516)	(1,530)
Closing balance	<u>52,891</u>	<u>1,516</u>

Addition to intangible assets represents the cost incurred for ERP software. Implementation work has been completed on 31st March 2023 and the ERP is ready for use from 1st April, 2023.

7. Inventories

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Goods in stock	301,559	305,121
Less: Allowance for value loss on inventory (refer note 22)	(52,044)	(52,044)
	<u>249,515</u>	<u>253,077</u>
Goods in transit	1,644,593	2,860,832
	<u>1,894,108</u>	<u>3,113,909</u>

8. Trade & other receivables

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Trade receivables	933,377	1,111,947
Less: Allowance for expected credit loss (refer note 3 (g) and note 22))	(336,282)	(10,751)
	<u>597,095</u>	<u>1,101,196</u>
Other receivables	25,500	33,439
Advance to suppliers	1,500	-
Loans & advances	15,901	2,394
Prepayments	172,035	97,107
	<u>812,031</u>	<u>1,234,136</u>



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Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

9. Cash & bank balances

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Cash in hand	8,579	8,258
Cash at banks	3,500,666	4,559,169
	<u>3,509,245</u>	<u>4,567,427</u>

10. Legal reserve

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Opening balance	150,000	99,374
Transferred during the year	-	50,626
Closing balance	<u>150,000</u>	<u>150,000</u>

11. Retained earnings

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Opening balance	3,002,737	894,366
Net profit for the year	1,549,607	2,108,371
Closing balance	<u>4,552,344</u>	<u>3,002,737</u>

12. Shareholders' current accounts

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Opening balance	(1,269,070)	(323,540)
Net movements	(1,061,995)	(945,530)
Closing balance	<u>(2,331,065)</u>	<u>(1,269,070)</u>

Shareholders' current account belongs to the Shareholders as stated in note 2 to the consolidated financial statements.

13. Employees terminal benefits

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Opening balance	33,865	12,584
Less: Gratuity paid during the year	-	(1,314)
Add: Additional provision during the year	40,518	22,595
Closing balance	<u>74,383</u>	<u>33,865</u>



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Notes to the Consolidated Financial Statements
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14. Lease liability

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Opening	386,349	485,166
Add: Finance cost	16,248	21,183
Less: Instalment paid	(120,000)	(120,000)
	<u>282,597</u>	<u>386,349</u>

The current and non - current portion of lease liability is as follows:

14 (a) Lease liability (non-current portion)	173,688	282,597
14 (b) Lease liability (current - portion)	108,909	103,752
	<u>282,597</u>	<u>386,349</u>

The above amount of lease liability represents an amount payable at a discounted value for the lease rentals payable for the remaining years of warehouse lease which is reasonably expected to be until November 2025. Also, refer note 3(m), note 5, note 22 and note 23 to the consolidated financial statements.

15. Vehicle loans

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Vehicle loans	-	156,786
	<u>-</u>	<u>156,786</u>

The non - current & current portion of vehicle loans are as follows:

15 (a) Vehicle loans (non - current portion)	-	89,588
15 (b) Vehicle loans (current portion)	-	67,198
	<u>-</u>	<u>156,786</u>

Further, on 28th November, 2022 the Group paid the outstanding amount and settled the vehicle loan in advance.

Also, refer note 4 and note 23 to the consolidated financial statements.



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16. Trade and other payables

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Trade payables	2,860,401	2,741,130
Other payables	2,797	608,724
Taxes payables (VAT)	38,211	98,349
	<u>2,901,409</u>	<u>3,448,203</u>

17. Advance from customers

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Advance from customers	336,087	3,132,528
	<u>336,087</u>	<u>3,132,528</u>

18. Amount due to related party

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Advanced Business Concepts (ABC) Holding Ltd	274,646	-
	<u>274,646</u>	<u>-</u>

From 1st April 2022, the Group agreed to pay 1 % of overall sales as a brand royalty fees for an exclusive use of "American Specialty" and "Pepe's Mexicana" brand.

19. Accruals and provisions

	<u>As of</u> <u>March 31, 2023</u> <u>AED</u>	<u>As of</u> <u>March 31, 2022</u> <u>AED</u>
Accruals and provisions	257,799	270,825
	<u>257,799</u>	<u>270,825</u>

20. Revenue

	<u>For the year ended</u> <u>March 31, 2023</u> <u>AED</u>	<u>For the year ended</u> <u>March 31, 2022</u> <u>AED</u>
Standard rated (UAE local sales)	7,092,034	6,698,710
Export sales - non taxable (UAE sales)	16,768,198	10,308,661
Export sales - zero rated (UAE sales)	2,613,133	1,796,509
Export sales - non taxable (UK sales)	98,730	-
Standard rated (Oman local sales)	854,321	104,210
	<u>27,426,416</u>	<u>18,908,090</u>



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21. Cost of revenue

	<u>For the year ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
	<u>AED</u>	<u>AED</u>
Purchases and direct expenses (net of inventories)	20,940,447	13,639,055
	<u>20,940,447</u>	<u>13,639,055</u>

22. Selling, general and administrative expenses

	<u>For the year ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
	<u>AED</u>	<u>AED</u>
Staff costs	1,517,581	1,033,983
Administration expenses	292,250	284,113
Brand royalty fees	274,646	-
Office rent	-	5,045
Provision for customer rebate	7,756	-
Selling and marketing expenses	822,702	408,146
Storage charges	21,010	5,568
Business travel cost	327,236	115,193
Legal & professional fees	136,000	126,000
Provision for value loss on inventories	-	6,523
Repairs & maintenance	26,718	31,446
Expected credit loss on receivables	325,532	-
Depreciation of right to use asset (refer note 5)	105,860	105,859
Depreciation on other fixed assets (refer note 4)	154,210	123,820
Amortization of intangible assets (refer note 6)	1,516	1,530
Other expenses	426	950
	<u>4,013,443</u>	<u>2,248,176</u>

23. Finance expenses

	<u>For the year ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
	<u>AED</u>	<u>AED</u>
Bank charges	61,034	63,168
Finance cost on lease liability	16,248	21,183
Finance cost on vehicle loan	18,764	10,046
	<u>96,046</u>	<u>94,397</u>



Also, refer note 14 and note 15 to the consolidated financial statements.

24. Other income

	<u>For the year ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
	<u>AED</u>	<u>AED</u>
Other income	24,274	12,535
	<u>24,274</u>	<u>12,535</u>

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Notes to the Consolidated Financial Statements
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25. Management remuneration

	<u>For the year ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
	<u>AED</u>	<u>AED</u>
Mr. Hany Muhammed Haneef	600,000	600,000
Mrs. Shahanaz Haneef	180,000	180,000
Other allowance	71,147	-
	<u>851,147</u>	<u>780,000</u>

26. Financial Instruments

The principal risks associated with financial instruments such as credit risk, market risk and liquidity risk are managed by placing cash and cash equivalents with various financial institutions of high credit rating, transacting business in AED with counterparties of repute and by monitoring on a regular basis that sufficient funds are available to meet maturing obligations.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are continuously monitored and their credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly.

The carrying amounts of the financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risks.

The Group's bank accounts are placed with high credit quality financial institutions.

The credit risk on trade receivables are not significant as the outstanding balance of trade receivables are spread over a large number of customers at the year end.

Currency risk

There is no significant exchange rate risk as substantially most of the financial assets and financial liabilities are denominated either in UAE Dirhams or US Dollars. UAE Dirhams is pegged against US Dollar. For other foreign currency business transactions and assets exchange rate fluctuations are closely monitored by the management.

Interest rate risk

The Company has interest rate risk on vehicle loans and leased liability at the year end.

Capital risk

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to Shareholders' through optimisation of the debt and equity balance. The Company's overall strategy remains unchanged.

The capital structure of the Company comprises of equity funds as presented in the consolidated statement of financial position together with shareholders' current accounts. Debt comprises of payable to third parties net of cash and cash equivalents.

The Company reviews the capital structure on a semi-annual basis, considers the cost of capital



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Notes to the Consolidated Financial Statements
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26. Financial instruments (continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, an adequate amount of credit facilities and the ability to close out market positions. Due to dynamic nature of the underlying business, the Group is able to get the advances from the customers and avail the credit from the suppliers. The Group also have the option of getting the credit facilities from the banks, if required.

Fair values

At the consolidated statement of financial position date, the fair values of financial assets and liabilities are approximate to their carrying amount.

26. Events occurring during and after the reporting date

In the opinion of the Directors, no transactions or events of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect substantially the result of the operations or the financial position of the Group.

27. Contingent liability and capital commitments

There are no other liability and capital commitments at the end of the year, other than those arising in the normal course of business during the year.

28. Comparative figures

Certain figures in the previous year have been regrouped/ reclassified to conform with the presentation made in the current year.

