

Company registration number 11311357 (England and Wales)

BEE WORLD UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

BEE WORLD UK LIMITED

COMPANY INFORMATION

Directors	E S Tanmantiong D M Flores
Secretary	Bird & Bird Company Secretaries Limited
Company number	11311357
Registered office	12 New Fetter Lane London EC4A 1JP
Auditor	Littlestone Golding 17 Cavendish Square London W1G 0PH

BEE WORLD UK LIMITED

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BEE WORLD UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

The Company's revenue has increased from £11.0 million to £17.9 million as shown in the Income Statement on page 7 of these financial statements, which reflects store openings during 2021 and 2022.

The Company has reported operating losses of £5.9 million for the reporting period compared to operating losses of £3.7 million for the previous period, which is partly due to relatively modest sales during the initial year following store openings.

The Company's has reported a net liability position of £4.5 million as shown in the Statement of Financial Position on page 9 of these financial statements, compared to a net asset position of £2.0 million at the end of the previous period. The Company is financial supported by its parent company group which had provided loans and other funding amounting to £17.0 million at 31 December 2022. The parent company, Jollibee Worldwide Pte Limited (part of the Jollibee Foods Corporation group of companies), has undertaken to provide the Company with sufficient additional financial support to enable Bee World UK Limited to continue trading as a going concern, sufficient to cover its operating losses and to discharge its debts and liabilities as they fall due for the foreseeable future.

Principal risks and uncertainties

The following risks and uncertainties are identified which could affect future revenue and overall performance:

- Competition
- Fluctuations in the market conditions
- Changes in consumer behaviour
- Increases in purchasing and employment costs
- Economic downturns arising from worldwide or national events (eg pandemics, war, cost of living crisis) or from other unforeseen events

Key performance indicators

Revenue - Increased from £11.0 million to £17.9 million

EBITDA - Loss of £4.1 million for the reporting period compared to loss of £2.9 million for the previous period

Net operating profit - Loss of £5.9 million for the reporting period compared to loss of £3.7 million for the previous period

Other information and explanations

A further net operating loss is expected for 2023 and 2024 partly as a result of inflation, higher than expected food cost increases, and a significant increase in the national minimum wage.

Modest increases in revenue are forecast for 2023 and 2024, and then more substantial increases are planned from 2025 as the Company intends to significantly increase its number of UK stores by the end of 2028. This is expected to lead to further economies of scale and a profitable trading performance.

On behalf of the board

D M Flores
Director

29 December 2023

BEE WORLD UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be the operation of restaurants.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E S Tanmantiong

D M Flores

Qualifying third party indemnity provisions

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in defending certain proceedings against them.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering alternative methods as a means of further encouraging the involvement of employees in the company's performance.

The group recognises that the long-term success of the business relies on effective engagement with its employees. Management consult with and brief all employees on a regular basis in relation to the company's operations, and employees are encouraged to contribute to the company's success through initiatives such as suggestion schemes.

Business relationships

The company manages relationships with its customers, suppliers, and those individuals and bodies that it has dealings with as closely as possible to ensure the services provided meet the company's high standards.

Future developments

The company intends to improve its financial performance with reduced losses forecast for 2023 and 2024, and will continue its restaurant opening programme in the United Kingdom from 2025.

BEE WORLD UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

D M Flores
Director

29 December 2023

BEE WORLD UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BEE WORLD UK LIMITED

Opinion

We have audited the financial statements of Bee World UK Limited (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We draw attention to note 1.2 which draws attention to (1) the Company's losses and its balance sheet net liability position which represent conditions which may cast a significant doubt on the Company's ability to continue as a going concern, and (2) the basis of the directors' assessment of going concern including the reliance on continued and additional financial support of the company's parent company which adequately and fully mitigates those conditions such that the directors consider that no material uncertainties related to going concern exist.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BEE WORLD UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BEE WORLD UK LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined the most significant are those that relate to the company's restaurant operations (licensing, food safety and employment), the reporting framework ((FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006)) and the relevant tax compliance regulations in which the Company operates.
- We understood how the Company is complying with those frameworks by making enquiries on the management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and any correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by enquiring with management during the planning, fieldwork and completion phase of our audit. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk including revenue recognition. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

BEE WORLD UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BEE WORLD UK LIMITED

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; and enquiries of management.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Wright FCA
Senior Statutory Auditor
For and on behalf of Littlestone Golding

29 December 2023

Chartered Accountants
Statutory Auditor

17 Cavendish Square
London
W1G 0PH

BEE WORLD UK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	17,897,195	11,029,351
Cost of sales		(20,577,032)	(13,552,081)
Gross loss		(2,679,837)	(2,522,730)
Administrative expenses		(3,201,851)	(1,507,827)
Other operating income		-	325,891
Operating loss	4	(5,881,688)	(3,704,666)
Investment income	6	6	27
Finance costs	7	(598,952)	(307,512)
Loss before taxation		(6,480,634)	(4,012,151)
Tax on loss	8	-	-
Loss for the financial year		(6,480,634)	(4,012,151)

The income statement has been prepared on the basis that all operations are continuing operations.

BEE WORLD UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Loss for the year	(6,480,634)	(4,012,151)
Other comprehensive income	-	-
Total comprehensive loss for the year	(6,480,634)	(4,012,151)

BEE WORLD UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Non-current assets					
Intangible assets	9		238,304		196,798
Property, plant and equipment	10		12,012,149		11,436,623
			<u>12,250,453</u>		<u>11,633,421</u>
Current assets					
Inventories	11	501,132		300,211	
Trade and other receivables falling due after more than one year	12	1,798,883		1,960,883	
Trade and other receivables falling due within one year	12	1,851,261		1,189,801	
Cash and cash equivalents		372,726		1,452,773	
		<u>4,524,002</u>		<u>4,903,668</u>	
Current liabilities	13	(12,444,902)		(12,883,371)	
Net current liabilities			<u>(7,920,900)</u>		<u>(7,979,703)</u>
Total assets less current liabilities			4,329,553		3,653,718
Non-current liabilities	14		(8,596,469)		(1,500,000)
Provisions for liabilities					
Provisions	16	240,000		180,000	
		<u>(240,000)</u>		<u>(180,000)</u>	
Net (liabilities)/assets			<u>(4,506,916)</u>		<u>1,973,718</u>
Equity					
Called up share capital	19		7,641,853		7,641,853
Retained earnings			(12,148,769)		(5,668,135)
Total equity			<u>(4,506,916)</u>		<u>1,973,718</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 29 December 2023 and are signed on its behalf by:

D M Flores
Director

Company registration number 11311357 (England and Wales)

BEE WORLD UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2021		4,401,291	(1,655,984)	2,745,307
Year ended 31 December 2021:				
Loss and total comprehensive income		-	(4,012,151)	(4,012,151)
Issue of share capital	19	3,240,562	-	3,240,562
Balance at 31 December 2021		7,641,853	(5,668,135)	1,973,718
Year ended 31 December 2022:				
Loss and total comprehensive income		-	(6,480,634)	(6,480,634)
Balance at 31 December 2022		7,641,853	(12,148,769)	(4,506,916)

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Bee World UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 12 New Fetter Lane, London, EC4A 1JP. The principal place of business is 22 Leicester Square, London, WC2H 7LE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Jollibee Foods Corporation which are available from its website at <https://www.jollibee.com.ph> and from The Philippines Stock Exchange.

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.2 Going concern

The Company has incurred a significant operating loss for the year as shown in the Income Statement on page 7 of these financial statements, and the Company has a net liability position of £4.5 million as shown on its Statement of Financial Position on page 9 of these financial statements. A further net operating loss is also expected for 2023, which is higher than previously forecast, due to inflation, higher than anticipated food costs, and a significant increase in the national minimum wage effective from 1 April 2023. Whilst losses are also forecast for 2024 and 2025, these are declining with revenue forecast to increase in 2025 and beyond as further stores are opened.

Although £6.5 million of the loans owed to the parent company are now overdue for repayment, the parent company (Jollibee Worldwide Pte Limited) has stated that it will not demand repayment of the debts owed to it, notwithstanding the agreed repayment dates, until such time as Bee World UK Limited is in a position to repay the amounts advanced. Jollibee Worldwide Pte Limited (part of the Jollibee Foods Corporation group of companies), has also undertaken to provide Bee World UK Limited with sufficient additional financial support to enable Bee World UK Limited to continue trading as a going concern, sufficient to cover its operating losses and to discharge its debts and liabilities as they fall due for the foreseeable future.

The Company's continuing losses (past and forecast) and its balance sheet net liability position represent conditions which may cast a significant doubt on the Company's ability to continue as a going concern. The continued financial support for the foreseeable future provided by the parent company, Jollibee Worldwide Pte Limited, adequately and fully mitigates these conditions such that the directors consider that no material uncertainties related to going concern exist. The Company's net current liability position shown in the Statement of Financial Position on page 9 of these financial statements is £7.9 million, but excluding the parent company group debt from this figure, the Company has a net current asset position of £2.4 million, which evidences that, with the parent company group financial support, the company is able to meet its short term liabilities from its current assets.

The directors have therefore concluded that the use of the going concern basis is appropriate because there are no material uncertainties related to events or conditions that may cast a significant doubt over the ability of the company to continue as a going concern for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually at the point of sale), 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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% to 33% on cost
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BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short leasehold land and buildings	10% on cost
Plant and equipment	20% on cost
Fixtures and fittings	20% on cost
Computers	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that 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 reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 are considered to be 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Property dilapidations

The Company trades from a number of premises that are held on lease agreements. A provision for the potential costs of rectification of these premises back to their original state has been included within the financial statements. The provision is based on the current condition of the properties and estimated costs of remediation. The estimated provision included in the financial statements at the reporting date is set out in note 16 below. The eventual actual cost that may be incurred in due course when the Company vacates the leased properties may be significantly more or less than the provision provided in the financial statements. The timing of the eventual cash outflows in respect of property dilapidations is uncertain because it is not known when the leased properties will ultimately be vacated.

3 Revenue

	2022 £	2021 £
Revenue analysed by class of business		
Restaurant sales	17,897,195	11,029,351
	<u> </u>	<u> </u>
	2022 £	2021 £
Revenue analysed by geographical market		
United Kingdom	17,897,195	11,029,351
	<u> </u>	<u> </u>
	2022 £	2021 £
Other revenue		
Interest income	6	27
Grants received	-	325,891
	<u> </u>	<u> </u>

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Revenue (Continued)

Grant income represents amounts receivable under the Government's Coronavirus Job Retention Scheme and Coronavirus Business Rates Relief for businesses in the hospitality sector.

4 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	69,431	64,664
Government grants	-	(325,891)
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	29,500
Depreciation of owned property, plant and equipment	1,659,710	776,333
Loss on disposal of property, plant and equipment	32,991	-
Amortisation of intangible assets	76,108	35,604
Operating lease charges	2,301,107	1,612,737

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022 Number	2021 Number
488	293

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	5,565,429	3,973,574
Social security costs	347,169	219,431
Pension costs	120,013	106,521
	6,032,611	4,299,526

6 Investment income

	2022 £	2021 £
Interest income		
Interest on bank deposits	6	27

7 Finance costs

	2022 £	2021 £
Interest payable to group undertakings	598,952	307,512

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(6,480,634)	(4,012,151)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,231,320)	(762,309)
Tax effect of expenses that are not deductible in determining taxable profit	53,193	48,144
Unutilised tax losses carried forward	1,334,617	631,037
Change in unrecognised deferred tax assets	(294,119)	-
Depreciation on assets not qualifying for tax allowances	137,629	81,852
Timing differences relating to pension contributions	-	1,276
Taxation charge for the year	-	-

Unused tax losses at 31 December 2022 amounted to £16.9 million (2021: £6.9 million).

9 Intangible fixed assets

	Software £
Cost	
At 1 January 2022	252,865
Additions	117,614
At 31 December 2022	370,479
Amortisation and impairment	
At 1 January 2022	56,067
Amortisation charged for the year	76,108
At 31 December 2022	132,175
Carrying amount	
At 31 December 2022	238,304
At 31 December 2021	196,798

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Property, plant and equipment

	Short leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2022	10,305,074	1,776,491	368,136	103,837	12,553,538
Additions	1,317,678	820,052	117,560	12,937	2,268,227
Disposals	(31,212)	(4,706)	-	(1,016)	(36,934)
At 31 December 2022	11,591,540	2,591,837	485,696	115,758	14,784,831
Depreciation and impairment					
At 1 January 2022	674,018	329,957	65,770	47,170	1,116,915
Depreciation charged in the year	1,054,195	479,960	98,471	27,084	1,659,710
Eliminated in respect of disposals	(2,341)	(784)	-	(818)	(3,943)
At 31 December 2022	1,725,872	809,133	164,241	73,436	2,772,682
Carrying amount					
At 31 December 2022	9,865,668	1,782,704	321,455	42,322	12,012,149
At 31 December 2021	9,631,056	1,446,534	302,366	56,667	11,436,623

11 Inventories

	2022 £	2021 £
Raw materials and consumables	501,132	300,211

12 Trade and other receivables

	2022 £	2021 £
Amounts falling due within one year:		
Trade receivables	600,603	48,002
Amounts owed by group undertakings	158,094	-
Other receivables	324,358	809,882
Prepayments and accrued income	768,206	331,917
	1,851,261	1,189,801

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12	Trade and other receivables			(Continued)
			2022	2021
			£	£
	Amounts falling due after more than one year:			
	Other receivables		1,442,700	1,604,700
	Deferred tax asset (note 17)		356,183	356,183
			<u>1,798,883</u>	<u>1,960,883</u>
	Total debtors		<u>3,650,144</u>	<u>3,150,684</u>
13	Current liabilities			
		Notes	2022	2021
			£	£
	Other borrowings	15	6,500,000	6,500,000
	Trade payables		1,059,831	2,438,100
	Amounts owed to group undertakings		3,818,387	1,963,465
	Taxation and social security		478,703	134,224
	Other payables		22,890	24,558
	Accruals and deferred income		565,091	1,823,024
			<u>12,444,902</u>	<u>12,883,371</u>
14	Non-current liabilities			
		Notes	2022	2021
			£	£
	Other borrowings	15	6,650,000	1,500,000
	Accruals and deferred income		1,946,469	-
			<u>8,596,469</u>	<u>1,500,000</u>
15	Borrowings			
			2022	2021
			£	£
	Loans from group undertakings		<u>13,150,000</u>	<u>8,000,000</u>
	Payable within one year		6,500,000	6,500,000
	Payable after one year		<u>6,650,000</u>	<u>1,500,000</u>

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Borrowings

(Continued)

The loans from group undertakings of £13.15 million are unsecured and bear interest at varying rates between 3.15% and 5.47% per annum. Although the loans shown as repayable within one year of £6.5 million are due for repayment, the group parent undertaking has stated that it will wait for repayment until the Company is in an improved financial position.

The loans shown as repayable after more than one year of £6.65 million are repayable by instalments commencing from June 2024 with final repayment dates between December 2026 and March 2027. Notwithstanding these repayment dates, the group parent undertaking has stated that it will not demand repayment of these loans until the Company is in an improved financial position

16 Provisions for liabilities

	2022 £	2021 £
Property dilapidations	240,000	180,000
Movements on provisions:		
		Property dilapidations £
At 1 January 2022		180,000
Additional provisions in the year		60,000
At 31 December 2022		240,000

Property dilapidations

The Company trades from a number of premises that are held on lease agreements. A provision for the potential costs of rectification of these premises back to their original state has been included within the financial statements. The provision is based on the current condition of the properties and estimated costs of remediation. The eventual actual cost that may be incurred in due course when the Company vacates the leased properties may be significantly more or less than the provision provided in the financial statements. The timing of the eventual cash outflows in respect of property dilapidations is uncertain because it is not known when the leased properties will ultimately be vacated.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022 £	Assets 2021 £
Balances:		
Accelerated capital allowances	-	(322,130)
Tax losses	356,183	678,313
	356,183	356,183

There were no deferred tax movements in the year.

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Deferred taxation

(Continued)

The amount of the deferred tax asset set out above that is expected to reverse within the next 12 month accounting period is £nil.

Deferred tax has not been recognised in respect of tax losses of £10.6 million as the recovery of this amount against future taxable profits is not forecast in the foreseeable future.

18 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	120,013	106,521

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of US\$1 each of US\$1 each	10,140,000	10,140,000	7,641,853	7,641,853

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	2,229,438	1,361,219
Between two and five years	9,906,083	7,617,542
In over five years	23,945,535	23,075,500
	36,081,056	32,054,261

21 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

BEE WORLD UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Related party transactions

(Continued)

	Royalty costs		Management fees	
	2022	2021	2022	2021
	£	£	£	£
Entities with control, joint control or significant influence over the company	892,115	536,937	100,849	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts due to related parties			2022	2021
			£	£
Entities with control, joint control or significant influence over the company			16,968,387	9,963,465
			<u> </u>	<u> </u>

The above amounts include loans from the company's parent entity as further described in note 15 to the financial statements. Interest payable to company's parent entity on loans are disclosed in note 7 to the financial statements.

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	158,094	-
	<u> </u>	<u> </u>

22 Ultimate controlling party

The company's parent company is Jollibee Worldwide Pte. Ltd, a company incorporated in Singapore.

The company's ultimate parent company is Jollibee Foods Corporation, a company incorporated in the Philippines.

The parent company of the smallest and largest groups of undertakings for which group accounts are drawn up and of which Bee World UK Limited is a member is Jollibee Foods Corporation. The registered office address of Jollibee Foods Corporation is 10/F Jollibee Plaza Building, 10 F. Ortigas Jr. Avenue, Ortigas Center, Pasig City, Philippines. Accounts of Jollibee Foods Corporation can be obtained from from its website at <https://www.jollibee.com.ph> and from The Philippines Stock Exchange.

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