



Busy Bee
FINANCE PLC

INTERIM
REPORT

2020

Six months ended
31 May 2020

INTERIM DIRECTORS' REPORT

The Directors present the unaudited consolidated interim results of Busy Bee Finance plc.

Business Overview/Directors Report

Busy Bee Finance Limited ('the Company') was incorporated on 31 July 2018 as a private limited liability company and subsequently converted into a public limited liability company on the 31 January 2019.

Principal activities

The company's principal activity is to act as a finance and investment company, in particular the financing or re-financing of the funding requirements of related companies within the Busy Bee Group ('the Group').

Financial Performance

During the six months ending 31 May 2020, the Group registered an operating loss of €111K, a decrease of 18% when compared to €136K registered in prior period.

The Group recorded a significant increase in revenue during the period ending 31 May 2020. This is mainly attributable to the difference in the period of operation, a full six months this year compared to four months in prior year. Taking into consideration a comparable period, revenue decreased by 21%.

The period under review, 1 December 2019 to 31 May 2020, was severely impacted by the global pandemic declared by the World Health Organisation on 11 March 2020.

The Maltese health authorities soon imposed measures to lessen the

transmission of Covid-19 and on the 17 March 2020 all retail outlets were forbidden from welcoming customers. The group launched a number of key initiatives to mitigate the effects of this new reality, namely operating leaner, curtailing costs, tapping into government assistance, deferring of bank loan repayments, reallocating human resources and more importantly reorganising its sales function to be more effective and efficient selling online. This resulted in a positive effect on revenue with both online sales and take-away achieving unprecedented levels.

The outside catering business was grounded to a complete halt with all weddings booked for the period from March to June being postponed to either the second half of 2020 or 2021. Similarly, some of the functions booked for the second part of 2020 have also been postponed.

During the period from March to May, the company registered a decrease in sales of 55%. Before COVID-19, the Group registered record high turnover and profitability levels. The increase registered during the period from December 2019 to February 2020 was completely offset by the losses registered in the subsequent months.

Other income decreased by €3.2 million. The decrease was brought about by one-off income recorded in the comparative period as shown in note 8 to the financial statements.

Financial Position

Total assets as at 31 May 2020 stood at €16 million, while equity attributable to the shareholders amounted to €8 million. The company's gearing after taking into consideration the €5,000,000 Unsecured Bonds 2029 on 28th June 2019, stood at 83%.

Outlook

Performance for the first three months of the period, before Covid-19 broke out, were very promising. The retail outlets registered record sales and management is committed to re-establish and continue building on that momentum.

Outside catering still has a substantial number of weddings booked for the remaining of 2020 and the Company is anticipating a very busy 2021.

Since the easing of the measures the Company has not noted any fundamental changes in consumer behavior and is set on achieving the same level of sales prior to the pandemic.

Dividends

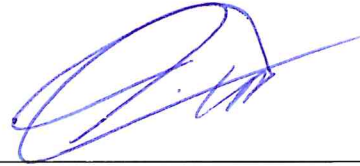
No interim dividends are being proposed.

Listing Statement

Approved by the Board of Directors on the 22 July 2020 and signed on its behalf by:



Mr Charles Scerri, Chairman



Mr Robert Ancilleri, Non-executive Director

Registered Office

Busy Bee Group,
Zone 4, Central Business District
Mdina Road
Birkirkara CBD 4010

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

SIX MONTHS ENDED 31 MAY 2020

	Note	Group 31-May-20 (unaudited) €'000	Group 31-May-19 (unaudited) €'000	Company 31-May-20 (unaudited) €'000	Company 31-May-19 (unaudited) €'000
Continuing operations:					
Revenue	7	1,732	1,397	-	-
Gross profit		497	389	-	-
Operating loss		(111)	(136)	(280)	(201)
Surplus on revaluation of Investment property		-	2,015	-	-
Gain on purchasing Busy Bee Manufacturing's net assets		-	1,204	-	-
Other income		273	270	177	193
Depreciation		(248)	(161)	-	-
Finance income/costs		(157)	(71)	(4)	-
(Loss) / Profit before tax		(243)	3,121	(107)	(8)
Taxation	8	1,314	41	37	-
Profit / (loss) for the period		1,071	3,162	(70)	(8)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,071	3,162	(70)	(8)
EPS*		€ 21.42	€ 154.50	€ (1.40)	€ (0.40)
Adjusted EPS		€ 19.10	€ (2.81)	€ (1.40)	€ (0.40)

*EPS – Earnings Per Share

CONDENSED STATEMENTS OF FINANCIAL POSITION

SIX MONTHS ENDED 31 MAY 2020

	Group 31-May-20 (unaudited) €'000	Group 31-May-19 (unaudited) €'000	Company 31-May-20 (unaudited) €'000	Company 31-May-19 (unaudited) €'000
ASSETS				
Non-current assets	14,699	13,226	5,225	702
Current assets	1,598	992	474	128
Total assets	16,297	14,218	5,699	830
EQUITY AND LIABILITIES				
Capital and reserves	8,019	6,864	550	693
Non-current liabilities	6,028	2,846	4,821	-
Current liabilities	2,250	4,508	328	137
Total liabilities	8,278	7,354	5,149	137
Total equity and Liabilities	16,297	14,218	5,699	830

CONDENSED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED 31 MAY 2020

	Group 31-May-20 (unaudited) €'000	Group 31-May-19 (unaudited) €'000	Company 31-May-20 (unaudited) €'000	Company 31-May-19 (unaudited) €'000
Net cash generated from/ (used in) operating activities	(196)	934	(189)	(69)
Net cash used in investing activities	(247)	(10,705)	-	(701)
Net cash generated from financing activities	428	9,435	395	775
Net movement in cash and cash equivalents	(15)	(336)	206	5
Opening cash and cash equivalents	64	-	27	-
Closing cash and cash equivalents	49	(336)	233	5

CONDENSED STATEMENTS OF CHANGES IN EQUITY

SIX MONTHS ENDED 31 MAY 2020

Group (unaudited)	Share Capital (unaudited) €'000	Share premium (unaudited) €'000	Shareholders Loans (unaudited) €'000	Revaluation Reserve (unaudited) €'000	Retained earnings (unaudited) €'000	Total (unaudited) €'000
Period ended 31 May 2020:						
At 1 December 2019	50	51	4,181	1,680	956	6,918
Comprehensive income						
Profit for the period	-	-	-	-	1,071	1,071
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,071	1,071
Transactions with owners						
Shareholders Loans	-	-	30	-	-	30
Total transactions with owners	-	-	30	-	-	30
At 31 May 2020	50	51	4,211	1,680	2,027	8,019

CONDENSED STATEMENTS OF CHANGES IN EQUITY

SIX MONTHS ENDED 31 MAY 2020

	Share Capital (unaudited) €'000	Share premium (unaudited) €'000	Shareholders Loans (unaudited) €'000	Revaluation Reserve (unaudited) €'000	Retained earnings (unaudited) €'000	Total (unaudited) €'000
Group (unaudited)						
Period ended 31 May 2019:						
At 1 August 2018	-	-	-	-	-	-
Comprehensive income						
Profit for the period	-	-	-	-	3,162	3,162
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	3,162	3,162
Transactions with owners						
Increase in share capital	50	51	-	-	-	101
Shareholders Loans	-	-	3,601	-	-	3,601
Total transactions with owners	50	51	3,601	-	-	3,702
At 31 May 2019	50	51	3,601	-	3,162	6,864

CONDENSED STATEMENTS OF CHANGES IN EQUITY

SIX MONTHS ENDED 31 MAY 2020

Company (unaudited)	Share Capital (unaudited) €'000	Share premium (unaudited) €'000	Shareholders Loans (unaudited) €'000	Revaluation Reserve (unaudited) €'000	Retained earnings (unaudited) €'000	Total (unaudited) €'000
Period ended 31 May 2020:						
At 1 December 2019	50	51	600	-	(81)	620
Comprehensive income						
Loss for the period	-	-	-	-	(70)	(70)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(70)	(70)
Transactions with owners						
At 31 May 2020	50	51	600	-	(151)	550

CONDENSED STATEMENTS OF CHANGES IN EQUITY

SIX MONTHS ENDED 31 MAY 2020

	Share Capital (unaudited) €'000	Share premium (unaudited) €'000	Shareholders Loans (unaudited) €'000	Revaluation Reserve (unaudited) €'000	Retained earnings (unaudited) €'000	Total (unaudited) €'000
Company (unaudited)						
Period ended 31 May 2019:						
At 1 August 2018	-	-	-	-	-	-
Comprehensive income						
Loss for the period	-	-	-	-	(8)	(8)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(8)	(8)
Transactions with owners						
Increase in share capital	50	51	-	-	-	101
Shareholders Loans	-	-	600	-	-	600
Total transactions with owners	50	51	600	-	-	701
At 31 May 2019	50	51	600	-	(8)	693

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The published figures have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed Group financial statements have been extracted from Busy Bee Finance plc's unaudited group management accounts for the six months ended 31 May 2020. The interim results are being published in terms of the Prospects MTF Rules. In terms of Rule 4.11.12, this interim report has not been audited by the Group's independent auditors.

These interim financial statements are presented using the Euro, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the company.

They are prepared under the historical cost convention.

2. Accounting policies

The accounting policies applied in these interim financial statements are in accordance with International Financial Reporting Standards, with the provisions of the Maltese Companies Act, 1995, and the requirements of International Financial Reporting Standards as adopted by the EU.

3. Use of judgements and estimates

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

In preparing these interim financial statements, management has made judgements, estimates and

assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective, or complex to a degree which would warrant their description as critical.

4. New standards effective during the period

IFRS 16: 'Leases' became applicable for the current reporting period. The group adopted IFRS 16: Leases.

5. Revised standards not yet effective during the period

Amendments to standards include:

IAS 1 and IAS 8 – Definition of material
IFRS 3 – Definition of a business
Conceptual framework – References to standards

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020. The Group will be obliged to adopt the amendments in the Financial year starting 1 December 2020.

The directors do not expect that the adoption of the amended standards will have a material impact on the financial statements of the company.

6. Earnings per share

Earnings per share (EPS) is calculated as the Group/Company's profit after tax attributable to the ordinary shares of Busy Bee Finance plc divided by the weighted average number of ordinary shares in issue during the period.

Adjusted EPS adjusts for extraordinary items included in other income, being:

- COVID-19: Government support

7. Segment Reporting

The Group's operations consist of cafeterias and gelateria, outside catering and other income.

The Groups business segments operate in the local market. An analysis by segment of the group's turnover and profitability is set out:

SEGMENT ANALYSIS

SIX MONTHS ENDED 31 MAY 2020

	Cafeterias & Gelateria (unaudited) €'000	Outside Catering (unaudited) €'000	Group (unaudited) €'000
Period ended 31 May 2020			
Revenue	1,318	414	1,732
Segment results	378	119	497
Unallocated costs			(608)
Operating Loss			(111)
Other income (note 8)			273
Depreciation			(248)
Net finance costs			(157)
Loss before tax			(243)
Taxation			1,314
Profit for the period			1,071

Period ended 31 May 2019

Revenue	1,007	390	1,397
Segment results	280	109	389
Unallocated costs			(525)
Operating Loss			(136)
Surplus on revaluation on investment property			2,015
Gain on purchasing Busy Bee Manufacturing's net assets			1,204
Other income			270
Depreciation			(161)
Net finance costs			(71)
Profit before tax			3,121
Taxation			41
Profit for the period			3,162

8. Taxation

During the period ending May 2020, taxation of €1.3 million related to deferred taxation. The Group was awarded investment tax credits from Malta Enterprise. The resultant, deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.