Busy Bee
FINANCE PLC

29th March 2022

Company Announcement

The following is a Company Announcement issued by Busy Bee Finance Plc (the "Company") bearing company registration number C87631, in terms of the rules of Prospects MTF, a market regulated as a multi-lateral trading facility and operated by the Malta Stock Exchange, pursuant to Rule 4.11.03 and 4.11.12 of the Prospects MTF Rules.

Quote

Approval of Annual Report and Audited Financial Statements

The Board of Directors of the Company has, on the 29th March 2022, resolved to approve the Company's Annual Report and the Audited Financial Statements for the year ended 30th November 2021.

A copy of the said Annual Report and Audited Financial Statements can be found at: https://busybee.com.mt/investor-relations/.

Unquote

Jean C. Farrugia
Company Secretary

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Busy Bee Finance PLC

Report & Consolidated Financial Statements

30 November 2021

Company Registration Number: C 87631

Contents

Directors, Officers and Other information

Directors:	Brian Friggieri Geoffrey Friggieri Robert Ancilleri Charles Scerri
Secretary:	Dr Jean Carl Farrugia
Registered office:	Busy Bee Group Zone 4, Mdina Road Mriehel Birkirkara CBD 4010 Malta
Country of incorporation:	Malta
Company registration number:	C 87631
Auditors:	Grant Thornton Fort Business Centre Triq L-Intornjatur, Zone 1 Central Business District Birkirkara CBD 1050
Bankers:	Bank of Valletta plc 212/215, Triq ix-Xatt Msida PTA 9041 Malta
Legal advisors:	Deguara Farrugia Advocates Il-Piazzetta A, Suite 52 Tower Road Sliema SLM 1607 Malta

Directors' report

The directors present their report together with the audited financial statements of Busy Bee Finance PLC (the Company) and the consolidated financial statements of the Group of which it is the parent, for the year ended 30 November 2021.

Principal activities

The company was incorporated on 31 July 2018. The Company was formed principally to act as a finance and investment company, in particular, to finance or re-finance the funding requirements of related companies within the Busy Bee Group.

Performance review

The Company, during 2021, has striven to reach a level of stability notwithstanding the conditions brought about by the pandemic. The various restrictions throughout the year have proved challenging. Nonetheless revenue increased by 16% over previous year. The activity of the Company's outlets regained momentum whilst the outside catering section continued to show improvements following the relaxation of COVID-19 restrictions.

The monitoring of expenditure remained at the forefront of management's focus, giving particular attention to the rise in raw material prices due to global increase in transportation costs. The Company continued to focus on the group's strategy of expanding outlet operations by opening another outlet in December 2021. In addition, the Company placed resources in order to continue with its objective of strengthening its outside catering arm.

The company's operating income is derived from service fees charged to related companies. The company's operating loss for the year amounted to €97,702. The group generated operating income from rental activity and royalty fees charged to other related parties and from retail income.

During the period, the company received interest income from related party loans of €269,735 and incurred bond interests cost of €250,000. The group did not generate any interest income but incurred bond interest and bank loan interest amounting to €319,828.

During the period under review, the company registered a net profit before taxation of €30,365 while the Group registered a profit before taxation of €541,016

Total equity as at period end of the Company amounted to €660,780 while that of the Group was of €8,794,786.

Financial Key Performance Indicators

	Group 2021 €	Company 2021 €
Revenue	4,399,015	486,000
Operating loss	(205,315)	(97,702)
Net finance expense	(319,828)	(250,000)
Net profit after tax	541,016	19,713
Total equity and liabilities	16,630,075	5,939,056

The directors consider the company and the group to be a going concern.

Principal risks and uncertainties

The company is exposed to risks inherent to its operation and can be summarised as follows:

Strategy risk

Risk management falls under the responsibility of the Board of Directors. The Board is continuously analysing its risk management strategy to ensure that risk is adequately identified and managed. The Audit Committee regularly reviews the risk profile adopted by the Board of Directors.

Operational risks

The company's revenue is mainly derived from interest charges and service fees charged to related parties and hence the company is heavily dependent on the performance of the Busy Bee Group. The Company regularly reviews the financial performance of the Busy Bee Group of companies to ensure that there is sufficient liquidity to sustain its operations.

Legislative risks

The company is governed by a number of laws and regulations. Failure to comply could have financial and reputational implications and could materially affect the company's ability to operate. The company has embedded operating policies and procedures to ensure compliance with existing legislation.

Financial risk management and exposures

Note 29 to the financial statements provides a detailed analysis of the financial risk to which the company is exposed.

Diversity and inclusion

We aim to promote and embed diversity and inclusion into our culture, values and everything we do both within Busy Bee as well as in the environment in which we operate.

Health and safety

The maintenance of a safe place of work and business for our employees, customers and visitors is a key responsibility for all managers and members of staff. Busy Bee is committed to proactively manage health and safety risk through the identification, assessment and mitigation of hazards that may otherwise result in injury, fire events and operational failure.

Directors remain committed to maintaining the group's preparedness for emerging and foreseeable risks in ensuring health and safety compliance.

Employees

We are committed to an inclusive culture where our people can be confident that their views matter, their workplace is an environment free from bias, discrimination and harassment, and where they can see that advancement is based on merit.

People are at the core of our business. The focus of our people plan is to ensure we have a workforce that is highly skilled in ensuring that the quality that Busy Bee is renowned for always remains at its highest levels and that it translates into successful outcomes for our customers and our business. Our aim is to build a strong employee value proposition that attracts the best talent with a diverse background which in turn enriches our business culture.

Dividends and reserves

The directors do not recommend the payment of a dividend and propose to transfer the profit for the year to reserves.

Directors

The directors of the company during the year were:

Brian Friggieri
Geoffrey Friggieri
Robert Ancilleri
Charles Scerri

In accordance with the company's Articles of Association, the present directors remain in office.

Disclosure of information to the auditor

At the date of making this report the directors confirm the following:

- As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
- Each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the independent auditor in connection with preparing the report and to establish that the independent auditor is aware of that information.

Statement of directors' responsibilities

The Companies Act, Cap 386 requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and the company as at the end of the reporting period and of the profit or loss of their operations for that period. In preparing those financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the group and the company will continue in business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis; and
- value separately the components of asset and liability items.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company, and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the group and the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor Grant Thornton has intimated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

Charles Scerri
Chairman

Brian Friggieri
Director

Registered address:
Busy Bee Group
Zone 4, Mdina Road
Mriehel
Birkirkara CD 4010
Malta

29 March 2022

Corporate governance – Statement of compliance

Introduction

The Prospects MTF Rules issued by the Malta Stock Exchange require qualifying companies admitted to Prospects MTF to observe relevant corporate governance standards, in this case the Code of Principles of Good Corporate Governance ("the Code").

The Board of Directors (the "Board" or the "Directors") of Busy Bee Finance PLC (the "company") acknowledges that although the Code does not dictate or prescribe mandatory rules, compliance with the principles of good corporate governance recommended in the Code is in the best interests of the company, its shareholders and other stakeholders.

The company's decision-making structure is designed to meet the company requirements and to ascertain that decision making is subject to the checks and balances where this is appropriate.

General

Good corporate governance is the responsibility of the Board as a whole, and has been, and remains a priority for the company. In deciding on the most appropriate manner in which to implement the Code, the Board took cognisance of the company's size, nature and operations, and is of the opinion that the adoption of certain mechanisms and structures which may be suitable for companies with extensive operations may not be appropriate for the company. The limitations of size and scope of operations inevitably impact on the structures required to implement the Code, without however diluting the effectiveness thereof.

The Board considers that, to the extent otherwise disclosed herein, the company has generally been in compliance with the Code throughout the period under review.

This Statement shall now set out the structures and processes in place within the company and how these effectively achieve the goals set out in the Code for the period under review. For this purpose, this Statement will make reference to the pertinent principles of the Code and then set out the manner in which the Board considers that these have been adhered to, and where it has not.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles.

The Directors believe that for the financial period under review the company has generally complied with the requirements for each of the Code's main principles. Further information in this respect is provided hereunder.

Principle One: The Company's Board of Directors

The Directors report that for the financial period under review, they have provided the necessary leadership in the overall direction of the company and have performed their responsibilities for the efficient and smooth running of the company with honesty, competence and integrity. The Board is composed of members who are fit and proper to direct the business of the company with honesty, competence and integrity. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The Board has throughout the period under review adopted prudent and effective systems which ensure an open dialogue between the Board and senior management.

The company has a structure that ensures a mix of executive and non-executive directors and that enables the Board to have direct information about the company's performance and business activities.

Principle Two: The Company's Chairman and Chief Executive Officer

The Chairman who acts as an independent non-executive director, exercises independent judgement and is responsible to lead the Board and set its agenda, whilst also ensuring that the directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the company. The Chairman is also responsible for ensuring effective communication with shareholders and ensuring active engagement by all members of the Board for discussion of complex or contentious issues.

The role of the Chief Executive Officer ("CEO") is occupied by an individual, who is separate from the members of the Board of Directors. This ensures a clear division of responsibilities between the running of the Board and the CEO's responsibility of managing the Company's performance. The separation of roles of the Chairperson and the CEO also avoids concentration of authority and power in one individual.

The CEO is responsible to drive and deliver performance within strategic goals and business plans agreed by the Board. He actively leads senior management in the day-to-day running of the company and execution of the agreed strategy. He takes decisions in all matters affecting the operations, performance, and strategy of the business, except for those matters reserved for the Board or specifically delegated by the Board to its Committees.

Principle Three: Composition of the Board

The Board is composed of 4 members, with 2 executive and 2 non-executive Directors. The non-executive Directors are independent from the group. It is responsible for the overall long-term strategy and general policies of the company, of monitoring the company's systems of control and financial reporting and communicating effectively with the market as and when necessary.

The Board of Directors consists of the following:

- Mr Charles Scerri – Chairman/Non-executive director
- Mr Robert Ancilleri – Non-executive Director
- Mr Brian Friggieri – Director
- Mr Geoffrey Friggieri – Director

In accordance with the provisions of the company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the company's shareholders, except in so far as appointment is made by the Board to fill a casual vacancy, which appointment would be valid until the conclusion of the next Annual General Meeting of the company following such an appointment. In terms of the Articles of Association, a Director shall hold office for a period of three years from the date of his appointment. Mr Charles Scerri and Mr Robert Ancilleri are considered by the Board to be independent non-executive members of the Board.

None of the independent non-executive directors:

a) is or has been employed in any capacity with the company and/or the group

b) has or had a significant business relationship with the company and/or the group;

c) has received significant additional remuneration from the company and/or the group;

d) has close family ties with any of the company's executive Directors or senior employees;

e) has served on the Board for more than twelve consecutive years; or

f) is or has been within the last three years an engagement partner or a member of the audit team of the present or former external auditor of the company and/or the group.

Each non-executive Director has declared in writing to the Board that he undertakes:

a) to maintain in all circumstances his independence of analysis, decision and action;

b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and

c) to clearly express his/her opposition in the event that he finds that a decision of the Board may harm the company.

Principle Four: The Responsibilities of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the company. The Board, in fulfilling this mandate and discharging its duty of stewardship of the company, assumes responsibility for the company's strategy and decisions with respect to the issue, servicing and redemption of its bonds in issue, and for monitoring that its operations are in conformity with its commitments towards bondholders, shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the company establishes and operates effective internal control and management information systems and that it communicates effectively with the market.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense.

The Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control and governance; and review the financial reporting processes, financial policies and internal control structure. During the financial period under review, the Audit Committee met four times. Audit committee members attended all meetings during the current financial period.

Although the Audit Committee is set up at the level of the company its main tasks are also related to the activities of the group.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

Furthermore, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Company and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the company.

The Audit Committee is composed of 3 members:

- Mr Robert Ancilleri – Chairman
- Mr Brian Friggieri – Member
- Mr Charles Scerri – Member

Mr Robert Ancilleri and Mr Charles Scerri are non-executive directors and qualified accountants, who the Board considers as independent and competent in accounting.

Internal Control

The Board is ultimately responsible for the company's system of internal controls and for reviewing its effectiveness. The Directors are aware that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against normal business risks.

During the financial period under review the company operated a system of internal controls which provided reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the significant risks facing the company.

Other key features of the system of internal control adopted by the company in respect of its own internal control as well as the control of its subsidiaries and affiliates are as follows:

(a) Control Environment

The group is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. group policies and employee procedures are in place for the reporting and resolution of fraudulent activities. The group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve group objectives.

(b) Risk identification

The Board, with the assistance of the management team, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the company and its subsidiaries are involved. These risks are assessed on a continual basis.

(c) Information and communication

Functional, operating and financial reporting standards are applicable to all entities of the group. These are supplemented by operating standards set by the Board. Systems and procedures are in place to identify, control and to report on the major risks including credit risk, changes in the market prices of financial instruments, liquidity, operational error and fraud. The Board receives periodic management information giving comprehensive analysis of financial and business performance including variances against budgets.

Periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives are regularly convened by the Board. An annual budget is prepared and performance against this plan is actively monitored and reported to the Board.

General Meetings

The general meeting is the highest decision-making body. A general meeting is called by fourteen days' notice and it is conducted in accordance with the Articles of Association.

The Annual General Meeting (AGM) deals with what is termed as "ordinary business", namely, the receiving or adoption of the annual financial statements, the declaration of a dividend, if any, the appointment of the auditors, Board authorisation to fix the auditors' emoluments and the Election of Directors. Other business which may be transacted at a general meeting (including at the AGM) will be dealt with as Special Business.

No business shall be transacted at a general meeting of the company unless a quorum of members is present at the time the meeting proceeds to business. The quorum at any shareholder's meeting shall be any number of members holding not less than seventy-five per cent of the issued paid up shares conferring voting rights in the company. Provided that if within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the same day in the next week at the same time or place or to such other day and such other time and place as all the Directors may determine and if at the adjourned meeting a quorum is not present as described above, the member/s present shall constitute a quorum providing they hold not less than fifty per cent of the issued paid up shares conferring voting rights in the company. Each share shall entitle the holder thereof to one vote.

A shareholder who cannot participate in the general meeting can appoint a proxy by written or electronic notification to the Board.

Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of the general meeting and to have such questions answered by the directors or by such persons as the directors may delegate for that purpose.

Principle Five: Board Meetings

The directors meet regularly to dispatch the business of the board. The directors are notified of forthcoming meetings by the company secretary with the issue of an agenda and supporting Board papers, which are circulated in advance of the meeting. Minutes are prepared during Board meetings recording faithfully attendance, and resolutions taken at the meeting. The chairman ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all directors every opportunity to contribute to relevant issues on the agenda. The agenda on the board seeks to achieve a balance between long-term strategic and short-term performance issues.

The board meets as often as frequently required in line with the nature and demands of the business of the company. Directors attend meetings on a frequent and regular basis and dedicate the necessary time and attention to their duties as directors of the company. The following directors attended board meetings as follows:

Name	Designation	Number of meetings
Mr. Charles Scerri	Chairman/Non-executive director	3 out of 3
Mr. Robert Ancilleri	Non-executive director	3 out of 3
Mr. Brian Friggieri	Director	3 out of 3
Mr Geoffrey Friggieri	Director	3 out of 3

Principle Six: Information and Professional Development

As part of succession planning and employee retention, the Board and CEO ensure that the company implements appropriate schemes to recruit, retain and motivate employees and senior management and keep a high morale amongst employees.

Principle Seven: Evaluation of the Board's Performance

Under the present circumstances, the board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the board's performance is always under the scrutiny of the shareholders of the company.

Principle Eight: Remuneration and Nomination Committees

The board of directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committee. The Issuer will not be incorporating a nomination committee. Appointments to the board of directors are determined by the shareholders of the Issuer in accordance with the company's Memorandum and Articles of Association. The Issuer considers that the members of the board possess the level of skill, knowledge and experience expected in terms of the Code.

Principle Nine and Ten: Relations with Shareholders and with the Market

Pursuant to the company's statutory obligations in terms of the Companies Act (Cap. 386 of the Laws of Malta), the Annual Report and Financial Statements, the election of directors and approval of directors' fees, the appointment of the auditors and the authorisation of the directors to set the auditors' fees, and other special business, are proposed and approved at the company's Annual General Meeting.

With respect to the company's bondholders and the market in general, during the financial period under review, there was no need to issue any company announcements to the market. Bondholders are kept updated through the publication of the Annual Report and Financial Statements and by publishing its results on a six-monthly basis during the period, and through company announcements to the market in general.

Principle Eleven: Conflicts of Interest

All of the directors of the company, except for Mr Charles Scerri and Mr Robert Ancilleri, are executive officers of the company. The executive Directors, Mr Geoffrey Friggieri and Mr Brian Friggieri, have a direct beneficial interest in the share capital of the company, and as such are susceptible to conflicts arising between the potentially diverging interests of the shareholders and the company. During the financial period under review, no private interests or duties unrelated to the company were disclosed by the directors which were or could have likely placed any of them in conflict with any interests in, or duties towards the company.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the company. Furthermore, in accordance with the provisions of article 145 of the Companies Act (Cap. 386 of the Laws of Malta), every director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company is under the duty to fully declare his interest in the relevant transaction to the board at the first possible opportunity. He will not be entitled to vote on matters relating to the proposed transaction and only parties who do not have any conflict in considering the matter will participate in the consideration of the proposed transaction (unless the Board finds no objection to the presence of such Director with conflict of interest).

Principle Twelve: Corporate Social Responsibility

The company seeks to adhere to sound Principles of Corporate Social Responsibility in its management practices and is committed to enhance the quality of life of all stakeholders and of the employees of the company and the group.

The Board is mindful of the environment and its responsibility within the community in which it operates.

In carrying on its business, the group is fully aware and at the forefront to preserving the environment and continuously review its policies aimed at respecting the environment and encouraging social responsibility and accountability.

In conclusion, the Board considers that the company has generally been in compliance with the Principles throughout the period under review as befits a company of this size and nature. Non-compliance with the principles and the reasons thereof have been identified above.

Approved by the board of directors and signed on its behalf on 29 March 2022 by:

Charles Scerri
Chairman

Brian Friggieri
Director

Statements of profit or loss and other comprehensive income

	Notes	The Group		The Company	
		2021	2020	2021	2020
		€	€	€	€
Revenue	6	**4,399,015**	**3,783,239**	**486,000**	**486,000**
Cost of sales		(3,086,029)	(2,612,002)	-	-
Gross profit		**1,312,986**	**1,171,237**	**486,000**	**486,000**
Administrative expenses		(1,518,301)	(1,675,186)	(583,702)	(569,672)
Operating loss		**(205,315)**	**(503,949)**	**(97,702)**	**(83,672)**
Interest income	7	-	-	269,735	269,731
Movement in fair value of investment property	13	270,000	-	-	-
Other income	8	796,159	480,667	108,332	73,200
Finance costs	9	(319,828)	(320,062)	(250,000)	(250,685)
Profit (loss) before tax	10	**541,016**	**(343,344)**	**30,365**	**8,574**
Tax (expense) income	11	(484,317)	1,455,846	(10,652)	12,738
Profit for the year		**56,699**	**1,112,502**	**19,713**	**21,312**
Total comprehensive income for the year		**56,699**	**1,112,502**	**19,713**	**21,312**
Earnings per share	12	**1.13**	**22.25**		

Statements of financial position

	Notes	The Group		The Company	
		2021	2020	2021	2020
		€	€	€	€
Assets					
Non-current					
Investment property	13	3,885,000	3,615,000	-	-
Property, plant and equipment	14	7,134,955	6,909,280	-	-
Intangible assets	15	1,586,899	1,500,000	-	-
Right-of-use asset	16	560,348	569,729	-	-
Investment in subsidiaries	17	-	-	102,400	102,400
Loans and receivables	18	39,685	26,564	5,460,000	5,460,000
Deferred tax	19	1,454,307	2,099,970	2,086	12,738
		14,661,194	**14,720,543**	**5,564,486**	**5,575,138**
Current					
Inventories	20	750,285	698,310	-	-
Trade and other receivables	21	956,951	400,842	279,354	262,778
Cash at bank and in hand	22	261,645	236,923	95,216	110,369
		1,968,881	**1,336,075**	**374,570**	**373,147**
Total assets		**16,630,075**	**16,056,618**	**5,939,056**	**5,948,285**

Statements of financial position – continued

	Notes	The Group 2021 €	The Group 2020 €	The Company 2021 €	The Company 2020 €
Equity					
Capital and reserves					
Called up issued share capital	23	50,000	50,000	50,000	50,000
Share premium		50,752	50,752	50,752	50,752
Revaluation reserve		2,238,274	1,680,000	-	-
Shareholder's loan	24	4,330,783	4,357,482	600,000	600,000
Retained earnings		2,124,977	2,068,278	(39,972)	(59,685)
Total equity		**8,794,786**	**8,206,512**	**660,780**	**641,067**
Liabilities					
Non-current					
Debt securities in issue	25	4,847,332	4,829,670	4,847,332	4,829,670
Long-term borrowings	26	630,340	693,431	-	-
Lease liability	27	586,859	581,444	-	-
		6,064,531	**6,104,545**	**4,847,332**	**4,829,670**
Current					
Debt securities in issue	25	17,662	17,662	17,662	17,662
Short-term borrowings	26	79,843	155,911	-	-
Trade and other payables	28	1,671,069	1,570,039	413,282	459,886
Current tax liability		2,184	1,949	-	-
		1,770,758	**1,745,561**	**430,944**	**477,548**
Total liabilities		**7,835,289**	**7,850,106**	**5,278,276**	**5,307,218**
Total equity and liabilities		**16,630,075**	**16,056,618**	**5,939,056**	**5,948,285**

The financial statements on pages 13 to 49 were approved by the board of directors, authorised for issue on 29 March 2022 and signed on its behalf by:

Charles Scerri
Chairman

Brian Friggieri
Director

Statement of changes in equity – the Group

	Called up issued share capital €	Share premium €	Shareholder's loan €	Retained earnings €	Revaluation reserve €	Total €
At 1 December 2019	50,000	50,752	4,181,062	955,776	1,680,000	6,917,590
Profit for the period	-	-	-	1,112,502	-	1,112,502
Total comprehensive income	-	-	-	**1,112,502**	-	**1,112,502**
Shareholder's loan	-	-	176,420	-	-	176,420
At 30 November 2020	**50,000**	**50,752**	**4,357,482**	**2,068,278**	**1,680,000**	**8,206,512**
At 1 December 2020	50,000	50,752	4,357,482	2,068,278	1,680,000	8,206,512
Profit for the year	-	-	-	56,699	-	56,699
Total comprehensive income	-	-	-	56,699	-	56,699
Revaluation of leasehold property, net of deferred tax	-	-	-	-	558,274	558,274
Shareholder's loan	-	-	(26,699)	-	-	(26,699)
At 30 November 2021	**50,000**	**50,752**	**4,330,783**	**2,124,977**	**2,238,274**	**8,794,786**

Retained earnings include current and prior period results as disclosed in the statement of profit or loss and other comprehensive income.

Statement of changes in equity – the Company

	Called up issued share capital	Share premium	Shareholder's loan	Accumulated losses	Total
	€	€	€	€	€
At 1 December 2019	50,000	50,752	600,000	(80,997)	619,755
Profit for the year	-	-	-	21,312	21,312
Total comprehensive income	**-**	**-**	**-**	**21,312**	**21,312**
At 30 November 2020	**50,000**	**50,752**	**600,000**	**(59,685)**	**641,067**
At 1 December 2020	50,000	50,752	600,000	(59,685)	641,067
Profit for the year	-	-	-	19,713	19,713
Total comprehensive income	**-**	**-**	**-**	**19,713**	**19,713**
At 30 November 2021	**50,000**	**50,752**	**600,000**	**(39,972)**	**660,780**

Retained earnings include current and prior period results as disclosed in the statement of profit or loss and other comprehensive income.

Statements of cash flows

	Notes	The Group		The Company	
		2021	2020	2021	2020
		€	€	€	€
Operating activities					
Profit (loss) before tax		541,016	(343,344)	30,365	8,574
Adjustments for:					
Gain on revaluation of investment property		(270,000)	-	-	-
Depreciation		493,775	493,112	-	-
Reversal of depreciation on revaluation		(174,913)	-	-	-
Amortisation		26,273	9,381	-	-
Bonds issue costs amortisation		17,662	17,652	17,662	17,662
Interest expense		319,828	320,062	250,000	250,685
Interest income		-	-	(269,735)	(269,731)
Tax loss surrendered to other related party for consideration		163,530	-	-	-
Operating profit before working capital movements		**1,117,171**	**496,863**	**28,292**	**7,190**
Movement in inventories		(51,975)	(73,094)	-	-
Movement in trade and other payables		(569,230)	181,785	(46,604)	184,434
Movement in trade and other receivables		99,080	(70,842)	253,159	142,682
Cash flows generated from operations		595,046	534,712	234,847	334,306
Interest paid		(25,319)	(25,281)	-	-
Net cash from generated from operating activities		**569,727**	**509,431**	**234,847**	**334,306**
Investing activities					
Acquisition of property, plant and equipment		(41,023)	(278,568)	-	-
Acquisition of intangible assets		(49,031)	-	-	-
Net cash used in investing activities		**(90,054)**	**(278,568)**	-	-

Statements of cash flows – continued

	Notes	The Group		The Company	
		2021	2020	2021	2020
		€	€	€	€
Financing activities					
Movement in bank loans		(65,609)	(31,855)	-	-
Interest payment for debt securities		(250,000)	(250,695)	(250,000)	(250,695)
Increase in shareholders' contribution		(26,699)	176,420	-	-
Payments for lease liability		(39,094)	(41,762)	-	-
Net cash used in financing activities		**(381,402)**	**(147,892)**	**(250,000)**	**(250,695)**
Net movement in cash and cash equivalents		**98,271**	**82,971**	**15,153**	**83,611**
Cash and cash equivalents, beginning of year		146,962	63,991	110,369	26,758
Cash and cash equivalents, end of year	22	**245,233**	**146,962**	**95,216**	**110,369**

Notes to the financial statements

1 Nature of operations

Busy Bee Finance PLC is a public limited liability company incorporated in Malta. The company's registered address is Busy Bee Group, Zone 4, Mdina Road, Mriehel, Birkirkara CBD 4010, Malta. The company was formed principally 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 company was incorporated on 31 July 2018.

The company is a public company whose bonds are publicly listed and traded on the Malta Stock Exchange.

The parent company is Busy Bee Limited with registered office and principal place of business at Busy Bee Group, Zone 4, Mdina Road, Mriehel, Birkirkara CBD 4010, Malta.

2 General information, statement of compliance with International Financial Reporting Standards (IFRS)

The financial statements of the company and the consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the Companies Act, Cap 386.

The ultimate parent company of the group is Busy Bee Limited, with registered office and principal place of business at Busy Bee Group, Zone 4, Mdina Road, Central Business District, Mriehel, Birkirkara CBD 1040, Malta. The ultimate parent company of the group, Busy Bee Limited, prepares consolidated financial statements which are available for public inspection at the Malta Business Registry.

The financial statements are presented in euro (€), which is also the functional currency of the company and the group.

3 Consideration of the effects of Covid-19

Following the outbreak of the COVID-19 pandemic, the directors have continued to actively monitor all developments currently taking place in Malta in order to take any immediate action to safeguard the interests of the group as changes in the business environment become more evident or any deterioration suspected. Such events are expected to have an impact on the performance and financial position of the group in the future due to any effects that this pandemic is having on the economy.

The results for the current year show that the group has achieved satisfactory results. Whilst the situation remains extremely fluid and future events may have an adverse effect on the group's profitability in the medium to longer term, as well as its liquidity and financial position, the outlook remains cautiously optimistic.

The group has taken all measures possible in order to protect its staff in line with Government guidelines and will continue to do so for a smooth transition into a period of uncertainty.

4 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the group and company

At the date of authorisation of these financial statements, certain new standards, amendments, and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the group and company.

Management anticipates that all relevant pronouncements will be adopted in the group's and company's accounting policies for the first period beginning after the effective date of the pronouncement. No new standards, amendments and interpretations are expected to have a material impact on the group's and company's financial statements.

5 Significant accounting policies

5.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement basis specified by IFRS as adopted by the EU for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The significant accounting policies have been consistently applied by the group, and are consistent with those used in previous years.

The financial information has been prepared from the audited financial statements of the companies comprising the group (see note 17).

5.2 Presentation of financial statements

The consolidated financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements* (revised 2007).

5.3 Basis of consolidation

The group financial statements consolidate those of the company and its subsidiary undertakings drawn up to 30 November 2021. Subsidiaries are all entities over which the group has the power to control the financial and operating policies. The group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 November.

All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses including depreciation expense on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The consolidated financial statements have been prepared from the financial statements of the companies as set out in note 17.

5.4 Business combination

The group applies the acquisition method in accounting for business combinations. The consideration transferred by the group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the statements of profit or loss and other comprehensive income.

A merger of entities under common control is accounted for by applying the pooling of interests method (predecessor accounting). Under this method, the financial statement items of the combining entities for the period in which the combination occurs and for any comparative periods disclosed are included in the financial statements of the company (the acquirer) as if they had been combined from the beginning of the earliest period presented. Any difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount recorded for the share capital acquired is adjusted against reserves.

5.5 Revenue and expense recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the group for goods supplied, excluding VAT and trade discounts.

To determine whether to recognise revenue, the group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers is recognised when performance obligations have been satisfied and the consideration to which the company expects to be entitled to can be measured reliably.

The company and the group evaluate all contractual arrangements it enters into and evaluate the nature of the promised goods or services, and rights and obligations under the arrangement, in determining the nature of its performance obligations. Where such performance obligations are capable of being distinct and are distinct in the context of the contract, the consideration the company or group expect to be entitled under the arrangement is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue is recognised at an amount equal to the transaction price allocated to the specific performance obligation when it is satisfied, either at a point in time or over time, as applicable, based on the pattern of transfer of control.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Food and beverage revenues

Revenue from the sale of food and beverages is recognised when or as the group transfers control of the assets to the customer. Control is transferred at a point in time, when the customer takes undisputed delivery of the goods.

Rental income

Operating leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Lease income from operating leases shall be recognised in income on a straight line basis over the lease term.

5.6 Expense recognition

Expenses are recognised in the statements of profit or loss and other comprehensive income upon utilisation of the service or at the date of their origin.

5.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs'.

5.8 Foreign currency translation

Functional and presentation currency

The financial statements are presented in euro (€), which is also the group's functional currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the group using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statements of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date).

5.9 Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise and the cost can be measured reliably. Investment property is initially recognised at cost, including transaction costs.

Subsequent to initial recognition, investment property is stated at fair value unless the investment property is classified or included in a disposal group that is classified as held for sale, in which case, the investment property is measured at the lower of its carrying amount and fair value less costs to sell. Gains or losses arising from changes in fair value of investment property are recognised in profit and loss in the period in which the changes arise. The fair value movement on investment property, net of tax, is reclassified in the statement of changes in equity from retained earnings to the revaluation reserve.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal of proceeds, if any, and the carrying amount, and are recognised in the statement of profit or loss and other comprehensive income in the period of derecognition.

5.10 Property, plant and equipment

The group's property, plant and equipment are classified into the following classes; long leasehold property, office equipment, plant and machinery, furniture and fittings, and fixtures and fittings. Property, plant and equipment are initially recorded at cost. Except for long leasehold property, they are subsequently stated at cost less accumulated depreciation and impairment losses.

Land and buildings are held for use in the production or supply of goods or services or for administrative purposes. Subsequent to initial recognition, long leasehold property is stated at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made for the entire class of long leasehold property and with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the date of the statement of financial position. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Any revaluation increase arising on the revaluation is credited to the revaluation reserve unless it reverses a revaluation decrease for the same asset previously recognised in the profit and loss, in which case, the increase is credited to profit and loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is recognised in profit and loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the statement of profit or loss and other comprehensive income in the period of derecognition.

Depreciation is provided at rates intended to write off the cost of the assets or revalued amounts over their expected useful lives. The annual rates used are as follows:

Long leasehold property	2% Straight line on a monthly basis
Office equipment	20% Straight line on a monthly basis
Plant and machinery	7% Straight line on a monthly basis
Fixtures and fittings	5 – 10% Straight line on a monthly basis

5.11 Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost. Expenditure on an intangible asset is recognised as an expense in the period when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets with indefinite useful lives are not systematically amortised and are tested for impairment annually whenever there is an indication that the intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

The brand comprises the 'Busy Bee' brand name which was acquired from a related party. The brand does not have a finite life and is measured at cost less accumulated impairment losses. The brand is regarded as having an indefinite life, since based on all relevant factors, there is not foreseeable limit to the period over which the asset is expected to generate cash inflows.

5.12 Impairment testing of investment property, intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, the group's management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by the group's management.

Impairment losses are recognised immediately in the statement of profit or loss and other comprehensive income. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.13 Leases

The Group as a lessee

For contracts entered into, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the group;
- the group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the group has the right to direct the use of the identified asset throughout the period of use. The group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the group recognises a right of use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the commencement date (net of any incentives received).

The group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At lease commencement date, the group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, the company has opted to disclose the right-of-use assets and lease liabilities as separate financial statement line items.

Operating leases as a lessee

All other leases are treated as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term, where the lessee does not bear substantially all of the risks and rewards of ownership associated with the asset. Associated costs, such as maintenance and insurance, are expensed as incurred.

5.14 Investment in subsidiaries

Investment in subsidiaries are included in the company's statement of financial position at cost less any impairment loss that may have arisen. Income from investment is recognised only to the extent of distributions received by the companies from post-acquisition profits. Distributions received in excess of such profits are regarded as a recovery of the investment and are recognised as a reduction of the cost of the investment.

At each reporting date, the company reviews the carrying amount of its investments in subsidiaries to determine whether there is any indication of impairment and, if any such indication exists, the recoverable amount of the investment is estimated. An impairment loss is the amount by which the carrying amount of an investment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss that has been previously recognised is reversed if the carrying amount of the investment exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined if no impairment loss had been previously recognised. Impairment losses and reversals are recognised immediately in income statement.

5.15 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business, less the costs of completion and selling expenses.

5.16 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company and group become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The company and the group do not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statements of profit or loss and other comprehensive income are presented within 'finance costs' or 'finance income'.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's and the group's cash and cash equivalents, loans and receivables fall into this category of financial instruments.

Trade and other receivables

The company and group make use of the simplified approach in accounting for trade and other receivables and record the loss allowance as lifetime expected credit losses. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company and the group use their historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The company and the group assess impairment of trade receivables on a collective basis as they possess share credit risk characteristics.

Classification and measurement of financial liabilities

The company's and the group's financial liabilities include trade and other payables and lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company and the group designate a financial liability at fair value through profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit or loss and other comprehensive income are included within 'finance costs' or 'finance income'.

Offsetting financial instruments

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

5.17 Income taxes

Tax expense recognised in the statements of profit or loss and other comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from the income statement in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income.

Deferred tax assets and liabilities are offset only when the company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the income statement, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

5.18 Cash and cash equivalents

In the consolidated statements of financial position, cash and cash equivalents comprise cash in hand and deposits repayable on demand. Bank balances overdrawn are shown under borrowings.

5.19 Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Ay transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Revaluation surplus represents the increase in fair value of property.

Shareholders' loan is unsecured, interest-free and repayable at the discretion of the company. Consequently this has been classified with equity.

Retained earnings include all current and prior period results.

5.20 Employee benefits

The company and the group contribute towards the state pension in accordance with local legislation. The only obligation of the company and the group is to make the required contributions. Costs are expensed in the period in which they are incurred.

5.21 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.22 Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. 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 only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Except as disclosed below, 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 in terms of the requirements of IAS 1 (revised).

Significant management judgement

Recognition of provision and contingencies

Judgement is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in note 5.21.

Recognition of deferred tax assets

The extent to which deferred tax asset can be recognised is based on an assessment of the probability of the company's future taxable income against which the deferred tax asset can be utilised. The assessment is based on the latest approved budget forecast and if a positive forecast of taxable income indicates the probable use of a deferred tax asset that deferred tax asset is recognised in full.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

The company estimates the useful lives of plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Leases - Estimating the incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the company's stand-alone credit rating).

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

6 Revenue

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Service fees	-	-	486,000	486,000
Rental income	148,176	158,152	-	-
Royalty income	172,230	149,300	-	-
Retail income	4,078,609	3,475,787	-	-
	4,399,015	**3,783,239**	**486,000**	**486,000**

There are no direct operating costs associated with service fees

7 Interest income

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Interest income from subsidiaries	-	-	269,735	269,731

8 Other income

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Other income	18,102	6,341	-	-
EBITDA charge	243,961	93,223	-	-
Covid wage supplement	534,096	381,103	108,332	73,200
	796,159	**480,667**	**108,332**	**73,200**

9 Finance costs

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Interest on debt securities in issue	250,000	250,685	250,000	250,685
Interest on bank loan	25,319	25,281	-	-
Interest expense on lease liability	44,509	44,096	-	-
	319,828	**320,062**	**250,000**	**250,685**

10 Profit (loss) before taxation

Profit (loss) before taxation is stated after charging:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Staff costs	1,615,553	1,478,365	306,385	305,663
Directors' remuneration	220,131	213,288	220,131	213,288
Auditors' remuneration	9,150	8,700	3,900	3,700
Depreciation and amortisation	520,048	502,493	-	-
Tax compliance fees charged by the auditors	1,740	1,650	420	400

Staff costs:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Wages and salaries	2,739,640	2,573,673	425,910	645,456
Social securities	199,949	201,297	27,766	29,916
Wages recharged	(1,324,036)	(1,296,605)	(147,291)	(156,421)
	1,615,553	**1,478,365**	**306,385**	**518,951**

The average number of employees (based pro-rata on a 40-hour week) during the period were:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Administration	12	17	10	15
Operations	116	115	5	5
	128	**132**	**15**	**20**

11 Tax expense

The major components of tax expense and the reconciliation of the expected tax income (expense) based on the effective tax rate of the group and the company at 35% (2020: 35%) and the reported tax income (expense) in the statement of profit or loss and other comprehensive income are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
(Loss) profit before tax	541,016	(343,344)	30,365	8,574
Tax rate	35%	35%	35%	35%
Expected tax income (expense) at the applicable rate	**(189,356)**	**120,170**	**(10,628)**	**(3,001)**
Tax effect of permanent differences:	50,005	173,596	-	-
Disallowed expenses	(24)	-	(24)	-
Group loss surrendered at no cost	5,058	-	-	-
Amortisation of intellectual property	(350,000)	-	-	-
Surrendered losses from related parties	-	29,343	-	15,739
Tax effect on unrecognised temporary differences	-	1,132,737	-	-
Tax income (expense)	**(484,317)**	**1,455,846**	**(10,652)**	**12,738**

12 Earnings per share

The earnings per share have been calculated on the profit for the period of € 56,699 (2020: € 1,112,502) divided by the weighted average number of ordinary shares in issue during the year.

	The group	
	2021	2020
	No	No
Weighted average number of shares in issue	50,000	50,000
	€	€
Earnings per share	1.13	22.25

13 Investment property – The group

	Freehold land and buildings €
Fair value	
At 1 December 2019 / At 30 November 2020	**3,615,000**
At 1 December 2020	3,615,000
Movement in fair value	270,000
At 30 November 2021	**3,885,000**
Carrying amount	
At 30 November 2020	**3,615,000**
At 30 November 2021	**3,885,000**

The fair value of investment property in 2021 is based on valuations carried out by an independent architect. The architect is qualified and has recent experience in valuation of similar properties.

The fair value of investment property as at 30 November 2020 is based on an internal assessment made by the directors to reflect market conditions as at that date. The directors confirmed that the fair value of the investment property was not materially different from its carrying amount as at 30 November 2019. Therefore, no fair value gains or losses were recognised in the prior year.

Details of the investment property and the information about the fair value hierarchy as at 30 November 2021 and 2020 are as follows:

Type of property	Level 1 €	Level 2 €	Level 3 €	Total €	Date of valuation
Commercial property	-	1,585,000	-	1,585,000	31/01/2022
Commercial property	-	-	580,000	580,000	31/01/2022
Residential	-	1,720,000	-	1,720,000	31/01/2022
Total	**-**	**3,305,000**	**580,000**	**3,885,000**	

Type of property	Level 1 €	Level 2 €	Level 3 €	Total €	Date of valuation
Commercial property	-	1,465,000	-	1,465,000	04/05/2018
Commercial property	-	-	550,000	550,000	13/11/2018
Residential	-	1,600,000	-	1,600,000	13/11/2018
Total	**-**	**3,065,000**	**550,000**	**3,615,000**	

For investment property categorised under Level 2 of the fair value hierarchy, the following approaches an inputs were used:

Type of property	Valuation technique	Inputs
Commercial property amounting to € 1,585,000 (2020: € 1,465,000)	Market approach	The value of the property was based on the selling price of similar commercial property
Residential property amounting to € 1,720,000 (2020: € 1,600,000)	Market approach	The value of the property was based on market prices for comparable advertised properties taking into account the size, fit out of the subject units, location of the property and current situation of the residential property market. Valuation was based on a conservative rate of € 1,800/sq.m over the entire area

For investment property categorised under Level 3 of the fair value hierarchy, the following approach and inputs were used:

Type of property	Valuation technique	Inputs	Sensitivity
Commercial property	Income approach	Capitalisation rate at 6.5%, and yearly rental income of € 37,700 (2020: € 36,000)	The higher the capitalisation rate, the lower the fair value. The higher the rental income, the higher the fair value.

14 Property, plant and equipment – The Group

	Long leasehold property €	Office equipment €	Plant and machinery €	Furniture and fittings €	Fixtures And fittings €	Total €
Fair value/cost						
At 1 December 2019	3,121,726	77,259	473,121	715,833	3,366,834	7,754,773
Additions	-	67,176	14,947	5,815	190,630	278,568
At 30 November 2020	**3,121,726**	**144,435**	**488,068**	**721,648**	**3,557,464**	**8,033,341**
At 1 December 2020	3,121,726	144,435	488,068	721,648	3,557,464	8,033,341
Additions	-	12,067	9,597	10,620	8,739	41,023
Reclassification		(67,072)	-	-	-	(67,072)
Revaluation	558,274	-	-	-	-	558,274
At 30 November 2021	**3,680,000**	**89,430**	**497,665**	**732,268**	**3,566,203**	**8,565,566**
Depreciation						
At 1 December 2019	76,253	17,885	39,133	90,714	406,964	630,949
Charge for the period	49,333	25,888	32,273	71,863	313,755	493,112
At 30 November 2020	**125,586**	**43,773**	**71,406**	**162,577**	**720,719**	**1,124,061**
At 1 December 2020	125,586	43,773	71,406	162,577	720,719	1,124,061
Charge for the year	49,327	16,843	32,826	72,932	321,847	493,775
Reclassification	-	(12,312)	-	-	-	(12,312)
Revaluation	(174,913)	-	-	-	-	(174,913)
At 30 November 2021	-	**48,304**	**104,232**	**235,509**	**1,042,566**	**1,430,611**
Carrying amount						
At 31 December 2020	**2,996,140**	**100,662**	**416,662**	**559,071**	**2,836,745**	**6,909,280**
At 31 December 2021	**3,680,000**	**41,126**	**393,433**	**496,759**	**2,523,637**	**7,134,955**

Had the Group's long leasehold property been measured on a historical cost basis, the carrying amount would have been € 2,454,050.

The fair value of the long leasehold property of the group as at 30 November 2021 is based on the valuation carried out by an independent architect. The architect is qualified and has experience in the valuation of properties of similar locations and categories.

Details of the long leasehold property and the information about the fair value hierarchy as at the end of the period is as follows:

Type of property	Level 1	Level 2	Level 3	Total	Date of valuation
	€	€	€	€	
Commercial property	-	-	3,680,000	3,680,000	31.01.2022

There were no transfers between the hierarchy levels during the period.

For long leasehold property categorised under Level 3 of the fair value hierarchy, the following approach and inputs were used:

Type of property	Valuation technique	Inputs	Sensitivity
Commercial property	Income approach	Capitalisation rate at 8.5%, a yearly rental income of € 611,350 and a sinking fund at the rate of 3%, net of the other property, plant and equipment at the date of valuation	The higher the capitalisation rate and the sinking fund rate, the lower the fair value The higher the rental income, the higher the fair value.

Details of the long leasehold property and the information about the fair value hierarchy as at the end of the prior period is as follows:

Type of property	Level 1	Level 2	Level 3	Total	Date of valuation
	€	€	€	€	
Commercial property	-	-	3,121,726	3,121,726	09.08.2018

There were no transfers between the hierarchy levels during the period.

For long leasehold property categorised under Level 3 of the fair value hierarchy, the following approach and inputs were used:

Type of property	Valuation technique	Inputs	Sensitivity
Commercial property	Income approach	Capitalisation rate at 8.5%, a yearly rental income of € 586,150 and a sinking fund at the rate of 3%, net of the other property, plant and equipment at the date of valuation	The higher the capitalisation rate and the sinking fund rate, the lower the fair value The higher the rental income, the higher the fair value.

15 Intangible assets - The Group

	Brand €	Software €	Total €
Cost			
At 1 December 2019 / At 31 November 2020	**1,500,000**	**-**	**1,500,000**
At 1 December 2020	1,500,000	-	1,500,000
Additions	-	49,031	49,031
Reclassification	-	67,072	67,072
At 30 November 2021	**1,500,000**	**116,103**	**1,616,103**
Amortisation			
At 1 December 2020	-	-	-
Charge for the year	-	16,892	16,892
Reclassification	-	12,312	12,312
At 30 November 2021	**-**	**29,204**	**29,204**
Carrying amount			
At 30 November 2020	**1,500,000**	**-**	**1,500,000**
At 30 November 2021	**1,500,000**	**86,899**	**1,586,899**

The group, through Busy Bee IP Limited, acquired the "Busy Bee" brand from related party for a consideration of € 1,500,000. This value was determined by independent valuers using the Royalty Relief method on the basis of the projected income statements of the business as at the end of 2018.

Following the above acquisition, the group entered into an agreement with related parties by virtue of which the latter acquired the right to use the "Busy Bee" brand on their products against a payment of 3% of revenue generated by them. For the year ended 30 November 2021 the group received royalty fees amounting to € 172,230 (2020: €149,300).

The value of the brand was determined by discounting the forecast future cash flows representing royalty payments saved by for a ten-year explicit period 2019 - 2028. The following are the key assumptions underlying the projections:

• revenue derived from use of the Busy Bee Brand is based on operational projections. Revenue is assumed to increase by 3% per annum
• a discount rate of 9.1% was applied to the operating projections.

The brand was tested for impairment by the directors whose work confirmed that since the preparation of the valuation on which the transaction was based in 2019 there were no material changes which require the recognition of an impairment charge as at 31 December 2021.

16 Right-of-use asset

Details of the company's right-of-use asset and its carrying amount can be analysed as follows:

	Leased property €
Cost	
Adjustment on transition to IFRS16	579,110
At 30 November 2020	**579,110**
At 1 December 2021 / At 30 November 2021	**579,110**
Accumulated depreciation	
Charge for the year	9,381
At 30 November 2020	**9,381**
At 1 December 2021	9,381
Charge for the year	9,381
At 30 November 2021	**18,762**
Carrying amount at 30 November 2020	**569,729**
Carrying amount at 30 November 2021	**560,348**

The depreciation charge on right-of-use assets was included in the statement of comprehensive income under "Administrative expenses".

17 Investment in subsidiaries

The amount stated in the statement of financial position is analysed as follows:

	The Company €
Cost	
At 30 November 2020 and 2021	**102,400**

Set out below are the details of the subsidiaries held directly by the group:

Subsidiary companies	Registered office	Percentage holding 2021 %	2020 %	Nature of business
Busy Bee Properties Limited	Busy Bee Group, Zone 4, Mdina Road, Mriehel, Birkirkara CBD 4010, Malta	100	100	Immovable property
Busy Bee IP Limited	Busy Bee Group, Zone 4, Mdina Road, Mriehel, Birkirkara CBD 4010, Malta	100	100	Intellectual property
Busy Bee Manufacturing Limited	Busy Bee Group, Zone 4, Mdina Road, Mriehel, Birkirkara CBD 4010, Malta	100	100	Manufacturing

18 Loan and receivables

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Financial assets:				
Loans due from subsidiaries	-	-	5,460,000	5,460,000
Accrued income	39,685	26,564	-	-
Loans and receivables	**39,685**	**26,564**	**5,460,000**	**5,460,000**

Loans due from subsidiaries amounting to € 4,860,000 (2020: € 4,860,000) are unsecured, bear interest at 5.5% per annum and are repayable by 28 June 2029. Loans to subsidiary amounting to € 600,000 (2020: € 600,000) are unsecured, interest free and repayable at the discretion of the subsidiary.

19 Deferred tax

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Unabsorbed tax losses and capital allowances	790,935	820,927	2,086	12,738
Excess of capital allowances over depreciation	(443,748)	(381,353)	-	-
Unabsorbed tax credit	1,981,215	1,990,171	-	-
Right of use asset	10,926	5,225	-	-
Revaluation of property	(360,021)	(335,000)	-	-
Intangible asset	(525,000)	-	-	-
	1,454,307	**2,099,970**	**2,086**	**12,738**

20 Inventories

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Goods held for re-sale	750,285	698,310	-	-

21 Trade and other receivables

Trade and other receivables consist of the following:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Current				
Trade receivables	27,678	-	-	-
Amounts owed by subsidiaries	-	-	149,642	112,928
Amounts owed from related parties	820,915	346,515	-	20,747
Accrued income	2,262	3,938	115,282	115,282
Other receivables	74,738	2,813	-	-
Financial assets	**925,593**	**353,266**	**264,924**	**248,957**
Prepayments	31,358	47,576	14,430	13,821
Trade and other receivables – current	**956,951**	**400,842**	**279,354**	**262,778**

Amounts owed from related parties and subsidiaries are unsecured, interest-free and have no fixed date of repayment.

22 Cash and cash equivalents

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Bank deposits	261,645	236,923	95,216	110,369
Cash and cash equivalents in the statement of financial position	**261,645**	**236,923**	**95,216**	**110,369**
Bank balance overdrawn (note 26)	(16,412)	(89,961)	-	-
Cash and cash equivalents in the statement of cash flows	**245,233**	**146,962**	**95,216**	**110,369**

23 Called up issued share capital

The share capital of Busy Bee Finance PLC consists only of ordinary shares with a par value of € 1. All shares are equally eligible to receive dividends and repayment of capital, and represent one vote at the shareholders' meeting of the company.

	2021	2020
	€	€
Shares issued and fully paid at 31 November		
50,000 ordinary shares of € 1 each	**50,000**	**50,000**
Shares authorised at 31 November		
50,000 ordinary shares of € 1 each	**50,000**	**50,000**

24 Shareholder's loan

Shareholder's loan is unsecured, interest-free and is repayable at the option of the company. This loan has therefore been classified with equity.

25 Debt securities in issue

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
5% unsecured bonds redeemable 2029	4,864,994	4,847,332	4,864,994	4,847,332
	4,864,994	**4,847,332**	**4,864,994**	**4,847,332**
Nominal Value				
5% unsecured bonds redeemable 2029	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**
Issue Cost	174,916	174,916	174,916	174,916
Accumulated amortisation	(39,910)	(22,248)	(39,910)	(22,248)
Closing net book amount	**135,006**	**152,668**	**135,006**	**152,668**
Amortised cost at 30 November	**4,864,994**	**4,847,332**	**4,864,994**	**4,847,332**
Falling due with one year	17,662	17,662	17,662	17,662
Falling due between two to five years	70,648	70,648	70,648	70,648
Falling due between over five years	4,776,684	4,759,022	4,776,684	4,759,022
	4,864,994	**4,847,332**	**4,864,994**	**4,847,332**

By virtue of the company Admission document dated 17 June 2019 the company has issued 5,000,000 5% unsecured bonds of a nominal value of € 100 per bond. The bonds are redeemable at their nominal value on 28 June 2029.

Interest on the bonds is due and payable annually on 28 June of each year.

The bonds have been admitted on Prospects MTF, a multilateral trading facility operated by the Malta Stock Exchange. The carrying amount of the bonds is net of direct issue costs of €135,006 (2020: € 152,668) which are being amortised over the life of the bonds.

26 Borrowings

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Falling due within one year:				
Bank balance overdrawn	16,412	89,961	-	-
Bank loan	63,431	65,950	-	-
Short term borrowings	**79,843**	**155,911**	-	-
Falling due between two and five years:				
Bank loan	475,340	538,431	-	-
Amounts owed by other related parties	155,000	155,000	-	-
	630,340	**693,431**	-	-
Falling due after five years:				
Bank loan	-	-	-	-
Long term borrowings	**630,340**	**693,431**	-	-
Total borrowings	**710,183**	**849,342**	-	-

Bank loan

One of the subsidiaries has a bank loan amounting to € 604,381. The loan is secured by a general hypothec over the subsidiary's assets, by a special hypothec over property owned by the subsidiary, by pledges taken over various insurance policies, by guarantees of the parent company, and by personal guarantees of the directors. It bears interest at 4% per annum and is repayable by monthly instalments of € 7,409 inclusive of interest. After expiry of a fixed-rate period of four years, the loan is repayable by monthly instalments of € 7,551.

Amounts owed by other related parties

Amounts owed by other related parties are unsecured, interest-free and have no fixed date of repayment.

27 Lease liability – the Group

Lease liability is included in the statement of financial position as follows:

	2021 €	2020 €
Non-current	586,859	581,444
	586,859	**581,444**

The group has a lease for the Busy Bee Mriehel Factory. The lease is included as a right-of-use asset in the statement of financial position. (see note 16).

Each lease generally imposes a restriction that, unless there is a contractual right for the group to sublet the asset to another party, the right-of-use asset can only be used by the group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The group is prohibited from lending or transferring the underlying leased assets. Upon termination, the right-of-use assets shall be returned to the lender in as good a condition as when received by the group, except for reasonable wear and tear. The group shall ensure that these assets are at all times kept in a good state of repair and return the shops in their original condition at the end of the lease.

Right-of-use assets	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with termination options
Mriehel Factory	1	67 years	67 years	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 November 2021 were as follows:

	Minimum lease payments			
	Not later than one year €	Later than one year but not later than five years €	Later than five years €	Total €
30 November 2021				
Lease payments	40,477	215,541	2,956,675	3,212,693
Finance charges	(44,760)	(237,146)	(2,343,928)	(2,625,834)
Net present values	**(4,283)**	**(21,605)**	**612,747**	**586,859**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 November 2020 were as follows:

	Minimum lease payments			
	Not later than one year €	Later than one year but not later than five years €	Later than five years €	Total €
30 November 2020				
Lease payments	39,032	202,893	3,008,402	3,250,327
Finance charges	(44,402)	(231,328)	(2,393,153)	(2,668,883)
Net present values	**(5,370)**	**(28,435)**	**615,249**	**581,444**

28 Trade and other payables

	The Group		The Company	
	2021 €	2020 €	2021 €	2020 €
Current				
Trade payables	721,196	476,685	2,329	3,920
Amounts owed to parent company	113,193	113,100	113,100	113,100
Amounts owed to subsidiary	-	-	101,699	50,570
Amounts owed to other related parties	79,638	283,746	20,687	20,833
Accruals	461,430	223,967	128,409	134,104
Other payables	70,969	78,152	-	-
Financial liabilities	**1,446,426**	**1,175,650**	**366,224**	**322,527**
Other creditors	122,482	278,434	26,689	76,607
Indirect taxes	102,161	115,955	20,369	60,752
Trade and other payables	**1,671,069**	**1,570,039**	**413,282**	**459,886**

Amounts owed to parent company, subsidiary and other related parties are unsecured, interest free and have no fixed date of repayment.

29 Financial instrument risk

Risk management objectives and policies

The group is exposed to various risks in relation to financial instruments. The group's and company's financial assets and liabilities by category are summarised in note 29.4. The main types of risks are credit risk, liquidity risk and market risk.

The group's risk management is coordinated by the directors and focuses on actively securing the group's short to medium term cash flows by minimising the exposure to financial risk.

The group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risk to which the group is exposed are described below.

29.1 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the group. The group's and company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	Notes	The Group 2021 €	The Group 2020 €	The Company 2021 €	The Company 2020 €
Classes of financial assets carrying amounts:					
Loans and receivables	18	39,685	26,564	5,460,000	5,460,000
Trade and other receivables	21	925,593	353,266	264,924	248,957
Cash and cash equivalents	22	261,645	236,923	95,216	110,369
		1,226,923	**616,753**	**5,820,140**	**5,819,326**

The group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls.

The group assesses the credit quality of its customers taking into account financial position, past experience and other factors. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The group's policy is to deal only with creditworthy counterparties. The group has policies in place to ensure that it transacts with customers with appropriate and acceptable credit history. The credit terms as negotiated with customers are subject to an internal review process. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer. The management monitors the performance of its trade receivables on a regular basis to identify credit losses, which are inherent in group's debtors, taking into account historical experience in collection of receivables. Management does not expect any losses from non-performance by these customers.

Trade receivables

Based on the amount of trade receivables at year end, management concluded that the expected credit loss which could result on these amounts would not be material to these financial statements.

Other financial assets at amortised cost

Other financial assets at amortised cost include related party receivables and cash and cash equivalents.

With respect to other balances with related parties (as disclosed in note 21), the company assesses the credit quality of these related parties by taking into account financial position, performance and other factors. In measuring the expected credit losses in these balances, management determined the impairment provision independently from third party receivables and as at 30 November 2021 and 2020, there was no impairment in relation to third party balances. Management takes cognisance of the related party relationship with these entities and settlement arrangements in place and does not expect any losses from non-performance or default.

The group holds money exclusively with an institution having high quality external credit ratings. The cash and cash equivalents held with such bank at 30 November 2021 and 2020 are callable on demand. The bank with whom cash and cash equivalents are held has a credit rating of BBB- by Standard and Poor's. Management considers the probability of default from such bank to be close to zero and the amount calculated using the 12-month expected credit loss model to be very insignificant. Therefore, based on the above, no loss allowance has been recognised by the company.

29.2 Liquidity risk

Liquidity risk is that the group might be unable to meet its obligations. The group manages its liquidity needs through yearly cash flow forecasts by carefully monitoring expected cash inflows and outflows on a monthly basis. The group's liquidity risk is not deemed to be significant in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, as well as the group's committed borrowing facilities that it can access to meet liquidity needs.

As at 30 November 2021, the non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

The Group	**Current**	**Non-current**	
30 November 2021	**Within 1 year**	**1 to 5 years**	**Later than 5 years**
	€	**€**	**€**
Debt securities in issue	17,662	70,648	4,776,684
Bank borrowings	79,843	630,340	-
Trade and other payables	1,446,426	-	-
Total	**1,543,931**	**700,988**	**4,776,684**

The Company	**Current**	**Non-current**	
30 November 2021	**Within 1 year**	**1 to 5 years**	**Later than 5 years**
	€	**€**	**€**
Debt securities in issue	17,662	70,648	4,776,684
Trade and other payables	366,224	-	-
Total	**383,886**	**70,648**	**4,776,684**

This compares to the maturity of non-derivative financial liabilities in the previous reporting periods as follows:

The Group	**Current**	**Non-current**	
30 November 2020	**Within 1 year**	**1 to 5 years**	**Later than 5 years**
	€	**€**	**€**
Debt securities in issue	17,662	70,648	4,759,022
Bank loans	155,911	693,431	-
Trade and other payables	1,175,650	-	-
Total	**1,349,223**	**764,079**	**4,759,022**

The Company	**Current**	**Non-current**	
30 November 2020	**Within 1 year**	**1 to 5 Years**	**Later than 5 years**
	€	**€**	**€**
Debt securities in issue	17,662	70,648	4,759,022
Trade and other payables	322,527	-	-
Total	**340,189**	**70,648**	**4,759,022**

29.3 Market risk

Foreign currency risk

The group transacts business mainly in euro. Exposure to currency exchange rates arise from the group's sale and purchase of foreign currency to/from clients. However, foreign currency denominated financial assets and liabilities at the end of the financial reporting date under review are deemed negligible.

Accordingly, the group's exposure to foreign exchange risk is not significant and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the reporting date is deemed not necessary.

Interest rate risk

The group is exposed to changes in market interest rates through its borrowings at variable interest rates.

The following table illustrates the sensitivity of the net result for the year to a reasonably possible change in interest rates of +/- 100 basis points, with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the group's financial instruments held at the reporting date of the reporting period under review that are sensitive to changes in interest rates. All other variables are held constant.

The Group	**Profit (loss) for the year**	
	€	**€**
	+100 bp	**-100 bp**
30 November 2021	253	(253)
30 November 2020	252	(252)

29.4 Summary of financial assets and liabilities by category

The carrying amounts of the group's and company's financial assets and liabilities as recognised at the reporting date of the reporting period under review may also be categorised as follows. See note 5.16 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	The Group 2021 €	The Group 2020 €	The Company 2021 €	The Company 2020 €
Financial assets					
Loans and receivables:					
Non-current					
Loans and receivables	18	39,685	26,564	5,460,000	5,460,000
Current					
Trade and other receivables	21	925,593	353,266	264,924	248,957
Cash and cash equivalents	22	261,645	236,923	95,216	110,369
		1,226,923	**616,753**	**5,820,140**	**5,819,326**
Financial liabilities					
Financial liabilities measured at amortised cost:					
Non-current					
Debt securities in issue	25	4,847,332	4,829,670	4,847,332	4,829,670
Borrowings	26	630,340	693,431	-	-
Lease liability	27	586,859	581,444	-	-
Current					
Debt securities in issue	25	17,662	17,662	17,662	17,662
Borrowings	26	79,843	155,911	-	-
Trade and other payables	28	1,446,426	1,175,650	366,224	322,527
		7,608,462	**7,453,768**	**5,231,218**	**5,169,859**

30 Related parties

The parent and ultimate parent company of Busy Bee Finance PLC is Busy Bee Limited, which is incorporated in Malta. The individual financial statements of the company are incorporated in the group financial statements of Busy Bee Limited, the registered address of which is Busy Bee Group, Zone 4, Mdina Road, Mriehel, Birkirkara CBD 4010, Malta. No individual holds a controlling interest in the equity of the ultimate parent company.

Outstanding balances with related parties at period-end are disclosed in notes 21, 24, 26 and 28 to these financial statements.

The company entered into transactions with related parties as follows:

	2021 €	2020 €
Transactions with other related parties		
Interest income	269,735	269,731
Service fees income	594,331	559,200
Wages recharged to	147,291	156,421

The group entered into transactions with related parties as follows.

	2021 €	2020 €
Transactions with other related parties		
Rental income	113,696	112,100
Wages recharged to	1,324,036	1,296,605
Revenue	4,250,839	3,625,087

31 Segment reporting

The group's operations consist of the rent, royalties cafeterias and gelateria, outside catering and other income. The group's business segments operate in the local market. An analysis by segment of the group's turnover and profitability is set out:

2020	Rent €	Royalties €	Cafeteria & gelateria €	Outside catering €	Other €	Group €
Revenue	158,152	149,386	2,781,243	694,544	-	3,783,239
Segment results	155,480	112,121	(69,756)	(199,301)	-	(1,456)

2021	Rent €	Royalties €	Cafeteria & gelateria €	Outside catering €	Other €	Group €
Revenue	148,136	172,230	3,009,516	1,013,811	55,323	4,399,015
Segment results	134,476	138,602	(98,327)	(33,123)	(1,808)	139,820

	2021 €	2020 €
Other income	796,159	480,667
Movement in fair value of investment property	270,000	-
Depreciation and amortisation	(520,048)	(502,493)
Reversal of depreciation on revaluation of property	174,913	-
Net finance costs	(319,828)	(320,062)
Profit (loss) before tax	541,016	(343,344)
Taxation	(484,317)	1,455,846
Profit for the year	**56,699**	**1,112,502**

32 Post reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Independent auditor's report

To the shareholders of Busy Bee Finance PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Busy Bee Finance PLC (the "company") and of the group of which it is the parent, set out on pages 13 to 49, which comprise the statements of financial position as at 30 November 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company and the group as at 30 November 2021, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company and the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. 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. In conducting our audit we have remained independent of the company and the group and have not provided any of the non-audit services prohibited by article 18A of the Accountancy Profession Act, Cap. 281. The non-audit services that we have provided to the company and the group during the year ended 30 November 2021 are disclosed in note 10 to the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue from sale of products in the consolidated financial statements

Key audit matter

The group recognises revenue from sales of products on goods supplied to related parties. We considered revenue from sale of products as a key audit matter since it is based on a significant volume of transactions and directly impacts the group's profitability. The group's disclosures on its revenue recognition policy is presented in note 5.5 to the financial statements.

How the key audit matter was addressed in our audit

Our audit procedures to address the risk of material misstatement relating to revenue from sale of products included among others, testing the design and operating effectiveness of the related parties internal controls over recognition of revenues, performing substantive procedures over revenues of related parties and recalculation of revenue from sale of products pertaining to the group.

Impairment testing on intangible assets in the consolidated financial statements

Key audit matter

Intangible assets comprising the "Busy Bee" brand with a carrying amount of €1.5 million at 30 November 2021 are included on the group's Statement of Financial Position as at that date.

Management is required to perform an assessment at least annually to establish whether intangible assets that have an indefinite useful life should continue to be recognised, or if any impairment is required. The impairment assessment was based on the calculations which were prepared to determine the consideration that was set at the time the group acquired the brand.

We focussed on this area because of the significance of the amount of intangible assets with indefinite useful life owned by the group and which are recognised at balance sheet date. Moreover, the directors' assessment process is complex and judgmental and is based on assumptions which are affected by expected future market or economic conditions.

How the key audit matter was addressed in our audit

We evaluated the suitability and appropriateness of the impairment methodology applied by management and engaged our internal valuation specialist resources to assess the reliability of the forecasts used and to challenge the methodology used and the underlying assumptions. We concluded that the parameters utilised were reasonable.

We communicated with management and those charged with governance and noted that they were able to provide satisfactory responses to our questions. We also assessed the adequacy of the disclosures set out in note 15 to the financial statements relating to intangible assets. Those disclosures explain that the directors have assessed the carrying amount of intangible assets with an indefinite useful life as at 30 November 2021 and they concluded that the asset is recoverable and that there is no impairment in the value of the intangible assets with an indefinite useful life.

Impairment testing on investment property in the consolidated financial statements

The valuation of the group's investment property is inherently subjective due to a number of factors such as the individual nature of each property, its location and the expected future returns. Management has carried out assessments for its properties which were valued by independent architects in 2022. The increase in fair value is included in current year results.

We focussed on this area because of the significance of the amount of investment properties owned by the group and which are recognised at balance sheet date.

How the key audit matter was addressed in our audit

Our procedures in relation to the valuation of the properties included reviewing the methodologies used by the independent architects to estimate the fair value for all properties and concluded that attention had been paid to each property's individual characteristics and location. We also discussed the valuations with management, the Audit Committee and the directors and found that they were able to provide explanations to our questions.

We have also assessed the adequacy of the disclosures relating to investment properties set out in note 13 to these financial statements. Those disclosures explain that the directors have assessed the carrying amount of the investment properties as at 30 November 2021 and they concluded that the carrying amount is recoverable and that there is no impairment in the value of the properties.

Assessment of carrying amount of investments in subsidiaries and other loans due from subsidiaries in the company financial statements

Key audit matter

At 30 November 2021 management carried out an assessment to establish whether the carrying amount of investments in subsidiaries and loans due from subsidiaries amounting to € 102,400 and € 5,460,000 shown in notes 17 and 18 respectively of the financial statements of the company at that date should continue to be recognised, or if any impairment is required.

We focussed on this area because of the significance of the investments in subsidiaries and loans due from subsidiaries.

How the key audit matter was addressed in our audit

We evaluated the suitability and appropriateness of the impairment methodology applied by management and concluded that the parameters utilised were reasonable.

We communicated with management and those charged with governance and noted that they were able to provide satisfactory responses to our questions. We also assessed the financial position of the subsidiaries and determined that the directors' conclusion that the carrying amount of investments in subsidiaries and loans due from subsidiaries are recoverable is reasonable.

Other information

The directors are responsible for the other information. The other information comprises (i) the Directors' report and (ii) the Corporate Governance – Statement of Compliance which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, including the Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' report, we also considered whether the Directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- The information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the company and the group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the directors those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, 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 and the group's ability to continue as a going concern, disclosing, as applicable, matters relating 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. The directors are responsible for overseeing the company's and the group's financial reporting process.

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 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.

In terms of article 179A (4) of the Act, the scope of our audit does not include assurance on the future viability if the audited entity or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the entity.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and 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 company's and 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express and opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Report on other legal and regulatory requirements

Report on Corporate governance statement

The Prospects MTF Rules (the 'Rules) issued by the Malta Stock Exchange require the directors to prepare and include in their Annual Report a Corporate governance statement providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Rules also require us, as the auditor of the company, to include a report on the Statement of Compliance prepared by the directors.

We read the Corporate Governance - Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Corporate Governance - Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

In our opinion, the Corporate Governance - Statement of Compliance set out on pages 7 to 12 has been properly prepared in accordance with the requirements of the Rules.

Other matters on which we are required to report by exception

- We also have responsibilities under the Companies Act, Cap 386 to report to you if, in our opinion:

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

We have nothing to report to you in respect of these responsibilities.

Auditor tenure

We were appointed as auditors of the company on 12 November 2020 and therefore represents an engagement of two years.

The engagement partner on the audit resulting in this independent auditor's report is Mark Bugeja.

Mark Bugeja (Partner) for and on behalf of
GRANT THORNTON

Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

29 March 2022