



**Busy Bee**  
FINANCE PLC

**FINANCIAL SUSTAINABILITY  
REPORT**

# Summary of Significant Assumptions and Accounting Policies

## A. Introduction

The forecast statement of financial position, the forecast statement of profit or loss, and the forecast statement of cash flows (hereafter “the Forecasts”) of the Issuer for the period ending 30 November 2024 have been prepared to provide financial information for the purposes of the announcement of Financial Sustainability Forecasts. The assumptions set out below are the sole responsibility of the Directors of the Company.

The Forecasts are intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions which the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. We draw your attention to the risk factors set out in the Admission Document, which describe the primary risks associated with the business to which the Forecasts relates.

The Forecasts are not intended to and do not provide all the disclosures necessary to give a true and fair view of the financial results, financial position, and cash flows of the Group, in accordance with International Financial Reporting Standards as adopted by the EU, however the Directors have exercised due care and diligence in adopting the assumptions set out below.

These Forecasts were formally approved on 28 March 2024 by the Directors, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the Forecasts are described in Section B below.

## B. Basis of preparation and significant assumptions

### Basis of Preparation

The Forecast Financial information shows the projected financial performance and position of Busy Bee Finance plc (the “Company”) in accordance with International Financial Reporting Standards as adopted by the European Union (“EU-IFRS”) except that, due to the nature of Forecast Financial Information, the Forecasts do not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Companies Act (Chapter 386, Laws of Malta).

### Significant macro-economic assumptions

Macro-economic assumptions relating to the environment in which the Company operates which are exclusively outside the influence of the Directors and which underlie the forecasts, are the following:

- Despite the continued inflationary pressures driven by the protracted Russian- Ukraine conflict and recent crisis in Middle East, the inflation rate has started receding in the

global market (incl EU). The rate of inflation will be in line with published economic forecasts which for 2024 is estimated at 2.9%,

- There will be no material adverse fluctuations originating from the market and economic conditions affecting the production and sales of food items in Malta, consumer spending trends and job market, amongst others,
- The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the Forecast Financial Information,

### Other significant assumptions

Other principal assumptions relating to the environment in which the Company operates, factors which the Directors can influence, and which underlie the forecast financial information, are following:

#### 1. Revenue

The Group's revenue for the twelve months ending 30 November 2024 is projected to reach € 7.85 million; experiencing a growth of 16% over the previous year.

Revenue growth will be predominately driven by continuous efforts to improve the effectiveness of the product mix in our coffee shops, improved margins and opening of our fourth coffee shop in Fgura in December 2023. In outside catering, revenue will be driven mainly by introduction of new menus and catering ideas to maintain our popularity with the local customers.

#### 2. Cost of Sales

Cost of sales is projected to increase by 15% when compared to last year. This is attributable to the increase in turnover and inflation which has been assumed to be at 2.9%.

#### 3. Gross profit

Gross profit is projected using actual gross profit margins reported by the company. The historical average gross profit margin has been applied for the new outlet and adjusted for the current costs to date.

#### 4. Administration expenses

Administration expenses include mainly administration salaries, utilities, bond costs, marketing, professional fees and other general or corporate overheads. These costs are based on historical trends and agreements, and adjusted for inflation, which, for the purposes of these Forecasts is assumed to stand at 2.9%.

### 5. Other income

Other income consists of rental income derived by renting of two properties to third parties by Busy Bee Properties Limited.

### 6. Finance costs

Finance charges include bond interest payable at an interest rate of 5%, finance costs on lease agreements in accordance with IFRS 16 and interest payable on bank facilities.

### 7. Depreciation/Amortisation

Depreciation is provided on a straight-line basis and at rates intended to write down the cost of the assets or revalued amounts over their expected useful lives. The annual rates used are as follows:

Long Leasehold buildings	1-2%
Office equipment	20%
Plant and machinery	7%
Furniture and fittings	10%
Fixtures and fittings	5-10%

Amortisation costs relate to the amortisation of the right of use asset on lease agreements over the term of the lease.

### 8. Income tax

Income tax is composed of current and deferred tax. Current taxation is provided at 35% of chargeable income for the period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the forecasts and the corresponding projected tax bases in the computation of taxable profit.

### 9. Working Capital

The Company's working capital mainly comprises the net impact of trade receivables, inventory and trade payables and is based on historical trends.

### 10. Intangibles/Right-of-use asset

Intangibles include Intellectual Property Rights (Busy Bee brand) purchased in the year ended 30 November 2019. The right of use asset is in relation to land under emphyteutic lease in accordance with IFRS 16.

### 11. Borrowings

The projected debt relates to:

- €5m bond issue, net of deferred bond issue costs,
- €0.47m worth of bank financing outstanding as at end 2023.

## *12. Capital expenditure*

Capital expenditure mainly includes the improvements in the existing shops and additions of other fixed assets including investment in ICT to maintain technology enhancements required by the Group.

## *13. Dividends*


No dividends are projected to be distributed during the Forecasts period.

## **C. Conclusion**


The Directors believe that the assumptions on which the Forecasts are based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying on of its business.

## Financial Sustainability Forecasts


### Consolidated Statement of Comprehensive Income for the years ending 30 November:

 <b>Busy Bee</b> <small>EST. 1933</small>	<b>Audited</b> <b>2022</b> <b>EUR 000s</b>	<b>Audited</b> <b>2023</b> <b>EUR 000s</b>	<b>Forecasted</b> <b>2024</b> <b>EUR 000s</b>
Revenue	6,322	6,756	7,849
Cost of sales	(4,560)	(4,218)	(4,856)
<b>Gross profit</b>	1,762	2,537	2,993
Administrative expenses	(1,129)	(1,087)	(1,196)
Other operating income	156	22	25
<b>EBITDA</b>	789	1,472	1,822
Movement in fair value of investment property	525	-	-
Finance costs	(315)	(317)	(325)
Depreciation	(546)	(545)	(549)
<b>Net profit/(loss) before taxation</b>	453	610	947
Taxation	(6)	(159)	(336)
<b>Profit/(loss) for the year</b>	447	451	612

Consolidated Statement of Financial Position as at the years ending 30 November:

 <b>Busy Bee</b> <small>EST. 1933</small>	<b>Audited</b> <b>2022</b> <b>EUR 000s</b>	<b>Audited</b> <b>2023</b> <b>EUR 000s</b>	<b>Forecasted</b> <b>2024</b> <b>EUR 000s</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6,722	6,270	5,807
Intangibles	1,579	1,552	1,525
Right-of-use asset	551	542	532
Investment property	4,410	4,410	4,410
Deferred taxation	1,450	1,305	1,420
Loans and receivables	51	429	501
<b>Total non-current assets</b>	<b>14,763</b>	<b>14,508</b>	<b>14,195</b>
<b>Current assets</b>			
Inventories	789	738	794
Loans and receivables		25	45
Trade and other receivables	231	45	107
Amount due from related parties	1,075	2,328	3,550
Cash and cash equivalents	316	298	398
<b>Total current assets</b>	<b>2,411</b>	<b>3,435</b>	<b>4,894</b>
<b>Total assets</b>	<b>17,174</b>	<b>17,943</b>	<b>19,089</b>
<b>Equity</b>			
Called up issued share capital	50	50	50
Share premium	51	51	51
Revaluation reserve	898	879	874
Retained earnings	3,912	4,382	4,994
Shareholders' capital contribution	4,331	4,331	4,331
<b>Total equity</b>	<b>9,242</b>	<b>9,693</b>	<b>10,300</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Long-term borrowings	6,020	6,256	6,686
<b>Total non-current liabilities</b>	<b>6,020</b>	<b>6,256</b>	<b>6,686</b>
<b>Current</b>			
Trade and other payables	1,834	1,741	1,849
Amounts due to related parties	-	145	154
Short-term borrowings	78	108	100
<b>Total current liabilities</b>	<b>1,912</b>	<b>1,994</b>	<b>2,103</b>
<b>Total liabilities</b>	<b>7,932</b>	<b>8,250</b>	<b>8,789</b>
<b>Total equity and liabilities</b>	<b>17,174</b>	<b>17,943</b>	<b>19,089</b>

Consolidated Statement of Cash Flows as at the years ending 30 November:

 <b>Busy Bee</b> <small>EST. 1933</small>	<b>Audited</b> <b>2022</b> <b>EUR 000s</b>	<b>Audited</b> <b>2023</b> <b>EUR 000s</b>	<b>Forecasted</b> <b>2024</b> <b>EUR 000s</b>
<b>Net cash generated from operating activities</b>	547	495	444
<b>Net cash generated from investing activities</b>	(116)	(69)	(22)
<b>Net cash generated from financing activities</b>	(360)	(444)	(322)
<b>Net movement in cash and cash equivalents</b>	71	(18)	100
<b>Cash and cash equivalents at the beginning of the year</b>	245	316	298
<b>Cash and cash equivalents at the end of the year</b>	316	298	398