



**Joint stock company  
„Rīgas autoelektroaparātu rūpnīca”**

Reg.No. 4 0003030454  
Address: Klijanu str. 18, Riga, LV-1013

**Interim report  
01.01.2018-30.06.2018**

**Prepared according to the legislation standards of the Republic of Latvia**

**(Not audited)**

**Riga,2018**

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### Information about the company

Name of the company	<i>Rīgas autoelektroaparātu rūpnīca</i>
Legal form	<i>Joint stock company</i>
Registration number, place and date	<i>000303045, Rīga, 22.04.1998 Deregistration in Commercial register: 40003030454, Rīga, 30.06.2004</i>
Address	<i>18, Klijanu street, Rīga, Latvia, LV-1013</i>
Main activities	<i>NACE 6820 renting and operating of own real estate</i>
Average number of employees	<i>12 (including Board and Council)</i>
Board	<i>Eriks Kazha – Chairman of the Board Gunars Lubis – Member of the Board Maksym Araslanov – Member of the Board till 25.07.2018.</i>
Council	<i>Edgars Lubis – Chairman of the Council Viktors Rojs – Deputy Chairman of the Council Zane Lube – Member of the Council till 17.04.2018 Liga Lube – Member of the Council since 17.04.2018 Nina Kazha – Member of the Council Galina Kraveca – Member of the Council</i>
Reporting period	<i>01.01.2018 - 30.06.2018</i>
Main shareholders	Basing on the list of shareholders prepared on April 30, 2018: <i>1.JSC „Baltijas Holdings”-43.9 % Reg.Nr.40003148033, 18, Klijanu street, Rīga 2.,,Tehprojekts”,Ltd.- 43.9% Reg.Nr. 40103020397, 12,Unijas street, Rīga 3.Other physical and legal persons 12.2%</i>
Certified auditor	<i>Auditors’office Gatis Sviklis Lasma Svikle, Ltd. Company license Nr. 202 123-15, Kr. Valdemara str., Rīga, LV-1013, Latvia Responsible sworn auditor: Gatis Sviklis – Sworn auditor’s License Nr. 202</i>

## **Management report**

### **Economic activities in the reporting period and further development**

Net turnover of the enterprise in six months of 2018 is 8, 0 thousand EUR.

The result of economic activities in this period is loss 61, 5 thousand EUR.

Average number of employees in the reporting period is 12, including the members of council and board.

The company's main activity is renting and operating of own real estate. The company has invested great work and a lot of money in improvement and reconstruction of its real estate to improve the effectiveness of expenditure of energy. Autonomous heating system is created. The property has become competitive. Negotiations with potential tenants are ongoing, seeking to rent out more areas to one tenant.

### **Risks for the economic activities of the company**

The activities of the company are not subjected to the fluctuations of foreign currencies' exchange rate because transactions with customers are in EUR.

The company uses bank credit to supplement current assets. Loan interest is calculated at a floating rate that exposes the company to the risk arising from interest rate fluctuations

The company believes that it will have sufficient cash resources to ensure its liquidity.

August 30, 2017

Chairman of the Board \_\_\_\_\_ E.Kazha

Member of the Board \_\_\_\_\_ G.Lubis

## **Statement of Management Responsibility**

The Management Board of JSC „Rīgas autoelektroaparātu rūpnīca” is responsible for the preparation of the financial statements of the Company.

On the basis of information available the management of JSC „Rīgas autoelektroaparātu rūpnīca” confirms that the financial statements are prepared in accordance with the law „On accountancy”, „Law On the Annual Financial Statements and Consolidated Financial Statements” and Regulations No.775 issued by the Cabinet of Ministers of the Republic of Latvia “The rules for application of the law on annual accounts and consolidated annual accounts” in compliance with the assumption that the company will continue operating further on and gives a true and fair view on the financial situation on June 30, 2018 and its financial results and cash flow in the period ended on June 30, 2018. The management report gives a true review on the growth of the JSC „Rīgas autoelektroaparātu rūpnīca” and performance results.

The financial information of this period is prepared using the same principles for recognition and measurement of the items as in the annual accounts of the last year.

August 30, 2018

On behalf of the Board,

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Eriks Kazha  
Chairman of the Board

**BALANCE SHEET**

**EUR**

<u>ASSETS</u>	30.06.2018	31.12.2017
<b><u>LONG-TERM INVESTMENTS</u></b>		
<b>I. Intangible investments</b>		
1. Other intangible investments	68	77
<b>I.Total</b>	<b>68</b>	<b>77</b>
<b>II. Fixed assets</b>		
1. Land, buildings and constructions	3450579	3486371
2. Technological equipment and devices	329602	381952
<b>II.Total</b>	<b>3780181</b>	<b>3868323</b>
<b>III. Long-term financial investments</b>		
1. Participation in the capital of associated companies	11795	11465
2. Other loans and long-term debtors	43600	43600
<b>III.Total</b>	<b>55395</b>	<b>55065</b>
<b>Total long-term investments</b>	<b>3835644</b>	<b>3923465</b>
<b><u>CURRENT ASSETS</u></b>		
<b>I. Inventory</b>		
1. Raw materials, basic materials and consumables	5178	17301
2. Finished goods and goods for sale	31002	34289
3. Advance payments for goods	1	3
<b>I.Total</b>	<b>36181</b>	<b>51593</b>
<b>II. Debtors</b>		
1. Purchasers' debts	34532	64737
2. Other debtors	7950	16182
3. Next period costs	389	776
<b>II.Total</b>	<b>42871</b>	<b>81695</b>
<b>IV. Cash</b>	6442	666
<b>Total current assets</b>	<b>85494</b>	<b>133954</b>
<b>TOTAL ASSETS</b>	<b>3921138</b>	<b>4057419</b>

**BALANCE SHEET**

**EUR**

**LIABILITIES**

	30.06.2018	31.12.2017
<b><u>EQUITY</u></b>		
1. Share capital	4991713	4991713
2. Other reserves – the result of denomination	81549	81549
<b>Total</b>	<b>5073262</b>	<b>5073262</b>
3. Retained profit or losses brought forward from previous years	-3159972	-2874410
4. Profit or losses for the accounting year	-61503	-285562
<b>Total equity</b>	<b>1851787</b>	<b>1913290</b>
<b><u>CREDITORS</u></b>		
<b>Long term creditors</b>		
1.Loans from credit institutions	163389	163389
2.Next period income	1779129	1779129
<b>Total long term creditors</b>	<b>1942518</b>	<b>1942518</b>
<b>Short term creditors</b>		
1.Loans from credit institutions	30000	60000
2.Other loans	-	1080
3.Accounts payable to suppliers and contractors	12763	11077
4.Taxes and State mandatory social insurance payments	21872	21207
5. Other creditors	17001	17218
6.Next period income	43447	86894
7. Accrued obligations	1750	4135
<b>Total short term creditors</b>	<b>126833</b>	<b>201611</b>
<b>Total creditors</b>	<b>2069351</b>	<b>2144129</b>
<b>TOTAL LIABILITIES</b>	<b>3921138</b>	<b>4057419</b>

**PROFIT OR LOSS ACCOUNT**  
**For 6 months of 2018**

Item	EUR	
	2018 6 months	2017 6 months
Net turnover	8039	2749
Production costs of sold goods and services	128654	135044
<b>Gross profit or loss</b>	<b>-120615</b>	<b>-132295</b>
Sales costs	-	-
Administrative expenses	9835	9848
Other income from economic activities	86167	43235
Other costs of economic activities	12146	5097
Interest payments and similar expenses	5074	5057
Profit or loss before income tax	-61503	-109062
Income tax	-	-
Profit or loss after income tax	<b>-61503</b>	<b>-109062</b>
<b>Profit or loss for the accounting period</b>	<b>-61503</b>	<b>-109062</b>
<b>Earnings per share</b>	<b>-0,017</b>	<b>-0,031</b>



**STATEMENT OF CASH FLOWS for 6 months of 2018**

	<b>2018</b>	<b>2017</b>
	<b>6 months</b>	<b>6 months</b>
<b>I. Cash flow from operating activities</b>		
1 Income from sales and services	36724	60207
2 Payments to suppliers, to employees and other expenses for production	50802	72433
3 Other income or expenses for economic activities	4396	3356
4 Cash flow from gross operating activities	-9682	-8870
<b>5 Net cash flow from operating activities</b>	<b>-9682</b>	<b>-8870</b>
<b>II. Cash flow from investment activities</b>		
1 Sales of intangible and fixed assets	44073	40711
2 Proceeds from the loan repayment	9936	15625
<b>3 Net cash flow from investment activities</b>	<b>54009</b>	<b>56336</b>
<b>III. Cash flow from financing</b>		
1 The loan repayment expenses	38551	47214
<b>2 Net cash flow from financing</b>	<b>-38551</b>	<b>-47214</b>
<b>IV. The result from currency rate fluctuations</b>	<b>0</b>	<b>-260</b>
<b>V. Cash and cash equivalents increase or decrease</b>	<b>5776</b>	<b>-8</b>
<b>VI. Cash and cash equivalents at the beginning of the reporting period</b>	<b>666</b>	<b>257</b>
<b>VII. Cash and cash equivalents at the end of the reporting period</b>	<b>6442</b>	<b>249</b>

## STATEMENT OF EXCHANGES IN EQUITY (EUR)

	30.06.2018	30.06.2017
<b>Share capital</b>		
In the balance sheet of the previous year	4991713	4991713
In the balance sheet at the end of the accounting period	4991713	4991713
<b>Other reserves (the result of denomination)</b>		
In the balance sheet of the previous year	81549	81549
In the balance sheet at the end of the accounting period	81549	81549
<b>Retained profit</b>		
In the balance sheet of the previous year	-3159972	-2874410
Increase /decrease in retained earnings	-61503	-109062
In the balance sheet at the end of the accounting period	-3221475	-2983472
<b>Equity</b>		
In the balance sheet of the previous year	1913290	2198852
In the balance sheet at the end of the accounting period	1851787	2089790

## NOTES TO FINANCIAL STATEMENTS

### General principles

The report is prepared in accordance with the law „On accountancy”, „The law on annual accounts and consolidated annual accounts” , Regulations No.775 issued by the Cabinet of Ministers of the Republic of Latvia “The rules for application of the law on annual accounts and consolidated annual accounts” and the „Law on financial and capital market”.

Profit or loss account is prepared in accordance with methods of turnover expenses.

Statement of cash flows is prepared using the direct method.

This interim financial report is prepared following the same accounting policies and the same methods for estimates that were used preparing the most recent annual report.

### Share capital

Share capital is 4991712, 60 EUR. There are 36565509 shares. Nominal value of a share is 1.40 EUR.

August 30, 2018

Chairman of the Board \_\_\_\_\_ E.Kazha

Member of the Board \_\_\_\_\_ G.Lubis

Report is prepared by

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Dace Lama  
Chief accountant of  
JSC ”Rīgas autoelektroaparātu rūpnīca”