

AS "VEF Radiotehnika RRR"

Unified Registration No. 40003286712

Address: Kurzemes prospekts 3D, Riga, LV-1067

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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AS "VEF Radiotehnika RRR"
Annual accounts for the ended 30 June 2020

GENERAL INFORMATION

Full name of the Company	AS "VEF Radiotehnika RRR"			
Legal status of the Company	Public Joint-Stock Company			
Registration No., place and date of issue	40003286712 1998.12.11			
Legal address of the Company	Kurzemes prospekts 3D, Riga, LV-1067			
Phone number	67418087			
NACE code	26.40	Manufacture of electronic devices		
	68.20	Real estate management with remuneration or based on agreements		
Council members				
Chairman of the Council	-			
Council Member	Inārs Kļaviņš			
Council Member	Mārtiņš Perts			
Council Member	Genādijs Hotejevs			
Council Member	Vjačeslavs Mihailovins			
Board members				
Chairman of the Board	Ēriks Ertmanis			
Board Member	Olga Romaņko			
Reporting year	from	2020.01.01	till	2020.06.30
Previous reporting year	from	2019.01.01	till	2019.06.30
Chief Accountant	Olga Romaņko			
Phone number	67852054			

Management report

Types of activities

The main activities of AS "VEF Radiotehnika RRR" in 2020 were:

1. Real estate renting services;
2. Purchase acoustic systems and sale of their enclosures.

When compared with the previous reporting period, no new main activities have been included.

Operations of the Company during the reporting year

Reporting year results of the Company are the following:

Result before extraordinary items and taxes:	(9 854) EUR
Net result:	(9 854) EUR

The company's current assets exceed its short-term liabilities by 88 365 EUR.

The financial statement of the company for the financial reporting period is based on the principle of continuing operations.

The 2020 Company produced orders sent to customers to Italy.

Consequently, the management of the company considers that the company's financial statement for intermediate period report has been reasonably prepared for the purposes of applying the operations the principle of continuation.

Management of financial risks

In most cases, the company's financial assets consist of debts of its buyers and customers, given in euros. Its financial liabilities mostly consist of debts to the Company's suppliers for goods and services, given in various currencies, thus the Company is subject to the currency risk. Funds of the Company are placed in the Latvian financial institutions. There is no substantial difference between the book value and the fair value of the financial assets and liabilities. The Company did not use any financial derivatives in the reporting period.

Post balance sheet events

Apart from the above information, no other events have occurred since the date of the reporting year which could considerably affect the report assessment or which would require additional explanation in this financial statement.

Following the reporting period, in March 2020, the Republic of Latvia and many other countries have entered into force restrictions related to the spread of coronavirus, which significantly reduces economic development in the country and in the world. It is not foreseeable how the situation is likely to develop in the future, and consequently there is uncertainty about economic development. The management of the company shall continuously assess the situation. Society management believes that the Company will be able to overcome the emergency by means of compensatory measures and be able to generate revenue from the sale of non-profile assets. However, this conclusion is based on information available at the time of signature of this financial statement.

We have carefully assessed all the information available to us, including the impact of the crisis caused by coronavirus on the functioning of society, and believe that the principle of continuation of activity in the preparation of the financial statement is fully applicable.

Further operation of the Company

From its core business, the company suffered profit related to the change in revenue. In 2020, the company reduced the production of acoustic systems and their sale. According to company management estimates in 2020 the revenues from economic activity will exceed expenditure by EUR 6 471, so that the positive cash flow from economic activity will be able to allow settlement with creditors.

Chairman of the Board

Ēriks Ertmanis

Member of the Board

Olga Romaņko

31 August, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the ended 30 June 2020

Statement of the management's responsibility

Company's management is responsible for the preparation of the financial statements for each reporting period on the basis of the accounting principles and which reflect true and fair view of the company's financial situation as well as operating results.

The management confirms that in the preparation of the annual report for the period ended 30 June 2020, appropriate accounting principles were consistently applied and justified and prudent decisions were made.

Management is responsible for application of appropriate accounting principles, safeguarding of the company's assets as well as prevention of fraud and other unlawful activities.

Chairman of the Board

Ēriks Ertmanis

Member of the Board

Olga Romanko

31 August, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the ended 30 June 2020

Profit or loss account for the year ended 30 June 2020

	Notes	2020 EUR	2019 EUR
Net sales	1	9 055	58 910
b) other operating activities		9 055	58 910
Cost of sales	2	(7 351)	(47 456)
Gross loss		1 704	11 454
Selling expenses	3	(122)	(137)
Administrative expenses	4	(7 677)	(23 649)
Other operating income	5	2 802	44 737
Other operating expenses	6	(281)	(67)
Interest expenses and similar expenses	7	(6 280)	(3 933)
Profit before taxes		(9 854)	28 405
Current year's profit / (loss)		(9 854)	28 405
Profit/ (loss) per share		(0,004)	0,011

Notes on pages from 11 to 18 are integral part of these financial statements.

Chairman of the Board

Ēriks Ertmanis

Member of the Board/Chief Accountant

Olga Romaņko

31 August, 2020

AS “VEF Radiotehnika RRR”
Annual accounts for the ended 30 June 2020

Balance sheet as at 30.06.2020

ASSETS	Note	<u>2020</u> EUR	<u>2019</u> EUR
1. Non-current assets			
II. Fixed assets:			
1.Real estate renting services			
Land, buildings and constructions		257 694	257 407
Equipment and vehicles		13 101	93 095
Other fixed assets		1 023	20 446
Total fixed assets:	8	<u>271 818</u>	<u>370 948</u>
V.Long-term financial investments			
Loans to related parties	13	180 232	180 232
Total non-current financial investments:		<u>180 232</u>	<u>180 232</u>
Total long-term financial investments:		<u>452 050</u>	<u>551 180</u>
2. Current assets			
I. Inventory:			
Raw materials	9	11 791	17 593
Work in progress	10	12 174	16 394
Finished goods and goods for sale	10	30 319	13 283
Advance payments for materials	11	1 649	1 236
Total inventory:		<u>55 933</u>	<u>48 506</u>
III. Receivables:			
Trade receivables	12	107 114	106 235
Receivables from related parties	13	74 229	47 331
Other receivables	14	38 531	41 382
Prepaid expenses	15	943	443
Total receivables:		<u>220 817</u>	<u>195 391</u>
V. Cash	16	<u>690</u>	<u>217</u>
Total current assets:		<u>277 440</u>	<u>244 114</u>
TOTAL ASSETS:		<u>729 490</u>	<u>795 294</u>

Notes on pages from 11 to 20 are integral part of these financial statements.

AS "VEF Radiotehnika RRR"
Annual accounts for the ended 30 June 2020

Balance sheet as at 30.06.2020

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	2020	2019
		EUR	EUR
1. Shareholders' equity:			
Share capital	17	254 908	254 908
Long term investment revaluation reserve	19	160 202	160 202
Reserves		58 302	58 302
Retained earnings/ (accumulated loss):			
a) accumulated loss of previous years	18	(8 143)	52 810
b) current year profit/ (loss)	18	(9 854)	28 405
Total shareholders' equity:		455 415	554 627
3. Liabilities:			
I. Non-current liabilities:			
Loans from other creditors	20	85 000	85 000
Total non-current liabilities:		85 000	85 000
II. Current liabilities:			
Advances from customers	21	-	412
Trade accounts payable	22	73 936	63 726
Payables to related parties	23	21	-
Taxes and social security liabilities	24	101 192	64 275
Other creditors	25	10 029	11 209
Accrued liabilities	26	3 897	16 045
Total current liabilities:		189 075	155 667
Total liabilities:		274 075	240 667
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY:		729 490	795 294

Notes on pages from 11 to 18 are integral part of these financial statements.

Chairman of the Board

Ēriks Ertmanis

Member of the Board / Chief Accountant

Olga Romaņko

31 August, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the ended 30 June 2020

Cash flow statement for the year ended 30 June 2020 (indirect method)

I. Cash flow from operating activities	Note	2020	2019
		EUR	EUR
<i>Loss before extraordinary items and taxes</i>		(9 854)	28 405
<i>Adjustments for:</i>			
a) depreciation of fixed assets and investment properties		14 528	11 931
d) profit/loss from sale of fixed assets		(1 766)	-
e) interest payments and similar activities		6 280	3 933
<i>Loss before working capital and current liabilities adjustments</i>		12 720	44 269
<i>Adjustments for:</i>			
a) debtors increase (-) or decrease (+)		(25 700)	35 926
b) inventory increase (-) or decrease (+)		(7 427)	(1 842)
c) accounts payable to suppliers and other creditors increase (+) or decrease (-)		16 139	(74 568)
<i>Gross cash flow from operating activities</i>		(7 800)	3 785
Interest payments		(8 677)	(3 933)
<i>Cash flow before extraordinary items</i>		(16 477)	(148)
<i>Net cash flow from operating activity</i>		(16 477)	(148)
 II. Cash flow from investing activities			
Proceeds from disposal of fixed assets and intangibles		16 950	-
Net cash flow from investing activities		16 950	-
 V. Net cash flow for the year		473	(148)
VI. Cash and cash equivalents at the beginning of the period		217	365
VII. Cash and cash equivalents at the end of the period	16	690	217

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Chairman of the Board

Ēriks Ertmanis

Member of the Board/Chief Accountant

Olga Romaņko

31 August, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the ended 30 June 2020

Statement of changes in equity for the year ended 30 June 2020

	Share capital	Reserve	Long term investment revaluation reserve	Result of the reporting year	Previous year's retained earnings/ (accumulated loss)	Total shareholders' equity
	EUR	EUR	EUR	EUR	EUR	EUR
Balance as on December 31, 2018	254 908	58 302	160 202	(15 516)	68 326	541 738
Profit/ loss carried over	-	-	-	15 516	(15 516)	-
Profit for the year	-	-	-	28 405	(28 405)	-
Balance as on June 30, 2019	254 908	58 302	160 202	28 405	52 810	554 627
Loss carried over	-	-	-	(8 143)	(81 215)	(89 358)
Profit/ loss for the year	-	-	-	(9 854)	-	(9 854)
Balance as on June 30, 2020	254 908	58 302	160 202	10 408	(28 405)	455 415

Notes on pages from 11 to 17 are integral part of these financial statements.

Chairman of the Board

Ēriks Ertmanis

Member of the Board/Chief Accountant

Olga Romāņko

31 August, 2020

Notes

Accounting policies and methods

General Principles

The Annual Report is prepared in accordance with the corresponding laws of the Republic of Latvia - "Law on Accounting" and "Law on Annual Financial Statements and Consolidates Financial Statements", the Cabinet Regulation No 775 "Application of Law on Annual Financial Statements and Consolidates Financial Statements" and other LR legislative acts governing accounting.

Profit and loss statement is prepared using turnover (period) costs method.

Cash flow statement is prepared using indirect method.

Changes to the accounting policies

Compared to the previous reporting period, the accounting policy has not been changed.

Reclassifications

In 2020 there have been no changes in classification of items in comparison with the 2019.

Transactions in foreign currency

At the end of the reporting year foreign currency cash balance and balances of advances and loans denominated in foreign currencies as well as other debtors' or creditors' debts payable in foreign currencies are translated from the foreign currency to the euro in accordance with the foreign exchange rates in force on the last date of the reporting year. The resulting profit or loss is charged to the profit and loss account.

Currency rates at the last reporting date for the past two years have been the following:

	2020.06.30	2019.06.30
RUB	79.63	71.598
USD	1.198	1.138

Long-term and short-term items

The following amount are shown in the current assets:

- * That shall be used or realized during the usual working cycle of the Company;
- * That are mainly for trading purposes or are of short-term nature and can be realized within 12 months after the Balance Sheet date;
- * That are cash or cash equivalents, possessing unlimited usage options.

Other assets are classified as long-term.

The following current liabilities are shown:

- * That will be paid off during the usual working cycle of the Company;
- * That will be paid off within 12 months after the Balance Sheet date;

Other liabilities are classified as long-term.

Fixed Assets

Fixed assets are physical objects with useful life over 12 calendar months and acquisition value of 70 EUR and more. All fixed assets are valued by their acquisition value.

Fixed assets are shown using their acquisition or revaluations value, less depreciation. Depreciation is calculated using the straight-line method, reducing the net book value of the asset at the end of useful life using the following rates:

* Buildings and constructions	1-5	%
* Technological equipment	5-20	%
* Transport vehicles	10-20	%
* Furniture	10-20	%
* Other fixed assets	10-20	%
* Mobile phones	35	%
* Computers and other data storage units	15-35	%
* Depreciation on land plots is not calculated.		

Fixed assets depreciation are calculated from acquisition costs less residual value. If the residual value is immaterial, it is not considered. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

Interest costs on borrowing to finance the fixed assets under construction and other direct charges related to the particular fixed asset under construction are capitalized, during the period of time that is required to complete and prepare the asset for its intended use, as part of the cost of the asset. Capitalization of the borrowing costs is suspended during extended periods in which active developments are interrupted.

Investment property

Investment property is land, buildings, parts of buildings and constructions that the Company (as an owner or lessee in finance lease agreement) holds with the intention to gain rental (lease) income or gain increase in value of the investment by means of market value increase of the asset. The property is not utilized for production purposes. Service provision, administrative needs or other ordinary business activities of the company. Investment properties are initially recognized at acquisition cost, including transaction costs. After initial recognition investment properties are valued at revalued amounts (please see fixed assets recognition and depreciation accounting policy). Investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized. Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Inventory valuation

Inventories are valued using FIFO method.

In case of necessity, outdated, slow turnover or damaged inventories' values decrease is written-off, or provisions are made. Unused material values and stocks at the end of reporting period are valued on historic cost basis, with addition of additional costs.

Inventory items are recorded in the actual volumes at historical cost in the sub account specially dedicated for these purposes.

Inventory balances are checked during annual inventory.

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Debtors

Accounts receivables are shown in the Balance Sheet on a net (purchase) value, with special provisions for doubtful debts subtracted. The necessary amount of provisions has been set by analyzing each debtor and by performing debt comparison. Bad debts are written off when the likelihood of recovering the debt becomes unrealistic and impossible.

Net turnover

Turnover is the total of goods sold during the year less Value Added Tax.

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue from sale of goods outside Latvia is recognized based on the terms of delivery.

Income and expenses acknowledgment

1. Income from sale of goods is recognized when the transaction complies with the following requirements:

- a) The Company has handed over to the buyer distinctive risks and rewards together with ownership rights of the goods;
- b) The Company no longer executes holding rights or control related to the ownership rights over the goods sold;
- c) Can credibly evaluate the income amount;
- d) It is believed that as a result of the transaction, the Company will receive commercial benefits;
- e) Can credibly evaluate costs arisen or arising related to the transaction.

Sale of goods is reflected, considering transaction's economic nature, not only legal form.

2. Result of the service supply transaction can credibly calculate, if the following conditions are met:

- a) Can credibly evaluate the income amount;
- b) It is believed that as a result of the transaction, the Company will receive commercial benefits;
- c) Can credibly evaluate, what is service supply volume in percentage at the Balance Sheet date;
- d) Can credibly evaluate costs arisen or arising related to the transaction.

3. Incomes which arise if other parties use Company's assets and thus receive interest, royalties or dividends, can be recognized using the following methods, if:

- a) It is believed that as a result of the transaction, the Company will receive commercial benefits;
- b) Can credibly evaluate the income amount;

4. Incomes from rent - at the moment of coming into existence;

All significant cost items are processed per accumulation principle.

Reserves

Reserves are formed in order to cover certain liabilities, which are related to the reporting period or previous periods, can be foreseen at the time of preparation of the Annual Report or known not to exceed these amounts. The level of the reserves is set in accordance with the methods, adopted by the Company.

Provisions for unused vacations

Amount of the provisions is calculated by multiplying the average wage of employees in the last six months per day by the amount of accrued but unused annual leave at the end of the reporting year.

Loans received and loans issued

Loans received and loans issued are initially shown in their original amount, which is stated in corresponding Loan Agreement at the transaction date. Amounts of loans issued from the lending institutions are to be compared with the written statements with acceptance from lending institutions at the end of the reporting year. For loans received in foreign currency, the remaining principal amount is calculated per European Central bank exchange rate on the last day of the reporting year.

Deferred liabilities

All invoices, received or issues after the reporting year yet related to the expenses which have arisen during the reporting year, the costs of which are known at the end of the reporting year, are treated as deferred liabilities. Deferred liabilities are shown in the Balance Sheet in a separate row.

Taxes

In the reporting year, the corporate income tax is calculated pursuant to the requirements under the Law "On Corporate Income Tax" in relation to the taxable income; thus, the applicable tax rate is 15%.

Starting from 2018, the corporate income tax will be calculated for distributed profit by applying a tax rate of 20%. The corporate income tax will be accepted at the time when the shareholders of the Company adopt their decision on profit distribution or when such expenses are further development of the Company (deemed profit distribution).

Tax liabilities are compared with State Revenue Service data.

Estimates and assumptions

The preparation of annual accounts requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Thus actual results may differ from these calculations. Legislation of the Republic of Latvia states that when preparing annual accounts, Company's management has to evaluate and to draft assumptions, which affect both Balance Sheet and off-Balance Sheet assets and liabilities on the Balance Sheet date, as well as shown income and expenses for the reporting period. Actual results may differ from these estimates (for example, deferred Corporate Income Tax liabilities, vacation provisions etc.).

Possible liabilities and assets

In these Financial Statements possible liabilities are not displayed but are reflected in the Notes to Financial Statements. As liabilities are recognized only when, if possibility that the funds will be paid out becomes founded. Possible assets in these Financial Statements are not recognized. Possible assets are shown in the Financial Statements only when there is enough proof that the economic benefits will reach the company.

Events after the end of the reporting year

Certain events which give additional information about Company's financial standing at the Balance Sheet date (correcting factors) have been considered during the preparation of the Financial Statements. If post Balance Sheet date events are not correcting factors, they are included in the Financial Statements only if they are substantial.

Related parties

The following sides are treated as "related parties": shareholders of the Company, Board Members, their close family members and companies which are under control or significant influence to the aforementioned related parties.

AS "VEF Radiotehnika RRR"
Annual accounts for the ended 30 June 2020

(1) Net Turnover

	2020	2019
Type of activity	EUR	EUR
Income from exports of finished goods	2 020	912
Income from rent of premises	1 298	1 399
Income from sale of finished goods in the local market	5 545	12 811
Income from utilities service provided to third parties	192	3 035
Income from sale of materials	-	40 753
Total	9 055	58 910

(2) Cost of goods sold

Cost type	2020	2019
	EUR	EUR
Depreciation of fixed assets	-	11 931
Change in stocks of finished goods	-	(4 573)
Change in stock of purchased materials and goods	4 764	12 741
Real estate maintenance, including utilities	421	24 543
Other taxes	2 144	2 464
Other costs	22	350
Total	7 351	47 456

(3) Selling expenses

Cost type	2020	2019
	EUR	EUR
Other selling expenses (marketing)	122	137
Total	122	137

(4) Administrative expenses

Cost type	2020	2019
	EUR	EUR
Personnel costs	3 421	16 128
Representation costs	-	427
Office expenses	83	356
Communication expenses	32	925
Bank expenses	25	593
Accounting and legal expenses	18	2 050
Other administrative costs	4 098	3 170
Total	7 677	23 649

(5) Other operating income

Type on income	2020	2019
	EUR	EUR
Net income from sale of real estate	1 766	-
Other income	1 036	44 746
Total	2 802	44 746

(6) Other operating expenses

Type of income/expense	2020	2019
	EUR	EUR
Penalties	281	67
Total	281	67

(7) Interest expense and similar expenses

Type of costs	2020	2019
	EUR	EUR
Loan interest paid	6 280	3 933
Total	6 280	3 933

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Annual accounts for the ended 30 June 2020

(8) Fixed Assets

	Real estate	Technological equipment	Other fixed assets	Total EUR
Historical cost				
2019.06.30.	291 870	1 020 068	42 824	1 354 762
Reclassified	2 400	(68 052)	-	(65 652)
Disposed	-	(520 568)	(18 950)	(539 518)
2020.06.30.	294 270	431 448	23 874	749 592
Depreciation				
2019.06.30.	34 463	926 973	22 378	983 814
Depreciation charge	2 113	11 942	473	14 528
Disposed	-	(520 568)	-	(520 568)
2020.06.30.	36 576	418 347	22 851	477 774
Net book value				
2019.06.30.	257 407	93 095	20 446	370 948
Net book value				
2020.06.30.	257 694	13 101	1 023	271 818

(9) Raw materials

	2020 EUR	2019 EUR
Raw materials	13 916	19 718
Provision for inventory loss	(2 125)	(2 125)
Total	11 791	17 593

(10) Work in progress and finished goods

	2020 EUR	2019 EUR
Work in progress	12 174	16 394
Total	12 174	16 394
Finished goods and in warehouse	33 795	85 135
Provision for decrease in value	(3 476)	(71 852)
Total	30 319	13 283

(11) Advance payments for goods

	2020 EUR	2019 EUR
Advance (non-residents)	-	7 440
Advance (residents)	1 648	3 167
Provision for unsecured debts	-	(9 371)
Total	1 648	1 236

(12) Trade receivables

	2020 EUR	2019 EUR
Receivables(non-residents)	-	45 519
Receivables (residents)	107 114	65 524
Provisions for doubtful debtors	(4 808)	(4 808)
Total	102 306	106 235

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(13) Receivables from related parties

	2020	2019
	EUR	EUR
Loans (non-current)*	180 232	180 232
Payments for goods	74 229	47 331
Total current receivables:	74 229	47 331
Total	254 461	227 563

*On 02 November 2018 the Company issued non-interest bearing unsecured loan of EUR 180 232 to the related company SIA "Imanta Retail Park" with maturity on 25 November 2028, because SIA "Imanta Retail Park" was subordinated loan in relation to its loan from AS LPB Bank. According to SIA "Imanta Retail Park" audited 2019 annual accounts, the Company's net cash flow is negative and its short-term liabilities significantly exceed its current assets. Although SIA "Imanta Retail Park" net result of 2019 is positive, it is not from the main operations, but from sale of real estate.

(14) Other receivables

	2020	2019
	EUR	EUR
Settlements with employees	(305)	447
Settlements of guarantee amounts	2 563	2 563
Other debtors	22 400	22 400
Loans to employees	13 873	23 220
Provision for loans to employees	-	(7 248)
Total	38 531	41 382

(15) Deferred expenses

	2020	2019
	EUR	EUR
Other expenses	943	443
Total	943	443

(16) Cash and cash equivalents

	2020	2019
	EUR	EUR
Cash on hand	87	87
Cash in bank accounts	603	130
Total	690	217

(17) Information on the Company's share capital

As at 31 December 2019 the subscribed and fully paid share capital consists of 2 549 084 ordinary shares with a nominal value of 0.10 EUR each.

O AS "VEF Radiotekhnika RRR" major shareholders are:

Shareholders	Number of shares		Value	
	2020.06.30	2019.06.30	2020.06.30	2019.06.30
Eduards Maļejevs	741 880	741 880	74 188	1 038 632
Jurijs Maļejevs	864 512	864 512	86 451	1 210 317
Armands Maļejevs	264 519	264 519	26 452	370 327
Inga Sprūga	65 567	65 567	6 557	91 794
Jekaterina Maļejeva	270 000	270 000	27 000	378 000
Ēriks Ertmanis	200 000	200 000	20 000	280 000
Others (<5%)	142 606	142 606	14 261	199 648
Total:	2 549 084	2 549 084	254 908	3 568 718

AS"VEF Radiotekhnika RRR" shares are listed on the list of shares are quoted on the AS Nasdag Riga second list.

Member of the Board Ēriks Ertmanis owns 200 00 shares;
Members of the Council Genadijs Hotejevs owns 1 624 shares;
Member of the Council Vjacheslavs Mihailovins owns 695 shares.

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Annual accounts for the ended 30 June 2020

(18) Retained earnings/(accumulated loss)

In accordance with decisions of Shareholders' meetings, the accumulated loss of previous years to be covered with the next years' profits.

	2020	2019
	EUR	EUR
Previous years' accumulated loss	(8 143)	52 810
Current year's profit/(loss)	(9 854)	28 405
Total	(17 997)	81 215

(19) Long-term investment revaluation reserve

	2020	2019
	EUR	EUR
Opening balance	160 202	160 202
Closing balance	160 202	160 202

The Company's fixed assets (land and buildings) were revalued according to Ober Haus Real Estate Company report on the real estate market value dated with 29.08.2016.

The Company's fixed assets (land and buildings) were revalued according to VCG ekspertu group Company report on the real estate market value dated with 17.05.2017

(20) Other loans	%	Repayment deadline	2020	2019
			EUR	EUR
Loan from EstateGuru tagatisagent	11,00%	2021.07.06	85 000	85 000
Total long-term loans			85 000	85 000

(21) Advances from customers

	2020	2019
	EUR	EUR
Advances from residents	-	412
Total	-	412

(22) Trade accounts payable

	2020	2019
	EUR	EUR
Short-term part:		
Trade accounts payable to residents	73 936	63 726
Short-term part total	73 936	63 726
Trade accounts payable total	73 936	63 726

(23) Payables to related parties

	2020	2019
	EUR	EUR
Short-term part:		
Payment for services	21	-
Short-term part total	21	-
Payables to related parties total	21	-

(24) Taxes and social insurance payments

	2020	2019
	EUR	EUR
Short-term part:		
2019.06.30	64 275	51 389
Changes in the reference year	36 917	12 886
2020.06.30	101 192	64 275
Total	101 192	64 275

(25) Other creditors

	2020	2019
	EUR	EUR
Salaries	6 709	7 889
Security	3 320	3 320
Total	10 029	11 209

AS "VEF Radiotehnika RRR"
Annual accounts for the ended 30 June 2020

(26) Accrued liabilities

	2020	2019
	EUR	EUR
Current expense	19	5 193
Provision for unused vacation leave	3 878	10 852
Total	3 897	16 045

(27) Average number of employees during the year

Average number of employees during the year	2020	2019
	0	
	7	8

(28) Transactions with related parties

Related party		Sales to related parties	Purchases from related parties	Amounts owed by related Parties as at 31 December	Amounts owed to related parties as at 31 December
SIA " Imanta Retail Park"	2019	20 691	7 095	227 563	-
	2020	-	31 036	254 461	21
TOTAL	2019	61 760	7 095	227 563	-
TOTAL	2020	-	31 036	254 461	21

(29) Post balance sheet events

Apart from the above information, no other events have occurred since the date of the reporting year which could considerably affect the report assessment or which would require additional explanation in this financial statement.

Following the end of the financial year, in March 2020, the Republic of Latvia and many other countries have entered into force restrictions related to the spread of coronavirus, which significantly reduces economic development in the country and in the world. It is not foreseeable how the situation is likely to develop in the future, and consequently there is uncertainty about economic development. The management of the company shall continuously assess the situation. Society management believes that the Company will be able to overcome the emergency by means of compensatory measures and be able to generate revenue from the sale of non-profile assets. However, this conclusion is based on information available at the time of signature of this financial statement.

(30) Further operation of the Company

From its core business, the company suffered profit related to the change in revenue. In 2020, the company reduced the production of acoustic systems and their sale. According to company management estimates in 2020 the revenues from economic activity will exceed expenditure by EUR 6 471, so that the positive cash flow from economic activity will be able to allow settlement with creditors.

Chairman of the Board

Ēriks Ertmanis

Member of the Board/Chief Accountant

Olga Romanko

31 August, 2020