

SIA "Oluksne"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

SIA "Oluksne"

ANNUAL REPORT

for the 12 months period ended 31 December 2024

SIA "Oluksne"
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INFORMATION ON THE COMPANY

Name of the company	SIA "Oluksne"
Legal status of the company	Limited liability company
Number, place and date of registration	Commercial register No 50203050741 Riga, 15th february 2017
Address	"Putni" Ziemeļi Parish, Alūksne Municipality, LV-4334 Latvia
Production Facility Address	"Putni" Ziemeļi Parish, Alūksne Municipality, LV-4334 Latvia
E-mail Address	info@apf.lv
Type of operations	Poultry farming and egg production services
Members of the Board	Hermanis Dovgijis – Board Member (since 22.03.2018) Ivans Maksimovs – Board Member (since 05.01.2021)
Financial year	1 January 2024 – 31 December 2024

REPORT OF THE MANAGEMENT

Type of operations

The principal activity of the limited liability company "Oluksne" (hereinafter – the Company) is the provision of poultry farming and egg production services.

Performance of the Company during the financial year

Both turnover and net profit increased, supported by the growth in production capacity of its cooperation partner and an increase in labor costs, while maintaining compliance with the approved Transfer Pricing policy.

The Company's workforce continued to grow steadily, averaging 44 employees during the reporting year, making it one of the largest employers in the Alūksne region.

In 2025, the Company plans to continue providing poultry maintenance services

Financial risk management

The policy of financial risk management of the Company is described in the financial report's Notes 16

Subsequent events

Except the above mentioned facts, there are no subsequent events since the last date of the financial year until the date of signing of financial statements, which would have a significant effect on the financial position of the Company as at 31 December 2024.

Future prospects

In the upcoming reporting periods, the Company plans to increase the number of employees to serve new clients and a larger number of birds.

Hermanis Dovgijs
Board Member

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INCOME STATEMENT

	Notes	2024	2023
		EUR	EUR
Revenue	(2)	903 352	709 800
Costs of goods sold or services provided	(3)	(790 483)	(609 381)
Gross profit or losses		112 869	100 419
Administrative expenses	(4)	(30 530)	(31 341)
Other operating expenses	(5)	(26 662)	(23 553)
Profit or losses before corporate income tax		55 677	45 525
Corporate income tax for the financial year		-	-
Profit or losses for the financial year		55 677	45 525

Notes on pages 8 to 14 are an integral part of these financial statements.

Hermanis Dovgijs
Board Member

Mihails Keziks
Person responsible for the
preparation of the financial

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BALANCE SHEET

	Notes	31.12.2024. EUR	31.12.2023. EUR
<u>ASSETS</u>			
Non-current assets			
Fixed assets:			
Other fixed assets	(6)	26	361
Total fixed assets:		<u>26</u>	<u>361</u>
Non-current financial investments:			
Receivables from group companies	(7)	-	241 018
Total non-current financial investments:		<u>-</u>	<u>241 018</u>
Total non-current assets:		<u>26</u>	<u>241 379</u>
Current assets			
Inventories:			
Raw materials and consumables		12	8
Total inventories:		<u>12</u>	<u>8</u>
Account receivable:			
Receivables from group companies	(7)	345 377	244
Other receivables		300	300
Deferred expenses		2 679	1 982
Total receivables:		<u>348 356</u>	<u>2 526</u>
Cash and bank:		<u>277</u>	<u>216</u>
Total current assets:		<u>348 645</u>	<u>2 750</u>
<u>Total assets</u>		<u><u>348 671</u></u>	<u><u>244 129</u></u>

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BALANCE SHEET

		31.12.2024.	31.12.2023.
		EUR	EUR
<u>EQUITY, PROVISIONS AND LIABILITIES</u>			
Equity			
Share capital	(8)	2 800	2 800
Retained earnings or uncovered losses brought forward from previous years		132 203	86 678
Current year profit or losses		55 677	45 525
Total equity:		190 680	135 003
Liabilities:			
Current liabilities:			
Trade payables		2 190	1 250
Payables to group companies	(9)	8 350	12 610
Taxes and state social insurance payments	(10)	61 519	23 939
Other creditors	(11)	44 254	33 705
Accrued liabilities	(12)	41 678	37 622
Total current liabilities:		157 991	109 126
Total liabilities:		157 991	109 126
<u>Total equity, provisions and liabilities</u>		<u>348 671</u>	<u>244 129</u>

Notes on pages 8 to 14 are an integral part of these financial statements.

Hermanis Dovgijs

Board Member

Mihails Keziks
Person responsible for the
preparation of the financial
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NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of accounting policies

General principles

Financial statements are prepared in accordance with the Laws of the Republic of Latvia "On Accounting" and "On the Annual Report and Consolidated Annual Report" (the Law).

Based on the financial indicators of the past two years, the Company is classified as a micro company. The financial statements include all information required by the Law, as well as additional information necessary to provide a true and fair view.

The financial statements have been prepared according to the historical cost accounting principle. The income statement is prepared in accordance with the function of expense method.

General accounting principles

Financial statement items are valued according to the following accounting principles:

- a) it is assumed that the Company will continue its activities;
- b) unless specified separately, the same valuation methods are used as in the previous year;
- c) valuation is made with sufficient care, including:
 - profit is recognized only if earned before the end of financial year;
 - all known and foreseeable liabilities and losses incurred by the end of the financial year shall be considered, including when they were revealed during the period between the end of the financial year and the day of preparation of the financial statement;
 - all asset impairment losses and depreciation are considered, regardless of whether the financial year is closed with profit or loss.
- d) unless specified separately, revenues and expenses are recognized according to accruals method, that is, considering the moment of occurrence regardless of the day of payment and day of invoice issue or receipt. Expenses are reconciled with the revenues in the financial year.
- e) The sections of the items of Assets and Equity, Provisions and Liabilities are measured and classified separately. Income and expenses are classified and disclosed separately except the gains or losses from sale of non-current assets and from similar transactions (e.g., the result of currency exchange rate fluctuation or the result of sale or purchase of foreign currency), which are offsetted.
- f) Transactions are reflected with account of their economic intention and matter and not with account of their legal form.

Income recognition and revenue

Revenue contains the total value of goods and services sold during the year excluding discounts and value added tax.

Income is recognized according to the following principles:

- Sales of goods - after significant ownership risk and rewards have been passed to the buyer;
- Rendering of services - under the percentage of completion method;
- Income from fines and penalties - at the moment of receiving the payments;
- Interest income - on an accrual basis;

Intangible investments and fixed assets

Intangible investments and fixed assets are initially recognized at the purchase cost. Purchase cost includes costs, directly related to the acquisition of intangible and fixed assets. In financial statements the intangible and fixed assets are recognized at purchase cost or revalued amount less depreciation.

Depreciation is calculated on a straight-line basis applying the following rates of depreciation set by the management, based on the estimated useful life of the fixed assets:

Depreciation % per annum

Other machinery and equipment, transport vehicles	3-5
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The Company capitalizes its fixed assets valued over 100 EUR with useful life exceeding 1 year. Depreciation for improvements and other low costs items with the value less than 100 EUR is recognized by 100 % after commissioning.

If sufficient evidence is acquired that the future economic benefit associated with subsequent repair or reconstruction costs will flow to the Company, which exceeds the return set previously, costs are capitalized as additional costs to the fixed asset. Capitalizing the cost of replaced parts, the carrying amount of the part replaced is derecognized and charged to the income statement. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Net gains or losses from disposal of fixed assets is calculated as the difference between the carrying amount of the fixed asset, write-off of related assets revaluation reserve (if any) and proceeds from sale, and recognized in the income statements during the period when disposal are incurred.

If it is possible to conclude due to any kind of occurrence or circumstances that residual value of fixed or intangible assets could exceed its recoverable value, appropriate value of fixed or intangible asset is to be decreased until recoverable value. Recoverable value is calculated as the highest of fair value less costs to sell or value in use.

Inventories

Inventories are recognized at the lower of purchase or production cost and net realizable value. Purchase costs consists of purchase value and overheads, which have been acquired, by delivering inventories at their current position and value. The costs of materials and other expenses that are directly connected with the production of the appropriate item as well as a respective part of overhead expenses based on the normal capacity of production facilities are included in the production cost of inventories. Selling expenses are not included in cost. The balance value of the inventories is calculated by using the FIFO (weighted average) method. When the net realizable value of inventories is lower than its costs, the difference is recognized as provisions for the decrease of value.

Account receivable

Trade receivables and payables are recognized at their original invoice amounts.

Trade receivables are presented in the balance sheet at net value, less provisions for doubtful debts.

Provisions for doubtful receivables are established when, in the opinion of the Company's management, the recoverability of such receivables is considered doubtful.

Provisions, contingent liabilities and assets

Provisions are liabilities related to current or previous years events and at the preparation of financial statements it is probable that an outflow of resources will be required to settle the obligation and its amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Contingent liabilities are not recognized. These could be classified as liabilities only when a probability of outflow of resources become probable (more likely than not). Similarly, contingent assets are not recognized, but classified as an assets only when the probability that the Company will gain economic benefits related to a transaction becomes virtually certain.

Accrued liabilities for unused annual leave

Amount of accumulated unused annual leave is determined by multiplying the average day rate of employees for the last six months of the financial year by the amount of accrued but unused annual leave at the end of the reporting year.

Corporate income tax

The corporate income tax expense for the reporting year is included in the financial statements based on management's calculations in accordance with the tax legislation of the Republic of Latvia, applying a 20% tax rate.

According to the new Corporate Income Tax Law, significant changes have been made to the application of the tax. Starting from 2018, corporate income tax is no longer calculated on the profit earned during the reporting year, but only at the moment of dividend distribution or deemed profit distributions. The tax rate is 20% of the gross amount, or 20/80 of the net amount paid out.

The Corporate Income Tax Law includes transitional provisions, including:

- Profit earned up to 31 December 2017 will not be subject to the additional 20% tax upon dividend distribution (subject to certain restrictions);
- Accumulated tax losses may be utilized within 5 years, but not exceeding 50% of the annual calculated tax amount on dividend distributions.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash, the balances of the current bank account and other current liquid financial assets with maturities up to 90 days.

Current and Non-current Items

Amounts are classified as non-current items if their receipt, payment, or write-off is expected to occur more than one year after the end of the reporting period. Amounts that are receivable, payable, or to be written off within one year are classified as current items. If, after the end of the reporting year but before the signing of the financial statements, the repayment terms of receivables or liabilities have been extended, such items are classified based on the new repayment terms.

Group companies

Subsidiaries of the group or the parent company of the group, or other subsidiaries of the group, or subsidiaries of the subsidiaries of the group are regarded as the group companies.

Associates

An associated company is an entity within a significant influence of other company, which is provided by holding no less than 20% and no more than 50% of the voting rights.

Related parties

Related parties are considered Group companies, Board and Council members, their close family members and entities, in which the previously mentioned persons or companies have significant influence or control.

	2024	2023
	EUR	EUR
(2) Revenue		
The Company's production activities and services are aimed at supporting egg production in Latvia.	903 352	709 800
	<u>903 352</u>	<u>709 800</u>
(3) Cost of sales, including the cost of goods manufactured, the cost of purchased goods sold, or the cost of services rendered		
	2024	2023
	EUR	EUR
Salary expenses	630 501	487 713
State mandatory social insurance contributions	147 321	114 141
Transport services	2 988	1 507
Other production costs	9 673	6 020
	<u>790 483</u>	<u>609 381</u>
(4) Administrative expenses		
	2024	2023
	EUR	EUR
Professional service costs	14 900	13 410
Salary expenses	10 713	14 392
State mandatory social insurance contributions	2 225	3 087
Cash turnover-related ancillary expenses	460	278
Depreciation of intangible and fixed assets	-	144
Other administrative expenses	2 232	30
	<u>30 530</u>	<u>31 341</u>
(5) Other operating expenses		
	2024	2023
	EUR	EUR
Provision for unused annual leave	3 938	9 051
Fines and penalties	3 419	872
Other costs	19 305	13 630
	<u>26 662</u>	<u>23 553</u>

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(6) Fixed assets

	Land plots, buildings and engineering structures EUR	Investment property (IFRS only) / Leasehold improvements EUR	Technological equipment and machinery EUR	Other fixed assets EUR	Fixed assets under development and construction in EUR	Advances for fixed assets EUR	Total EUR
Cost/revaluation							
31.12.2023.	-	-	-	3 533	-	-	3 533
Purchase	-	-	-	0	-	-	0
31.12.2024.	-	-	-	3 533	-	-	3 533
Depreciation							
31.12.2023.	-	-	-	(3 172)	-	-	(3 172)
Calculated	-	-	-	(335)	-	-	(335)
31.12.2024.	-	-	-	(3 507)	-	-	(3 507)
Net carrying amount							
31.12.2023.	-	-	-	361	-	-	361
31.12.2024.	-	-	-	26	-	-	26

(7) Receivables from group companies

	31.12.2024. EUR	31.12.2023. EUR
Non-current		
Trade payable to SIA "Alūksnes putnu ferma"	-	241 018
	<u>-</u>	<u>241 018</u>
Current		
Trade payable to SIA "Alūksnes putnu ferma"	345 377	244
	<u>345 377</u>	<u>244</u>

(8) Share capital

As of 31 December 2024, the Company's registered and fully paid share capital amounted to EUR 2,800 and consisted of 28 ordinary shares with a nominal value of EUR 100 each.

(9) Payables to group companies

	31.12.2024. EUR	31.12.2023. EUR
Current		
Trade payable to SIA "APF Holdings"	8 350	12 610
	<u>8 350</u>	<u>12 610</u>

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(10) Taxes and social insurance payments	31.12.2024.	31.12.2023.
	EUR	EUR
State mandatory social insurance contributions	41 692	16 682
Personal income tax	19 794	7 242
Other taxes	33	15
	<u>61 519</u>	<u>23 939</u>
(11) Other creditors	31.12.2024.	31.12.2023.
	EUR	EUR
Current		
Salaries	43 662	32 488
Other liabilities	592	1 217
	<u>44 254</u>	<u>33 705</u>
(12) Accrued liabilities	31.12.2024.	31.12.2023.
	EUR	EUR
Accrued unused annual leave expenses	41 508	37 570
Other accrued liabilities	170	52
	<u>41 678</u>	<u>37 622</u>
(13) Average number of employees	31.12.2024.	31.12.2023.
Average number of employees during the financial year	<u>44</u>	<u>37</u>
(14) Remuneration to the management	31.12.2024.	31.12.2023.
	EUR	EUR
Members of the Board	13 276	13 276
	<u>13 276</u>	<u>13 276</u>
(15) Transactions with related parties		

The Company's sole shareholder, holding 100% of the shares, is AS "APF Holdings" (Latvia).

During the reporting year, the Company engaged in business transactions with AS "APF Holdings", as well as with SIA "Alūksnes putnu ferma" and SIA "APF Trading", which are subsidiaries of AS "APF Holdings".

a) claims and liabilities

	Notes	31.12.2024.		31.12.2023.	
		Receivables EUR	Payables EUR	Receivables EUR	Payables EUR
Group companies					
SIA "Alūksnes putnu ferma"	1)	345 190	-	241 018	-
SIA "APF Trading"	2)	186	-	244	-
SIA "APF Holdings"	3)	-	8 350	-	12 610
		<u>345 377</u>	<u>8 350</u>	<u>241 262</u>	<u>12 610</u>

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b) transactions

	Notes	Sales to related parties		Purchases from related parties	
		2024	2023	2024	2023
		EUR	EUR	EUR	EUR
Group companies					
Revenue from services	1)	900 130	709 800	-	-
Sublease of premises, consulting services	3)	-	-	14 900	13 410
		900 130	709 800	14 900	13 410

1) The Company has entered into a service agreement with the related party SIA "Alūksnes putnu ferma

c) During the reporting year, AS "APF Holdings" leased office premises to the Company and provided consulting and other services.

(16) Financial risk management

Financial risks related to the financial instruments of the Company are mainly the exchange risk, the interest rate risk, the liquidity risk and the credit risk. The Management of the Company seeks to minimize potential adverse effects of the financial risks on the Company's financial position. The Company does not use derivative financial instruments to hedge certain risk exposures.

Credit risk

The Company is subject to the credit risk with respect to the trade receivables, issued short-term loans, cash and cash equivalents. The Company manages its credit risk constantly reviewing the repayment history of the client debts and stating the credit conditions for each client separately. The Company also is constantly monitoring the balances of trade receivables to decrease the risk of non-recoverability of debts.

The Company has no significant concentration of credit risk on any separate business partner or group of partners corresponding to the similar description / The largest concentration of credit risk arises from the Group company's debts. Taking into account the Group's financial position the Company's management believes that the credit risk of transactions with the Group companies is considered as low.

Liquidity risk

The Company manages its liquidity risk, maintaining the appropriate amount of cash and cash equivalents.

(17) Subsequent events

Except the above mentioned facts, there are no subsequent events since the last date of the financial year until the date of signing of financial statements, which would have a significant effect on the financial position of the Company as at 31 December 2024.

Hermanis Dovgijs

Board Member

Mihails Keziks
Person responsible for the
preparation of the financial
statements