

Rīga, 13 th of June, 2019

SIA "Regalhouse"

Annual report 2018



CONTENT

	Page
Ancillary information	3
Management report	4
Statement of Profit or Loss	5
Balance sheet	6
Notes to the Financial Statements	8

ANCILLIARY INFORMATION

Name of the company	SIA "Regalhouse"
Legal status	Limited liability company
Registration No, place and date	40103971669, Riga, 23.02.2016
Legal address	Krisjana Valdemara street 21-10, Riga, LV-1010
Shareholders	"Higham Finance" - 90% Regalhouse Engineering Limited - 10%
Financial year	from 01.01.2018 to 31.12.2018.



## MANAGEMENT REPORT

### **Type of operations**

The company is engaged in the distribution of vegetable and fruit juices and the rental and management of real estate.

### **Short description of the operations in the financial year and financial situation.**

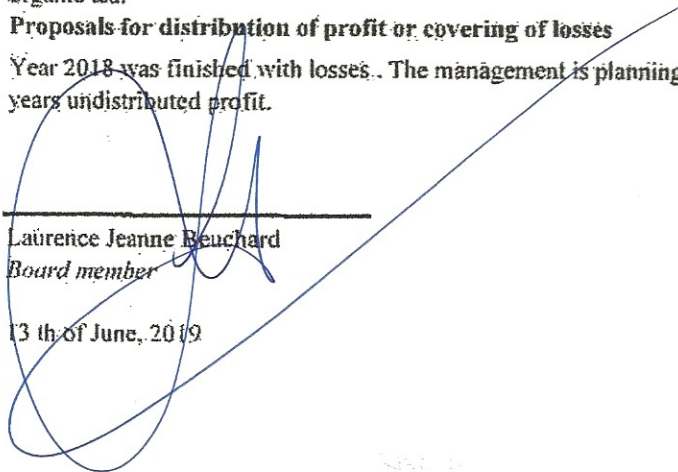
The Company ended the year with a loss of 33 593 EUR. Due to the fact that it was not possible to open a bank account for a company in Latvia, a branch was established in Estonia at the end of 2016, where a bank account was opened and an economic activity started. In 2018, the company started and will continue to trade, distribute fruit and vegetable juices produced in France with special traditional methods. The company's income in 2018 was also derived from rental real estate and selling fixed assets of the Estonian branch. The company offered juices for restaurants, cafes, shops in Latvia and Estonia.

### **Events after the last day of the balance**

Next year, the business model will not change. The company plans to expand its operations in the Baltic States and opened its branch in Lithuania at the beginning of 2019. The company plans to expand its product range and offer organic tea.

### **Proposals for distribution of profit or covering of losses**

Year 2018 was finished with losses. The management is planning to cover the losses of financial year with previous years undistributed profit.



\_\_\_\_\_  
Laurence Jeanne Beuchard  
Board member

13 th of June, 2019

**STATEMENT OF PROFIT OR LOSS**  
(at sales cost method)

	No. of note	2018	2017
		EUR	EUR
Net sales	2	339 681	191 463
Cost of sales	3	-212 431	-114 592
Gross profit/ (loss)		127 250	76 871
Selling expenses	4	-99 221	-8 752
Administrative expenses	5	-66 884	-22 189
Other operating income	6	20 709	
Other interest and similar income	7	12	3
Other interest and similar expenses	8	(9 209)	
Other operating expenses	9	(5 000)	-8
Profit or loss before corporate income tax		(32 343)	45 925
Corporate income tax	1	(1 250)	
Profit or loss for the financial year		(33 593)	45 925

Appendices from 8 to 16 page are an integral part of this annual report.

Laurence Jeanne Beuchard  
Board member

Signature

13<sup>th</sup> of June, 2019

AR prepared by

A. Blumberga  
SIA "Debets"

**BALANCE SHEET**

Non-current assets	No. of note	31.12.2018.	31.12.2017.
		EUR	EUR
<b>Tangible fixed assets</b>			
Building and structures and structures	10	195 776	217 171
<b>Total non-current assets</b>		<b>195 776</b>	<b>217 171</b>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		4 662	
Prepayments for goods			2 809
<b>Total inventories</b>		<b>4 662</b>	<b>2 809</b>
<b>Receivables</b>			
Trade receivables		108 462	11 024
Receivables from related companies	11	16 374	6 066
Short-term loans to company owners and managers			2 720
Other debtors	12	16 799	15 905
Prepaid expenses		82	68
<b>Total receivables</b>		<b>141 717</b>	<b>35 783</b>
Cash		59 664	96 812
<b>Total current assets</b>		<b>206 043</b>	<b>135 404</b>
<b>Total assets</b>		<b>401 819</b>	<b>352 575</b>

**BALANCE SHEET**

Shareholder's equity and liabilities	No. of note	31.12.2018. EUR	31.12.2017. EUR
<b>Shareholder's equity</b>			
Share capital	13	2 800	2 800
a) Retained earnings brought forward		46 092	167
b) Retained earnings for the financial year		(33 593)	45 925
<b>Total shareholder's equity</b>		<b>15 299</b>	<b>48 892</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Payables to related companies	14	209 960	209 960
<b>Total Non-current liabilities</b>		<b>209 960</b>	<b>209 960</b>
<b>Current liabilities</b>			
Prepayments received from customers		12 155	28 529
Trade payables		36 749	63 047
Payables to related companies	14	82 559	
Taxes and social security payable	15	5 181	652
Other liabilities	16	28 151	269
Accrued liabilities		11 765	1 226
<b>Total current liabilities</b>		<b>176 560</b>	<b>93 723</b>
<b>Total liabilities</b>		<b>386 520</b>	<b>303 683</b>
<b>Total shareholder's equity and liabilities</b>		<b>401 819</b>	<b>352 575</b>

Appendices from 8 to 13 page are an integral part of this annual report.

Laurence Jeanne Beuchard  
Board member

13 th of June, 2019

Signature

AR prepared by:

A. Blumberga  
SIA "Debets"



**APPENDICES OF THE ANNUAL REPORT****(1) ACCOUNTING AND EVALUATION METHODS - GENERAL PRINCIPLES****Base for preparing the annual report**

The annual report is prepared in consistency with the "Law on accounting" and "Law on the annual reports and consolidated annual reports". The statement of profit or loss is classified according to periodic cost method.

**Accounting principles used**

Posts of the annual report are evaluated according to the following accounting principles:

- a) Assume that company will continue it's business( going concern)
- b) Evaluation is done with certain precaution:
  - only profit gained till the balance sheet date is included;
  - one has taken into account all forecasted risk sums and losses, which appeared during the financial year in the case, if they appeared between the balance date and the completion day of the annual report;
  - all the sums that decrease value or depreciation are calculated and taken into account disregarding the profit or loss gained in the financial year.
- c) All income and costs of the financial year are taken into account disregarding the date of payment or the date of the bill reception. Costs are synchronized with income in the financial period.
- d) The posts of assets and liabilities are evaluated independently.
- e) All the posts are shown that significantly impact the evaluation of the annual report by the users or the decision-making process; all the smaller posts are unified and the details of them are given in appendix.
- f) Economical transactions in the financial year are shown taking into account their economical content and meaning, not legal form.

**Financial year**

Financial year is 12 months from 01.01.2018 to 31.12.2018

The sums shown in the financial reports are stated in the national currency of Republic of Latvia -euro (EUR).

**Related parties**

The following persons are considered to be related parties: owners of the company, members of council and board, close relatives of those persons and companies, where these persons have significant influence.

**Valuation of receivables**

Receivables are valued according to the principle of prudence and recognized at original cost less allowance for doubtful trade receivables.

**Tangible fixed assets**

All property, plant and Equipment and intangible assets are carried at cost less accumulated depreciation on the balance sheet. Acquired assets under 400 EUR are considered as low value inventory.

Property, plant and equipment are started at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated in a straight-line basis over the estimate useful life of the assets.

The following depreciation rates were established and applied:

**Tangible fixed assets:**

Computer equipment, communication and office equipment	33%
Other fixed assets	20%
Building	5%



**Trade debtors**

Accounts receivable are accounted by the amount of original invoices less provisions for doubtful receivables. Provisions are made if the collection of the full amount of the debt is doubtful. Debts are written off if their recovery is considered impossible.

**Cash**

Cash in bank is considered as cash and its equivalents.

**Provisions**

Provisions are recognized in order to cover certain losses, liabilities or costs relating to the reporting period or previous periods which are expected or certain on the balance sheet date, but the amount or date of occurrence or settlement of which is not certain.

**Recognition of income**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from the rendering of services are recognised by reference to the stage of completion.

Interest revenue is recognised as the interest accrues.

**Corporate income tax**


The corporate income tax for the financial year consists of the tax calculated for the financial year. The corporate income tax is shown in the profit or loss statement.

The tax calculated for the financial year is calculated by taking into account the requirements of the law "On corporate income tax", when stating the taxable income, and using the tax rate of 15% as stated in the law.

For the financial year 2018 the Corporate income tax is calculated by taking into account the requirements of the law "On corporate income tax", which comes into force in 01.01.2018, stating the taxable income and using the Corporate income tax rate 20% from the taxable base. Taxable base before using rate 20% is adjusted by coefficient 0.8.

**Corporate income tax in Estonia**

Income tax is paid only in case company or the branch has distributed dividends. In general the dividend tax is 20% (e.g. 800 for dividend and 200 for tax). In some cases the dividend tax can be 14% e.g. when the company has previously for 3 years paid dividends.



## (2) Net Sales

Net sales are the income received within a year from the main operations of the company less valued added tax.

Type of operations	2018	2017
	EUR	EUR
Revenue from sales of goods in Estonia	268 216	20 527
Revenue from sales in Latvia	1 407	
Revenue from services provided in Estonia	56 638	19 045
Income from rent in Estonia	13 400	151 891
Total	339 681	191 463

## (3) Cost of sales

	2018	2017
	EUR	EUR
Purchase of goods	196 895	13 000
Depreciation	10 182	5 568
Other costs	5 354	96 024
Total	212 431	114 592

## (4) Selling expenses

	2018	2017
	EUR	EUR
Personal costs	15 884	6 080
Business trips	16 171	2 672
Marketing costs	33 322	
Other selling expenses	33 844	
Total	99 221	8 752

## (5) Administrative expenses

	2018	2017
	EUR	EUR
Personal costs	18 690	
Administrative expenses Estonia branch*		18 634
IT services	5 867	
Communication expenses	756	
Bank charges	699	10
Professional services	6 923	2 712
Office costs	6 692	
Education and consultation expenses	25 960	
Other expenses	1 297	833
Total	66 884	22 189

\*Administration costs in Estonian branch in year 2017 was shown in one amount

## (6) Other income from operations

	2018	2017
	EUR	EUR
Income from sales of property	20 709	
Total	20 709	

## (7) Other interest and similar income

	2018	2017
	EUR	EUR
Interest income from other person	12	3
Total	12	3

## (8) Interest and similar expenses

	2018	2017
	EUR	EUR
Penalties paid to other persons	36	8
Accrued interest payable to related companies	9173	
Interest payments		
Total	9209	8

## (9) Other operating expenses

	2018	2017
	EUR	EUR
Not business related costs in Estonia	5000	
Total	5000	



**(10) Tangible fixed assets**

		<b>Buildings</b>	<b>Total</b>
		<u>EUR</u>	<u>EUR</u>
Acquisition value as at	<u>31.12.2017.</u>	<u>222 740</u>	<u>222 740</u>
Additions		55 878	55 878
Sold		-71 247	-71 247
Acquisition value as at	<u>31.12.2018.</u>	<u>207 371</u>	<u>207 371</u>
Accumulated depreciation as at	<u>31.12.2017.</u>	<u>5 569</u>	<u>5 569</u>
Depreciation calculated		10 182	10 182
Depreciation of disposals		-4 156	-4 156
Accumulated depreciation as at	<u>31.12.2018.</u>	<u>11 595</u>	<u>11 595</u>
Net carrying amount as at	<u>31.12.2017.</u>	<u>217 171</u>	<u>217 171</u>
Net carrying amount as at	<u>31.12.2018.</u>	<u>195 776</u>	<u>195 776</u>

**(11) Receivables from related companies**

	31.12.2018.	31.12.2017.
	EUR	EUR
Higham Finance SIA	4 534	4 226
Cabinet Velut	1 840	1 840
Regalhouse Engineering UK, deposit*	10 000	
<b>Total</b>	<b>16 374</b>	<b>6 066</b>

\*Deposit in year 2017 was included in other debtors

**(12) Other receivables**

	31.12.2018.	31.12.2017.
	EUR	EUR
Recoverable VAT	111	263
Advances to employees	813	
Tax overpayment in Estonia	828	
Overpayment of unemployment risk duty		2
Overpayment of corporate income tax	47	32
Deposit*		10 000
Prepayment for services	15 000	
Other receivables		5 608
<b>Total</b>	<b>16 799</b>	<b>15 905</b>

**(13) Share capital**

The share capital is fully paid. It consists of 2800 shares with the nominal value of 1.00 EUR.

**(14) Payables to related companies**

	Due date	31.12.2018.	31.12.2017.
		EUR	EUR
Long-term			
Loan from Regalhouse Engineering Ltd	open-ended	209 960	209 960
<b>Total</b>		<b>209 960</b>	<b>209 960</b>

\*The loan is with 3% interest.

	Due date	31.12.2018.	31.12.2017.
		EUR	EUR
Short term			
Loan from Higham Finance SIA	open-ended	82 559	
<b>Total</b>		<b>82 559</b>	

Loan is interest free



**(15) Taxes and social security payable****Type of tax**

	<b>31.12.2018.</b>	<b>31.12.2017.</b>
	<b>EUR</b>	<b>EUR</b>
Value added tax	17	
Personal income tax	1 745	296
Statutory social insurance contributions	3 415	356
Unemployment risk duty	4	
<b>Total</b>	<b>5 181</b>	<b>652</b>

	<b>Residue on</b>	<b>Calculated</b>	<b>Paid 2018</b>	<b>Residue on</b>
	<b>31.12. 2017.</b>	<b>in 2018</b>		<b>31.12. 2018.</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Personal income tax Latvia	159	3 106	1 657	1 608
Statutory social insurance contributions	130	6 288	3 230	3 188
Unemployment risk duty	-2	7	1	4
Corporate income tax in Latvia	(32)		15	-47
Value added tax in Latvia	-263	-442	-594	-111
Personal income tax in Estonia	137	1 650	1 650	137
Statutory social insurance contributions Estonia	226	2 723	2 722	227
Corporate income tax Estonia		1 250	1 250	
Value added tax in Estonia		46 218	46 201	17
<b>Total</b>	<b>355</b>	<b>60 800</b>	<b>56 132</b>	<b>5 023</b>

**Including:**

	<b>31.12.2018.</b>	<b>31.12.2017.</b>
	<b>EUR</b>	<b>EUR</b>
Tax overpayment	158	297
Tax debt	5 181	652

**(16) Other payables.**

	<b>31.12.2018.</b>	<b>31.12.2017.</b>
Payment for salary	550	269
Payments to employees	461	
Other creditors	27 140	
<b>Total</b>	<b>28 151</b>	<b>269</b>

**(17) Amount of employees working in the company**

	<b>2018</b>	<b>2017</b>
Average number of employees during the financial year	2	1



## Sidevahendid

Liik	Sisu
Mobiiltelefon	+372 59825122
E-posti aadress	laurence.beuchard@gmail.com