

REGALHOUSE LLC

Annual report

For the year ended 31 December 2021

GENERAL INFORMATION

Name of the company	Regalhouse LLC
Legal status of the company	Limited liability company
Legal address	Valentina street 16k-2-43, Riga
Registration No., date	40103971669 23.02.2016
Information about shareholders	Higham Finance Limited -26,43% Regalhouse Engineering Limited – 53,57% Laurence Jeanne Beuchard – 20,00%
Board members	Aleksandrs Zaicevs - Board member Laurence Jeanne Beuchard - Board member Jean-Francois Havier Velut - Board member
Financial year	01.01.2021. - 31.12.2021.
Accountant	SIA "VG&A. Tax&accounting services" 43603024519 Baiba Altenberga

Statement of profit or loss
 (Classified by expense function)

For year 2021

Nr. p.k.	Indicator name	Note	Row code	Year 2021	Year 2020
1	2	3	4	5	6
1	Net turnover:	1	010	291 740	326 819
	a) from agricultural activity				
	b) from other main activities			291 740	326 819
2	Cost of sale	2	020	63 259	70 250
3	Gross profit		030	228 481	256 569
4	Sale expenses	3	040	187 055	52 124
5	Administration expenses	4	050	9 727	92 584
6	Other operation income	5	060	1 487	52 051
7	Other operating expenses	6	070	132	9 451
8	Income from capital participation in subsidiaries and associated companies		080		
	a) capital of affiliated companies				
	b) capital of associated companies				
	c) capital of other companies				
9	Income from securities and loans forming non-current assets				
	a) capital of affiliated companies				
	b) from associated companies and other entities, as well as securities and other long-term debtors				
10	Interest receivable and similar income	7	100	1 745	255
	a) capital of affiliated companies				
	b) other companies			1 745	255
11	Written-off of the value of non-current financial assets and short term securities				
	a) The impairment interest in associated companies ' capital				
	b) other impairment adjustments				
12	Interest payable and similar expenses	8	120	2 239	1 392
	a) capital of affiliated companies				
	b) other companies			2 239	1 392
13	Profit or loss before Corporate income tax			32 560	153 324
14	Corporate income tax for the period		170		
15	Profit or loss for the financial year		200	32 560	153 324

Laurence Jeanne Beuchard

BALANCE SHEET TO 31 DECEMBER, 2021

ASSETS	Note.	31.12. 2021.	31.12. 2020.
1.Non-current assets			
2.Tangible fixed assets			
Land, buildings, structures and permanent crops		140 537	198 973
Other fixed assets and equipment		155	279
1. TOTALLY:	9	140 512	199 222
2. Current assets			
I. Stocks			
1. Raw materials, direct materials and auxiliary materials			
2. Finished goods and goods for resale		17 811	20 533
3. Complete products and goods for sale			
4. Unfinished orders			
5. Advanced payments for goods			
6. Work animals and productive animals			
I. TOTALLY:		17 811	20 533
I.I Debtors			
1. Customers and client debts		107 074	39 250
2. Related companies debts	10	15 771	16 960
3. Affiliated companies debts			
4. Other debts	11	5 125	7 087
5. Unpaid shares in business capital			
6. Short-term loans to joint owners and administration			
7. Next period expenses	12	3 741	3 857
8. Accrued income			
II. TOTALLY :		131 711	67 154
IV. Cash assets	13	64 411	1 928
2. TOTALLY		214 003	89 615
BALANCE		354 515	288 837

Laurence Jeanne Beuchard

BALANCE SHEET TO 31 DECEMBER, 2021

LIABILITIES	Note	31.12. 2021.	31.12. 2020.
1. Equity			
1. Share capital	14	2 800	2 800
2. Stock issue extra charge			
3. Long-term investment reestimation reserve			
4. Reserves			
a) prescribed reserves;			
b) reserves for own stocks and shares;			
c) reserves prescribed by enterprise;			
d) other reserves.			
IV. TOTALLY:			
5. Retained profit:			
a) retained profit of previous years;		60 737	-92 587
b) retained profit of the year of account.	15	32 560	153 324
1. TOTALLY		96 097	63 537
3. Creditors			
I. Long-term creditors			
Payables to related companies	16	132 113	136 113
I. TOTALLY :		132 113	136 113
II. Short-term creditors			
1. Funded borrowings			
2. Borrowings for shares			
3. Bank borrowings			
4. Other borrowings		44 936	
5. Customers advanced payments		1 168	800
6. Debts to suppliers and contractors		40 123	27 846
7. Bills to be paid			
8. Payables to related companies	16		36 086
9. Payables to affiliated companies			
10. Taxes and social security payments	17	12 545	14 265
11. Other creditors	18	13 770	4 416
12. Deferred income			
13. Dividends of the year of account			
14. Unpaid dividends of previous years			
15. Accrued liabilities	19	13 770	5 774
II. TOTALLY :		126 305	89 187
3. TOTALLY		258 418	225 300
BALANCE		354 515	288 837

Laurence Jeanne Beuchard

Appendices of the Annual report

Accounting and evaluation methods – general principles

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

- a) Assume that company will continue it's business
- 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 loses, 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 sums that decrease value or depreciation are 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 in the financial period.
- d) The posts of assets and liabilities are evaluated independently.
- e) All posts are shown that significant impact the evaluation of the annual report by the users or the decision-making process, all the smaller posts are unified of them arc given in appendix.
- f) Economic transactions in the annual year are shown taking into account their economical content and meaning, not legal form.

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 persons have significant influence.

Tangible fixed assets

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

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

The following depreciation rates were established and applied:

- | | |
|--|-----|
| - computer, communication and office equipment | 33% |
| - other fixed assets | 20% |
| - building | 5% |

Trade debtors

Accounts receivable in the balance sheet are shown at net worth, minus the special provisions for doubtful receivables. The amount of doubtful receivables is determined

by the term analysis of each debtor's debt and using other relevant information on the debt recovery.

Cash

Cash in bank is considered as cash and its equivalents

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 recognized by reference to the stage of completion.

Interest revenue is recognized as the interest accrues.

Statement of profit or loss

(1) Net turnover

	Year 2021	Year 2020
Revenue from sales of goods in Latvia	17 987	13 712
Revenue from sales of goods in EU countries	4 857	252
Revenue from services provided EU countries	18 100	
Other revenue in Latvia	722	1 775
Revenue from sales of goods in Estonia	31 395	34 643
Revenue from services provided in Estonia	213 048	256 519
Revenue from rent in Estonia		14 385
Revenue from sales of goods in Lithuania	5 631	5 533
Total:	291 740	326 819

Turnover is the revenue generated during the year from the company's main activity – sales of goods and provision of services without VAT.

(2) Cost of sales

	Year 2021	Year 2020
Purchase cost of goods	46 307	36 955
Depreciation	9 351	14 818
Payment for services received	7 110	14 481
Other costs	491	3 996
Total:	63 259	70 250

(3) Selling expenses

	Year 2021	Year 2020
Personal costs	100 951	20 206
Social insurance	30 735	
Business trips	30	1 779
Marketing costs	7 669	10 479
Natural loss of goods		521
Rent of premises	9 605	8 705
Transportation and insurance expenses	8 851	9 974
Land tax	102	411
Other selling expenses	29 112	49
Total:	187 055	52 124

(4) Administrative expenses

	Year 2021	Year 2020
Personal costs		30 930
Accrual for vacation		3 205
Communication expenses	592	445
Bank charges	459	489
Professional services	5 885	5 665
Office costs	512	1 734
Education and consultation expenses		46 745

Other expenses	2 279	3 371
Total:	9 727	92 584

(5) Other income from operations

	Year 2021	Year 2020
Income from sales of property		48 437
State support for Estonian branch		2 469
State support for Lithuanian branch	1 056	
Other incomes	431	1 145
Total:	1 487	52 051

(6) Other operating expenses

	Year 2021	Year 2020
Exchange rate losses	132	3 753
Not business related costs in Estonia		5 698
Not business related costs in		
Total:	132	9 451

(7) Other interest and similar income

	Year 2021	Year 2020
Interest income from other persons	1 745	255
Total:	1 745	255

(8) Interest and similar expenses

	Year 2021	Year 2020
Penalties paid to other persons	1 501	1 392
Interest costs for other persons	738	
Total:	2 239	1 392

Balance sheet

(9) Tangible value assets

	Buildings	Other fixed assets	Total
Acquisition value			
31.12.2020.	226 447	373	226 820
Additions 2021.			
Sold 2021.	55 878		55 878
31.12.2021.	170569	373	170 942
Accumulated depreciation			
31.12.2020.	27 504	94	27 598
Depreciation calculated 2021.	9 227	124	9 351
Written-off	6 519		6 519
31.12.2021.	30 212	218	30 430
Net carrying amount at 31.12.2020.	198 943	279	199 222
Net carrying amount at 31.12.2021.	140 357	155	140 512

(10) Receivables from related companies

	31.12.2021	31.12.2020
Regalhouse Engineering UK, deposit	10 000	10 000
Higham Finance SIA	3 931	5 120
Cabinet Velut	1 840	1 840
Total:	15 771	16 960

(11) Other receivables

	31.12.2021	31.12.2020
Recoverable VAT		100
Business risk duty overpayment		4
Advances to employees		106
Tax overpayment in Estonia		2 345
Tax overpayment in Lithuania	519	
Prepayment for services	350	39
Other	4 256	4 493
Total:	5 125	7 087

(12) Next period expenses

	31.12.2021	31.12.2020
Insurance	134	332
Rent payment	3 100	3 100
Other expenses	507	425
Total:	3 741	3 857

(13) Cash assets

	31.12.2021	31.12.2020
Bank account Regalhouse LLC	4 430	1 349
Bank account Lithuanian branch	31	2
Bank account Estonian branch	59 950	577
Total:	64 411	1 928

(14) Share capital

The share capital is fully paid. It consists of 2800 shares with the nominal value of 1,00 EUR.

(15) Retained earnings for the reporting year

	31.12.2021	31.12.2020
Regalhouse LLC Latvia	50 161	216 424
Lithuanian branch	-1 091	-17 172
Estonian branch	-16 510	-45 928
Total:	32 560	153 324

(16) Payables to related companies

Long term

	31.12.2021	31.12.2020
Loan from Regalhouse Engineering LTD	132 113	136 113
Total:	132 113	136 113

The loan is with 3% interest.

Short term

	31.12.2021	31.12.2020
Loan from Higham Finance SIA		36 086
Total:		36 086

Loan is interest free.

(17) Taxes and social security payables

	31.12.2021	31.12.2020
Tax debt to an Estonian branch	7 725	1 365
Tax debt to an Lithuanian branch		623
Value added tax	1 220	
Personal income tax	961	3 343
Statutory social insurance contributions	2 637	8 934
Business risk duty	2	
Total:	12 545	14 265

(18) Other payables

	31.12.2021	31.12.2020
Payment for salary	11 464	4 004
Payment to employees	210	139
Customer overpayment		273
Unpaid salary	2 096	
Total:	13 770	4 416

(19) Accrual liabilities

	31.12.2021	31.12.2020
Accruals for vacations	13 763	5 774
Kopā:	13 763	5 774

Other information

Taxes

Type of tax	Residue on 31.12. 2020	Calculated in 2021	Penalty	Paid 2021	Residue on 31.12. 2021
PIT Latvia	3 343	2 615	106	5 103	961
SSIC Latvia	8 934	6 454	257	13 008	2 637
Unemployment risk duty	-4	6	1	1	2
VAT Latvia	-100	2 264	76	1020	1 220
Taxes Estonian branch	1 365	38 287		31 927	7 725
Taxes Lithuanian branch	623	-488		654	-519
Total:	14 161	49 138	440	51 745	12 026
Including					519
- overpayment	104				
- tax debt	14 265				12 545

Amount of employees in the company

	Year 2021	Year 2020
Average number of employees during the financial year	4	5

Employees costs

Type of costs	Year 2021	Year 2020
Salary	100 951	43 289
Statutory social insurance contributions	30 728	7 838
Unemployment risk duty	6	9
Total:	131 685	51 136

Staff costs

The company's Board members do not received remuneration for their functions in the Board.

Information on off-balance sheet liabilities, pledged assets

No off-balance sheet commitments. The pledge agreements are not closed. There is no public involvement in court proceedings.

**Regalhouse SIA 01.01.2022-31.12.2021
Annual Report
signatures**

Board members confirm that the Annual Report, presented on pages 2 to 12, for Regalhouse SIA is accurate and complete (reporting period 01.01.2021-31.12.2021).

**Regalhouse SIA 01.01.2022-31.12.2021
majandusaasta aruande allkirjad**

Juhatus kinnitab lehekülgedel 2 kuni 12 esitatud Regalhouse SIA majandusaasta aruande koostamise õigsust ja täielikkust (aruandlusperiood 01.01.2021 -31.12.2021).

Laurence Jeanne Beuchard
Board member / Juhatuseliige

**Regalhouse SIA 01.01.2022-31.12.2021
Annual Report
signatures**

Date 02.08.2022.

Board members confirm that the Annual Report, presented on pages 2 to 12, for Regalhouse SIA is accurate and complete (reporting period 01.01.2021-31.12.2021).

Sidevahendid

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