

HIGHAM FINANCE LLC

Annual report

for the year ended 31 December 2022

GENERAL INFORMATION

Name of the company	Higham Finance LLC
Legal status of the company	Limited liability company
Legal address	Valentina street 16k-2-43, Riga
Registration No., date	40103932252 21.09.2015
Information about shareholders	Higham Finance Limited -20,0% Horizon – 45,0% Oxgold limited – 10,0% Regalhouse Engineering limited – 20,0% Jean-Francois Havier Velut - 2,5% Laurence Jeanne Beuchard – 2,5%
Board members	Laurence Jeanne Beuchard - Chairwoman of the Board Aleksandrs Zaicevs - Board member Jean-Francois Havier Velut - Board member
Financial year	01.01.2022. - 31.12.2022.
Accountant	SIA "VG&A. Tax&accounting services" 43603024519 Baiba Altenberga

Statement of profit or loss
(Classified by expense function)

For year 2022

Nr. p.k.	Indicator name	Note	Row code	Year 2022	Year 2021
1	2	3	4	5	6
1	Net turnover:	1	010	26 078	28 186
	a) from agricultural activity				
	b) from other main activities			26 078	28 186
2	Cost of sale	2	020	26 056	27 326
3	Gross profit		030	22	860
4	Sale expenses		040		
5	Administration expenses	3	050	11 627	18 922
6	Other operation income	4	060	1 112	797
7	Other operating expenses	5	070	18 450	257
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		100		
	a) capital of affiliated companies				
	b) other companies				
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		120		
	a) capital of affiliated companies				
	b) other companies				
13	Profit or loss before Corporate income tax			-28 943	-17 522
14	Corporate income tax for the period		170	50	
15	Profit or loss for the financial year		200	-28 993	-17 522

Laurence Jeanne Beuchard

BALANCE SHEET TO 31 DECEMBER, 2022

ASSETS	Note.	31.12. 2022.	31.12. 2021.
1.Non-current assets			
II.Tangible fixed assets			
Land, buildings, structures and permanent crops		154 825	268 973
Other fixed assets and equipment		103	513
II. TOTALLY:	6	154 928	269 486
III. Long-term financial investments			
Other loans		55 000	
III. TOTALLY:		55 000	
1.TOTALY		209 928	269 486
2. Current assets			
I. Stocks			
1. Raw materials, direct materials and auxiliary materials			
2. Finished goods and goods for resale			
3. Complete products and goods for sale			
4. Unfinished orders			
5. Advanced payments for goods			
6. Work animals and productive animals			
I. TOTALLY:			
I.I Debtors			
1. Customers and client debts		1 061	3 748
2. Related companies debts			
3. Affiliated companies debts			
4. Other debts	7	43 175	47 289
5. Unpaid shares in business capital			
6. Short-term loans to joint owners and administration			
7. Next period expenses	8	156	135
8. Accrued income			
II. TOTALLY :		44 952	51 732
IV. Cash assets	9	9 903	1 753
2. TOTALLY		54 855	53 485
BALANCE		264 783	322 971

Laurence Jeanne Beuchard

BALANCE SHEET TO 31 DECEMBER, 2022

LIABILITIES	Note	31.12. 2022.	31.12. 2021.
1. Equity			
1. Share capital	10	52 800	52 800
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;		-54 011	-36 489
b) retained profit of the year of account.	11	-28 993	-17 522
1. TOTALLY		-30 204	-1 211
3. Creditors			
I. Long-term creditors			
Payables to related companies			
I. TOTALLY :			
II. Short-term creditors			
1. Funded borrowings			
2. Borrowings for shares			
3. Bank borrowings			
4. Other borrowings	12	272 767	272 767
5. Customers advanced payments			450
6. Debts to suppliers and contractors		1 677	11 964
7. Bills to be paid			
8. Payables to related companies	12	13 500	28 500
9. Payables to affiliated companies			
10. Taxes and social security payments	13	50	
11. Other creditors	14	6 993	9 411
12. Deferred income			
13. Dividends of the year of account			
14. Unpaid dividends of previous years			
15. Accrued liabilities			
II. TOTALLY :		294 987	324 182
3. TOTALLY		294 987	324 182
BALANCE		264 783	322 971

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 are 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 2022	Year 2021
Revenue from rent in Latvia	5 928	2 240
Revenue from rent in Lithuania	5 780	1 016
Revenue from services provided in Estonia	14 370	24 930
Total:	26 078	28 186

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 2022	Year 2021
Apartment maintenance costs	8 381	12 633
Depreciation	9 960	14 448
Write-off of the value of negotiable leases	3 647	
VAT	458	
Insurance	246	
Tax of land	245	
Other costs	3 119	245
Total:	26 056	27 326

(3) Administrative expenses

	Year 2022	Year 2021
Business trips		15 000
Professional services costs	2 692	1 272
Revision costs		2 010
Bank charges	235	216
IT services		151
Other expenses	8 700	273
Total:	11 627	19 922

(4) Other income from operations

	Year 2022	Year 2021
Income from interest	1 112	791
Other incomes		6
Total:	1 112	797

(5) Other operating expenses

	Year 2022	Year 2021
Interest payment		250
Penalties		7
Losses from the exclusion of fixed assets	18 450	
Total:	18 450	257

Balance sheet

(6) Tangible value assets

	Buildings	Other fixed assets	Total
Acquisition value			
31.12.2021.	301 588	2 052	303 640
Additions 2022.			
Sold 2022.	110 588		110 588
31.12.2022.	191 000	2 052	193 052
Accumulated depreciation			
31.12.2021.	32 615	1 539	34 154
Depreciation calculated 2022.	9 550	410	9 960
Written-off	5 990		5 990
31.12.2022.	36 175	1 949	38 124
Net carrying amount at 31.12.2021.	268 973	513	269 486
Net carrying amount at 31.12.2022.	154 825	103	154 928

(7) Other receivables

	31.12.2022	31.12.2021
Taxes overpayment	340	563
Loan to Regalhouse LLC	38 157	42 009
Interests	1 478	791
Other debts	3 200	3 926
Total:	43 175	47 289

(8) Next period expenses

	31.12.2022	31.12.2021
Insurance	156	135
Total:	156	135

(9) Cash assets

	31.12.2022	31.12.2021
Bank account in Latvia	1 022	473
Bank account Estonian branch	8 881	1 280
Total:	9 903	1 753

(10) Share capital

The share capital is fully paid. It consists of 52 800 shares with the nominal value of 1,00 EUR.

(11) Retained earnings for the reporting year

	31.12.2022	31.12.2021
Higham Finance LLC Latvia	827	-3 835
Estonian branch	-29 820	-13 687
Total:	-28 993	-17 522

(12) Other borrowings

	31.12.2022	31.12.2021
Money for financing	245 732	245 732
Loan from Regalhouse LLC	13 931	13 931
Loan from Higham Finance Ltd	13 104	13 104
Total:	272 767	272 767

(12) Payables to related companies

	31.12.2022	31.12.2021
Loan from Regalhouse Engineering LTD	13 500	28 500
Total:	13 500	28 500

(13) Taxes and social security payables

	31.12.2022	31.12.2021
Corporate income tax	50	
Total:	50	

(13) Other payables

	31.12.2022	31.12.2021
Payment for salary	4 817	4 817
Payment to employees	51	51
Customer overpayment		1 338
Deposit	2 125	3 205
Total:	6 993	9 411

Other information

Taxes

Tax amounts agreed with the tax administration

Type of tax	Residue on 31.12. 2021	Calculated in 2022	Penalty	Paid 2022	Residue on 31.12. 2022
CIT		50			50
VAT	-563			-223	-340
Total:		50		-223	
Including					
- overpayment	563				340
- tax debt					50

Amount of employees in the company

	Year 2022	Year 2021
Average number of employees during the financial year	1	1

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.

**Higham Finance SIA 01.01.2022-
31.12.2022 Annual Report
signatures**

Board members confirm that the Annual Report, presented on pages 2 to 12, for Higham Finance is accurate and complete (reporting period 01.01.2022-31.12.2022).

**Higham Finance SIA 01.01.2022-
31.12.2022 majandusaasta aruande
allkirjad**

Juhatus kinnitab lehekülgedel 2 kuni 12 esitatud Higham Finance majandusaasta aruande koostamise õigsust ja täielikkust (aruandlusperiood 01.01.2022 -31.12.2022).

Higham Finance SIA 01.01.2022-
31.12.2022 Annual Report
signatures

Laurence Jeanne Beuchard
Board member / Juhatuselige

Date 20.04.2023.

Board members confirm that the Annual Report, presented on pages 2 to 12, for Higham Finance is accurate and complete (reporting period 01.01.2022-31.12.2022).

Sidevahendid

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