

Rīga

2014 year 30 august

JSC "Rīgas Farmaceutiskā Fabrika"

Unaudited statement of financial position

for year **2014.**

I-II quart.

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JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

DATA OF THE ENTERPRISE

Full name of the enterprise	JSC "Rīgas Farmaceutiskā Fabrika"
The legal status of a society	Joint-stock company
The state registration in the register of the enterprises	registration Nr. 40003000765 , Riga , 1991 year 26 march
The legal address of the enterprise	Duntes street 16/22 , Riga , LV-1005
Main activity of the company	Manufacture of pharmaceutical preparations
NACE code	21.20
Members of the board	Kaspars BĀLIŅŠ Uģis FREIMANIS Dace KALEINE
Councillors	Dagmāra ĀBOLTIŅA Jūlija DMITRIJEVA Vladimirs IVANIKINS Natalja GORBUNOVA Aksana BĒRZIŅA
The accounting period	from 01.01.2014 to 30.06.2014

MANAGEMENT REPORT

„Rīgas farmaceutiskā fabrika” JSC is located in Riga, 16/22 Duntes street and 6 Maza Ozolu street. The management of the company is realized by the Board of 3 persons.

The Company produce galenics products, therapeutically herbal teas and food supplies in Latvia. The factory was registered in the Register of Enterprises of the Republic of Latvia in 2004

The main types of operations of the company is the manufacturing of medicinal products, food supplies and medical goods. The finished products mainly were distributed in Latvia.

We have rebuilt our home page www.rff.lv starting this year. Our web page is modernized and made much more user-friendly and foreseeable. Here you can learn about all ongoing monthly special offers in local pharmacies chains, as well as get more depth information on each of our manufactured products. We have also started activities in different social networks- locals and internationals.

The neto turnover of the company in 6 mounth 2014 was **1 564 358 EUR** . The profit of the company in 2014 was **84 109 EUR** .

The management of joint stock company „Rīgas farmaceutiskā fabrika” is liable for the preparation of financial report and it is liable, that financial reports are prepared according to requirements of valid legislative acts and provides the true and clear conception about the assets, liabilities, financial situation and profit or losses, as well as for the fact that the management report includes true information.

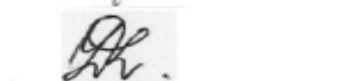
The management of the company is liable about corresponding provision of bookkeeping system, the maintenance of the Company’s assets, as well as for the prevention and detection of the fraud and other irregularities in the Company. The management is also responsible for the accomplishment of Latvian legislation.



Kaspars BĀLINŠ



Uģis FREIMANIS



Dace KALEINE

2014 year 30 august

STATEMENT OF COMPREHENSIVE INCOME for the period ended 30.06.2014

		2014.	2013.
		I-II quart.	I-II quart.
		EUR	EUR
Net turnover	2	1 564 358	1 148 235
Cost of sales (prime cost)	3	-922 219	-635 715
Gross profit or loss		642 139	512 520
Sales distribution costs	4	-376 238	-358 380
Administration costs	5	-176 495	-96 943
Other operating income	6	1 100	3 651
Other operating expenses	7	-2 461	-23 208
Interest payable and similar charges	8	-1 279	-700
Peļņa vai zaudējumi pirms ārkārtas posteņiem un nodokļiem		86 766	36 940
Corporate income tax (postpone)		0	0
Other taxes	9	-2 657	-1 964
Profit or loss for the financial period		84 109	34 976
EPS k-t		0,1269	0,0528

Annex from 10 . to 19 . is an integral part of these financial statements

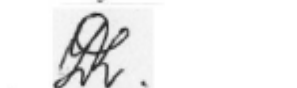


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2014 year 30 august



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JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

BALANCE SHEET for the period ended

30.06.2014

ASSETS

		2014.	2013.
		I-II quart.	I-II quart.
		EUR	EUR
Long - term investments			
Intangible investments			
Concessions, patents, licenses, trade-marks and similar rights	10	3 820	17 086
Advance payments of intangible investments		0	0
TOTALLY		3 820	17 086
Fixed assets			
Lands, buildings, constructions and preniaal plantations	11	462 494	425 033
Technological equipment and machines	11	56 434	101 993
Other fixed assets and inventory	11	83 134	23 204
Advance payments for fixed assets		0	0
TOTALLY		602 062	550 230
Long - term investments TOTALLY		605 882	567 316
Current assets			
Stocks			
Raw materials, direct materials and auxiliary materials	12	439 601	395 382
Unfinished products	13	39 532	34 428
Complete products and goods for sale	14	221 843	226 585
Advance payments for goods		111 273	7 712
Work animals and productive animals	15	213	213
TOTALLY		812 462	664 320
Debtors			
Customers and client debts	16	129 152	101 417
Other debts	17	2 005	161
Accured income	18	26 885	29 334
TOTALLY		158 042	130 912
Cash assets	19	7 791	4 227
Current assets TOTALLY		978 295	799 459
BALANCE		1 584 177	1 366 775

BALANCE SHEET for the period ended 30.06.2014

LIABILITIES		2014.	2013.
		I-II quart. EUR	I-II quart. EUR
Equity capital			
Stock or share capital (equity capital)	20	943 364	943 364
Retained profit:			
a) Retained profit of previous years		-11 833	-48 924
b) Retained profit of the year of accountant	21	84 109	34 976
TOTALLY		1 015 640	929 416
Stockpiles			
Other stockpiles	22	33 145	29 506
TOTALLY		33 145	29 506
Creditors			
Long - term debts			
Other loans	23	144 531	35 704
Tax on profit (pustpone) or loss for the financial period	27	0	0
TOTALLY		144 531	35 704
Short - term debts			
Other loans	23	18 135	13 795
Debts to suppliers and contractors	24	317 184	171 891
Tax and social security payments	25	32 457	25 814
Other creditors	26	23 085	18 362
Accrued liabilities	28	0	142 287
TOTALLY		390 861	372 149
Creditors TOTALLY		535 392	407 853
BALANCE		1 584 177	1 366 775

Annex from 10. to 19. is an integral part of these financial statements



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2014 year 30 august



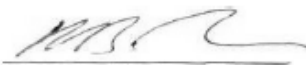
Uģis FREIMANIS



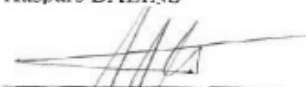
STATEMENT OF CASH FLOW for the period ended 30.06.2014
(indirect method)

	2014. I-II quart. EUR	2013. I-II quart. EUR
CASH FLOW from operating activities		
Profit or loss before extraordinary items and tax	86 766	36 940
Corrections :		
depreciation of fixed assets and intangible investments (+)	59 608	77 961
accumulation for unused vacation (+)	1	0
interest payable and similar charges (+)	1 279	700
Profit or loss before working capital and working capital correction influence	147 654	115 601
Corrections :		
debts of customers and subscribers	-62 543	-27 336
provisions	107 591	-226 561
others debtors	-159 923	160 028
Net cash provided by operating activities	32 779	21 732
interest payments (-)	-1 279	-700
the taxes deducted from net profit (property tax)	-2 657	-1 964
Cash flow from operating activities	28 843	19 068
Investing activities		
fixed assets purchase costs	-23 910	-4 324
income from sale of fixed assets	0	0
Cash provided by investing activities	-23 910	-4 324
Cash flow from financing		
received loans	27 360	0
Expenses of leased fixed assets (-)	-26 251	-13 763
Net financing cash flow	1 109	-13 763
Net increase (decrease) in cash	6 042	981
Cash at the beginning of the year	1 749	3 246
Cash at the end of the year	7 791	4 227

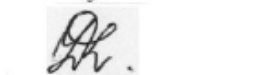
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2014 year 30 august

JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

OVERVIEW of EQUITY CAPITAL CHANGES
for the period ended 30.06.2014

	Share capital	Reserves	Retained profit of previous years	Retained profit of the year of accountant	Equity capital (total)
	EUR	EUR	EUR	EUR	EUR
31.12.2012	943 364	0	-83 097	34 173	894 440
2012 year profit transferred to retained earnings			34 173	-34 173	-
Retained profit of the year of accountant				37 091	37 091
Relief for losses from reserves					-
31.12.2013	943 364	-	-48 924	37 091	931 531
2013 year profit transferred to retained earnings			37 091	-37 091	-
Retained profit of the year of accountant				84 109	84 109
30.06.2014	943 364	-	-11 833	84 109	1 015 640

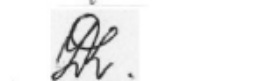
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Dace KALEINE

2014 year 30 august

(1) STATEMENT OF ACCOUNTING POLICIES - GENERAL PRINCIPLES

Basis of preparation

The Annual Report is prepared in accordance with Latvian law "On Accounting" and "Annual reports".

The income statement is prepared in accordance with the turnover method.

The cash flow statement prepared using the indirect method.

Net sales

Net sales represent the revenues of the company's core business, the sale of products and services, net of trade discount and other discounts granted, as well as value added tax and other taxes directly related to the sale.

Proceeds from the sale of goods is recognized when the buyer s accepted the goods, according to delivery terms.

During the reporting period

The reporting period is 6 months of 01.01.2014 to 30.06.2014 .

Currency and foreign currency translation

These financial statements are expressed in the Latvian national currency - euro (EUR).

All monetary assets and liabilities are translated into Latvian lats at the exchange rate at the period end.

Foreign exchange rate fluctuations on profit or loss is reflected in the profit and loss account.

Long-term and short-term items

Long-term items of an amount reported by the receipt, payment, or write-off shall be the later of one year after the year end.

The amounts received, paid or written off during the reported short-term positions.

Non-current assets and depreciation recognition

Balance sheet of all fixed assets and intangible assets are stated at cost less depreciation rates.

Depreciation is calculated on straight-line methods,

choosing on the basis of the following rates:

Intangible assets:

license	<u>20</u>	%
other intangible assets	<u>20</u>	%

Fixed Assets:

Buildings and structures	<u>5-10</u>	%
Iekārtas un mašīnas		%

Язык оригинала: английский

Введите текст или адрес веб-сайта либо переведите документ.

Отмена

латышскийанглийскийрусскийAlpha

Equipment and machinery	<u>20</u>	
Other fixed assets	<u>20-35</u>	%

Measurement of inventories

Reserves are estimated using FIFO method.
Inventory balances checked on the inventory.

Receivables

Trade receivables are shown net of.

Savings

Provisions are intended to cover certain types of obligations, relating to the reporting year or previous years and Annual Reports of the anticipated or known, but the amount or specific commitment to the creation or the date of recovery is uncertain.

Provision for vacation pay

Amount of the provision is determined by multiplying the average employee salary of one day to the year-end accrued but unused vacation days.

Accrued liabilities

Clearly aware of the settlement amount payable for the current year goods or services received if the balance sheet date has not yet received the corresponding payment document in accordance with the supply, sale or contract business conditions or other reasons, recognized as accruals for the period.

Corporate income tax

Corporate income tax costs are included in the financial statements in accordance with Latvian tax legislation of.

For the reporting period the estimated tax is calculated under the Law "On Corporate Income Tax " 'claims in determining taxable income, and applying the statutory tax rate of 15%.

JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

(2) Net Sales

Type of activity	2014.	2013.
	EUR	EUR
Manufacture of drugs	1 522 105	1 106 667
Raw materials and distribution	15 671	18 623
Provision of services	26 582	22 945
Total	1 564 358	1 148 235

Net sales by geographical markets

State	2014.	2013.
	EUR	EUR
Latvia	1 440 031	1 065 865
Lithuania	29 574	7 674
Estonia	73 196	55 445
Other	21 557	19 251
Total	1 564 358	1 148 235

(3) Cost of sales

	2014.	2013.
	EUR	EUR
Cost of materials	582 843	328 750
Staff costs	85 111	79 079
State social security contributions	20 078	18 581
Depreciation of fixed assets and intangible assets depreciation	59 608	77 962
Depreciation of current assets	7 029	4 017
Maintenance costs	104 578	100 412
Transport costs	16 724	19 448
Other	46 248	7 466
Total	922 219	635 715

(4) Sales expenses

	2014.	2013.
	EUR	EUR
Staff costs	173 682	134 252
State social security contributions	37 694	31 164
Advertising expenses	149 153	181 272
Transport costs	11 721	5 306
Other	3 988	6 386
Total	376 238	358 380

JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

(5) Administration costs

	2014.	2013.
	EUR	EUR
Staff costs	57 547	43 749
State social security contributions	13 575	10 438
Legal and accounting services	1 161	4 188
Transport costs	5 023	4 618
Other	99 189	33 950
Total	176 495	96 943

(6) Other operating income

	2014.	2013.
	EUR	EUR
The difference of exchange rate changes and currency sales	135	1 141
Received a penalty	0	750
Proceeds from sale of fixed assets	0	0
Other	965	1 760
Total	1 100	3 651

(7) Other operating expenses

	2014.	2013.
	EUR	EUR
Expenses not related to economic activity	2 251	21 249
The difference of exchange rate changes and currency sales	202	1 077
Penalties	8	28
Gifts and benefits	0	427
Other	0	427
Total	2 461	23 208

(8) Interest payable and similar charges

	2014.	2013.
	EUR	EUR
Leasing interest payments	1 279	700
Total	696	373

(9) Other taxes

	2014.	2013.
	EUR	EUR
Real estates tax	2 657	1 964
Total	2 657	1 964

(9) Intangible assets

	Licenses and patents	Advance payment for intangible assets	Total intangible assets
	EUR	LVL	EUR
Historical cost as of 31.12.2013	141 458	0	141 458
Additions	0	0	0
Disposals	0	0	0
30.06.2014	141 458	0	141 458
Accumulated depreciation before 31.12.2013	131 784	0	131 784
Accumulated depreciation	5 854	0	5 854
30.06.2014	137 638	0	137 638
Net book value 31.12.2013	9 674	0	9 674
Net book value 30.06.2014	3 820	0	3 820

JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

(11) Fixed assets

	Land and buildings	Equipment	Other fixed assets	Advance payment for fixed assets	Fixed assets total
	EUR	EUR	EUR	EUR	EUR
Historical cost as of					
31.12.2013	1 016 266	822 438	400 678	-	2 239 382
Additions	0	0	23 910	0	23 910
Disposals	0	0	0	0	0
30.06.2014	1 016 266	822 438	424 588	0	2 263 292
Accumulated depreciation before					
31.12.2013	526 142	749 300	332 034	-	1 607 476
Accumulated depreciation	27 630	16 704	9 420	0	53 754
Excluded on disposal	0	0	0	0	0
30.06.2014	553 772	766 004	341 454	0	1 661 230
Net book value 31.12.2013	490 124	73 138	68 644	0	631 906
Net book value 30.06.2014	462 494	56 434	83 134	0	602 062

JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

(12) Raw materials, direct materials and auxiliary materials

	2014.	2013.
	EUR	EUR
Materials	220 046	169 570
Consumables - glass containers	67 902	71 827
Consumables - plastic and metal packages	38 066	66 420
Printed materials	101 838	72 989
Other	11 749	14 576
Total	439 601	395 382

(13) Unfinished products

	2014.	2013.
	EUR	EUR
The packing station neizfasēta products (quarantine area)	33 480	19 311
Production units of semi-finished products segment	6 052	15 117
Total	39 532	34 428

(14) Complete products and goods for sale

	2014.	2013.
	EUR	EUR
The company's stock of finished goods in stock	221 843	226 585
Total	221 843	226 585

(15) Work animals and productive animals

	2014.	2013.
	EUR	EUR
Guard dogs	213	213
Total	213	213

(16) Customers and client debts

	2014.	2013.
	EUR	EUR
Trade receivables have a carrying amount	129 152	101 417
Book value	129 152	101 417

By currencies :

	2014.		2013.
	currency	EUR	EUR
EUR		129 152	19 402
Other		0	82 015
Total		129 152	101 417

JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

(17) Other debts

	2014.	2013.
	EUR	EUR
Tax receivables together	0	0
Operatīvā līzīngā neamortizētās daļas of settlement balances	2 005	161
Total	2 005	161

(18) Accrued income

	2014.	2013.
	EUR	EUR
Property Insurance	5 430	4 438
Vehicle Insurance	1 056	653
Employee Health Insurance	6 051	5 837
Magazine subscription	192	290
Other	14 156	18 116
Total	26 885	29 334

(19) Cash Assets and EUR currency according to the 31.12.

By currencies :	2014.		2013.	
	currency	EUR	EUR	
EUR		7 791		0
Other		0		4 227
Total		7 791		4 227

JSC "Rīgas Farmaceutiskā Fabrika" year 2014
FINANCIAL REPORT

(20) Share capital

	943 364	EUR
consisting of	660 000	ordinary shares with voting rights
and	3 000	common shares without voting rights
Each share is LVL	1,423	

(21) Retained earnings

	EUR
For 2013. the reporting year, the profits up	84 109

(22) Other provisions

	2014.	2013.
	EUR	EUR
Provision for unused vacations	33 145	29 506
Total	33 145	29 506

Long-term debts

	2014.	2013.
	EUR	EUR
(23) Other loans	144 531	35 704
Total	144 531	35 704

Short-term debts

	2014.	2013.
	EUR	EUR
(23) Other loans	18 135	13 795
Total	18 135	13 795

	2014.	2013.
	EUR	EUR
(27) Tax on profit (pustpone) or loss for the financial period	0	0
Total	0	0

(24) Trade and other payables

Current portion of	2014.	2013.
	EUR	EUR
Trade and other payables the carrying amount of	317 184	171 891
Total	317 184	171 891

Current portion of	2014.		
By currencies :	currency	EUR	EUR
EUR	317 184	317 184	28 938
Other	0	0	142 953
Total	317 184		171 891

JSC "Rīgas Farmaceutiskā Fabrika" year 2014
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(25) Current portion of	2014.	2013.
	EUR	EUR
Corporate income tax	0	0
Value-added tax	5 581	2 547
State social security contributions	16 895	14 732
Personal income tax	9 897	8 435
Business risk charge	25	23
Natural resource tax	59	77
Nekustamā īpašuma nodoklis	0	0
Total	32 457	25 814

(26) Current portion of	2014.	2013.
	EUR	EUR
Wage debt	23 085	18 362
Total	23 085	18 362

(28) Accrued liabilities	2014.	2013.
	EUR	EUR
Accrued discounts will be	0	0
Other	0	142 287
Total	0	142 287

(29) Number of employees	2014.	2013.
	The average number of persons employed by the company	68

(30) News about events after the balance sheet date

In the period since the last days before the reporting date is no significant events that could materially affect the results of the annual report.