

**JOINT STOCK COMPANY**  
**‘KURZEMES ATSLEGA 1’**  
**LV40003044007**

**Non-audited**  
**FINANCIAL REPORT**  
**31 March 2017**

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## 1.Information on enterprise

<b>Name</b>	<b>” KURZEMES ATSLĒGA 1”</b>
<b>Legal status</b>	<b>Joint stock company</b>
<b>Registration number, place and date</b>	<b>40003044007,Riga, 29.11.1991</b>
<b>Register</b>	<b>Registration in the Commercial on 11 June 2004</b>
<b>Legal address</b>	<b>27 Kalvenes str.,Aizpute,LV3456</b>
<b>Main activities: NACE 2.red</b>	<b>2572-door locks,ironware,furniture fittings</b>
<b>Shareholders an their shares %</b>	<b>JSC”Kurzemes atslega”- 48.36% Olivers Wiederholds – 20.5 % SIA”Aizputes atslegas” – 8.5 % Others 22.64% Council and board members do not own shares.</b>
<b>Members of Supervisory Council</b>	<b>Guntars Stekjānis – Chairman of Supervisory Council Voldemārs Magone - Member of Supervisory Council Rolands Livmanis - Member of Supervisory Council Jānis Karkliņš - Member of Supervisory Council Irēna Burve - - Member of Supervisory Council</b>
<b>Members of Board</b>	<b>Agris Kārkliņš - Chairman of Board Aldis Ozols - Member of Board Ieva Niedoliņa - Member of Board(to 11.05.2017) Agris Rastihins - Member of Board (of 11.05.2017)</b>
<b>Cief account</b>	<b>Irēna Burve</b>
<b>Reporting period</b>	<b>01.01.2017 – 31.03.2017</b>
<b>Previous reporting period</b>	<b>01.01.2016 – 31.03.2016</b>
<b>Auditors</b>	<b>SIA”Nexia Audit Advice (License no 134) Certified auditor Marija Jansone (Certificate Nr.25)</b>

May 31 2017 Aizpute

**Statement of responsibility of direction.**

Non-audited report of first quarter 2017 and a report of board are prepared being guided by the kindest conscience and good accounting practice. The accounting period is estimated being based on all information known to us at the moment of preparation of the financial report. Financial report gives a real and clear idea about assets, liabilities, financial situation and profits .

Responsibility for non-audited report of first quarter 2017 bears the Board of joint stock company "KURZEMES ATSLEGA 1".

The Board of AS "KURZEMES ATSLEGA 1":

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Chairman of the Board	Agris Kārklīņš
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Member of the Board	Aldis Ozols
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Member of the Board	Agris Rastihins
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## BALANCE SHEET on 31 March 2017

ASSETS	31.03.2017	31.03.2016
1	EUR	EUR
<b>1.LONG TERM INVESTMENT</b>		
1.Development costs	0	0
2.Concessions, patents, licences	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>I. Intangible fixed assets</b>		
<b>II. Fixed assets</b>		
1. Land, building.	521662	536746
2.Equipment and machinery	76141	92123
3.Other fixed assets	9132	11212
4.Fixed assets development costs	5822	5822
II Total fixed assets	<b>612757</b>	<b>645903</b>
1.Total LONG TERM INVESTMENT	<b>612757</b>	<b>645903</b>
<b>2.CURRENT ASSETS</b>		
1.Inventories		
1.Raw materials	397700	469820
2.Work in progress	281578	288759
3.Finished goods and goods for sale	107332	146572
5.Advance payment for goods	14184	12903
I. Total inventories	<b>800794</b>	<b>918054</b>
II. Debtors		
1.Trade debtors	149017	158420
4.Other debtors	23675	39891
7.Deferred expenses	0	642
II. Total debtors	<b>172692</b>	<b>198953</b>
III. Securities and capital participation		
IV . Cash	79882	31586
2.Total current assets	<b>1053368</b>	<b>1148593</b>
Total assets	<b>1666125</b>	<b>1794496</b>

LIABILITIES	31.03.2017	31.03.2016
1	EUR	EUR
<b>1.CAPITAL</b>		
1.Share capital	1285401	1285401
2.Revaluation reserve	22193	22193
3.Share capital reserve	21000	21000
4.Total		
5.Retained profit	72895	301359
a) previous years retained profit	(53350)	(72632)
current year profit		
<b>1Total Capital and reserves</b>	<b>1348139</b>	<b>1557321</b>
<b>2.CREDITORS</b>		
<b>1.Long term creditors</b>		
1.Other loans	0	0
2.Amounts payable to associated companies	0	0
3.Deferred tax	57148	61025
4.Deferred income	0	0
<b>Total long term creditors</b>	<b>57148</b>	<b>61025</b>
<b>Short-term creditors</b>		
1. Other loans		
2.Bank loan	47183	18639
3.Advances received from customers	9807	9702
4.Trade creditors	101196	61533
5.Amounts payable to associated companies	5166	4255
6.Taxes and social security payments	26698	25341
7.Other creditors	30430	26471
10.Accrued liabilities	40358	30209
<b>Total short-term creditors</b>	<b>260838</b>	<b>176150</b>
<b>Total creditors</b>	<b>317986</b>	<b>237175</b>
<b>Total liabilities</b>	<b>1666125</b>	<b>1794496</b>

Chairman of Board:

Agris Karklins

Members of Board :

Aldis Ozols

Members of Board :

Agris Rastihins

**Profit and loss account.**

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N.	Item	31.03.2017	31.03.2016
		EUR	EUR
1	Net sales	439049	354764
2	Cost of sales	(455031)	(394612)
3	Gross profit	(15982)	(39848)
4	Distribution expenses	(15948)	(6629)
5	Administration expenses	(17272)	(22966)
6	Other operating income	5591	2832
7	Other operating expenses	(9484)	(5683)
8	Income from participation in subsidiary capital	(53095)	(72294)
9	Interest paid and similar expense	(255)	(338)
10	Operating profit	(53350)	(72632)
11	Extraordinary income	0	0
12	Extraordinary expenses	0	0
13	Profit before taxes	(53350)	(72632)
14	Corporate income tax	0	0
16	Net profit for the year	<b>(53350)</b>	<b>(72632)</b>

Loses per stock 31.03.2016 0.08 EUR

Loses per stock 31.03.2017 -0.06 EUR

Chairman of Board:

Agris Karklins

Members of Board :

Aldis Ozols

Members of Board :

Agris Rastihins

**2.3.Cash flow statement.**  
(Cash flow statement, prepared using indirect method)

Indices	Appendices	31.03.2017.	31.03.2016.
		EUR	EUR
<b>I. Operation activities</b>			
1. Profit or loss before extraordinary items and taxes. Correction		(53350)	(72632)
s:			
a) Wear and tear of fixed assets;		8951	10983
b) Value cancellation of long-term investments;		0	0
c) Formation of reserves (except the reserves for unreliable debt);		0	0
d) Profit or loss from fluctuation of foreign currency exchange rate;		775	1200
e) Interest payments and similar expenses		254	338
2. Profit or loss before corrections of effects of changes of current assets and short-term liabilities		(43370)	(60111)
Adjustments:			
a) Increase or decrease of residues of debts of debtors;		(10917)	41681
b) Increase or decrease of residues of resources;		65127	(12838)
c) Increase or decrease of remains of debts to be paid to suppliers, contractors and other creditors.		41390	(2601)
3. The gross cash flow of basic activity.		52230	(33869)
4. Expenses for payments of enterprise income tax		0	219
<b>6. The net cash flow of basic activity</b>		<b>52230</b>	<b>(33650)</b>
<b>II. Investing activities</b>			
1. Purchase of shares or parts of related or associated enterprises.		(832)	0
<b>9. Net cash flow used in investing activities</b>		<b>0</b>	<b>0</b>
<b>III. Financing activities</b>			
2. Loans received		12954	(20685)
3. Financial aids, pump-priming, presents or donations received			
4. Expenses for repayment of loans		(254)	(338)
<b>7. Net cash flow of financing activity</b>		<b>12700</b>	<b>(21023)</b>
<b>IV. The result of exchange rate fluctuations of foreign currency.</b>		<b>(775)</b>	<b>(1200)</b>
<b>V. The net cash flow of year of account</b>		<b>63323</b>	<b>(55873)</b>
<b>VI. The remainder of currency and its equivalents at the beginning of year of account.</b>		16559	87459
<b>VII. The remainder of currency and its equivalents at the end of year of account.</b>		79882	31586



## STATEMENT OF CHANGES IN EQUITY

	Share capital	Share capital reserve	Revaluation reserve	Retained profit	Prior period retained profit	Total
As of 31.December 2015	1285401	21000	22193	493	300867	1629953
Year 2015 of account profit (loss)	0	0	0	(493)	493	0
Revaluation reserve	0	0	0	0	0	0
As of 31.December 2016	1285401	21000	22193	(228465)	301360	14014489
Cu Year 2016 of account profit (loss)	0	0	0	228465	(228465)	0
Revaluation reserve	0	0	0	0	0	0
Current year loss	0	0	0	(53350)	0	0
As of 31 March 2017	1285401	21000	22193	(53350)	72895	1348139