

Joint Stock Company

BRĪVAIS VILNIS

(Enterprise registration number 40003056186)

INTERIM

FINANCIAL REPORT

From the period from 1 January 2015 to 31 March 2015

(unaudited)

Salacgrīva 2015

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GENERAL INFORMATION

Name of the company	JSC "Brivais vilnis"
Legal status of the company	Joint Stock Company
Number, place and date of registration	40003056186, Riga, February 7, 1992
Registered office	1 Ostas Street, Salacgriva, LV4033, Latvia
Major shareholders	"A Corporation" SIA (47.28%) Registration No 40003799285, 8 Rigas Street , Adazi, LV2164, Latvia "BALTIC FINANCE & CAPITAL" Ltd. (49.97%) Registration No 40003612793, 8 Rigas Street, Adazi, LV 2164, Latvia
Board members	Arnolds Babris (Chairman of the Board) Maris Trankalis (Manager) Zinaida Ekmane (Lawyer) Vasilijs Ilusins (Cold-storage manager)
Members of council	Ilona Drikina Anda Caune Ilmārs Reinis Kaspars Vārpiņš
Financial period	1 January – 31 March, 2015
Auditors	Elita Stabina Sworn Auditor Certificate No. 162 I.F. Revizija Ltd. Licence of commercial company No. 109 45/47 Elizabetes Street, Riga, LV 1010, Latvia

Management Report

May 28, 2015

The types of activities performed by the JSC "Brivais Vilnis" are processing and canning of fish and fish products, wholesale of food products, including fish, shellfish and mollusc, and other commercial activities classified nowhere else.

Year 2015 is the 24th year of operation since the Company was transformed into a Joint Stock Company. In the 1st quarter of 2015 the Company produced a total of 4.9 million cans of various types (125) of fish products, including 2.3 million cans of sprat. 3.8 million cans were sold for EUR 2.1 million.

The financial result of the reporting period is profit of EUR 47 521, this profit is from economic activities of the Company.

As previously reported, the Company stopped the production as from 18.05.2015 due to raw material shortage and low sales in the Russian Federation and Central Asia countries. Other structural units continue the work on the repair of equipment and facilities. The Company continues to work on looking for new sales markets in Western Europe, North America, South America and rest of the world. The Company works on introduction of innovative packaging.

The Company's goal is to continue transformation in accordance with the EU quality requirements, real decrease the production expenses.

The JSC „Brivais vilnis” makes production only from natural raw materials, completely excluding modified raw materials, favor and color enhancer and preservatives in production. The high quality of products is the key that allows the JSC „Brivais vilnis” to be competitive in canned fish market.

The Company plans to restart the production in August, 2015.

The JSC "Brivais Vilnis" will continue cooperation with the "NASDAQ OMX Riga" JSC and remain listed in the free list of stock exchange in 2015.



Arnolds Babris
Chairman of the Board

BALANCE SHEET**ASSETS**

	31.03. 2015 EUR	31.12. 2014 EUR	31.03. 2014 EUR
NON-CURRENT ASSETS			
Intangible assets			
Projects, licences	479	685	3 541
TOTAL	479	685	3541
Tangible assets			
Land, buildings and constructions	3 523 775	3 539 111	3 477 274
Equipment and machinery	323 703	343 855	299 853
Other fixtures and fittings, tools and equipment	135 881	148 007	146 565
Advance payments for fixed assets	165	165	92 109
TOTAL	3 983 524	4 031 138	4 015 801
TOTAL NON-CURRENT ASSETS	3 984 003	4 031 823	4 019 342
CURRENT ASSETS			
Inventories			
Raw materials	762 606	677 112	1 015 555
Finished goods and goods for sale	1 140 691	603 777	1518739
TOTAL	1 903 297	1 280 889	2 534 294
Receivables			
Trade receivables	2 193 249	2966973	1575278
Other receivables	289 801	184383	425928
Prepaid expense	102 177	105395	4358
TOTAL	2 585 227	3 256 751	2 005 564
Cash	51 090	88 016	64 761
TOTAL CURRENT ASSETS	4 539 614	4 625 656	4 604 619
TOTAL ASSETS	8 523 617	8 657 479	8 623 961

EQUITY AND LIABILITIES			
	31.03. 2015 EUR	31.12. 2014 EUR	31.03. 2014 EUR
EQUITY			
Share capital	4 339 230	4 339 230	4 410 120
Non-current assets revaluation reserve	2 123 127	2 130 791	2 153 783
Other reserves	70 890	70 890	-
Retained earnings			
brought forward	(2 419 379)	(2 676 389)	(2 676 382)
for the period	47 521	257 010	95 156
TOTAL	4 161 389	4 121 532	3 982 677
PROVISIONS			
Provisions for vacations	207 859	141 095	233 940
TOTAL	207 859	141 095	233 940
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	1 576 780	1 576 780	1 712 949
Other loans	185 329	185 329	246 437
Deferred income	58 857	58 857	
Deferred corporate income tax liabilities	122 196	122 196	101 216
TOTAL	1 943 162	1 943 162	2 060 602
Current liabilities			
Loans from credit institutions	408 000	408 000	367 261
Other loans	66 973	106 633	166 296
Prepayments received from costumers	654	342 455	64
Trade payables	1 388 090	1 266 206	1 355 546
Taxes payables	139 823	134 041	252 224
Other liabilities	152 763	169 340	168 916
Deferred income	48 404	18 215	29 605
Accrued liabilities	6 800	6 800	6 830
TOTAL	2 211 507	2 451 690	2 346 742
TOTAL LIABILITIES	4 154 669	4 394 852	4 407 344
TOTAL EQUITY AND LIABILITIES	8 523 917	8 657 479	8 623 961

INCOME STATEMENT

	1quarter of the year 2015	1quarter of the year 2014
	EUR	EUR
□		
Net turnover	2 144 857	2 281 195
Cost of sales	(1 786 873)	(1 896 378)
Gross profit (loss)	357 984	384 817
Distribution costs	(45 828)	(49 727)
Administrative expense	(240 248)	(239 915)
Other operating income	74 436	156 739
Other operating expense	(53 452)	(126 397)
Interest receivable and similar income	18 956	38 876
Interest payable and similar expense	(44 087)	(48 997)
Profit /(Loss) before taxes	67 761	115 396
Other taxes	(20 240)	(20 240)
Profit / (Loss) for the reporting period	47 521	95 156
Earning (loss) per share	0,015	0,031

CASH FLOW STATEMENT

	For 1 quarters 2015	For 1 quarter 2014
	EUR	EUR
Cash flows to operating activities		
Profit / loss before taxes	67 761	115 396
Adjustments for:		
Amortization and depreciation	51 371	44 591
Interest expense	37 617	41 371
Provisions for vacations und current repair	66 764	103 257
Gain from fluctuations of currency exchange		(474)
Non-current assets revaluation reserve write-off	(7 664)	(7 664)
Operating profit or loss before working capital changes	215 849	296 477
Decrease (increase) in inventories	(622 408)	(1 372 854)
Decrease(increase) in receivables	671 524	983 598
Increase(decrease) in payables	(189 619)	158 973
Cash used in operations	75 346	66 194
Interest paid	(37 617)	(40 914)
Corporate income tax paid	(26 238)	(15 751)
Real estate tax paid	(5 205)	(5 012)
Net cash flows to operating activities	6 286	4 517
Cash flows to investing activities		
Purchase of fixed assets	(3 552)	(24 260)
Net cash flows to investing activities	(3 552)	(24 260)
Cash flows to financing activities		
Repaid loans	-	(138 681)
Lease payments	(39 660)	(52 592)
Net cash flows from financing activities	(39 660)	(191 273)
Change in cash and cash equivalents	(36 926)	(211 017)
Cash and cash equivalents at the beginning of the reporting period	88 016	275 777
Cash and cash equivalents at the end of the reporting period	51 090	64 761

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings	Long term investment revaluation reserves	Profit (loss) the reporting period	Total
	EUR	EUR	EUR		EUR	EUR
Balance as at 31 December 2013	4 410 120		(3 298 326)	2 161 449	621 937	3 895 180
Reclassification of profit (losse)		-	621 937		(621 937)	-
Revaluation reserve write-off				(30 657)		(30 657)
Balance transfer to capital reserves as a result of denomination	(70 890)	70 890	-			
Profit of the reportong year 2014			-		257 010	257 010
Balance as at 31 December 2014	4 339 230	70 890	(2 676 389)	2 130 792	257 010	4 121 533
Reclassification of profit (losse)	-	-	257 010		(257 010)	-
Revaluation reserve write-off	-	-	-	(7 665)		(7 666)
Profit of the reportong period					47 521	124 912
Balance as at 31 March 2015	4 339 230	70 890	(2 419 379)	2 123 127	47 521	4 161 389

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

I Summary

The financial statements of AS Brīvais vilnis have been prepared in accordance with the law of The Republic of Latvia On Financial Statements of the Companies.

The financial statements are prepared on historical cost basis.

The monetary unit used in the financial statements is EUR. The financial statements cover the period 1 January 2015 through 31 March 2015.

II Earning recognition and net turnover

Net turnover is the total value of finished production and goods sold as well as services provided without discounts and VAT during the year.

Other earnings are recognised at the moment of their origin or at the moment when legal rights on such earnings arise.

Other earnings are caused by exclusion of fixed assets and sales of current assets.

Other interest receivable and similar income is income that is not caused directly by the operating activities.

III Intangible and tangible fixed assets

Intangible and tangible fixed assets have been appreciated according to their acquisition cost.

The cadastral value of land has been assessed.

The write-off value of intangible non-current assets as software is performed on a straight-line basis annually for equal amount.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The following depreciation rates were established and applied:

	% per annum
Buildings and constructions	1 – 5
Technological equipment and machinery	20
Other fixed assets	10 – 50
Computing and similar devices	33

IV Redeeming leasehold

Such fixed assets as transport that have been purchased on financial lease including the take-over of the related risks have been booked according to their non-lease sales price. Expenditures of leasing interest and similar payments have been included in the income statement of the period it occurred.

V Receivables

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any non-collectable amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Receivables are disclosed in balance sheet at the original invoice amount less provision made. Provision on doubtful receivables is made evaluating each receivable individually. Bad debts are written off when recovery is deemed impossible.

All receivable amounts stated in the balance have to be received during the year after the date of balance.

VI Inventories

The valuation of inventories in financial accountancy is being done using continuous inventory method.

The inventories have been evaluated at their purchase or production cost price using FIFO method.

Decreased value of inventories is written-off as costs of the reporting year.

VII Corporate income tax

The corporate income tax for the reporting year has been calculated according to the legislative requirements of the Republic of Latvia. The applied tax rate for the corporate income tax in the year 2015 is 15%.

VIII Foreign currency converting

The measure of value and currency used in the annual report is EUR - official currency of the Republic of Latvia.

All monetary positions of assets, equities and liabilities have been converted into EUR, according to the currency exchange rate on the last day of accounting year – 31.03.2015.

	31.03.2015.
1 USD	1.0759

The profit or loss from the fluctuations on foreign exchange rates is shown in the income statement or loss account of the particular reporting period.

IX Cash and cash equivalents

The cash flow statement, cash and cash equivalents comprise cash on hand and bank accounts.

Report on board's responsibility

May 28, 2015

The management of the JSC "Brīvais vilnis" is responsible for preparation of financial statement of the Company. Interim financial statements of the Company are not subject for audit.

Financial statements are prepared on basis of accounting entries and source documents and give a real conception about financial position of the Company on the 31 of March 2015.

Financial statements are composed in accordance with the Law on Annual Reports of the Republic of Latvia, based on continuation principle of business activities.

The management of the JSC "Brīvais vilnis" is responsible for fulfillment of legislation requirements of the Republic of Latvia.