



COOPERATIVE SOCIETY OF AGRICULTURAL SERVICES 'LATRAPS'
(UNIFIED REGISTRATION NUMBER 58503007191)

ANNUAL REPORT

for the period from 1 July 2023 to 30 June 2024

**PREPARED IN ACCORDANCE WITH THE ANNUAL REPORTS AND CONSOLIDATED
ANNUAL REPORTS LAW EFFECTIVE IN THE REPUBLIC OF LATVIA**

AND INDEPENDENT AUDITORS' REPORT

ELEJA, 2024

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General information

Name of the company	Cooperative Society of Agricultural Services 'LATRAPŠ'	
Legal status	Cooperative Society	
Registration number and date	58503007191, 09.05.2000	
Tax payer's registration number and date of registration	LV58503007191, 23.05.2000	
Legal address	Lietuvas iela 16 A Eleja, Elejas pagasts, Jelgavas novads, Latvia	
Chairman of the Board	Roberts Strīpnieks	
Members of the Board	Ģirts Ozols Gundars Ruža Ilga Anita Bērzkalna Ginta Briede	
Chairman of the Council	Valters Bruss	
Deputy Chairman of the Council	Artūrs Akmens	
Members of the Council	Laima Klidziņa (until 28.07.2024) Artūrs Tjušs Māris Bērziņš Sandris Bēča Juris Lazdiņš Mārtiņš Trons Gunvaldis Sproģis (until 28.07.2024) Iveta Grudovska (from 29.07.2024) Eduards Šmits (from 29.07.2024)	
Subsidiaries	Bio Diesel Latvia SIA, Lietuvas iela 16 A, Eleja, equity investment 100% (27.01.2006), merged with ASNS Investment SIA 5.09.2024 ASNS Investment SIA, Lietuvas iela 16 A, Eleja, equity investment 100% (16.09.2020) ASNS Ingredient SIA, Lietuvas iela 16 A, Eleja, equity investment 74.83% (from 21.02.2024 until 26.08.2024) Latmalt SIA, Jaunsvirlaukas pag., Valmju iesalnīca, equity investment 100% (21.08.2020)	
Financial year	1 July 2023 – 30 June 2024	
Chief Accountant	Diāna Bērzniece	
Auditors	Veronika Sokolova Sworn Auditor Certificate No. 198	KPMG Baltics SIA Licence No. 55

Management Report

Line of business

Cooperative Society for Agricultural Services 'LATRAPs' (LATRAPs or Cooperative) is a company established by farmers and owned by its members. The primary objective of the Cooperative is to enter into effective sales transactions via cooperation and consolidation of needs in order to achieve higher profits from business activities.

The line of business of LATRAPs is the sale of the agricultural raw materials to its members and the sale of products grown by its members, as well as pre-treatment of grain, rape and leguminous crops. In addition, LATRAPs acts as an agent for insurance of cornfields, sells agricultural machines and spare parts, provides maintenance of such machines and logistics services, and produces rapeseed oil.

The activities are primarily conducted to represent the member's interests: sales of grain, rape and leguminous crops produced by the members, provision of services required by the members and supplies of the agricultural raw materials required by the members, consulting and organising training on how to achieve the best sustainable development results.

Activities during the reporting year

In 2023, the total area planted to cereals in Latvia increased by 2%, but due to more unfavourable weather conditions, cereal yields decreased significantly. Last year, the total cereal yield in Latvia of 2.72 million tonnes was 528 thousand tonnes lower than in the previous year. This represents a decrease of 528 tonnes or 16.3% compared to 2022.

Revenues from 1 July 2023 to 30 June 2024 decreased by 28% compared to the previous reporting period due to the trading of cereals and rapeseed and a significant decline in its value on world stock exchanges. Overall, net sales decreased by 28% due to the parallel fall in cereal and commodity prices and totalled EUR 244 million.

In 2023, the price correction in world markets for cereals and agricultural commodities continued throughout early 2024, which affected the planned acquisition and disposal of stocks, but given the market outlook and risk mitigating factors, gross margins and stock movements are generally not materially affected.

On 8 February 2024, LATRAPs completed the increase of the share capital by EUR 1 452 200 in the subsidiary ASNS Ingredient SIA, which is currently working on the establishment of a pea processing plant in Latvia. During 2024, a new strategic shareholder Pfeifer & Langen International B.V. has been attracted, which has acquired a total of 48.4% of the Cooperative and will enable the rapid development of the pea protein processing plant in Jelgava in the future.

During and shortly after the reporting year, the expansion of the grain storage and drying complexes of LATRAPs Madona agricultural pre-processing facilities was completed, which allowed to increase the Cooperative's production acceptance capacity.

As a result, in 2023-2024, under changing market conditions, the Cooperative earned EUR 2 819 800, which is 1.2% of current turnover and 0.4% better than the previous year. The Board of the Cooperative is satisfied with the result, which allows for a significant improvement of the existing equity as well as liquidity ratios of the Cooperative.

Branches and representative offices in foreign countries

LATRAPs has no branches or representative offices abroad.

Financial instruments

The Cooperative uses hedging instruments to hedge against unfavourable grain sales prices in the future compared to purchase prices. The Cooperative has entered into contracts with counterparties to use exchange-traded forward contracts for hedging, which are settled on a regular basis with the counterparties. Refer to section 'Financial instruments and financial risks' under Note 3.

LATRAPs provides a commodity sales model that is consistent with market conditions, where, in a rising EURIBOR environment, the Cooperative provides a revenue and cost-balanced trading platform in a rising interest rate environment.

Subsequent events

There are currently no circumstances or events after the reporting date that may have a material effect on the future operations of the Cooperative.

In November 2024, the Board of LATRAPs decided to issue public bonds in the next month for a total amount of up to EUR 8 million with the aim to list them on Nasdaq Riga. The funds raised will be used for the further development of the pea processing plant of ASNS Ingredient SIA.

Future perspectives and further development of the Cooperative

The Cooperative has successfully closed the cropping season of 2024. Subsequent to the reporting date to the date of these financial statements, more 65% of grain and rape were sold at a profit. This has contributed to the Cooperative's ability to pay Members on time for goods and services received and to continue to manage its existing credit commitments effectively.

The management is confident in the successful further development of LATRAPŠ towards a sustainable and reasonable profit by continuing to develop both the existing business activities and the already established subsidiaries.

Roberts Strīpnieks
Chairman of the Board

Gundars Ruža
Board Member

Ģirts Ozols
Board Member

Ilga Anita Bērzkalna
Board Member

Ginta Briede
Board Member

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Profit and Loss Statement

	Note	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
		EUR	EUR
Net sales from other types of operations	1	244 215 684	339 132 526
Cost of goods sold, cost of services	2	(227 603 655)	(324 098 938)
Gross profit		16 612 029	15 033 588
Selling expenses	3	(9 057 511)	(9 078 568)
Administrative expenses	4	(2 538 230)	(2 177 881)
Other operating income	5	929 426	1 257 550
Other operating expenses	6	(348 286)	(394 683)
Other interest and similar income	7	364 467	224 356
Interest and similar expenses	8	(3 004 595)	(2 132 539)
Profit before tax		2 957 300	2 731 823
Corporate income tax for the reporting period		(137 500)	(2 150)
Profit of the reporting year		2 819 800	2 729 673

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.

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Džiāna Bērzniece
Chief Accountant

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BALANCE SHEET

		ASSETS			
			Note	30.06.2024	30.06.2023
				EUR	EUR
LONG-TERM INVESTMENTS					
Intangible assets					
		Concessions, patents, licenses, trademarks, and similar rights		119 637	66 324
		TOTAL	9	119 637	66 324
Fixed assets					
		Real estate: land plots, buildings, and engineering structures		20 003 458	20 461 289
		Equipment and machinery		6 960 099	6 828 254
		Other fixed assets and inventory		1 921 930	1 771 273
		Construction in progress		246 122	320 793
		Leasehold improvements		680	730
		Advance payments for fixed assets		42 281	66 809
		TOTAL	9	29 174 570	29 449 148
Long-term financial investments					
		Investments in related companies	10	8 102 536	6 650 336
		Other securities and investments	11	416 092	416 092
		Loans to related parties	12	3 348 500	4 808 886
		TOTAL		11 867 128	11 875 314
		TOTAL LONG TERM INVESTMENTS		41 161 335	41 390 786
CURRENT ASSETS					
Stock					
		Raw materials		28 469	35 801
		Finished goods and goods for sale		27 718 531	26 463 882
		Prepayments for stock		223 333	1 309 446
		TOTAL	13	27 970 333	27 809 129
Receivables					
		Trade receivables	14	45 720 807	54 505 092
		Due from related parties	15	-	534 309
		Other receivables		20 725	20 426
		Prepaid expenses	16	647 515	57 227
		Accrued income	17	462 282	85 000
		TOTAL		46 851 329	55 202 054
Cash					
			18	3 065 257	1 947 495
		TOTAL CURRENT ASSETS		77 886 919	84 958 678
TOTAL ASSETS				119 048 254	126 349 464

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.

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BALANCE SHEET

EQUITY AND LIABILITIES			
	Note	30.06.2024 EUR	30.06.2023 EUR
SHAREHOLDERS' EQUITY			
Share capital	19	774 939	773 136
Reserves:			
reserves provided by the Cooperative's Statutes	20	1 775	3 550
other reserves	21	28 019 211	25 676 245
Retained earnings from LPKS KUZIKS brought forward from previous years		548 293	548 293
Retained earnings from LPKS KUZIKS		-	163 293
Profit of the reporting year		2 819 800	2 729 673
	TOTAL EQUITY	32 164 018	29 894 190
LIABILITIES			
Long-term liabilities			
Loans secured by bonds	22	2 450 000	2 501 000
Loans from credit institutions	23	8 094 468	-
Other loans	24	921 535	4 773 574
Deferred income	25	6 568 173	6 703 610
	TOTAL	18 034 176	13 978 184
Short-term liabilities			
Loans secured by bonds	26	51 000	631 000
Loans from credit institutions	27	27 835 420	33 670 326
Other loans	28	4 406 877	78 130
Customer advances		14 310	22 572
Accounts payable to suppliers and contractors		30 160 283	43 221 066
Taxes and compulsory state social security contributions		1 331 096	394 648
Other liabilities	29	618 037	577 474
Deferred income	30	2 561 168	1 633 101
Accrued liabilities	31	1 718 602	1 776 524
Dividends payable		153 267	472 249
	TOTAL	68 850 060	82 477 090
	TOTAL LIABILITIES	86 884 236	96 455 274
TOTAL EQUITY AND LIABILITIES		119 048 254	126 349 464

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Statement of Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES	Note	01.07.2023-30.06.2024	01.07.2022-30.06.2023
1.Profit or loss before tax		2 957 300	2 731 823
fixed assets write downs	9	1 871 859	1 538 096
intangible assets write downs	9	125 814	64 062
provisions (except for doubtful debt allowances)		-	851 094
adjustment of grants, donations, and EU funds received	5	(646 155)	(558 088)
Interest and similar income	7	(364 467)	(224 356)
interest and similar expenses	8	3 004 595	2 132 539
2. Profit or loss before adjustments for the effect of changes to current assets and short term liabilities		6 948 946	6 535 170
Changes to current assets			
decrease (increase) in trade receivables		7 816 416	15 820 307
decrease (increase) in stock		(816 912)	(4 644 152)
increase (decrease) in accounts payable to suppliers, contractors, and other creditors		(11 144 167)	(280 414)
3. Interest payments	8	(2 884 989)	(2 132 539)
4. Corporate income tax payments		(137 500)	(2 150)
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES		(218 206)	15 296 222
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired as a result of merger (LPKS Kuziks)		-	35 384
Investments in related or associated companies	10	(1 452 200)	(1 650 000)
Purchase of fixed and intangible assets	9	(1 508 936)	(1 585 529)
Income from disposal of fixed and intangible assets		388 236	241 163
Loans received	12, 15	1 994 695	749 227
Interest received		364 467	224 356
TOTAL NET CASH FLOWS USED IN INVESTING ACTIVITIES		(213 738)	(1 985 399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bond borrowings reimbursed	22, 26	(631 000)	-
Loans repaid/received	23-25,27,28	2 736 270	(15 663 909)
Contributions to share capital		28	53 606
Dividends paid		(868 982)	(29 293)
Grants, donations, and EU funds received		313 390	1 551 175
TOTAL NET CASH FLOWS USED IN FINANCING ACTIVITIES		1 549 706	(14 088 421)
Net increase/decrease in cash and cash equivalents		1 117 762	(777 598)
Cash and cash equivalents at the beginning of the period		1 947 495	2 725 093
Cash and cash equivalents at the end of the period		3 065 257	1 947 495

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Statement of Changes to the Shareholders' Equity

Transactions	Share capital (EUR)	Reserves (EUR)	Statutory reserves (EUR)	Retained earnings (EUR)	Total (EUR)
Share capital as at 30 June 2022	716 248	22 449 859	3 195	3 723 963	26 893 265
Profit of 2021/2022 transferred to reserves	-	3 223 965	-	(3 223 965)	-
Profit of 2021/2022 distributed among members	-	-	-	(500 000)	(500 000)
Financing in accordance with the quota agreements	42 052	-	-	-	42 052
Payments of new members	-	-	16 285	-	16 285
Enrolment of new members	15 930	-	(15 930)	-	-
Expelling of members according to the statutes	(4 729)	-	-	-	(4 729)
Merger of KUZIKS LPKS	3 635	2 421	-	711 588	717 644
Profit of 2022/2023	-	-	-	2 729 673	2 729 673
Share capital as at 30 June 2023	773 136	25 676 245	3 550	3 441 259	29 894 190
Profit of 2022/2023 transferred to reserves	-	2 342 966	-	(2 342 966)	-
Profit of 2022/2023 distributed among members	-	-	-	(550 000)	(550 000)
Financing in accordance with the quota agreements	(3 295)	-	-	-	(3 295)
Payments of new members	-	-	7 696	-	7 696
Enrolment of new members	9 471	-	(9 471)	-	-
Expelling of members according to the statutes	(4 373)	-	-	-	(4 373)
Profit of 2023/2024	-	-	-	2 819 800	2 819 800
Share capital as at 30 June 2024	774 939	28 019 211	1 775	3 368 093	32 164 018

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.

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Notes to the financial statements

1. General information on the Cooperative

Cooperative Society for Agricultural Services 'LATRAPŠ' is a company established by farmers and owned by its members. The primary objective of the company is to enter into effective sales transactions via cooperation and consolidation of needs in order to achieve higher profits from business activities. Registered with the Enterprise Register on 9 May 2000.

The line of business of the Cooperative is the sale of the agricultural raw materials to its members and the sale of products grown by its members, as well as pre-treatment of grain and rape. In addition, LATRAPŠ acts as an agent for insurance of cornfields, sells agricultural machines and spare parts, provides maintenance of such machines and renders accounting services to its subsidiaries.

Legal address of the Cooperative is: Lietuvas iela 16A, Eleja, Elejas pagasts, Jelgavas novads, Latvia.

On 29 December 2022, the reorganisation was completed and the cooperative society of agricultural services KUZIKS was merged.

2. Basis of preparation

The financial statements of LATRAPŠ were prepared in accordance with the 'Annual Reports and Consolidated Annual Report Law of the Republic of Latvia. Certain items are named according to the specifics of the Cooperative.

The profit and loss statement is prepared according to the cost function.

The cash flow statement was prepared according to the indirect method.

Pursuant to the law, the Cooperative is classified as a large company.

These are the stand-alone financial statements of the Cooperative. The Cooperative also prepares the consolidated financial statements including its subsidiaries.

The financial statements were prepared on the going concern basis assuming that the Cooperative will continue as a going concern.

3. Summary of significant accounting principles

ACCOUNTING PRINCIPLES

The financial statements give a true and fair view of the financial position of the Cooperative and the results of its operations and cash flows.

The financial statements were prepared in accordance with the following policies:

- 1) Going concern assumption that the Cooperative will continue as a going concern;
- 2) Consistent valuation principles with those used in the prior year.
- 3) Items were valued in accordance with the principle of prudence:
 - a) The financial statements reflect only the profit generated to the balance sheet date;
 - b) all incurred liabilities and current or prior year losses have been taken into consideration even if discovered within the period after the date of the balance sheet and preparation of the financial statements;
 - c) all amounts of impairment and depreciation have been taken into consideration and calculated irrespective of whether the financial result was a loss or profit;
- 4) Income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received. Expenses were matched with revenue for the reporting period;
- 5) Assets and liabilities have been valued separately;
- 6) The opening balances agree with the prior year closing balances.
- 7) All material items, which would influence the decision-making process of users of the financial statements, have been recognised and insignificant items have been combined and their details disclosed in the notes.
- 8) Business transactions are recorded taking into account their economic contents and substance, rather than the legal form.

The management believes that the accounting policies used in the preparation of these financial statements are largely consistent with those used last year.

3. Summary of accounting principles used (continued)

Related parties

Related parties represent both legal entities and private individuals related to the Cooperative in accordance with the following legal provisions applicable to companies:

- 1) A person or a close member of that person's family is related to a reporting entity if that person:
 - a) has control or joint control over the reporting entity;
 - b) has a significant influence over the reporting entity;
 - c) is a member of the key management personnel of the reporting entity.
- 2) An entity is related to a reporting entity if any of the following conditions applies:
 - a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - c) Both entities are joint ventures of the same third party;
 - d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - f) the entity is controlled, or jointly controlled by a person identified in (a);
 - g) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - h) The entity or any member of the group to which the entity belongs provides management personnel services to the entity or the parent company of the entity.

Related party transaction – a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged.

INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND OTHER INVESTMENTS

Investments in subsidiaries are initially recognized at cost. If the value of such investments at the balance sheet date is lower than the acquisition cost or valuation in the previous year's balance sheet, and such decrease is expected to be permanent, investments are recognized at the lower value.

Associated companies are companies over which the Cooperative exercises significant influence. The significant influence is ensured by not less than 20 and not more than 50 per cent, or as a result of other agreements.

The interest of the Cooperative in associated companies, equities of other companies and investments in shares of other cooperatives are recognised at cost less impairment losses.

FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Financial instruments are agreements that simultaneously result in a financial asset of one party to the transaction and a financial liability or equity securities of the other party.

The Cooperative's key financial instruments are financial assets - trade receivables, other receivables, loans and financial liabilities such as loans from credit institutions, loans secured by bonds, lease liabilities, accounts payable to suppliers and contractors, and derivatives used for hedging risks. See below.

Financial assets and liabilities are carried at amortized cost in accordance with the effective interest rate method less impairment.

3. Summary of accounting principles used (continued)

Financial risks connected with the Cooperative's financial instruments, financial risk management

- 1) Key financial risks related to the financial instruments of the Cooperative are:
 - a) Credit risk is the risk that the Cooperative may incur financial losses if parties to the transactions fail to fulfil their liabilities under the contracts;
 - b) Currency risk – risk that the Cooperative may suffer unexpected losses arising from fluctuations in foreign exchange rates;
 - c) Interest rate risk – risk that the Cooperative may suffer losses arising from negative changes in market rates;
 - d) Liquidity risk – risk that the Cooperative will not be able to meet its financial liabilities in due time;
 - e) Price risk – risk that the Cooperative might incur losses due to price fluctuations.
- 2) The Cooperative has implemented procedures to control the key risks.
 - a) For the purposes of credit risk management a procedure has been developed for the sales of goods or services against payments on delivery - certain limits are set on the amount of such goods or services for certain clients or groups of clients. Regular debtor control procedures are implemented to ensure identification of problems on a timely basis and appropriate action is taken to recover debts;
 - b) The Cooperative is exposed to interest rate risk arising primarily from its loans. Based on the present loan the management assesses interest rate risk as immaterial in the nearest future and accepts it;
 - c) Liquidity risk is managed by implementing measures to reconcile maturities of receivables and payables, monitoring and working on receivables and effecting due communication with creditors and securing the required funds from the credit institution.
 - d) Price fluctuation risks are hedged using derivatives. These financial transactions provide an opportunity to fix the price of the base asset if an asset is planned to be purchased or sold on a future date, thereby safeguarding against possible losses from purchasing/selling the base asset on a future date when the market price has changed.
 - e) Currency risk is perceived by management as insignificant in the nearest future.

Use of derivatives, hedging agreements

The Cooperative uses hedging instruments to hedge against unfavourable grain sales prices in the future compared to purchase prices. The Cooperative has entered into contracts with counterparties to use exchange-traded futures for hedging, which are settled on a regular basis with the bank. The result is recognised in the profit and loss statement on the date of closing the agreement, i.e. when grain is sold. This way the Cooperative matches potential yields or losses with the result of grain sales. At the balance sheet date, open and closed but not settled transactions are recognised at their current or closed market value, respectively, and the difference between this amount and the account balance as deferred income or expense. Deferred income and expenses are charged to the profit and loss statement when the grain sale transaction is completed. Refer to Note 30.

No other derivatives are used for hedging.

Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If according to the management, the fair value of an asset or liability is significantly different from the carrying amount, fair value disclosures are made in the notes to the financial statements.

REPORTING PERIOD

The reporting period is the 12 months from 1 July 2023 to 30 June 2024.

Currency unit and revaluation of foreign currency

All amounts in these financial statements are expressed in the official currency of Latvia – euro (EUR).

Transactions in foreign currencies are translated into euros at the reference exchange rate published by the European Central Bank as at the transaction date.

All monetary asset and liability items were revalued to euro according to the exchange rate published by the European Central Bank on the last day of the reporting period. Non-monetary items of assets and liabilities, and foreign exchange transactions are revalued to euro in accordance with the exchange rate published by the European Central Bank on the transaction date.

Currency	30.06.2023 (1 EUR)	30.06.2024 (1 EUR)
USD	1.09	1.07

Profit or loss arising from the fluctuations in the exchange rate on assets and liabilities denominated in a foreign currency are recognized in the profit and loss statement in the respective period in which the fluctuation occurs.

3. Summary of accounting principles used (continued)**ESTIMATES AND JUDGMENTS**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in the accounting estimates are recognized in the period when those estimates are reviewed and in the future periods. Key sources of estimation uncertainty are the following:

1) Impairment of equity investments

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Losses on impairment of equity investments are recognised in the profit and loss statement.

2) Useful lives of fixed and intangible assets

The management estimates the useful lives of fixed and intangible assets in proportion to the expected duration of use of the asset based on historical experience with similar fixed assets and future plans. According to management estimates, the useful lives of certain fixed and intangible assets are characterised by the following depreciation rates:

Fixed assets	% per year
Buildings and structures	2.5-10
Equipment	3.3-33.33
Cars	20-33.33
Trucks	12.5-20
Trailers/semi-trailers	10-20
Telescopic loaders	16.66-20
Office equipment	33.33
Other loaders	10-20
Roads and sites	2.5-6.66
Other fixed assets	10-33.33
Mobile phones	50
Intangible asset	20

3) Net realizable value of stock

Management estimates the net realizable value of stock upon identifying that the recoverable amount of stock is lower than cost. If this has occurred, stock is written down to its net realizable value, i.e. the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. Impairment allowances are considered for slow moving and obsolete stock such as spare parts and agricultural machinery.

4) Loans and receivables

A number of significant risks and uncertainties are inherent to the process of monitoring financial assets and estimating impairment. These risks and uncertainties include the risk that the Co-operative's assessment of the clients' ability to meet all their liabilities will change in response to changes in the clients' credit ratio and the risk that the economic situation will deteriorate beyond expected or will have a more significant impact on the client.

Loans and receivables are valued according to the principle of prudence and recognized at net amount due less allowances for doubtful loans and trade receivables.

Allowances for doubtful receivables are calculated based on the ageing analysis and primarily on information about the financial position of the respective debtor or borrower and recoverability of receivables. For receivables with postponed payments, allowances are created by reference to the value of the collateral provided.

5) Provisions and accrued liabilities

Provisions are recognised when a past event has given rise to a present obligation or losses and the amount can be estimated reasonably. The likelihood of loss is assessed based on management assumptions. In order to determine the amount of loss management is required to select an appropriate calculation method and make specific assumptions connected with the specific risk.

At the reporting date, the following provisions and accrued liabilities were recognized:

- a) accrued liabilities for staff bonuses based on annual results – based on Board decision;
- b) provision for premiums for supplied products - based on estimated expected amount of the premium,
- c) accrued liabilities for unused vacations are calculated in accordance with the number of vacation days unused as at the reporting date and the average remuneration during the last six months of the reporting year,
- d) accrued liabilities to suppliers and other creditors are recognised based on the provisions of agreements or underlying invoices received for the reporting year in the next financial year.

3. Summary of accounting principles used (continued)

REVENUE RECOGNITION

Revenue is recognized based on the likelihood of gaining economic benefit and to the extent it is reasonably measurable, less value added tax and discounts on sales.

1) Income from sales of goods

Revenue from the sales of goods is recognized in the profit and loss statement after the risks and rewards of ownership are transferred to the client.

No revenue is recognized if according to the provisions of the transaction the Cooperative retains significant risks pertaining to the ownership of goods and the goods can be returned. The most significant are revenues from sales of cereals, rapeseed, legumes, fertilisers, plant protection products, seeds, machinery, fuel.

2) Revenue from services

Revenue from services provided is recognized in the profit and loss statement as generated. The most significant are drying services, laboratory services, and transport services.

3) Rental income

Rental income is recognised on a straight-line basis over the rental term.

4) Subsidies and EU Structural funds

Cash received from the participation in projects funded by the EU Structural Funds is initially recognised as deferred income in the item "Deferred income". Subsidies compensating the Cooperative's expenses are recognized as income in the profit and loss statement when the underlying expenses are incurred. Subsidies or cash received from the EU Structural Funds compensating the acquisition of fixed assets are recognized as income in the profit and loss statement over the useful life of the fixed assets acquired.

5) Interest income

Interest income is recognized in the profit and loss statement according to the proportional time division taking into account the effective yield of the asset. Interest is recognised as revenue if the receipt is reasonably expected.

6) Funds within the framework of quota agreement

According to the quota agreement and regulations on the internal movement of quota, employees of the Cooperative participate in financing the fixed assets belonging to the Cooperative. Quota agreements entitle quota owners to use the pre-processing sites belonging to the Cooperative.

Financing is paid in gradually and initially it is recognized on the balance sheet under 'Deferred income' and subsequently as income in the profit or loss statement in proportion to the useful life of the fixed assets. As members sign up for quotas they become entitled to additional shares. Refer to Section Shareholder's equity.

LONG-TERM AND SHORT-TERM ITEMS

Amounts with terms of receipt, payment, or write off due in more than one year after the reporting date are classified as long term. Amounts to be received, paid, or written off within a year are classified as short-term.

FINANCIAL LEASE

If an asset is acquired under finance lease and the related risks and rewards are transferred, the leased asset and lease liabilities are recognized on the balance sheet in an amount equal to the fair value of the leased asset or the present value of the minimum lease payment, if lower. The discount rate used in the calculation of the present value of the minimum lease payments is the lease interest rate or, when impossible to estimate, the comparable loan interest rate of lessor.

Depreciation and financing expenses of the leased assets arising as a result of finance lease in the reporting period are recognized in the profit and loss statement. In the absence of reasonable certainty that the lessor will obtain property rights before the lease expiration date, the leased asset is fully depreciated over the shorter of the lease period or the useful life of the leased asset. Otherwise, the leased asset is written off during its useful life.

OPERATING LEASE

Operating lease payments are recognized in the profit and loss statement on a straight line basis over the lease term.

3. Summary of accounting principles used (continued)

Intangible and fixed assets

Intangible assets are carried at cost amortized over the useful life of the asset on a straight line basis. Should any events or changes in circumstances indicate that the carrying amount of intangible assets is no longer recoverable the respective intangible assets are reviewed for impairment. An impairment loss is recognised when the carrying amount of an intangible asset exceeds its recoverable amount.

Fixed assets (FA) are tangible assets with a useful life of more than one year and an acquisition cost exceeding EUR 143, intended for the production of goods, the provision of services, rental or leasing, administrative or other uses, but not for sale.

Fixed assets are classified as:

- Land, buildings, and engineering structures;
- Equipment and machinery;
- other assets and inventories

The balance sheet shows separately the establishment and construction-in-progress costs of FA, leasehold improvements, and advance payments for the acquisition of FA.

Intangible assets and fixed assets are recognised at historical cost, less accumulated amortisation and depreciation. Amortisation and depreciation is calculated from the first day of the month following their putting to operation until the first day of the month following their disposal. Amortisation and depreciation is calculated on a straight-line basis and written-off over the useful lives of the assets.

The depreciation and amortisation method and useful lives are reviewed at least on an annual basis, at the year-end.

Should any events or changes in circumstances indicate that the carrying amount of fixed assets is no longer recoverable the respective fixed assets are reviewed for impairment. In the presence of non-recoverability indications and when the carrying amount of an asset exceeds its recoverable amount, the asset or its cash-generating unit is written down to its recoverable amount. The recoverable amount of fixed assets is the greater of net sales value and value in use. The value in use is estimated by discounting estimated future cash flows at present value using a pre-tax discount rate which reflects the present market forecasts with respect to the changes in the value of the asset and risks associated with it. The recoverable amounts of assets that do not generate independent cash flows are determined for the cash generating unit to which the asset belongs. Impairment loss is recognised in the profit and loss statement as cost of goods sold.

STOCK ACCOUNTING

Stock is recognised at cost or market price if lower than cost. Stock is valued according to the FIFO method. Stock accounting is based on the perpetual method. Stock has been counted during the annual stock take.

The Cooperative accounts for future transactions by adjusting the corresponding stock balances at the end of the period in accordance with the valuation of the transactions.

SHAREHOLDERS' EQUITY

1) Share capital

The share capital of the Cooperative is the sum of all the cooperative shares held by the Members.

Basic cooperative share – investment of a physical or legal entity into the share capital of the co-operative society that gives to the investor all the rights of a member prescribed in the Cooperative's Statutes. Each Member holds 250 cooperative shares;

Additional cooperative share – a share that entitles a Member of the Cooperative to receive the services of the Cooperative without awarding the right to vote. Additional cooperative shares are granted by signing quota agreements.

2) Profit is distributed by decisions made by the Shareholders' Meeting:

- a) into reserve capital;
- b) for distributions to Members in proportion to the amount of services used by them, which created the surplus.

If the Cooperative finished the operating year with losses, the Shareholders Meeting decides on the order the losses shall be born based on the requirements specified in the law.

CAPITALIZATION OF BORROWING COSTS

The cost of construction in progress is not increased by the amount of interest on loans obtained for construction.

3. Summary of accounting principles used (continued)

NET RESULT FROM TRADING

Income or expenses from trading transactions is incurred if parties to a contract are unable to comply with the provisions of future grain or rape sales agreements. Fulfilment of agreements in the international markets is regulated by GAFTA. The amount of revenue or expenses depends on the proportion of the value of the unfulfilled agreement against the quoted market price of contractual goods at that date and revenue and expenses are recognized in the profit or loss statement at maturity.

CORPORATE INCOME TAX

The tax rate is 20% from the taxable base determined by dividing the value of the amount taxable with corporate income tax by coefficient 0.8, includes:

- distributed profit (dividends calculated, payments equivalent to dividends, conditional dividends), and
- conditionally or theoretically distributed profit (non-operating expenses and other specific cases provided for by the law).

MERGER OF LPKS KUZIKS

On 19 July 2022, the General Meeting of the Members of LPKS LATRAPŠ adopted a decision on the reorganisation by way of a merger between LPKS LATRAPŠ and LPKS KUZIKS, reg. No 45403013027, legal address: Vārpaš, Kūku pag., Jēkabpils nov., LV-5222 (LPKS KUZIKS), with LPKS LATRAPŠ as the acquiring entity merging with LPKS KUZIKS as the acquired entity. The reorganisation was completed on 29 December 2022.

Purpose of the merger - the two cooperatives have a history of close cooperation. The merger increases the value of the investments of the members of both Cooperatives, in addition to improving the financial position of the Acquiring Cooperative and enabling it to raise new funding for future investment projects.

The merger was carried out in accordance with the Cooperative Societies Law and the Reorganisation Agreement.

The merger took place through the merger of LPKS KUZIKS as the acquired entity into LPKS LATRAPŠ as the acquiring entity. The assets, liabilities, and rights of the merged entity were transferred to the acquiring entity. Following the merger, LPKS KUZIKS ceased to exist. The legal date of the merger is 29 December 2022, but for practical reasons 31 December 2022 has been used in the financial statements. Assets and liabilities were transferred at their carrying amounts. Receivables and payables and shares (interests) in each other were allocated. Items such as assets, liabilities, and equity were combined. The undistributed profit of LPKS KUZIKS for 2022 was allocated to reserves.

SUBSEQUENT EVENTS

The financial statements reflect events that occurred subsequent to the year-end and that provide additional information on the company's financial position at the balance sheet date (adjusting events). If the nature of subsequent events is other than adjusting, they are disclosed in the notes to the financial statements only if they are significant.

1. Net sales

From operating activity	NACE code:	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Sale of cereals, rapeseed, leguminous crops	4621	161 313 888	225 313 120
Sales of materials for production of plants	4675	65 221 792	91 920 113
Revenue from sale of finished goods and materials	4661,4671	9 585 545	14 436 406
Revenue from drier services	0161	4 938 083	3 684 783
Other operating income	4661	3 156 376	3 778 104
	TOTAL:	244 215 684	339 132 526

Market	30.06.2024	30.06.2023
Revenue from sales of products and services in European Union countries	16.22%	14.30%
Revenue from export of goods	23.64%	31.13%
Revenue from products and services sold in Latvia	60.14%	54.57%
	TOTAL:	100%

2. Cost of goods sold, cost of services

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Cost of raw and other materials	216 994 740	309 537 263
Hedging result, net	(783 070)	4 304 540
Remuneration to workers and changes in accrued liabilities for vacations	4 608 576	3 995 564
Depreciation	2 029 861	1 606 774
Social contributions and changes in accruals for vacations	1 084 355	936 920
Purchase and delivery of goods	127 364	455 974
Impairment of current assets and decrease of provisions	(1 003 675)	(523 528)
Other cost of goods sold	4 545 504	3 785 431
	TOTAL:	324 098 938

3. Selling expenses

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Transport expenses of goods	6 080 048	5 240 267
Other selling expenses (freight forwarders, brokers etc.)	2 977 463	3 838 301
	TOTAL:	9 078 568

4. Administrative expenses

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Remuneration to administration staff and changes in accrued liabilities for vacations/bonuses	1 195 470	1 073 194
Social contributions and changes in accruals for vacations/bonuses	259 752	210 846
State duties	5 926	31 426
Remuneration to companies of Latvian sworn auditors*	32 100	43 718
Other administrative expenses	1 044 982	818 697
TOTAL:	2 538 230	2 177 881

*Total amount of fees charged by commercial companies of certified auditors, broken down by type of services provided by the certified auditor:

	30.06.2024	30.06.2023
Statutory audit of the annual report	31 500	23 275
Other expert engagements	600	20 443
TOTAL:	32 100	43 718

Remuneration to key management:	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Members of the Board		
Remuneration	262 318	233 775
Compulsory State Social Security Contributions	61 881	55 147
Members of the Council		
Remuneration	64 578	32 000
Compulsory State Social Security Contributions	15 023	7 549
TOTAL:	403 800	328 471

Number of employees	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
In the reporting year		
Average number of Council members	9	9
Average number of Board members	5	4
Average number of workers and administrative staff	206	206
TOTAL:	220	219

5. Other operating income

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
EU funds and subsidies combined:	646 155	558 088
- including EU structural funds	431 993	373 423
- including support for agricultural NGOs and producers, etc.	214 162	184 665
Gain on disposal of fixed assets, net	38 548	241 163
Proceeds from revaluation of investments*	-	450 000
Other operating income	244 723	8 299
TOTAL:	929 426	1 257 550

* On 30 June 2023, the investment in the subsidiary SIA Bio Diesel Latvija is revalued, the value of the investment is increased by EUR 450 000.

6. Other operating expenses

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Real estate tax	55 129	51 116
Loss from currency exchange fluctuations and translation, net	4 384	7 970
Other operating expenses	288 773	335 597
TOTAL:	348 286	394 683

7. Interest and similar income

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Interest income from related companies	153 281	110 311
Other interest and similar income	211 186	114 045
TOTAL:	364 467	224 356

8. Interest and similar expenses

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Interest expenses on borrowings from a credit institution	2 772 774	1 949 306
Other interest expenses to other lenders and similar	231 821	183 233
TOTAL:	3 004 595	2 132 539

9. Intangible and fixed assets

	Licenses and software	Land, buildings and engineering structures	Equipment and machinery	Other fixed assets	Leasehold improvements	Construction in progress	Prepayments for fixed assets	TOTAL
Historical cost								
30.06.2022	330 184	26 669 213	14 492 243	3 444 074	-	158 436	5 788	45 099 938
Additions	-	-	-	-	-	4 054 571	62 919	4 117 490
Acquired as a result of the merger of KUZIKS LPKS	200	2 229 623	1 386 421	327 337	1 227	-	-	3 944 808
Disposals	(143)	(100 000)	(370 328)	(144 555)	-	-	(1 898)	(616 924)
Eliminated as a result of the merger of KUZIKS LPKS	(200)	(521 420)	(645 453)	(91 446)	(472)	-	-	(1 258 991)
Reclassified	90 424	2 219 086	1 241 602	289 870	-	(3 840 982)	-	-
Account corrections	-	-	141 355	8 765	-	(51 232)	-	98 888
30.06.2023	420 465	30 496 502	16 245 840	3 834 045	755	320 793	66 809	51 385 209
Accumulated depreciation								
30.06.2022	290 221	9 294 998	9 077 482	1 980 639	-	-	-	20 643 340
Depreciation	64 062	740 215	596 106	206 366	25	-	-	1 606 774
Calculated from merger of KUZIKS LPKS	200	521 420	645 453	91 446	472	-	-	1 258 991
Depreciation of disposed fixed assets	(142)	-	(256 002)	(124 233)	-	-	-	(380 377)

	Licenses and software	Land, buildings and engineering structures	Equipment and machinery	Other fixed assets	Leasehold improvements	Construction in progress	Prepayments for fixed assets	TOTAL
Eliminated from merger of KUZIKS LPKS	(200)	(521 420)	(645 453)	(91 446)	-472	-	-	(1 258 991)
30.06.2023	354 141	10 035 213	9 417 586	2 062 772	25	-	-	21 869 737
Balance at 30.06.2022	39 963	17 374 215	5 414 761	1 463 435	-	158 436	5 788	24 456 598
Balance at 30.06.2023	66 324	20 461 289	6 828 254	1 771 273	730	320 793	66 809	29 515 472
Historical cost								
30.06.2023	420 465	30 496 502	16 245 840	3 834 045	755	320 793	66 809	51 385 209
Additions	-	-	133 425	-	-	1 309 206	66 305	1 508 936
Disposals	-	(129 000)	(1 074 612)	(130 295)	-	-	(90 833)	(1 424 740)
Transfers from stock	-	-	-	-	-	676 530	-	676 530
Reclassified to stock	-	-	-	-	-	(16 500)	-	(16 500)
Account correction	-	-	-	-	-	(4 322)	-	(4 322)
Reclassified	179 127	380 070	1 005 184	475 204	-	(2 039 585)	-	-
30.06.2024	599 592	30 747 572	16 309 837	4 178 954	755	246 122	42 281	52 125 113
Accumulated depreciation								
30.06.2023	354 141	10 035 213	9 417 586	2 062 772	25	-	-	21 869 737
Depreciation	125 814	813 535	776 101	320 721	50	-	-	2 036 221
Depreciation of disposed fixed assets	-	(104 634)	(843 949)	(126 469)	-	-	-	(1 075 052)
30.06.2024	479 955	10 744 114	9 349 738	2 257 024	75	-	-	22 830 906
Balance at 30.06.2023	66 324	20 461 289	6 828 254	1 771 273	730	320 793	66 809	29 515 472
Balance at 30.06.2024	119 637	20 003 458	6 960 099	1 921 930	680	246 122	42 281	29 294 207

Pledges and other collaterals

The Cooperative's liabilities arising from loan agreements are secured as follows:

- Commercial pledge on all property of the borrower collectively at the date of pledge, as well as further components of this collective property;
- Priority 1 mortgage on:
 - real estate property located at Lietuvas iela 12, Elejas pagasts Jelgavas novads (entered into Elejas pagasts Land Register Department No. 229 with cadastre No. 5448 006 0266);
 - real estate property located at Lietuvas iela 26, Elejas pagasts Jelgavas novads (entered into Eleja parish Land Register Department No. 100000019839 with cadastre No. 5448 006 0284);
 - real estate property located at Lietuvas iela 16A, Elejas pagasts Jelgavas novads (entered into Elejas pagasts Land Register Department No.100000011971 with cadastre No. 5448 006 0283);
 - real estate property "Strūgas" located at "Strūgas", Elejas pagasts Jelgavas novads (entered into Eleja parish Land Register Department No. 100000276290 with cadastre No. 5448 006 0271);
 - real estate property located at Īslīces iela 9, Bauska, Bauskas novads (entered into Bauska city Land Register Department No. 302 with cadastre No. 4001 007 0039);
 - real estate property located at Īslīces iela 11, Bērzkalni, Īslīces pagasts Bauskas novads (entered into Īslīce parish Land Register Department No. 545 with cadastre No. 4068 003 0234);
 - real estate property "Graudiņi" located at "Graudiņi", Virbu pagasts Talsu novads, Lielā ielā 39, Jaunpagasts, Virbu pagasts Talsu novads (entered into Virbu parish Land Register Department No. 100000161725 with cadastre No .8896 004 0249);
 - real estate property located at Jaunceltnes iela 20A, Aizkraukle, Aizkraukles novads (entered into Aizkraukle city Land Register Department No. 100000541867 with cadastre No. 3201 001 0023);

- real estate property located at Saules iela 68, Madona, Madonas novads (entered into Madona city Land Register Department No. 770 with cadastre No. 7001 001 0624);
- real estate property "Grīšiņi" located at "Grīšiņi", Saldus pagasts Saldus novads (entered into Saldus pagasts Land Register Department No. 100000175433 with cadastre No. 8486 002 0099);
- real estate property located at Ganību iela 78, Jelgava (entered into Jelgavas pilsētas Land Register Department No. 851 with cadastre No. 0900 011 0016);
- real estate property located at Ārijas Elksnes iela 6, Jēkabpils (entered into Jēkabpils pilsētas Land Register Department No. 100000039653 with cadastre No. 5601 001 3513);
- real estate property located at Ārijas Elksnes iela 6, Jēkabpils (entered into Jēkabpils pilsētas Land Register Department No. 2006 with cadastre No. 5601 501 0035);
- real estate property located at Ārijas Elksnes iela 6A, Jēkabpils (entered into Jēkabpils pilsētas Land Register Department No. 100000207869 with cadastre No. 5601 001 3564);
- real estate property located at Ārijas Elksnes iela 6D, Jēkabpils (entered into Jēkabpils pilsētas Land Register Department No. 100000569775 with cadastre No. 5601 001 0182);
- real estate property located at Viršu iela 56D, Daugavpils (entered into Daugavpils pilsētas Land Register Department No. 100000566122 with cadastre No. 0500 031 0302);
- real estate property located at Viršu iela 56 k-1, Daugavpils (entered into Daugavpils pilsētas Land Register Department No. 100000511734 with cadastre No. 0500 031 0001).

10. Investments in subsidiaries

Company	Holding % at 30 June 2023	Investment at 30 June 2023	Appreciation of investment 01.07.2023-30.06.2024	Holding % at 30 June 2024	Investment at 30 June 2024
SIA Bio Diesel Latvia	100	450 000	-	100	450 000
SIA ASNS Ingredient	99.29	1 447 136	1 452 200	74.83	2 899 336
SIA ASNS Investment	100	3 134 800	-	100	3 134 800
SIA Latmalt	100	1 618 400	-	100	1 618 400
TOTAL:		6 650 336	1 452 200		8 102 536

Financial information on subsidiaries:

Company (financial year differs from calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	31.12.2023	30.06.2024	01.01.2022-31.12.2023	01.01.2024-30.06.2024
Period				
SIA ASNS Investment (Eleja, Lietuvas iela 16A)	4 157 994	4 750 273	716 350	592 279

Company (financial year agrees with calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	31.12.2022	31.12.2023	2022	2023
Period				
SIA Bio Diesel Latvia (Eleja, Lietuvas iela 16A)	179 495	470 479	(59 422)	290 984

Company (financial year differs from calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	30.06.2023	30.06.2024	01.07.2022-30.06.2023	01.07.2023-30.06.2024
Period				
SIA Latmalt (Jaunsvirlaukas pag., Valmju iesalnīca)	1 701 956	1 868 324	86 665	166 368

Company (financial year differs from calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	30.06.2023	30.06.2024	01.01.2023- 30.06.2023	01.07.2023- 30.06.2024
Period				
SIA ASNS Ingredient (Eleja, Lietuvas iela 16)	2 754 858	6 494 497	(160 038)	(597 065)

Management has evaluated the recoverability of the investment and identified no signs of impairment.

11. Other securities and investments

	30.06.2024	30.06.2023
Investment in SIA Latvijas Piens	1 766 391	1 766 391
Basic cooperative shares in other companies	21 335	21 335
Long-term investment revaluation reserve*	(1 371 634)	(1 371 634)
TOTAL:	416 092	416 092

*Provision for revaluation of the investment in SIA Latvijas Piens. The Cooperative holds 8.36% (from 26.03.2024).

12. Loans to related parties

	30.06.2024	30.06.2023
SIA ASNS Investment	2 698 500	3 122 500
SIA Latmalt	650 000	800 000
SIA ASNS Ingredient	-	886 386
TOTAL:	3 348 500	4 808 886

The loan to SIA ASNS Investment matures on 30 September 2027, and that to SIA Latmalt - on 31 December 2026. The loans are not secured by collaterals and bear interest.

13. Stock

	30.06.2024	30.06.2023
Finished goods and goods for sale	27 937 420	27 549 963
Prepayments for goods	223 333	1 309 446
Raw materials, primary materials and auxiliary materials	28 469	35 801
Provisions for goods for sale*	(218 889)	(1 086 081)
TOTAL:	27 970 333	27 809 129

*Stock is recognised at cost or market price if lower than cost.

14. Trade receivables

	30.06.2024	30.06.2023
Trade receivables	47 224 253	56 090 225
Other short-term loans*	775 445	826 170
Doubtful debt allowance	(2 278 891)	(2 411 303)
TOTAL:	45 720 807	54 505 092

* Other short term loans represent primarily the short term share of deferred liabilities of Members and deferred restructured receivables of purchasers of agricultural raw materials, which according to agreements are repayable within a period that does not exceed 12 months from the reporting date.

15. Due from related parties

	30.06.2024	30.06.2023
Loan to SIA Bio Diesel Latvia	-	534 309
TOTAL:	-	534 309

16. Prepaid expenses

	30.06.2024	30.06.2023
Real estate tax	27 478	26 902
Current vacation	23 849	17 440
Staff health and life insurance	11 239	11 239
Other expenses (for services and other)	584 949	1 646
TOTAL:	647 515	57 227

17. Deferred income

	30.06.2024	30.06.2023
Deferred income from adjustment/markup of product prices	462 282	85 000
TOTAL:	462 282	85 000

18. Cash

Cash in currencies translated into EUR according to the European Central Bank rate as at 30 June 2024

	30.06.2024	30.06.2023
Cash	186 203	183 804
Cash equivalents (financial markets)	2 879 054	1 763 691
TOTAL:	3 065 257	1 947 495

19. Share capital

Share capital (cooperative shares) as at 30 June 2024 amounts to EUR 774 939 and consists of 297 288 basic shares (beginning of the year: 293 698) and 248 444 additional shares (beginning of the year: 250 764). The nominal value of one cooperative share EUR 1.42. All cooperative shares are fully paid up.

	30.06.2024	30.06.2023
Basic cooperative shares	422 149	417 051
Equity investment	352 790	356 085
TOTAL:	774 939	773 136

20. Statutory reserves

	30.06.2024	30.06.2023
Contributions by candidate members for cooperative shares	1 775	3 550
TOTAL:	1 775	3 550

21. Other reserves

	30.06.2024	30.06.2023
Other reserves at the beginning of the reporting period	25 676 245	22 449 859
Retained earnings of the previous reporting period transferred to reserves	2 342 966	3 223 965
Acquired as a result of the merger of KUZIKS LPKS	-	2 421
TOTAL:	28 019 211	25 676 245

Other reserves consist of reserves built up from the profits of previous years and other reserves (funding from quota contracts). In February 2024, a dividend of EUR 550 000 was declared and distributed to the Members of the Cooperative for the financial year 2022-2023.

The Board proposes that the profit of LATRAPs for the financial year 2023-2024 of EUR 2 819 800 be distributed as follows:

- to allocate a share of the profits of EUR 500 000 to the Members;
- to allocate part of the profit of EUR 2 319 800 to the other reserves under equity to ensure the Cooperative's further development.

22. Long-term loans secured by bonds

	30.06.2024	30.06.2023
Loans secured by bonds	2 450 000	2 501 000
TOTAL:	2 450 000	2 501 000

Private placement of bonds, which included an offer only to LATRAPs Members and employees to purchase LATRAPs bonds. The maturity of the borrowings against bonds does not exceed five years (maximum maturity in December 2025).

23. Long-term loans from credit institutions

Long term:

		30.06.2024	30.06.2023
Loan from AS Luminor Bank*	EUR	8 094 468	-
TOTAL:		8 094 468	-

*For information on collaterals please turn to Note 9. The interest rate is floating.

24. Other long-term loans

	30.06.2024	30.06.2023
Lease agreements with Luminor Līzings SIA	121 535	314 591
Lease agreements with Swedbank Līzings SIA	-	18 983
Borrowings from Members	800 000	4 440 000
TOTAL:	921 535	4 773 574

Lease contracts are contracts on purchase of fixed assets with consideration payable over a term of up to six years. The share of contractual lease payments payable in more than five years is nil.

Long term loans from Members were intended to support business activities and were issued for a term of up to five years. (until June 2027).

25. Long-term deferred income

	30.06.2024	30.06.2023
EU Structural Fund financing	5 378 625	5 680 296
Funds received under quota agreements	1 189 548	1 023 314
TOTAL:	6 568 173	6 703 610

The share of financing of EU Structural Funds to be transferred to revenue in more than five years - EUR 4 269 361 (30.06.2023: EUR 4 180 406). The supervision period for the projects is five years since the date of financing.

Funds received under quota agreements are received both in cash and offset against the Cooperative's liabilities.

26. Short-term loans secured by bonds

	30.06.2024	30.06.2023
Loan secured by bonds	51 000	631 000
TOTAL:	51 000	631 000

The bonds mature in December 2024.

27.Short-term loans from credit institutions

The loan agreements mature on 30 April 2025. The maximum amount of the credit line available per period varies, as of 30.06.2024 it is EUR 55 000 000.

The Cooperative's obligations are secured by a Commercial Pledge on the borrower's entire property collectively at the time of pledge. The list of pledged immovable properties is provided in Note 9. In the opinion of the management, there are no impediments to the credit line agreement being extended beyond its maturity.

	30.06.2024	30.06.2023
Loan from Luminor banka AS	25 261 797	33 670 326
Short-term portion of the long-term loan	2 573 623	-
TOTAL:	27 835 420	33 670 326

28.Other short-term loans

	30.06.2024	30.06.2023
SIA Luminor Līzings	163 532	76 576
SIA Swedbank Līzings	3 345	1 554
Borrowings from Members	4 240 000	-
TOTAL:	4 406 877	78 130

Other short-term loans are lease contracts on purchase of fixed assets to be paid in a period not exceeding one year. Borrowings from Members mature in April 2025.

29.Other creditors

	30.06.2024	30.06.2023
Remuneration	292 051	269 928
Other liabilities	325 986	307 546
TOTAL:	618 037	577 474

30.Short-term deferred income

	30.06.2024	30.06.2023
EU project co-funding - short-term	399 245	430 339
Deferred income from financial instruments	2 161 923	623 480
Other income	-	579 282
TOTAL:	2 561 168	1 633 101

31.Accrued liabilities

	30.06.2024	30.06.2023
Accrued liabilities related to staff	1 035 061	1 047 355
Accrued liabilities for bond interest payments	435 890	316 284
Bonuses for products supplied	173 367	359 725
Accrued accounts payable	74 284	53 160
TOTAL:	1 718 602	1 776 524

32. Related party transactions

Related parties in 2023/2024 are the subsidiaries of LATRAPŠ.

	01.07.2023- 30.06.2024 (EUR)	01.07.2022- 30.06.2023 (EUR)
Revenue		
Provision of services		
- SIA Bio Diesel Latvia	555	632
- SIA Latmalt	82 325	80 992
- SIA ASNS Ingredient	4 023	1 604
- SIA ASNS Investment	630	540
Interest income		
- SIA Latmalt	34 745	5 923
- SIA ASNS Investment	79 042	79 522
- SIA Bio Diesel Latvia	89	17 253
- SIA ASNS Ingredient	39 405	13 536
Goods and fixed assets		
- SIA Latmalt	1 060 752	1 185 848
Total:	1 301 566	1 385 850

In addition, loans were granted to subsidiaries in the financial year 2023-2024 and repayments were made. Please refer to Note 12.

33. Financial and contingent liabilities**Information on contingent liabilities and pledged assets**

The Cooperative has commitments for the purchase of cereals and rapeseed under contracts in force at 30 June 2024. The Cooperative does not disclose detailed information on volumes as this is a business secret.

A guarantee agreement exists between the Cooperative and the Bank to secure claims that the Bank may have against Latmalt SIA (with total exposure of 3 200 000 EUR).

Information on operating lease agreements

The Cooperative has signed operating lease agreements. According to the effective lease agreements, in future reporting periods the Cooperative is required to make the following lease payments:

Payment due date	30.06.2024	30.06.2023
Maturing within 1 year	385 528	145 242
Maturing between one and five years	758 941	212 877
Total:	1 144 469	358 119

Legal claims

The Cooperative is not involved in any legal proceedings as defendant. The Cooperative has initiated or pursues a number of legal proceedings with the total amount claimed exceeding EUR 700 000.

34. Subsequent events

In August 2024, Pfeifer & Langen International B.V. made an additional contribution of EUR 5 334 028 to ASNS Ingredient SIA by acquiring 2 963 349 shares, for a total ownership of 48.44%.

In September 2024, two LATRAPŠ subsidiaries were merged - SIA Bio Diesel Latvia was merged into SIA ASNS Investment.

In October 2024, the fourth private placement of bonds was completed, which included an offer to LATRAPŠ Members and employees to purchase LATRAPŠ bonds. The EUR 2 million borrowings against the bonds have a maturity of five years.

In Q4 2024, the first public bond offering was launched, issuing bonds up to EUR 8 million with the aim of listing them on Nasdaq Riga.

The bonds are issued by the Cooperative to raise funds for the establishment of a pea protein isolate production facility at ASNS Ingredient SIA.

No other significant subsequent events have occurred in the period from the year-end to the date of these financial statements that would require adjustments to be made to these financial statements and disclosures added to the notes thereto.

Roberts Strīpnieks
Chairman of the Board

Gundars Ruža
Board Member

Ģirts Ozols
Board Member

Ginta Briede
Board Member

Ilga Anita Bērzkalna
Board Member

Diāna Bērzniece
Chief Accountant

THIS DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIMESTAMP



KPMG Baltics SIA
Roberta Hirsā iela 1
Rīga, LV-1045
Latvia

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kpmg@kpmg.lv

Independent Auditors' Report

To the members of Latraps LPKS

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of Latraps LPKS ("the Company") set out on pages 6 to 28 of the accompanying Annual Report, which comprise:

- the balance sheet as at 30 June 2024,
- the profit and loss statement for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Latraps LPKS as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code) and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The corresponding figures included in the accompanying financial statements are based on the Company's financial statements as at and for the year ended 30 June 2023, which were audited by other auditors, whose auditors' report dated 1 December 2024 expressed an unmodified opinion.

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:



- Information about the Company, as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on pages 4 and 5 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics SIA
License No. 55

Rainers Vilāns

Rainers Vilāns
Board Member
Riga, Latvia

Veronika Sokolova

Veronika Sokolova
Latvian Sworn Auditor
Certificate No. 198

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails



**COOPERATIVE SOCIETY OF AGRICULTURAL SERVICES
LATRAPS**

(UNIFIED REGISTRATION NUMBER 58503007191)

ANNUAL REPORT

For the period 1 July 2022 through 30 June 2023

**PREPARED IN ACCORDANCE WITH
THE LAW OF THE REPUBLIC OF LATVIA ON ANNUAL REPORTS
AND CONSOLIDATED ANNUAL REPORTS**

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

ELEJA, 2023

* This version of financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.

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General information

Name of the company	Cooperative Society of Agricultural Services LATRAPs	
Legal status	Cooperative society	
Registration number and date	58503007191, 9 May 2000	
Taxpayer's registration number and date of registration	LV58503007191, 23 May 2000	
Registered office	Lietuvas iela 16 A Eleja, Eleja pagasts, Jelgava municipality, Latvia	
Chairman of the Board	Roberts Strīpnieks	
Board Members	Ģirts Ozols Gundars Ruža Ilga Anita Bērzkaina (from 14/12/2022) Ginta Briede (from 16/05/2023)	
Chairman of the Council	Valters Bruss	
Deputy Chairman of the Council	Artūrs Akmens	
Council Members	Laima Klidziņa Artūrs Tjušs Māris Bērziņš Sandris Bēča Juris Lazdiņš Mārtiņš Trons Gunvaldis Sproģis	
Subsidiaries	Bio Diesel Latvia SIA, Lietuvas iela 16 A, Eleja, equity interest: 100% (27/01/2006) ASNS Investment SIA, Lietuvas iela 16 A, Eleja, equity interest: 100% (16/09/2020) ASNS Ingredient SIA, Lietuvas iela 16 A, Eleja, equity interest: 99.2897% (21/12/2022) Latmalt SIA, Jaunsvirlauka pag., Valmju iesalnīca, equity interest: 100% (21/08/2020)	
Financial year	1 July 2022 – 30 June 2023	
Chief Accountant	Diāna Bērzniece	
Auditors	Dace Negulinere Latvian Certified Auditor Certificate No 175	SIA Ernst & Young Baltic Muitas iela 1a, Rīga Latvia, LV – 1010 License No 17

Management report

Type of business

The cooperative society of agricultural services LATRAPs (hereinafter – LATRAPs or the Cooperative) is a farmer-founded and member-owned entity whose main objective is to raise the efficiency of commercial transactions through cooperation by pooling needs, thus increasing profitability.

LATRAPs' core business is the sale of agricultural raw materials needed by its members and products grown by them, and the primary processing of grain, rapeseed and pulses. In addition, LATRAPs provides crop insurance brokerage services, sells agricultural machinery and spare parts, and supplies maintenance and logistics services, as well as produces rapeseed oil.

Operations are mainly carried out in the interests of its members: selling the grain, pulses and rapeseed produced by its members, providing the services its members need, procuring the inputs they need for crop production, providing advice and training on how to achieve the best results for sustainable growth.

Operations during the reporting year

In 2022, the total area under cereals did not change considerably in Latvia, while cereal yield was the second highest over the last five years thanks to slightly more favorable weather. Last year, the total grain harvested in Latvia was 3.24 million tonnes. This is an increase by 249 thousand tonnes, or 7.7%, compared to 2021, which should overall be regarded as good.

For the period 1 July 2022 through 30 June 2023, LATRAPs' revenues from the sale and a significant increase in the value of cereals and rapeseed rose by more than 18% compared to the previous reporting period, while overall net turnover was up by 13% to EUR 339 million, the highest in LATRAPs' history. Besides the cereals growth, the most important driver of the total turnover growth is the sale of crop raw materials.

Early 2023 saw a significant fall in the market price of cereals and raw materials, which had a significant impact on stock purchases and sales planned for the future, but given future projections and risk-mitigating factors available on the market, gross profit was not materially affected overall.

On 19 July 2022, the general members' meeting resolved to reorganize LPKS LATRAPs and LPKS KUZIKS by way of a merger. On 29 December 2022, the reorganization of LPKS LATRAPs and LPKS KUZIKS by way of a merger and the takeover of assets and liabilities were finished, by LATRAPs (as the acquirer) acquiring LPKS KUZIKS (as the acquiree). As a result of acquiring LPKS KUZIKS, LATRAPs' total equity as at 29 December 2022 grew by EUR 585 thousand and total assets by EUR 3 million.

On 21 December 2022, a share capital increase of EUR 1 200 000 was completed in the subsidiary SIA ASNS Ingredient, which is currently working on establishing a new pea processing plant in Latvia. In 2022, two new members of SIA ASNS Ingredient were attracted: the cooperative companies Barkavas Arodi and Durbes grauds, which together hold a 0.7% stake in the company.

During the reporting year, the expansion of grain storage and drying complexes at LATRAPs' Jēkabpils and Madona primary processing facilities was completed, enabling to increase the volume of the Cooperative's capacity for storing grain.

As a result, in 2022/2023, due to adequate weather conditions in Latvia as well as the risk-reducing approach to the sale of grain, rapeseed and raw materials, the Cooperative earned EUR 2 729 673, which accounts for 0.8% of the turnover. The Board of the Cooperative is content with the result achieved, which allows for a significant improvement of the existing equity and liquidity ratios.

Branches and representative offices abroad

The cooperative society LATRAPs has no branches or representative offices abroad.

Use of financial instruments

The Cooperative uses financial instruments to hedge against unfavorable future sales prices of grain and rapeseed relative to procurement prices. For this purpose, the Cooperative has entered into contracts with SAXO Bank (Denmark), RJO'Brien (UK) and INTL FCStone Markets LLC (USA) on futures for which regular settlements with the bank are carried out. See the section 'Financial instruments and financial risks' under Note 1 to the financial statements.

LATRAPs ensures a model for selling raw materials in line with market conditions. According to this model, in the event of rising EURIBOR rates, the Cooperative secures a sales platform with balanced revenues and costs in a changing situation of interest rate growth.

Events after balance sheet date

Subsequent to the year end, there have been no circumstances or events that may have a material effect on the future operations of the Cooperative.

Profit distribution suggested by the Board

The Board suggests that a profit of EUR 2 729 673 earned by the Cooperative LATRAPs for the year 2022/2023 and a profit of EUR 163 293 acquired from LPKS KUZKS as a result of the acquisition be used as follows:

- a portion of EUR 550 000 be distributed among the members of the Cooperative;
- a portion of EUR 2 342 966 be transferred to other reserves under equity for further development of the Cooperative.

Future prospects and development

The Cooperative has successfully completed the 2023 harvest season. As of the last day of the reporting year until the date of preparing these financial statements more than 66% of the grain and rapeseed delivered by the members has been sold at a budgeted margin. This has contributed to the Cooperative's ability of a timely settlement with the Members for goods and services received and continuous reduction of its existing loan liabilities.

The management of the Cooperative is confident of LATRAPs' successful future development towards a sustainable and reasonable profit by continuing to develop both the existing business activities and the subsidiaries already established or acquired.

Roberts Strīpnieks
Chairman of the Board



Gundars Ruža
Board Member



Ģirts Ozols
Board Member



Iga Anita Bērzkalna
Board Member



Ginta Briede
Board Member



1 December 2023

Statement of profit or loss

	Notes	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
		EUR	EUR
Net turnover from other operating activities	1	339 132 526	299 481 959
Cost of sales	2	(324 081 430)	(283 220 952)
Gross profit		15 051 096	16 261 007
Distribution costs	3	(9 078 568)	(9 518 277)
Administrative expense	4	(2 177 881)	(2 029 029)
Other operating income	5	1 257 550	622 388
Other operating expense	6	(412 191)	(319 824)
Other interest and similar income	7	224 356	195 320
Interest and similar expense	8	(2 132 539)	(1 487 620)
Profit before corporate income tax		2 731 823	3 723 965
Income tax expense		(2 150)	-
Net profit for the reporting year		2 729 673	3 723 965

The accompanying notes form an integral part of these financial statements.

Roberts Strīpnieks
Chairman of the Board



Gundars Ruža
Board Member



Ģirts Ozols
Board Member



Ginta Briede
Board Member



Iga Anita Bērzkalna
Board Member



Dāna Bērzniece
Chief Accountant



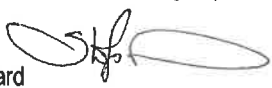
1 December 2023

BALANCE SHEET**ASSETS**

	Notes	30/06/2023	30/06/2022
		EUR	EUR
NON-CURRENT ASSETS			
Intangible assets			
Concessions, patents, licenses, trademarks and similar rights		66 324	39 963
TOTAL	9	66 324	39 963
Property, plant and equipment			
Real estate: land plots, buildings and engineering constructions		20 461 289	17 374 215
Equipment and machinery		6 828 254	5 414 761
Other fixtures and fittings, tools and equipment		1 771 273	1 463 435
Construction in progress		320 793	158 436
Leasehold improvements		730	-
Prepayments for property, plant and equipment		66 809	5 788
TOTAL	9	29 449 148	24 416 635
Non-current financial assets			
Investments in related companies	10	6 650 336	5 000 336
Other securities and investments	11	416 092	416 149
Loans to related companies	12	4 808 886	3 832 826
Other loans and non-current receivables	13	-	1 724 875
TOTAL		11 875 314	10 974 186
TOTAL NON-CURRENT ASSETS		41 390 786	35 430 784
CURRENT ASSETS			
Inventories			
Raw materials and consumables		35 801	76 859
Finished goods and goods for sale		26 463 882	22 574 452
Prepayments for inventories		1 309 446	1 325 995
TOTAL	14	27 809 129	23 977 306
Receivables			
Trade receivables	15	54 503 324	70 545 750
Receivables from related companies	16	534 309	-
Other receivables	17	22 194	139 364
Prepaid expense	18	57 227	47 730
Accrued income	19	85 000	7 609
TOTAL		55 202 054	70 740 453
Cash	20	1 947 495	2 725 093
TOTAL CURRENT ASSETS		84 958 678	97 442 852
TOTAL ASSETS		126 349 464	132 873 636

The accompanying notes form an integral part of these financial statements.


Roberts Strīpnieks
Chairman of the Board



Gundars Ruža
Board Member



Ģirts Ozols
Board Member



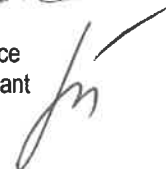
Ginta Briede
Board Member



Iļga Anita Bērzkalna
Board Member



Diāna Bērzniece
Chief Accountant



1 December 2023

BALANCE SHEET**EQUITY AND LIABILITIES**

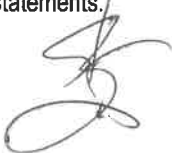
	Notes	30/06/2023 EUR	30/06/2022 EUR
EQUITY			
Share capital	21	773 136	716 248
Reserves:			
reserves under the Articles of Association	22	3 550	3 195
other reserves	23	25 676 245	22 449 859
Retained earnings		548 293	-
Profit for the reporting year (LPKS KUZIKS)		163 293	-
Profit for the reporting year		2 729 673	3 723 965
TOTAL EQUITY		29 894 190	26 893 267
PROVISIONS FOR LIABILITIES AND CHARGES			
Other provisions	24	359 725	320 960
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES		359 725	320 960
LIABILITIES			
Non-current liabilities			
Bond-secured loans	25	2 501 000	3 132 000
Loans from credit institutions	26	-	1 793 832
Other loans	27	4 773 574	4 573 573
Deferred income	28	6 703 610	4 919 259
TOTAL		13 978 184	14 418 664
Current liabilities			
Bond-secured loans	29	631 000	-
Loans from credit institutions	30	33 670 326	44 837 967
Other loans	31	78 130	251 974
Prepayments received from customers		22 572	20 467
Trade payables		43 221 066	43 757 659
Taxes payable		394 648	693 391
Other liabilities	32	577 474	239 394
Deferred income	33	1 633 101	339 644
Accrued liabilities	34	1 416 799	1 098 708
Undrawn dividends		472 249	1 541
TOTAL		82 117 365	91 240 745
TOTAL LIABILITIES		96 095 549	105 659 409
TOTAL EQUITY AND LIABILITIES		126 349 464	132 873 636

The accompanying notes form an integral part of these financial statements.

Roberts Strīpnieks
Chairman of the Board



Gundars Ruža
Board Member



Ģirts Ozols
Board Member



Ginta Briede
Board Member



Ilga Anita Bērzkalna
Board Member



Diāna Bērzniece
Chief Accountant



1 December 2023

Statement of cash flows

	01/07/2022-30/06/2023	01/07/2021-30/06/2022
CASH FLOWS TO/FROM OPERATING ACTIVITIES		
<i>Profit or loss before corporate income tax</i>	2 731 823	3 723 965
Adjustments for:		
depreciation and impairment of property, plant and equipment	1 542 712	1 466 256
amortization and impairment of intangible assets	64 062	62 357
result of disposal of property, plant and equipment and intangible assets	(4 616)	583 599
change in provisions (except for allowances for doubtful receivables)	851 094	230 318
subsidies, grants, EU funding received	(558 088)	(183 329)
leasehold improvements	-	261 924
other interest and similar income	(224 356)	(195 320)
interest and similar expense	2 132 539	1 487 620
Profit or loss before adjustments for the effect of changes in current assets and current liabilities	6 535 170	7 437 390
Decrease or (increase) in receivables	15 820 307	(22 248 685)
Decrease or (increase) in inventories	(4 644 152)	(10 050 354)
Increase or (decrease) in trade and other payables	(280 414)	15 724 684
Cash generated from operations	17 430 911	(9 136 965)
Interest paid	(2 132 539)	(1 487 621)
Corporate income tax paid	(2 150)	-
NET CASH FLOWS TO/FROM OPERATING ACTIVITIES	15 296 222	(10 624 585)
CASH FLOWS TO/FROM INVESTING ACTIVITIES		
Purchase of shares in related companies, associates or other companies	(1 650 000)	(244 336)
Purchase of property, plant and equipment and intangible assets	(1 585 529)	(1 471 056)
Proceeds from sale of property, plant and equipment and intangible assets	241 163	95 827
Loans issued	-	(1 599 331)
Loans repaid	749 227	-
Interest received	224 356	195 320
Cash acquired as a result of the merger	35 384	-
NET CASH FLOWS TO/FROM INVESTING ACTIVITIES	(1 985 399)	(3 023 576)
CASH FLOWS TO/FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	13 969 608
Repayment of borrowings	(15 663 909)	-
Contributions to equity	53 606	11 885
Dividends paid	(29 293)	-
Subsidies, grants, EU funding received	1 551 175	183 329
Payment of finance lease liabilities	-	(261 924)
NET CASH FLOWS TO/FROM FINANCING ACTIVITIES	(14 088 421)	13 902 898
Net cash flow for the year	(777 598)	254 737
Cash and cash equivalents at the beginning of the year	2 725 093	2 470 326
Cash and cash equivalents at the end of the year	1 947 495	2 725 063

The accompanying notes form an integral part of these financial statements.

Roberts Strīpnieks
Chairman of the Board



Gundars Ruža
Board Member



Ģirts Ozols
Board Member



Ginta Briede
Board Member



Iga Anīta Bērzkalna
Board Member



Dāna Bērzniece
Chief Accountant



1 December 2023

Statement of changes in equity

Transactions	Share capital (EUR)	Reserves (EUR)	Reserves under the Articles of Association (EUR)	Retained earnings (EUR)	Total (EUR)
Equity as at 30/06/2021	705 783	19 406 018	1 775	3 043 841	23 157 417
Profit for 2020/2021 transferred to reserves	-	3 043 841	-	(3 043 841)	-
Under quota contracts	3 365	-	-	-	3 365
Contributions made by new members	-	-	11 360	-	11 360
Admission of new members	9 940	-	(9 940)	-	-
Exclusion of members in accordance with the Articles of Association	(2 840)	-	-	-	(2 840)
Profit for 2021/2022	-	-	-	3 723 965	3 723 965
Equity as at 30/06/2022	716 248	22 449 859	3 195	3 723 965	26 893 267
Profit for 2021/2022 transferred to reserves	-	3 223 965	-	(3 223 965)	-
Profit for 2021/2022 paid out to members	-	-	-	(500 000)	(500 000)
Under quota contracts	42 052	-	-	-	42 052
Contributions made by new members	-	-	16 285	-	16 285
Admission of new members	15 930	-	(15 930)	-	-
Exclusion of members in accordance with the Articles of Association	(4 729)	-	-	-	(4 729)
Acquisition of KUZIKS LPKS	3 635	2 421	-	711 588	717 644
Profit for 2022/2023	-	-	-	2 729 673	2 729 673
Equity as at 30/06/2023	773 136	25 676 245	3 550	3 441 261	29 894 192

The accompanying notes form an integral part of these financial statements.

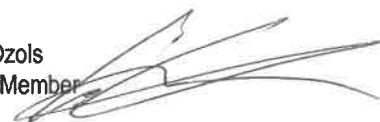
Roberts Strīpnieks
Chairman of the Board



Gundars Ruža
Board Member



Ģirts Ozols
Board Member



Ginta Briede
Board Member



Ilga Anita Bērzkalna
Board Member



Diāna Bērzniece
Chief Accountant



1 December 2023

Notes to the financial statements

1. Corporate information

The cooperative society of agricultural services LATRAPs is a farmer-founded and member-owned entity whose main objective is to raise the efficiency of commercial transactions through cooperation by pooling needs, thus increasing profitability. Registered with the Enterprise Register on 9 May 2000.

The Cooperative's core business is the sale of agricultural raw materials needed by its members and products grown by them, and the primary processing of grain and rapeseed. In addition, the Cooperative provides crop insurance brokerage services, sells agricultural machinery and spare parts, as well as supplies maintenance services and accounting services to its subsidiaries.

The registered office of the Cooperative is at Lietuvas iela 16a, Eleja, Eleja pagasts, Jelgava municipality, Latvia.

On 29 December 2022, the reorganization process was completed and the cooperative society of agricultural services KUZIKS was acquired.

2. Basis of preparation

The Cooperative's financial statements have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports. The titles of certain reporting items are adapted to the Cooperative's specific needs.

The statement of profit or loss has been prepared according to the function of expense method.

The statement of cash flows has been prepared under the indirect method.

The Cooperative meets the criteria of a large enterprise specified in the law.

The law sets forth additional exemptions for small and medium-sized enterprises with regard to the preparation of financial statements, meanwhile providing that the financial statements must give a true and fair view of a company's financial position and profit or loss, while as regards annual reports of medium-sized and large enterprises, also of cash flows.

These are the separate financial statements of the Cooperative. Consolidated annual reports are not prepared as the figures of the subsidiaries were immaterial at the balance sheet date.

The financial statements are prepared on the basis that the Cooperative will continue to be a going concern.

3. Summary of significant accounting policies

ACCOUNTING PRINCIPLES APPLIED

The financial statements give a true and fair view of the financial position and financial performance of the Cooperative and its cash flows.

The financial statements have been prepared in accordance with the following principles:

- 1) The going concern assumption that the Cooperative will continue as a going concern;
- 2) Consistent valuation principles with those used in the prior year;
- 3) Items are measured in accordance with the principle of prudence:
 - a) the financial statements reflect only the profit generated to the balance sheet date;
 - b) all expected risk amounts and current or prior year losses are taken into consideration, even if discovered within the period from the last day of the reporting year to the date of preparing these financial statements;
 - c) all amounts of impairment and depreciation are calculated and taken into consideration irrespective of whether the financial result was a profit or loss;
- 4) Income and expense for the reporting year are taken into consideration irrespective of the payment date or the date when the invoice is received or issued. Costs are matched with revenue for the reporting year;
- 5) Assets and liabilities are valued separately;
- 6) The opening balance agrees with the prior year closing balance. The item classification in the statement of profit or loss has been changed from that of the previous year. In the reporting year, the result from trading transactions is classified under 'Cost of sales', while it was under 'Other operating expense' in the previous reporting year. The management believes that the new classification is more appropriate because, in substance, the sales income relates to the cost of sales that is incurred to sell goods to a buyer who is not a party to the contract. The prior year comparatives have been reclassified accordingly and are comparable. The reclassification has no impact on the net result;
- 7) All items having a material impact on the evaluation or decision making by the users of the financial statements are presented, immaterial items are aggregated and their details are disclosed in the notes;
- 8) Business transactions are recorded according to their substance and economic reality and not merely their legal form.

The management of the Cooperative believes the accounting policies applied in the preparation of the financial statements are substantially consistent with those of the previous year.

3. Summary of significant accounting policies (cont'd)

RELATED PARTIES

Related parties represent both legal and natural persons related to the Cooperative in accordance with the provisions set out below, which are defined in the applicable legislation:

- 1) A person or a close member of that person's family is related to a reporting entity if that person:
 - a) has control or joint control over the reporting entity;
 - b) has significant influence over the reporting entity; or
 - c) is a member of the key management personnel of the reporting entity.
- 2) An entity is related to a reporting entity if any of the following conditions applies:
 - a) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - c) both entities are joint ventures of the same third party;
 - d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - e) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - f) the entity is controlled or jointly controlled by a person identified in (a);
 - g) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - h) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND OTHER ENTITIES

Investments in subsidiaries are initially recognized at cost. If, at the balance sheet date, the investment value is lower than the cost or net carrying amount recognized on the prior year balance sheet and if the impairment is expected to be permanent, the investments are measured at the lower of the above amounts.

Associates are entities where the Cooperative has significant influence, which is presumed to exist with 20% to 50% interest of the share capital of the entity, or as a result of other arrangements.

The Cooperative's investments in associates and other entities as well as investments in the shares of other cooperatives are recognized at cost less an impairment loss.

FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Cooperative's principal financial instruments are financial assets, such as trade and other receivables and loans, and financial liabilities, such as loans from credit institutions, bond-secured loans, lease and factoring liabilities, trade and other payables as well as derivative financial instruments used for risk mitigation. See below.

Financial assets and liabilities are stated at amortized cost using the effective interest method less impairment.

3. Summary of significant accounting policies (cont'd)

Financial risks arising from the Cooperative's financial instruments and their management

- 1) The main financial risks arising from the Cooperative's financial instruments are:
 - a) Credit risk – the risk that the Cooperative may incur financial loss if counterparties default on their contractual obligations;
 - b) Foreign currency risk – the risk that the Cooperative may incur unexpected loss due to fluctuations in currency exchange rates;
 - c) Interest rate risk – the risk that the Cooperative may incur loss due to unfavorable fluctuations in market rates;
 - d) Liquidity risk – the risk that the Cooperative may be unable to meet its financial liabilities in a timely manner;
 - e) Price risk – the risk that the Cooperative may incur unexpected loss due to price fluctuations.
- 2) The Cooperative has put in place adequate procedures to manage major risks:
 - a) Credit risk management is supported by a policy on the sale of goods and the provision of services on a post-paid basis, namely, limits are set on the amount of post-paid services to a particular customer or a group of customers. Receivables are monitored on a regular basis to ensure timely identification of problems and appropriate action for debt recovery;
 - b) The Cooperative is exposed to interest rate risk mainly through its borrowings. On the basis of the existing borrowings, the management of the Cooperative assesses interest rate risk as immaterial for the foreseeable future and accepts it;
 - c) Liquidity risk is managed through reconciling the maturities of receivables and payables, monitoring and dealing with debtors and communicating with creditors in a timely manner and raising the necessary funding from credit institutions.
 - d) Derivatives are used to hedge the risk of price fluctuations. These financial transactions provide a way of fixing the price of an underlying asset if it is expected to be bought or sold at some future date, thereby hedging against the potential loss on buying/selling the underlying asset at some future date when the market price has changed.

Use of derivative financial instruments, hedging

The Cooperative uses financial instruments to hedge against unfavorable future sales prices of grain and rapeseed relative to procurement prices. For this purpose, the Cooperative has entered into contracts with SAXO Bank (Denmark), RJO'Brien (UK) and INTL FCStone Markets LLC (USA) on futures for which regular settlements with the bank are carried out. The Cooperative recognizes the result of these transactions in the statement of profit or loss on the contract closing day, i.e. when the grain is sold. In this way, the Cooperative matches potential gains or losses with the result of grain sales. At the balance sheet date, open transactions are recognized at their market value, while the difference between that amount and the account balance – as changes in the value of inventories.

No other derivatives are used for risk hedging.

Fair value of financial assets and liabilities

The fair value of financial assets and financial liabilities is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where the management of the Cooperative believes that the fair values of the financial assets and liabilities considerably differ from their carrying values, the fair values of such assets and liabilities are disclosed separately in the notes to the financial statements.

REPORTING PERIOD

The financial statements cover the 12-month period 1 July 2022 through 30 June 2023.

CURRENCY UNIT AND FOREIGN CURRENCY TRANSLATION

The figures in these financial statements are presented in the official currency of Latvia, the euro (EUR).

Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction.

Monetary assets and liabilities are translated into the euro applying the exchange rate published by the European Central Bank at the last day of the reporting year. Non-monetary assets and liabilities are translated into the euro at the exchange rate published by the European Central Bank at the date of the transaction.

Currency	30/06/2023 (EUR 1)	30/06/2022 (EUR 1)
USD	1.09	1.04

Foreign exchange gains or losses are recognized in the statement of profit or loss for the respective reporting period.

3. Summary of significant accounting policies (cont'd)

ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when those estimates are revised and in the next periods. Key sources of estimation uncertainty are as follows:

1) Impairment of investments in companies

An impairment loss is recognized when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss on investments in companies is recognized in the statement of profit or loss.

2) Useful lives of property, plant and equipment and intangible assets

The management estimates the useful life of certain items of property, plant and equipment and intangible assets in proportion to the expected useful life of the asset based on the historical expertise with similar property, plant and equipment and future plans. According to management's estimates, as of 1 July 2021, items of property, plant and equipment and intangible assets have been subject to the following depreciation rates:

<u>Property, plant and equipment</u>	<u>% per annum</u>
Buildings and constructions	2.5-10
Equipment and machinery	3.3-33.33
Cars	20-33.33
Trucks	12.5-20
Trailers/semi-trailers	10-20
Telescopic handlers	16.66-20
Office equipment	33.33
Other handlers	10-20
Roads and sites	2.5-6.66
Other fixtures and fittings, tools and equipment	10-33.33
Mobile phones	50
Intangible assets	20

3) Determining the net realizable value of inventories

The management is required to prepare estimates of the inventory value when it is established that the recoverable amount of inventories is less than their cost. If that is the case, inventories are written down to their net realizable value, i.e., the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale. Impairment allowances are considered for slow-moving and obsolete items, i.e., spare parts and agricultural machinery.

4) Assessment of loans and receivables

The process of monitoring financial assets and determining impairment is subject to a number of material risks and uncertainties. These risks and uncertainties include the risk that the Cooperative's assessment of a customer's ability to meet all its contractual obligations will change in line with the changes in the customer's credit rating, and the risk of more serious than expected deterioration of the economic situation or the latter's more material impact on the customer.

Loans and receivables are measured following the principle of prudence and carried net of allowances for any doubtful balances.

Allowances for doubtful trade receivables are estimated based on the aging analysis, but mainly on the basis of information about the financial position of the specific debtor or borrower and the recoverability of receivables. For deferred payments, the value of collateral received is considered in determining the allowance amount.

5) Provisions and accrued liabilities

Provisions are recognized when a past event has given rise to a present obligation or losses and their amount can be estimated reasonably. The likelihood of loss is assessed based on management assumptions. Determining the amount of loss requires management to select an appropriate calculation method and make specific assumptions connected with the specific risk.

At the end of the reporting period, the following provisions and accruals have been made:

- accrued annual performance bonuses – as decided by the Board,
- provisions for bonuses on delivered products – based on an estimate of the expected bonuses,
- the vacation pay reserve is estimated by multiplying the total number of vacation days earned but not taken as at the year end by the average daily remuneration expense for the last six months of the reporting year;
- accrued liabilities to suppliers and other creditors are recognized based on the contractual terms or according to invoices for the reporting year received in the following financial year.

3. Summary of significant accounting policies (cont'd)

REVENUE

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Cooperative and the revenue can be reliably measured, less value added tax and sales-related discounts.

1) Sale of goods

Revenue is recognized in the statement of profit or loss when the significant risks and rewards of ownership of the goods have passed to the buyer.

Revenue is not recognized if, under the terms of the transaction, the Cooperative retains significant risks of ownership of the goods and the goods can be returned. The most important are revenues from the sale of grain, rapeseed, pulses, fertilizers, plant protection products, seeds, machinery and fuel.

2) Rendering of services

Revenue is recognized in the period when the services are rendered. Most important – drying facility, laboratory, transport services.

3) Rentals

Revenue from leased property is recognized in the statement of profit or loss on a straight-line basis over the lease term.

4) Subsidies and EU structural funds

Funds received from participation in projects co-financed by the EU Structural Funds are initially recognized in the balance sheet as deferred income. Subsidies that compensate the Cooperative for costs incurred are recognized as income in the statement of profit or loss in the period in which the costs are incurred. Subsidies or EU funds received for compensating the acquisition of property, plant and equipment of the Cooperative are taken to income on a systematic basis over the useful lives of the assets acquired.

5) Interest

Revenue is recognized on a time proportion basis by reference to the actual yield of the asset. Interest is recognized as revenue when its receipt is reliably foreseeable.

6) Funding under quota contracts

In accordance with the terms of quota contracts and the Regulation on Internal Movement of Quotas, the members of the Cooperative contribute to the financing of the items of property, plant and equipment belonging to the Cooperative. The quota contracts ensure the right of quota holders to use the primary processing facilities owned by the Cooperative.

The funding are stage payments and are initially recognized in the balance sheet under 'Deferred income' and subsequently as income in the statement of profit or loss in proportion to the useful lives of the related items of property, plant and equipment. When members subscribe for quotas, additional shares are obtained. See the *Equity* section.

NON-CURRENT AND CURRENT CLASSIFICATION

Non-current captions comprise balances that are due more than one year after the balance sheet date. Balances to be received, paid or written off within one year are classified as current.

FINANCE LEASE

Where the asset has been acquired under a finance lease and all the risks and benefits incidental to ownership of the leased item are transferred to the lessee, the leased assets and liabilities are recognized at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable; if not, the lessee's incremental borrowing rate is used.

Depreciation and finance charges resulting from the finance lease during the reporting period are recognized in the statement of profit or loss. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life; otherwise leased assets are depreciated over their useful lives.

OPERATING LEASE

Operating lease payments are recognized as an expense in the statement of profit or loss on a straight-line basis over the lease term.

3. Summary of significant accounting policies (cont'd)

ACCOUNTING FOR INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible non-current assets are stated at cost and amortized over their estimated useful lives on a straight-line basis. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount.

Property, plant and equipment (PPE) are tangible non-current assets with a useful life of longer than one year and an acquisition value higher than EUR 143, which are held for use in the production or supply of goods or services, for rental to others, or for administrative or other purposes, but not for sale.

Property, plant and equipment include:

- land plots, buildings and engineering constructions;
- equipment and machinery;
- other fixtures and fittings, tools and equipment.

Construction in progress, leasehold improvements and prepayments for property, plant and equipment are recorded on the balance sheet separately.

Intangible assets and property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated starting with the first day of the following month after the asset is put into operation and is ceased starting with the first day of the following month after the asset is derecognized. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

The depreciation method is reviewed at least at the end of each reporting period.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of profit or loss in the cost of sales caption.

INVENTORIES

Inventories are stated at the lower of cost and net realizable value. They are accounted for on a first-in, first-out (FIFO) basis and according to the perpetual inventory method. Balances are checked during annual inventory counts.

The Cooperative accounts for subsequent transactions according to their valuation at the end of the period by adjusting the corresponding stock balances.

EQUITY

1) Share capital

The share capital of the Cooperative represents the total value of the cooperative shares of all members.

Basic cooperative share – a contribution of a natural or legal person to the Cooperative's share capital that provides a cooperative society member with all the membership rights specified in the Articles of Association of the Cooperative. A member has 250 basic cooperative shares.

Additional co-operative share – a cooperative share that grants to a Cooperative member the right to receive the Cooperative's services, but not voting rights. Additional cooperative shares are obtained through signing quota contracts.

2) Distribution of profit – the Cooperative's profit is distributed by the decision of the General Meeting:

- a) to be transferred to the reserve capital;
- b) to be paid to members commensurate with the extent of their use of the services that generated the profits.

If the Cooperative incurs a loss for the financial year, the General Meeting decides on the procedure for covering the loss in accordance with the law.

CAPITALIZATION OF BORROWING COSTS

The original value of construction in progress is not increased by interest on borrowings used to develop the underlying asset.

3. Summary of significant accounting policies (cont'd)

GAINS OR LOSSES ON SALES TRANSACTIONS

Gains or losses on sales transactions arise when the buyer or seller is unable to fulfil the signed grain or rapeseed futures contracts. The performance of contracts in international markets is regulated by GAFTA rules. The gain or loss amount depends on the ratio of the value of the outstanding contract to the then exchange value of the underlying commodity and is recognized in the statement of profit or loss on the contract expiration date.

CORPORATE INCOME TAX

LATRAPS has been a corporate taxpayer (according to the Corporate Income Tax Law) from 1 January 2018. Prior to this date, LATRAPs was exempted from paying corporate income tax as an eligible cooperative society.

Legal entities have not been required to pay income tax on earned profits starting from 1 January 2018 in accordance with amendments made to the Corporate Income Tax Law of the Republic of Latvia. Corporate income tax is paid on distributed profits and deemed profit distributions. Both distributed profits and deemed profit distributions have been subject to the tax rate of 20 per cent of their gross amount, or 20/80 of net expense. Corporate income tax on dividends is recognized in the statement of profit or loss as expense in the reporting period when respective dividends are declared, while as regards other deemed profit items, at the time when expense is incurred in the reporting year.

No provision is recognized for income tax payable on a dividend distribution before dividends are declared.

ACQUISITION OF LPKS KUZIKS

On 19 July 2022, the general members' meeting of LPKS LATRAPs resolved to reorganize LPKS LATRAPs and LPKS KUZIKS, reg. No 45403013027, registered office: Vārpas, Kūkas pagasts, Jēkabpils municipality, LV-5222 (hereinafter – LPKS KUZIKS), by way of a merger, by LPKS LATRAPs (as the acquirer) acquiring LPKS KUZIKS (as the acquiree).

The reorganization process was completed on 29 December 2022.

The objective of the merger – both cooperatives have been linked historically and have close cooperation. The merger appreciates the contributions made by the cooperatives' members, as well as improving the acquirer's financial position and making it possible to raise new financing for future investment projects.

The merger was carried out in accordance with the Law on Cooperative Societies and the Reorganization Agreement.

The merger was carried out by LPKS LATRAPs (as the acquirer) acquiring LPKS KUZIKS (as the acquiree). The acquiree's assets, liabilities and rights were transferred to the acquirer. LPKS KUZIKS ceased to exist after the merger. The official date of the merger is 29 December 2022, but 31 December 2022 has been used in the financial statements for practical reasons. The assets and liabilities were transferred at their carrying amount. Mutual balances due and equity interest were separated. Assets, liabilities and equity were summed up. Based on a Board's suggestion, the retained earnings of LPKS KUZIKS will be transferred to reserves.

SUBSEQUENT EVENTS

Post-year-end events that provide additional information about the Cooperative's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

1. Net turnover

By business activities	NACE code	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Sale of grain, rapeseed and pulses	4621	225 313 120	190 504 946
Sale of raw materials for crop production	4675	91 920 113	89 396 698
Sale of finished goods and materials	4661,4671	14 436 406	14 117 021
Services of the drying facility	0162	3 684 783	2 415 497
Other income from operations	4661	3 778 104	3 047 797
TOTAL:		339 132 526	299 481 959

By geographical segments	30/06/2023	30/06/2022
Export to the European Union	14.30%	28.55%
Export to other countries	31.13%	13.91%
Domestic sales	54.57%	57.54%
TOTAL:	100%	100%

2. Cost of sales

	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Cost of raw materials and other materials	309 537 263	263 845 047
Hedging result, net	4 304 540	9 005 285
Wages of workers and changes in vacation pay reserve and provisions for bonuses	3 995 564	3 382 254
Depreciation	1 606 774	1 528 616
Statutory social insurance contributions and changes in vacation pay reserve and provisions for bonuses	936 920	792 422
Purchase and delivery of goods	455 974	639 649
Write-offs of current assets and changes in allowances	(523 528)	(545 787)
Other cost of sales	3 767 923	4 573 466
TOTAL:	324 081 430	283 220 952

3. Distribution costs

	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Transportation of goods	5 240 267	5 791 938
Other distribution costs (forwarders, brokers, etc.)	3 838 301	3 726 339
TOTAL:	9 078 568	9 518 277

4. Administrative expense

	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Salaries of management and administration staff and changes in vacation pay reserve and provisions for bonuses	1 073 194	1 173 636
Statutory social insurance contributions and changes in vacation pay reserve and provisions for bonuses	210 846	255 649
State duties	31 426	20 789
Fee paid to the firm of Latvian certified auditors*	43 718	20 396
Other administrative expense	818 697	558 559
TOTAL:	2 177 881	2 029 029

*The total fee paid to the firm of certified auditors by types of audit services was as follows:

	30/06/2023	30/06/2022
Statutory annual audit	23 275	20 396
Other specialist's tasks	20 443	-
TOTAL:	43 718	20 396

Key management personnel compensation:

	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Board Members		
Wages and salaries	233 775	499 452
Statutory social insurance contributions	55 147	117 820
Council Members		
Wages and salaries	32 000	49 000
Statutory social insurance contributions	7 549	11 559
TOTAL:	328 471	677 831

Number of employees

During the reporting year	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Average number of Council Members	9	9
Average number of Board Members	4	3
Average number of workers and administrative staff	206	202
TOTAL:	219	214

5. Other operating income

	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
EU funds and subsidies, total:	558 088	522 341
- of which EU structural funds	373 423	339 012
- of which support to non-governmental agriculture organizations and farmers, etc.	184 665	183 329
Gain on disposal of property, plant and equipment, net	241 163	95 827
Gain on revaluation of assets*	450 000	-
Other operating income	8 299	4 220
TOTAL:	1 257 550	622 388

* On 30 June 2023, an investment in the subsidiary SIA Bio Diesel Latvija was revalued; the investment value was increased by EUR 450 000.

6. Other operating expense

	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Penalties paid for VAT refund deferral, fees paid for idle time (at ports, etc.)	17 508	107 825
Real estate tax	51 116	59 489
Currency exchange loss, net	7 970	1 209
Other operating expense	335 597	151 301
TOTAL:	412 191	319 824

7. Interest and similar income

	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Interest income from related companies	110 311	120 517
Other interest income	114 045	74 803
TOTAL:	224 356	195 320

8. Interest and similar expense

	01/07/2022- 30/06/2023	01/07/2021- 30/06/2022
Interest on loans from credit institutions	1 949 306	1 251 030
Other expense	183 233	236 590
TOTAL:	2 132 539	1 487 620

9. Intangible assets and property, plant and equipment

	Licenses and software	Land plots, buildings and engineering constructions	Equipment and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Construction in progress	Prepayments for property, plant and equipment	TOTAL
Cost								
As at 30/06/2021	322 467	25 619 685	14 122 029	3 295 610	182 074	1 281 920	3 014	44 826 799
Additions	25 101	18 880	325 884	80 305	-	929 677	91 209	1 471 056
Disposals	(17 384)	-	(307 874)	(45 345)	(182 074)	(344 477)	(88 435)	(985 589)
Reclassification		1 030 648	352 204	113 504	-	(1 496 356)	-	-
Transferred from inventories		-	-	-	-	32 008	-	32 008
Investments in subsidiaries		-	-	-	-	(244 336)	-	(244 336)
As at 30/06/2022	330 184	26 669 213	14 492 243	3 444 074	-	158 436	5 788	45 099 938
Accumulated depreciation								
As at 30/06/2021	245 248	8 633 780	8 772 771	1 799 343	182 074	-	-	19 633 216
Depreciation charge	62 357	661 218	604 471	200 567	-	-	-	1 528 613
Depreciation of disposals	(17 384)	-	(299 760)	(19 271)	(182 074)	-	-	(518 489)
As at 30/06/2022	290 221	9 294 998	9 077 482	1 980 639	-	-	-	20 643 340
Carrying amount as at 30/06/2021	77 219	16 985 905	5 349 258	1 496 267	-	1 281 920	3 014	25 193 583
Carrying amount as at 30/06/2022	39 963	17 374 215	5 414 761	1 463 435	-	158 436	5 788	24 456 598
Cost								
As at 30/06/2022	330 184	26 669 213	14 492 243	3 444 074	-	158 436	5 788	45 099 938
Additions	-	-	-	-	-	1 423 722	62 919	1 486 641
Additions (assets acquired from KUZIKS LPKS)	200	2 229 623	1 386 421	327 337	1 227	2 630 849	-	6 575 657
Disposals	(143)	(100 000)	(370 328)	(144 555)	-	-	(1 898)	(616 924)
Disposals (assets acquired from KUZIKS LPKS)	(200)	(521 420)	(645 453)	(91 446)	(472)	-	-	(1 258 991)
Reclassification	90 424	2 219 086	1 241 602	289 870	-	(3 840 982)	-	-
Account adjustments	-	-	141 355	8 765	-	(51 232)	-	98 888
As at 30/06/2023	420 465	30 496 502	16 245 840	3 834 045	755	320 793	66 809	51 385 209
Accumulated depreciation								
As at 30/06/2022	290 221	9 294 998	9 077 482	1 980 639	-	-	-	20 643 340
Depreciation charge	64 062	740 215	596 106	206 366	25	-	-	1 606 774
Depreciation charge (assets acquired from KUZIKS LPKS)	200	521 420	645 453	91 446	472	-	-	1 258 991
Depreciation of disposals	(142)	-	(256 002)	(124 233)	-	-	-	(380 377)
Depreciation of disposals (assets acquired from KUZIKS LPKS)	(200)	(521 420)	(645 453)	(91 446)	(472)	-	-	(1 258 991)
As at 30/06/2023	354 141	10 035 213	9 417 586	2 062 772	25	-	-	21 869 737
Carrying amount as at 30/06/2022	39 963	17 374 215	5 414 761	1 463 435	-	158 436	5 788	24 456 598
Carrying amount as at 30/06/2023	66 324	20 461 289	6 828 254	1 771 273	730	320 793	66 809	29 515 472

9. Intangible assets and property, plant and equipment (cont'd)

Pledges and other restrictions on title

The Cooperative's obligations under the loan agreements are secured by the following collateral:

- a commercial pledge on the borrower's aggregate property at the time of the pledge, including any future parts thereof;
- the first mortgage on:
 - the real estate located at Lietuvas iela 12, Eleja, Eleja pagasts, Jelgava municipality (Eleja Pagasts Land Register Division No 229, cadastral No 5448 006 0266);
 - the real estate located at Lietuvas iela 26, Eleja, Eleja pagasts, Jelgava municipality (Eleja Pagasts Land Register Division No 100000019839, cadastral No 5448 006 0284);
 - the real estate located at Lietuvas iela 16A, Eleja, Eleja pagasts, Jelgava municipality (Eleja Pagasts Land Register Division No 100000011971, cadastral No 5448 006 0283);
 - the real estate *Strūgas* located at Strūgas, Eleja pagasts, Jelgava municipality (Eleja Pagasts Land Register Division No 100000276290, cadastral No 5448 006 0271);
 - the real estate located at Īslīces iela 9, Bauska, Bauska municipality (Bauska Town Land Register Division No 302, cadastral No 4001 007 0039);
 - the real estate located at Īslīces iela 11, Bērzkalni, Īslīce pagasts, Bauska municipality (Īslīce Pagasts Land Register Division No 545, cadastral No 4068 003 0234);
 - the real estate *Graudīņi* located at Graudīņi, Virbi pagasts, Talsi municipality, Lielā iela 39, Jaunpagasts, Virbi pagasts, Talsi municipality, (Virbi Pagasts Land Register Division No 100000161725, cadastral No 8896 004 0249);
 - the real estate located at Jaunceltnes iela 20A, Aizkraukle, Aizkraukle municipality (Aizkraukle Town Land Register Division No 100000541867, cadastral No 3201 001 0023);
 - the real estate located at Saules iela 68, Madona, Madona municipality (Madona Town Land Register Division No 770, cadastral No 7001 001 0624);
 - the real estate *Grīšļi* located at Grīšļi, Saldus pagasts, Saldus municipality (Saldus Pagasts Land Register Division No 100000175433, cadastral No 8486 002 0099);
 - the real estate located at Ganību iela 78, Jelgava (Jelgava Town Land Register Division No 851, cadastral No 0900 011 0016);
 - the real estate located at Ārijas Elksnes iela 6, Jēkabpils (Jēkabpils Town Land Register Division No 100000039653, cadastral No 5601 001 3513);
 - the real estate located at Ārijas Elksnes iela 6, Jēkabpils (Jēkabpils Town Land Register Division No 2006, cadastral No 5601 501 0035);
 - the real estate located at Ārijas Elksnes iela 6A, Jēkabpils (Jēkabpils Town Land Register Division No 100000207869, cadastral No 5601 001 3564);
 - the real estate located at Ārijas Elksnes iela 6D, Jēkabpils (Jēkabpils Town Land Register Division No 100000569775, cadastral No 5601 001 0182);
 - the real estate located at Viršu iela 56D, Daugavpils (Daugavpils City Land Register Division No 100000566122, cadastral No 0500 031 0302);
 - the real estate located at Viršu iela 56 k-1, Daugavpils (Daugavpils City Land Register Division No 100000511734, cadastral No 0500 031 0001).

10. Investments in related companies

Company	% of equity interest as at 30/06/2022	Investment as at 30/06/2022	Investment appreciation in 01/07/2022-30/06/2023*	% of equity interest as at 30/06/2023	Investment as at 30/06/2023
SIA Bio Diesel Latvia	100	-	450 000	100	450 000
SIA ASNS Ingredient	98.9	247 136	1 200 000	99.2897	1 447 136
SIA ASNS Investment	100	3 134 800	-	100	3 134 800
SIA Latmalt	100	1 618 400	-	100	1 618 400
TOTAL:		5 000 336	1 650 000		6 650 336

*On 14 December 2022, the Cooperative paid EUR 1 200 000 into the share capital of its subsidiary SIA ASNS Ingredient. On 30 June 2023, the Cooperative revalued its investment in the subsidiary SIA Bio Diesel Latvija; the investment value was increased by EUR 450 000.

Financial information about subsidiaries:**Company (the financial year coincides with the calendar year)**

Period	Equity		Profit/(loss) for the year	
	31/12/2022	31/12/2021	2022	2021
SIA Bio Diesel Latvia (Eleja, Lietuvas iela 16A)	179 495	238 917	(59 422)	61 310
SIA ASNS Investment (Eleja, Lietuvas iela 16A)	3 441 644	3 538 588	(96 894)	497 539

Company (the financial year does not coincide with the calendar year)

Period	Equity		Profit/(loss) for the year	
	30/06/2023	30/06/2022	01/07/2022-30/06/2023	01/07/2021-30/06/2022
SIA Latmalt (Jaunsvirlauka pag., Valmju iesalnica)	1 701 956	1 580 872	86 665	44 086

Company (the financial year does not coincide with the calendar year)

Period	Equity		Profit/(loss) for the year	
	30/06/2023	31/12/2022	01/01/2023-30/06/2023	01/01/2022-31/12/2022
SIA ASNS Ingredient (Eleja, Lietuvas iela 16)	2 754 858	2 914 896	(160 038)	(485 108)

The management of the Cooperative has assessed the recoverability of the investments and has not identified any indications of impairment.

11. Other securities and investments

	30/06/2023	30/06/2022
Investment in SIA Latvijas Piens	1 766 391	1 766 391
Basic cooperative shares in other cooperative societies	21 335	21 392
Allowances for revaluation of non-current investments*	(1 371 634)	(1 371 634)
TOTAL:	416 092	416 149

*Allowances for revaluation of investments in SIA Latvijas Piens.

12. Loans to related companies

	30/06/2023	30/06/2022
SIA ASNS Investment	3 122 500	2 522 500
SIA Latmalt	800 000	-
SIA Bio Diesel Latvia	-	667 060
SIA ASNS Ingredient	886 386	643 266
TOTAL:	4 808 886	3 832 826

The loan granted to SIA ASNS Ingredient matures on 31 December 2023, to be capitalized by the same date. The loan to SIA ASNS Investment matures on 11 August 2024, the loan to SIA Bio Diesel Latvija is repayable on 30 June 2024, and the loan issued to SIA Latmalt matures on 31 December 2026. The loans are not secured and are interest-bearing.

13. Other loans and non-current receivables

	30/06/2023	30/06/2022
Other loans and agreements*	-	1 724 875
TOTAL:	-	1 724 875

*This caption represents loans granted for specific projects and the non-current portion of receivables from the sale of property, plant and equipment. The maturities vary beyond 30 June of the following year, but not longer than five years.

14. Inventories

	30/06/2023	30/06/2022
Finished goods and goods for sale, incl.:	27 549 963	22 848 204
- finished goods and goods for sale	27 549 963	20 153 322
- prepaid expense related to financial instruments	-	2 694 882
Prepayments for goods	1 309 446	1 325 995
Raw materials and consumables	35 801	76 859
Allowances for goods for sale	(1 086 081)*	(273 752)
TOTAL:	27 809 129	23 977 306

*Inventories are stated at the lower of cost and net realizable value.

15. Trade receivables

	30/06/2023	30/06/2022
Trade receivables	56 090 225	72 166 147
Allowances for doubtful receivables	(1 586 901)	(1 620 397)
TOTAL:	54 503 324	70 545 750

16. Receivables from related companies

	30/06/2023	30/06/2022
Loan issued to SIA Bio Diesel Latvia	534 309	-
TOTAL:	534 309	-

The loan matures on 30 June 2024.

17. Other receivables

	30/06/2023	30/06/2022
Other current loans*	826 170	1 019 847
Security deposits paid	20 426	20 451
VAT unpaid to suppliers	-	7 546
Allowances for doubtful receivables	(824 402)	(908 480)
TOTAL:	22 194	139 364

*Other current loans chiefly represent the current portion of deferred receivables from the members of the Cooperative and deferred restructured receivables from buyers of agricultural raw materials, which are payable based on an agreement over a period not exceeding 12 months after the balance sheet date.

18. Prepaid expense

	30/06/2023	30/06/2022
Real estate tax	26 902	20 313
Annual leaves	17 440	16 178
Employee health and life insurance	11 239	11 239
Other	1 646	-
TOTAL:	57 227	47 730

19. Accrued income

	30/06/2023	30/06/2022
Accrued income from price corrections/surcharges	85 000	7 609
TOTAL:	85 000	7 609

20. Cash

Cash in foreign currencies is translated into the euro at the rate fixed by the European Central Bank on 30 June 2023.

	30/06/2023	30/06/2022
Cash and cash equivalents	1 947 495	2 725 093
TOTAL:	1 947 495	2 725 093

21. Share capital

As at 30 June 2023, the cooperative share capital amounted to EUR 773 136 and consisted of 293 698 basic cooperative shares (at the beginning of the year: 283 250) and 250 764 additional cooperative shares (at the beginning of the year: 221 150). The par value of each share is EUR 1.42. All the shares are fully paid.

	30/06/2023	30/06/2022
Basic cooperative shares	417 051	402 215
Participation capital	356 085	314 033
TOTAL:	773 136	716 248

22. Reserves under the Articles of Association

	30/06/2023	30/06/2022
Contributions of cooperative shares made by candidate members	3 550	3 195
TOTAL:	3 550	3 195

23. Other reserves

	30/06/2023	30/06/2022
Other reserves at the beginning of the reporting period	22 449 859	19 406 018
Retained earnings/(accumulated loss) transferred to reserves	3 223 965	3 043 841
Acquired from the merger with KUZIKS LPKS	2 421	-
TOTAL:	25 676 245	22 449 859

Other reserves consist of reserves created from the previous years' profits and other reserves (funding from quota contracts).

In June 2023, dividends for the financial year 2021/2022 amounting to EUR 500 000 were declared and distributed to the members of the Cooperative.

The Board suggests that a profit of EUR 2 729 673 earned by the Cooperative LATRAPs for the financial year 2022/2023 and a profit of EUR 163 293 acquired from LPKS Kuziks as a result of the acquisition be used as follows:

- a portion of EUR 550 000 be distributed among the members of the Cooperative,
- a portion of EUR 2 342 966 be transferred to other reserves under equity for further development of the Cooperative.

The transferred net assets of LPKS KUZIKS at the time of the acquisition consisted of the following:

	Carrying amount upon acquisition, EUR
Real estate (land, buildings, constructions, etc.)	1 708 203
Equipment and machinery	740 968
Other fixtures and fittings, tools and equipment	235 891
Construction in progress	2 630 849
Leasehold improvements	755
Other securities	355
Raw materials	234
Prepayments for goods	1 184
Trade receivables	245 966
Prepaid expense	1 646
Cash	35 384
Other loans (non-current)	(520 415)
Loans from credit institutions (non-current)	(2 634 870)
Other loans (current)	(698 000)
Trade payables	(110 395)
Accrued liabilities	(31 649)
Other liabilities	(751)
Taxes payable	(1 068)
Deferred income	(886 643)
Difference	717 644

The difference is recognized under equity as follows:

The share capital of EUR 1 874 and the participation capital of EUR 1 761 are included in the share capital of LPKS LATRAPs.

Other reserves amounting to EUR 2 421 are included in other reserves.

Retained earnings of EUR 711 588, which comprise retained earnings brought forward and the profit for 2022, are recognized as retained earnings and the profit for the reporting year (LPKS KUZIKS).

24. Other provisions

	30/06/2023	30/06/2022
Delivery surcharges	359 725	320 960
TOTAL:	359 725	320 960

25. Non-current bond-secured loans

	30/06/2023	30/06/2022
Bond-secured loans	2 501 000	3 132 000
TOTAL:	2 501 000	3 132 000

Closed-end bond issue, where a public offer was made only to the members and employees of LATRAPs. The maturity of the loans against the bonds is limited to five years (the maximum time limit: December 2025).

26. Non-current loans from credit institutions

Non-current:	Maturity	30/06/2023	30/06/2022
Loan from AS Luminor banka*	EUR 30/04/2024	-	1 793 832
TOTAL :		-	1 793 832

*For collateral see Note 9.

27. Other non-current loans

	30/06/2023	30/06/2022
Non-current loans from members*	4 440 000	4 240 000
Luminor LTzings SIA, leases	314 591	314 591
Swedbank LTzings SIA, leases	18 983	18 982
TOTAL:	4 773 574	4 573 573

*Non-current loans from members are intended to support the Cooperative's business activities and mature in less than five years (until 30 December 2024). During the reporting year, there were additional new loan agreements signed.

Lease agreements are for the purchase of property, plant and equipment and mature in less than six years. The portion of lease payments maturing in more than five years totals EUR 0.

28. Non-current deferred income

	30/06/2023	30/06/2022
EU funding	5 680 296	3 879 520
Funding under quota contracts	1 023 314	1 039 739
TOTAL:	6 703 610	4 919 259

The portion of EU funding to be recognized as revenue over a period of more than five years is EUR 4 180 406 (30 June 2022: EUR 2 181 304). The monitoring period for projects is five years from the date of funding receipt.

The funding under quota contracts is received both in cash and through offsetting the Cooperative's debts.

29. Current bond-secured loans

	30/06/2023	30/06/2022
Bond-secured loans	631 000	-
TOTAL:	631 000	-

Bonds mature in December 2023.

30. Current loans from credit institutions

Loans mature on 30 April 2024. The maximum credit line limit varies by periods, and it was EUR 55 000 000 as at 30 June 2023. The Cooperative's liabilities are secured by a commercial pledge on the borrower's aggregate property at the time of the pledge. The list of pledged real estate is given in Note 9. The management believes in the absence of any obstacles to extend the credit line agreement upon its expiry.

	30/06/2023	30/06/2022
Loan from Luminor banka	33 670 326	44 837 967
TOTAL:	33 670 326	44 837 967

31. Other current loans

	30/06/2023	30/06/2022
SIA Luminor Lzings	76 576	236 267
SIA Luminor Lzings Latvija	-	5 167
SIA Swedbank Lzings	1 554	10 540
TOTAL:	78 130	251 974

Other current loans represent leases of property, plant and equipment with a maturity of less than one year.

32. Other liabilities

	30/06/2023	30/06/2022
Wages and salaries	269 928	207 269
Other liabilities	307 546	32 124
TOTAL:	577 474	239 394

33. Current deferred income

	30/06/2023	30/06/2022
EU funding, current portion	430 339	339 644
Deferred income from financial instruments	623 480	-
Other income	579 282	-
TOTAL:	1 633 101	339 644

34. Accrued liabilities

	30/06/2023	30/06/2022
Provisions for staff bonuses	563 458	455 296
Vacation pay reserve	483 897	375 194
Accrued bond coupon payments	316 284	172 814
Accrued liabilities	53 160	95 404
TOTAL:	1 416 799	1 098 708

35. Related party disclosures

In 2022/2023, the subsidiaries of LATRAPs are regarded as related parties.

Income	01/07/2022- 30/06/2023 (EUR)	01/07/2021- 30/06/2022 (EUR)
Rendering of services		
- SIA Bio Diesel Latvia	632	513
- SIA Latmalt	80 992	75 806
- SIA ASNS Ingredient	1 604	3 661
- SIA ASNS Investment	540	460
Interest income		
- SIA Latmalt	5 923	-
- SIA ASNS Investment	79 522	93 259
- SIA Bio Diesel Latvia	17 253	20 230
- SIA ASNS Ingredient	13 536	7 028
Goods and property, plant and equipment		
- SIA Latmalt	1 185 848	979 973
- SIA ASNS Ingredient	-	78 312
TOTAL:	1 385 850	1 259 242

In addition, loans were issued to the subsidiaries in the financial year 2022/2023. See Note 12.

36. Commitments and contingencies

Off-balance sheet liabilities and assets

In accordance with agreements existing as at 30 June 2023, the Cooperative has commitments for the purchase of grain and rapeseed. The Cooperative does not disclose detailed information on volumes, this being a business secret.

Operating leases

The Cooperative has entered into operating lease agreements. According to the existing operating leases, the Cooperative will be required to make the following lease payments in subsequent years:

Maturing	30/06/2023	30/06/2022
In less than one year	145 242	84 889
Between one and five years	212 877	125 576
Total:	358 119	210 465

Legal claims

The Cooperative is not involved in any court cases initiated against LATRAPs. The Cooperative has brought three proceedings for recovery of a total of EUR 1 054 920.

38. Events after balance sheet date

In July 2023, SIA Bio Diesel Latvija made full repayment of the loan amounting to EUR 534 309 to the Cooperative. The Cooperative issued an additional loan for an amount of EUR 300 000 in July 2023 and EUR 200 000 in November 2023 to SIA ASNS Ingredient.

As of the last day of the reporting year until the date of signing these financial statements there have been no other events requiring adjustment of or disclosure in the financial statements or notes thereto.

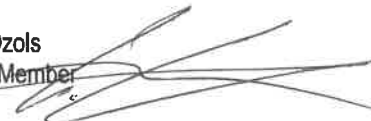
Roberts Strīpnieks
Chairman of the Board



Gundars Ruža
Board Member



Ģirts Ozols
Board Member



Ginta Briede
Board Member



Ilga Anita Bērzkalna
Board Member



Diāna Bērzniece
Chief Accountant



1 December 2023

Translation from Latvian

INDEPENDENT AUDITORS' REPORT

To the Members of LATRAPŠ LPKS

Opinion

We have audited the accompanying financial statements of LATRAPŠ LPKS (the Company) set out on pages 6 to 30 of the accompanying annual report, which comprise the balance sheet as at 30 June 2023, and the statement of profit or loss, statement of changes in equity and statement of cash for the period from 1 July 2022 through 30 June 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of LATRAPŠ LPKS as at 30 June 2023, and of its financial performance and its cash flows for the for the period from 1 July 2022 through 30 June 2023 in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the independence requirements included in the Law on Audit Services of Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the Law on Audit Services of Republic of Latvia and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on other information

Management is responsible for the other information. The other information comprises:

- the General information about the Company as set out on page 3 of the accompanying Annual Report;
- the Management Report as set out on pages 4 to 5 of the accompanying Annual Report.

Other information does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

We have other reporting responsibilities in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report. These additional reporting responsibilities are beyond those required under the ISAs.

Our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the Law on the Annual Reports and Consolidated Annual Reports of the Republic of Latvia.



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Based solely on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ERNST & YOUNG BALTIC SIA
Licence No. 17

Diāna Krišjāne
Chairperson of the Board

Dace Negulinere
Latvian Certified Auditor
Certificate No. 175

Riga, 1 December 2023